



IMPRESA

Sociedade Gestora de Participações Sociais, SA.

Lisbon, 27th October 2003

Press Release: IMPRESA, 3rd Quarter 2003 Report

1. Main Events in 3rd quarter

- **IMPRESA's consolidated revenues for the first 9 months of 2003 increased by 5,3% year-on-year, to 184.3 M€.**
- **The 2003 3rd quarter saw an 11.8% increase in revenues year-on- year, with a 7.7% increase in advertising revenues.**
- **Consolidated EBITDA stood at 22.5 M€ in September 2003, compared with 1.44 M€ in September 2002. Consolidated EBITDA margin was 12.2% for September 2003 in contrast to the 0.8% recorded in September 2002.**
- **Operating profit (EBIT) rose to 4.2 M€ from an operating loss of 17.8 M€ in September 2002**
- **Results before taxes and minority interests improved from a loss of 32.4 M€ M in September 2002, including a goodwill charge of 7.3 M€, to a loss of 8.8 M€ in September of 2003, which includes a goodwill of 8.1 M€ - an improvement of 72.7%.**
- **As of end September 2003, IMPRESA's net consolidated results were a negative 10.3 M€ against a negative 22.5 M€ posted in September of 2002.**



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Table 1. IMPRESA Consolidated P&L

	Sept 2003	Sept 2002	Change	3° Qt 2003	3° Qt 2002	Change
Total Revenues	184,374,865	175,070,462	5.3%	62,282,932	55,691,827	11.8%
Television	100,636,194	90,291,446	11.5%	32,353,572	26,738,578	21.0%
Newspapers	34,972,300	37,044,502	-5.6%	11,030,570	11,293,337	-2.3%
Magazines	52,131,877	49,740,962	4.8%	19,379,665	18,507,147	4.7%
Inter-segments	-3,365,506	-2,006,448	67.7%	-480,875	-847,235	-43.2%
Cash Costs	161,864,795	173,630,469	-6.8%	55,822,856	55,077,301	1.4%
EBITDA Consolidated	22,510,070	1,439,993	1463.2%	6,460,077	614,526	951.2%
EBITDA margin	12.2%	0.8%		10.4%	1.1%	
Television	12,472,529	-7,618,801	263.7%	2,825,564	-2,503,387	n.a
Newspapers	5,020,035	2,985,579	68.1%	1,447,670	802,148	80.5%
Magazines	6,149,913	7,092,450	-13.3%	2,633,368	2,404,793	9.5%
Holding Adjustments	-1,132,406	-1,019,234	11.1%	-446,525	-64,028	597.4%
Depreciations (-)	14,006,039	16,311,406	-14.1%	4,534,188	5,385,238	-15.8%
Provisions (-)	4,290,160	2,962,423	44.8%	1,049,812	967,631	8.5%
EBIT	4,213,871	-17,833,836	123.6%	876,077	-5,738,343	115.3%
Financial Results (-)	6,900,115	6,338,361	8.9%	3,037,866	2,218,652	36.9%
Goodwill(-)	8,121,793	7,317,795	11.0%	2,608,707	2,439,265	6.9%
Current Results	-10,808,037	-31,489,992	65.7%	-4,770,496	-10,396,260	54.1%
Extraordinary Results	1,939,357	-968,562	-300.2%	1,049,068	-2,224,132	-147.2%
Res. Before Taxes & Minorities	-8,868,680	-32,458,554	72.7%	-3,721,428	-12,620,392	70.5%
Income Tax (IRC)(-)	1,973,189	-3,332,540	n.a	308,199	-400,000	-177.0%
Minorities Interests (-)	-496,153	-6,623,608	n.a	-414,831	-1,200,000	n.a
Consolidated Net Profit	-10,345,716	-22,502,406	54.0%	-3,614,796	-11,020,392	67.2%

2. Review of consolidated financial statements

As of end-September, 2003, IMPRESA posted consolidated revenues of 184.4 M€, an increase of 5.3% on the first nine months of 2002. In the 3rd quarter, consolidated revenues increased by 11.8%, year-on-year, with 7.7% growth in advertising revenues in that same quarter.

At end-September, IMPRESA's consolidated operating expenses fell by 6.8%, representing savings of 11.8 M€.



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The group's cost-cutting program continued throughout the 3rd quarter. During these three months, there was a further elimination of 29 jobs, making for a total of 107 eliminated during the year, and a 6.7% reduction in the work force since year-end 2002. A total of euros 1.53 M€ was charged to earnings up to end-September, 2003.

The favorable trend in revenues and operating expenses up to September, 2003 made for substantial improvements at the consolidated EBITDA level, which stood at 22.5 M€, compared with the 1.4 M€ posted for the same period last year. During the 2003 3rd quarter, the EBITDA margin was raised to 10.4% from the 1.1% recorded for the 2002 3rd quarter.

Operating profit (EBIT) moved into positive territory, to 4.2 M€, whereas in September 2002 was standing at 5.7 M€.

Net interest income was a negative 6.9 M€, down 8.9% from September 2002, the result mainly of increased volatility in the US\$ exchange rate and the consequent increase in hedging expenses.

On the other hand, associated companies' (Vasp, Lusa and Portais Verticais) results improved, to a negative 1.1 M€, and were impaired only by restructuring charges incurred by Lusa, versus the 1.6 M€ registered in September 2002.

Net debt stood at 174.7 M€ at end-September. During the present month of October we are making preparations for the capital increase approved at the general meeting held on September 10, the proceeds of which are expected to be approximately 20 M€.

The gains posted at the operating level made for results before taxes and minority interests improved from a loss of 32.4 M€ M in September 2002, including a goodwill charge of 7.3 M€, to a loss of 8.8 M€ in September of 2003, which includes a goodwill of 8.1 M€ - an improvement of 72.7%.

Accordingly, IMPRESA posted a net loss of 10.3 M€ at end-September 2003, against a net loss of 22.5 M€ recorded in September of 2002.



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3. Advertising Market

"Open" television, which accounts for 52.7% of the total advertising spend, saw an increase of 8.4% up to the end of August. Press publications continued to be the laggards, although the non-daily segment deserves mention, with a modest 0.7% growth. The market posted a 3.8% increase overall.

Table 2. Evolution of Advertising Market

(values in M€)	Aug-03	Aug-02	Change y-o-y
Television	192,821	177,857	8.4%
Cable	10,454	9,332	12.0%
Daily Press	27,082	31,941	-15.2%
Non Daily Press	60,978	60,527	0.7%
Radio	24,252	23,075	5.1%
Outdoor	45,786	44,847	2.1%
CineM€ a	2,448	2,260	8.3%
Internet	1,804	2,412	-25.2%
Total M€ arket	365,625	352,251	3.8%

Source: APAP/Deloitte

4. Television

Table 3. SIC Indicators

(values in M€)	Sept 2003	Sept 2002	change (y-o-y)
Total Revenues	100,6	90,3	11,5%
Adverstising	74,1	67,9	9,0%
Merchandising	1,5	1,4	9,1%
SIC Internacional	1,03	0,9	18,8%
Thematic channels	19,4	16,4	19,0%
Others	4,6	3,7	22,9%
EBITDA Consolidated	12,5	-7,6	n.a.
Margin %	12,4%	-8,4%	

For the nine months up to September 30, 2003, SIC posted consolidated revenues of 100.6 M€, an 11.5% increase, year-on-year. The 3rd quarter saw revenue growth of 20.9% year-on-year, reflecting the renewed strength of advertising sales and increases posted in other areas.

Up to September, advertising revenues had grown by 9.0%, to which the positive trend in television advertising spending, improved prime-time audience numbers and the reduction



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of advertising minutes on RTP from the start of September all contributed. In the 3rd quarter, SIC's advertising revenues grew 15.9% year-on-year. All of these developments enabled us to claim a 41.6% share of total television advertising revenues up to the end of September, compared with 40.5% during the first nine months of 2002, and the 41% at the end of June 2003.

We continued to post strong growth in other revenues: with billings of 26.5 M€ under this heading, these grew by 35.6% in the 3rd quarter, making for a cumulative growth of 19.0% for the year so far, corresponding to a turnover of 26.5 M€. In addition to the growth shown by the cable channels, mainly after the start-up of the SIC Mulher channel in March of this year, we would highlight the revenues generated by SMS traffic combined with teletext. In the nine months to September, these revenues had reached 1 M€, tripling the full year's revenues for 2002.

Cumulatively, SIC reached an average audience of 30.2% up to September (including cable), remaining in the top position each month since May. The audience growth recorded during the summer months had a strong prime-time component: since the start of the year, SIC has gained approximately an 1% share in this vital viewing period.

SIC's cable channels remained among the most frequently viewed cable channels, accounting for 27.7% of average cable audiences. If on the one hand the SIC Notícias channel strengthened its leadership position among the cable channels, with an average audience of 16.5%, SIC Mulher gained audience share in every month, reaching its high point, at 3.7%, in September.

At the end of the 3rd quarter, operating expenses had fallen by 9.3%, reflecting savings of 10 M€. We would emphasize that this favorable trend was achieved in spite of the start-up costs of the SIC Mulher channel, the additional costs incurred with coverage of the war in Iraq and with the start-up of SIC Indoor.

Revenue growth, combined at the same time with reduced expenses enabled us to improve the EBITDA of our television station. By end-September, EBITDA stood at 12.5 M€, making for a margin of 12.4% as compared with a negative value in September of 2002. SIC's EBITDA margin stood at 8.7% in the 2003 3rd quarter (3rd quarter 2002, was 9.4%).

However, the gains posted at the operating level were not enough to keep SIC in profit during the 3rd quarter, this attributable to the seasonal nature of advertising and reflected in a net loss of 930,000 euros. The 2002 3rd quarter saw a loss of 14.2M€. Losses posted up to September will be recovered during the 4th quarter.



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5. Newspapers

Table 4. Newspapers Indicators

(values in M€)	Sept 2003	Sept 2002	Change (y-o-y)
Total Revenues	34,97	36,95	-5,6%
Advertising	22,29	25,2	-11,9%
Newspaper Sales	11,58	10,7	8,3%
Other	1,1	1,05	3,8%
EBITDA Consolidated	5,02	2,98	68,1%
% Margin	14,4%	8,1%	

The summer months saw some improvement in the newspaper area, mainly in advertising revenues. Total consolidated revenues reached 34.9 M€ by September 2003, reflecting a 5.6% decline.

In this 3rd quarter, advertising revenues declined by no more than 4.3%, with this trend bucked by Expresso, which posted a growth of 3%. This partly made up for the decline posted by Jornal da Região, following the discontinuation of some editions. Among the improvements worth mentioning was the performance of Expresso's classified section, along with a cumulative 13.2% fall in revenues, that paper's traditional advertising grew by 1% during the quarter.

At the same time, newspaper sales rose by 9.2% during the 3rd quarter. Circulations show a negative evolution, which was more than compensated with the cover prices rises. In the case of Expresso, circulations dropped 2.6% to 137,551 newspapers.

Operating expenses were reduced by 12.1% over the period. Despite this favorable trend restructuring continued throughout the 3rd quarter; the reorganization of Jornal da Região continued, as did the consolidation of the newspapers' and magazines' pre-press areas. These efforts involved a 16.1% reduction in the head-count between year-end 2002 to last September. Restructuring charges to date stand at 959,000 euros.

Restructurings to date, a tight control of costs and lower paper prices have more than made up for declining revenues. Hence we saw a 68.1% increase in EBITDA, to 5.0 M€ at the end of the quarter, reflecting an EBITDA margin of 14.4% at end-September, whereas in September 2002 stood at 8.1%.

The newspaper segment finished the 3rd quarter with a net profit of 1.6M€, against a loss of 0.55 M€ for September 2002, thus making a further contribution to a improved consolidated result.



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6. Magazines

Table 5. Magazines Indicators

(values in M€)	Sept 2003	Sept 2002	Change (y-o-y)
Total Revenues	52,1	49,7	4,8%
Advertising	22,1	22,1	0,0%
Magazines Sales	28,7	26,96	6,4%
Others	1,347	0,7	101,4%
EBITDA Consolidated	6,14	7,09	-13,3%
% Margin	11,8%	14,3%	

The magazine segment resumed its revenue growth in the 3rd quarter, mainly in circulation. Total 3rd quarter revenues rose by 4.7%, with a cumulative increase of 4.8%, to 52.1 M€.

The recovery in circulation revenues in the 3rd quarter, which rose 4.5%, gave a 6.4% boost to 3rd quarter numbers, to 28.7 M€. The magazines Exame Informatica, Cosmopolitan, Super Interessante and Activa continued to show gains in circulation numbers. The cover prices increases made also contributed to growing revenues.

Various magazine launches in the "popular" and "television" segment by competing publishers came on stream initially at the expense of the circulations and sales of Edimpresa's magazines in these segments; however, measures subsequently taken have enabled us to reverse this trend.

Advertising revenues continued to show no signs of recovery in this segment; being flat for the year by end-September.

Increased sales of publications, various promotions, relaunches and launches of new publications all involved increased marketing and production costs. By end-September, operating expenses were up by 7.6%, including restructuring charges of 456,000 euros.

The recovery in publication sales in the 3rd quarter made for an approximate 0.5% improvement in the EBITDA margin over the same period last year. This stood at 11.8% at end-September 2003. On a cumulative basis, operating cash-flow was down by 13.3%, to 6.1 M€.

Net earnings - even though burdened by the interest charges incurred in our acquisition of a 33.3% stake in Edimpresa and the attendant goodwill amortization - returned to positive territory, standing at 380,000 euros by end-September.

In September, Edimpresa resumed its launching of new publications, with three in that month alone ((Boa Mesa, Disney Cozinhas and Nintendo), with two more in October, namely, "Doze" and "Witch".

7. Perspectives for 2003

Favorable developments up to end-September encourage us to reiterate, this time more confidently, our expectation of IMPRESA's ability to reach, or even surpass, the goals we set for ourselves at the start of the current year.

The advertising Market should grow by between 3 and 4% in 2003. The television advertising spend should continue to lead the recovery, while the magazine and newspaper areas should confirm recovery signs shown during the 3rd quarter. Sales of publications and other revenues should also continue to make their contribution to the growth of total revenues.

Accordingly, consolidated revenues should grow by at least 5%, to more than 263 M€. A stronger revenue stream, combined with the anticipated cost reductions, will enable us to obtain an EBITDA margin of at least 16%, assuring positive results before taxes and goodwill amortization by year-end 2003.

Lisbon, 27th October 2003

By the board of directors

José Freire
Director Investor Relations