IMPRESA
Sociedade Gestora de Participações Sociais, SA.

## Lisbon, July 24th 2006

# Press Release: IMPRESA Accounts 2nd Quarter 2006

### Main facts in 2nd quarter 2006

- With expected sale of the printer Imprejornal to be concluded during the 2nd semester, it was excluded and from the 1st semester accounts. All the comparisons will be versus the June 2005 pro-forma accounts, which excluded Imprejornal and the free-sheets operations, the latter being sold last April.

- Total Revenues of 73.4 M€, a 1% decline y-o-y, while worth mentioning the main variations resulting from:
    - Rise of ad revenues by 0.3%, with positive performance from television and magazines.
    - Fall in publication sales of 20.8%, while associated products rose 14.9%
    - Thematic channels decrease by 9.6%.
    - Gain of 48.1% of Multimedia revenues.
    - Gain of 45.9% of other revenues.

- EBITDA margin of 18.7%, against 27.5% pro-forma June 2005. EBITDA reached 13.7 M€ on the 2nd quarter.

- Net profits of 6.85 M€, a decrease of 41.2% on the 2nd quarter.

### Table 1. Main Indicators of 2nd quarter 2006

| (Values in 000 €) | Jun-06 | Jun-05 (pro-forma) | Jun-05 | ch(%) | 2nd Qt 06 | 2nd Qt 05 (pf) | ch(%) |
|---|---|---|---|---|---|---|---|
| **Total Revenues** | **126.655** | **134.993** | **134.993** | **-6,2%** | **73.459** | **74.173** | **-1,0%** |
| **Advertising** | 84.883 | 87.667 | 88.753 | -3,2% | 51.675 | 51.505 | 0,3% |
| **Publication Sales** | 15.420 | 18.044 | 18.044 | -14,5% | 7.432 | 9.389 | -20,8% |
| **Thematic channels** | 15.029 | 15.652 | 15.652 | -4,0% | 7.308 | 8.081 | -9,6% |
| **Ad-on Products** | 5.632 | 6.346 | 6.346 | -11,2% | 3.691 | 3.214 | 14,9% |
| **Multimedia** | 2.871 | 3.849 | 3.849 | -25,4% | 1.651 | 1.115 | 48,1% |
| **Others** | 3.757 | 2.893 | 3.436 | 29,8% | 2.252 | 1.543 | 45,9% |
| TV Revenues | 80.793 | 85.733 | 85.733 | -5,8% | 47.574 | 46.741 | 1,8% |
| Newspaper Revenues | 27.129 | 28.867 | 30.497 | -11,0% | 15.019 | 15.699 | -4,3% |
| Magazines Revenues | 19.670 | 21.480 | 21.480 | -8,4% | 11.416 | 12.631 | -9,6% |
| **EBITDA** | **18.916** | **29.163** | **29.697** | **-36,3%** | **13.757** | **20.399** | **-32,6%** |
| **Margin EBITDA** | **14,9%** | **21,6%** | **22,0%** | | **18,7%** | **27,5%** | |
| **EBITDA Television** | 13.112 | 22.681 | 22.681 | -42,2% | 9.855 | 15.007 | -34,3% |
| **EBITDA Newspaper** | 5.515 | 6.591 | 7.125 | -22,6% | 3.379 | 3.983 | -15,1% |
| **EBITDA Magazines** | 1.100 | 1.838 | 1.838 | -40,2% | 883 | 1.465 | -39,8% |
| **EBIT Consolidated** | **15.151** | **25.159** | **25.268** | **-40,0%** | **11.897** | **18.463** | **-35,6%** |
| **Margin Ebit** | **12,0%** | **18,6%** | **18,7%** | | **16,2%** | **24,9%** | |
| **Net Profits** | **7.021** | **15.178** | **15.223** | **-53,7%** | **6.856** | **11.661** | **-41,2%** |
| **Net Debt (M€)** | **215,4** | **221,0** | **221,0** | **-2,6%** | **215,4** | **221,0** | **-2,6%** |

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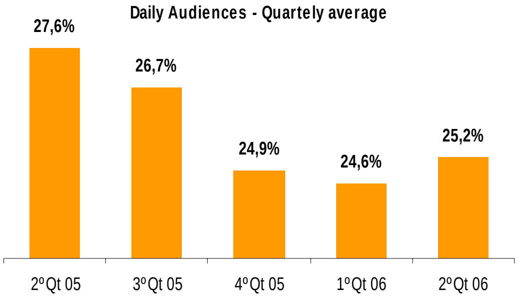
## 2. Television

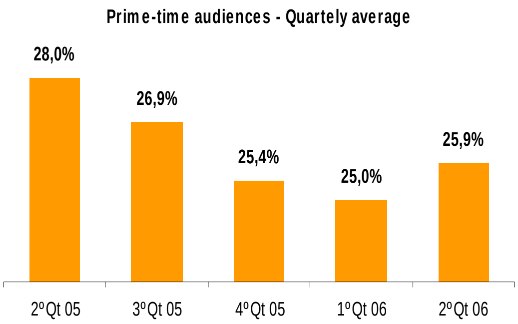
### Table 2. SIC Main Indicators

| | Jun-06 | Jun-05 | ch % | 2nd Qt 06 | 2nd Qt 05 | ch % |
|---|---|---|---|---|---|---|
| **Total revenues** | **80.792.717** | **85.732.634** | **-5,8%** | **47.574.259** | **46.740.935** | **1,8%** |
| Advertising | 59.136.218 | 63.195.808 | -6,4% | 36.363.439 | 36.143.626 | 0,6% |
| Thematic channels | 15.028.551 | 15.652.093 | -4,0% | 7.308.078 | 8.080.971 | -9,6% |
| Others | 6.627.948 | 6.884.732 | -3,7% | 3.902.742 | 2.516.338 | 55,1% |
| **EBITDA** | **13.111.693** | **22.681.420** | **-42,2%** | **9.855.328** | **15.007.322** | **-34,3%** |
| **EBITDA (%)** | **16,2%** | **26,5%** | | **20,7%** | **32,1%** | |
| **Res before taxes** | 9.913.173 | 18.363.573 | -46,0% | 8.634.209 | 12.712.793 | -32,1% |

Note: SIC channels comprise SIC Notícias, SIC Radical, SIC Mulher, SIC Comédia, SIC International and the international subscribers of SIC Notícias.

On the 2nd quarter 2006, SIC total revenues rose 1.8%, with the accumulated turnover at the end of June showing a decline of 5.8%. The recovery registered over the 2nd quarter was due the improvement in advertising revenues (0.6%) and from other revenues (55.1%).




TV advertising revenues showed 0.3% increase y-o-y in the 2nd quarter, although, overall daily audiences dropped 8.7% y-o-y. This performance in the advertising revenues was due to the positive contribution of World Cup Germany 2006 and Rock-in-Rio event.

On the 2nd quarter, SIC recorded the highest audiences, in the daily and prime-time slot's, for last 9 month's. SIC's average audience, at end of June, stood at 24.9%.

The introduction of the new shows has helped to invert the audiences declining trend. The release of the new Portuguese soap "Floribella" was the main responsible for this recovery, while becoming the most watched show of the station and being a daily presence in the national top five. The coverage of the Rock-in-Rio event and the transmission of 14 soccer games (9 in June and 5 in July) of the World Cup also helped the rising audiences, and helped the main objective which was to re-launch the station.

The revenues from the SIC channels declined 9.6% on the $2^{nd}$ quarter, affected in the year-on-year comparison by the adjustment in the subscribers numbers made on the $3^{rd}$ quarter 2005. The international revenues of SIC Internacional and Notícias rose (+13% on the 2nd quarter), thus partially compensated the lower growth of the local cable channels,.


The other revenues rose of 55.1%, on the $2^{nd}$ quarter, with strong performances from Multimedia, Merchandising and from GMTS (technical services). The merchandising related with "Floribella" still had a small impact on the $2^{nd}$ quarter, but already in July its CD become 5 times platinum record.

The operating costs rose 7.3% by the end of the $1^{st}$ semester 2006, with a rise in programming costs due to the World Cup and Rock-in-Rio events, and the rise in the other activities. As a result of the measures taken at the end of 2005, personnel costs dropped 5.8%.

The EBITDA dropped 34.3%, corresponding to 20.7% margin for the $2^{nd}$ quarter.

The unfavourable operational evolution, forced a drop in SIC profits before taxes, which ended the 2nd quarter with 8.6 M€, and the results up to June stood at 9.9 M€.

# 3. Newspapers

### Table 3. Newspapers Main Indicators

| | Jun-06 | Jun-05 (pf) | Jun-05 | ch % | 2nd Qt 06 | 2nd Qt 05 (pf) | ch % |
|---|---|---|---|---|---|---|---|
| **Total revenues** | **27.129.248** | **28.867.494** | **30.497.205** | **-6,0%** | **15.018.610** | **15.748.685** | **-4,6%** |
| Advertising | 17.653.073 | 17.575.907 | 18.662.749 | 0,4% | 10.231.678 | 10.332.064 | -1,0% |
| Circulation | 6.913.934 | 7.580.085 | 7.580.085 | -8,8% | 3.299.095 | 3.807.884 | -13,4% |
| Others | 2.562.240 | 3.711.502 | 4.254.371 | -31,0% | 1.487.837 | 1.608.737 | -7,5% |
| **EBITDA** | **5.515.416** | **6.590.832** | **7.125.424** | **-16,3%** | **3.379.483** | **3.983.030** | **-15,2%** |
| **EBITDA (%)** | **20,3%** | **22,8%** | **23,4%** | | **22,5%** | **25,3%** | |
| Res before taxes | 5.099.067 | 6.030.478 | 6.018.972 | -15,4% | 3.113.029 | 3.801.905 | -18,1% |

Note: The pro-forma June 2005 and 2nd quarter accounts are adjusted for for the sale of Publiregiões and the descontinuation of Imprejornal, which sale is now predicted to occur in the 2nd semester 2006.

On the 2nd quarter, the main fact in the newspaper area is the sale of free-sheet "Jornal da Região", with the sale occurring last April. The 2nd fact, which has been announced previously, during the 2nd semester the printer Imprejornal will be sold, thus is not included in the 1st semester consolidation. All the comparisons will be versus the June 2005 pro-forma accounts.


The other event of the 2nd quarter was the profound makeover of the music weekly Blitz, because of which it was not produced over the month of May, loosing those ad and circulation revenues. At the end of June, the new Blitz was launched as monthly music magazine.

In 2nd quarter 2006, the total turnover dropped 4.6%, with a decrease in advertising and newspaper sales, which was not compensated by higher associated products sales, which is the bulk of other revenues.

The advertising revenues declined 1.0% on the 2nd quarter. The performance of the 2nd quarter was affected by occurrence of the Easter holidays and high number of bank holidays in the months of April and June. So the positive performance of classifieds advertising was not able to compensate the worst performance from the display advertising and the other publications.

The circulation revenues dropped by 13.4% y-o-y on the 2nd quarter 2006, with lower titles sales with the exception of SurfPortugal. Also, the Blitz makeover affected the circulation sales over the 2nd quarter.

At the end of 2nd quarter 2006, the other revenues dropped 7.5%, although associated products revenues had an increase for the 2nd quarter.

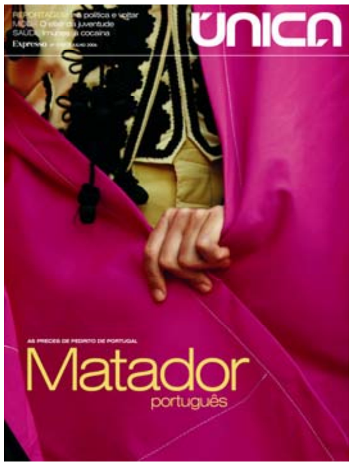
The operating costs rose by 1.1% on the 2nd quarter, mainly due to the restructuring costs, which rose to 249,000 euros (total of 391,000 at end of semester), and the launch costs of the new Blitz. Without the restructuring, the operating costs would have dropped 4.7% by the end of the 1st semester.

The revenues and costs evolution, plus the restructuring costs, has pushed down the EBITDA by 15.2% on the 2nd quarter 2006 y-o-y. The EBITDA margin stood at 22.5% on the 2nd quarter and 20.3% at end of June 2006.

At the end of the 1st semester 2006, the profits before taxes stood at 5.1 M€, almost 15.4% lower below the ones registered on pro-forma June 2005.

**Upcoming events**

Meanwhile, the renovation of Expresso is on-going, after the new editorial team was put in charge, with entry of new journalists. The magazines supplements "Unica" and "Actual" were launched on July 1st. By the end of the 3rd quarter, the new Expresso will launched, in a smaller "berliner" format, new editorial layout and in full colour.

# 4. Magazines

Table 4. Magazines Main Indicators

| | Jun-06 | Jun-05 | ch % | 2nd Qt 06 | 2nd Qt 05 | ch % |
|---|---|---|---|---|---|---|
| **Total revenues** | **19.669.796** | **21.480.036** | **-8,4%** | **11.416.182** | **12.630.665** | **-9,6%** |
| Advertising | 8.093.718 | 7.981.745 | 1,4% | 5.079.794 | 5.029.193 | 1,0% |
| Circulation | 8.505.900 | 10.463.964 | -18,7% | 4.133.076 | 5.580.706 | -25,9% |
| Others | 3.070.179 | 3.034.328 | 1,2% | 2.203.312 | 2.020.766 | 9,0% |
| **EBITDA** | **1.100.205** | **1.838.454** | **-40,2%** | **882.722** | **1.465.502** | **-39,8%** |
| **EBITDA (%)** | **5,6%** | **8,6%** | | **7,7%** | **11,6%** | |
| **Net profits** | **505.581** | **877.761** | **-42,4%** | **481.898** | **852.394** | **-43,5%** |

Note: The numbers in the above table relate to 50% of the numbers posted by EDIMPRESA and reflects IMPRESA's 50% stake.

On the 2nd quarter 2006, the total EDIMPRESA revenues dropped 9.6%, mainly due to lower magazines sales. Up to end of June 2006, turnover declined 8.4% to 19.7 M€

The advertising revenues rose 1% on the 2nd quarter 2006, with good performances from of the main magazines, like Visão, Caras, and Exame, but affected by a quarter with big number of bank holidays.



The circulation revenues dropped 25.9% on the 2nd quarter y-o-y, with fall across all the publications range, and following the general market trend.

At the end of 2nd quarter 2006, new magazine called "World Business" was launched, joining "Stuff" launched in March. Already in July, a new teenager magazine "Power Rangers" was launched.

Over the 2nd quarter, there was recovery in the launch of new add-on products. Thus, after a decline of 27.7% on the 1st quarter, a gain of 9% was recorded over in the 2nd quarter 2006.

On this segment, operating costs have fallen by 5.7% on the 2nd quarter, mainly due lower number of marketing actions, less launch costs as well as lower variable costs.

With the fall in revenues, the EBITDA dropped to 883,000 euros on the 2nd quarter, which represents a margin of 7.7%.

EDIMPRESA finished the 1st semester 2006 with positive results of 0.5 M€, against 0.87 M€ of June 2005, a decline of 42.4% year-on-year.

# 5. Consolidated Accounts

The principal fact on the 2nd quarter 2006 was the sale of the free-sheets operation in April. Also with expected sale of the printer Imprejornal to be concluded during the 2nd semester, this asset was excluded from the consolidation process of the newspaper segments. All the comparisons will be versus the June 2005 pro-forma accounts, which have been adjusted for these two cases.

In 2nd quarter 2006, IMPRESA total revenues reach 73.4 M€, representing a 1% y-o-y decline. On the end of the semester, total revenues stood at 126.6 M€, less 6.2% versus June 2005. In relation to 2nd quarter 2006, worth mentioning the positive variations resulting from:

- Rise of the advertising revenues by 0.3%, with a positive performance by television and magazines.
- Publication sales decrease by 20.8%, while associated products rose 14.9%.
- Revenues of thematic channels declined 9.6%, due to adjustment in subscriber's number done by TV Cabo in 3rd quarter 2005.
- Gaining momentum in multimedia, with rise 48.1%.
- Gain of 45.9% on other revenues, mainly driven by merchandising and technical services revenues.

On 2nd quarter, IMPRESA saw a rise of 11% in the total operating costs, on the back of higher programming costs with the Germany 2006 World Cup and Rock-in-Rio event, as well as the growth of merchandising and technical services activities. Nevertheless, the personnel costs continued to show a 9.3% fall at the end of the 1st semester. The restructuring costs have reached 414,000 euros by end of the semester, mainly on the newspapers area. Also, lower associated products costs due to lower sales on the semester.

On the 2nd quarter 2006, the IMPRESA EBITDA stood at 13.7 M€, which is 32.6% lower than the one registered in June 2005.

The operating results (EBIT) dropped by a 35.6%, to 11.9 M€. The EBIT margin stood at 16.2% in the 2nd quarter.

The financial results improved by 22.6%, reaching 2.2 M€ in the 2nd quarter. This improvement is explained by the reduction of the net debt level's and a rise on forex gains. Also, there was a smaller contribution by the equity consolidated companies.

At the end of the first semester, total net debt level stood at 215.4 M€, a reduction of almost 6 M€ versus June 2005.

The net profits for the 2nd quarter 2006 stood at 6.85 M€, a 41.2% decline. On the end of the first semester, the net profits stood at 7.02 M€, a decline of 53.7% versus June 2005.

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## Table 5. IMPRESA Consolidated Accounts

| | Jun-06 | Jun 05 (pf) | Jun-05 | ch (%) | 2nd Qt 2006 | 2nd Qt 2005 (pf) | ch (%) |
|---|---|---|---|---|---|---|---|
| **Total revenues** | **126.654.505** | **134.992.790** | **136.622.501** | **-6,2%** | **73.459.225** | **74.172.832** | **-1,0%** |
| Television | 80.792.717 | 85.732.634 | 85.732.634 | **-5,8%** | 47.574.259 | **46.740.935** | **1,8%** |
| Newspapers | 27.129.248 | 28.867.494 | 30.497.205 | **-6,0%** | 15.018.610 | **15.748.685** | **-4,6%** |
| Magazines | 19.669.796 | 21.480.036 | 21.480.036 | **-8,4%** | 11.416.182 | **12.630.665** | **-9,6%** |
| Inter-segments | -937.256 | -1.087.374 | -1.087.374 | **13,8%** | -549.826 | **-947.452** | **-42,0%** |
| **Cash costs** | **107.738.902** | **105.830.217** | **106.925.336** | **1,8%** | **59.702.322** | **53.773.999** | **11,0%** |
| **Total EBITDA** | **18.915.603** | **29.162.572** | **29.697.164** | **-35,1%** | **13.756.903** | **20.398.834** | **-32,6%** |
| **EBITDA Margin** | **14,9%** | **21,6%** | **568,9%** | | **18,7%** | **27,5%** | |
| **Television** | 13.111.693 | 22.681.420 | 22.681.420 | **-42,2%** | 9.855.328 | 15.007.322 | **-34,3%** |
| **Newspapers** | 5.515.416 | 6.590.832 | 7.125.424 | **-16,3%** | 3.379.483 | 3.983.030 | **-15,2%** |
| **Magazines** | 1.100.205 | 1.838.454 | 1.838.454 | **-40,2%** | 882.722 | 1.465.502 | **-39,8%** |
| **Holding Adjustements** | -811.711 | -1.948.134 | -1.948.134 | **-58,3%** | -360.630 | -57.020 | **532,5%** |
| Depreciation | 3.764.917 | 4.003.222 | 4.429.190 | **-6,0%** | 1.859.894 | 1.936.247 | **-3,9%** |
| **EBIT** | **15.150.686** | **25.159.350** | **25.267.974** | **-39,8%** | **11.897.009** | **18.462.587** | **-35,6%** |
| **EBIT Margin** | **12,0%** | **18,6%** | **18,5%** | | **16,2%** | **24,9%** | |
| Financial Results(-) | 4.877.619 | 4.223.370 | 4.343.500 | **15,5%** | 2.212.190 | 2.859.827 | **-22,6%** |
| **Res. bef. Taxes & Minorities** | **10.273.067** | **20.935.980** | **20.924.474** | **-50,9%** | **9.524.467** | **15.602.760** | **-39,0%** |
| Res. Assets being sold (-) | -238.923 | 12.818 | 0 | | -238.923 | 14.818 | |
| Income Tax (-) | 2.639.557 | 4.959.157 | 4.981.418 | **-46,8%** | 2.469.250 | 3.463.855 | **-28,7%** |
| Minorities (-) | 373.294 | 786.342 | 720.498 | **-52,5%** | 80.656 | 463.579 | **-82,6%** |
| **Net profit** | **7.021.293** | **15.177.663** | **15.222.558** | **-53,7%** | **6.855.692** | **11.660.507** | **-41,2%** |

## 6. Perspectives for the year 2006

Even with the unfavourable evolution of IMPRESA revenues and margins on this 1st semester, the positive indicators of the $2^{nd}$ quarter allows IMPRESA to estimate rising revenues, and net profits in interval of 19-22 M€, for full year of 2006.

Lisbon, July 24th 2006

By Board of Directors

José Freire
Director Investor Relations

www.impresa.pt

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. and SUBSIDIARIES

CONSOLIDATED PROFIT & LOSS ACCOUNTS

(Values in Euros)

| | IAS June 30th 2006 | IAS June 30th 2005 |
|---|---|---|
| Total revenues | | |
| Goods | 19.055.738 | 23.781.752 |
| Services rendered | 104.965.562 | 111.760.497 |
| Other revenues | 2.633.205 | 1.080.252 |
| Total revenues | 126.654.505 | 136.622.501 |
| Operating costs | | |
| Cost of goods sold | (49.455.162) | (43.339.205) |
| External supplies | (30.224.560) | (32.232.147) |
| Personnel | (26.887.392) | (30.038.575) |
| Depreciation | (3.764.917) | (4.429.190) |
| Provisions | (222.503) | (172.491) |
| Other operating costs | (949.285) | 1.142.919 |
| Total operating costs | (111.503.819) | 111.354.527 |
| Operating results | 15.150.686 | 25.267.974 |
| Financial results | | |
| Gain& losses in associated companies | 201.111 | 595.332 |
| Other financial costs | (5.728.724) | (5.341.566) |
| Other financial revenues | 649.994 | 402.734 |
| | (4.877.619) | (4.343.500) |
| Results before taxes | 10.273.067 | 20.924.474 |
| Income tax | (2.639.557) | (4.981.418) |
| Assets being sold | (238.923) | - |
| Consolidated net profit | 7.394.587 | 15.943.056 |
| Due to: | | |
| Main shareholders | 7.021.293 | 15.222.558 |
| Minority shareholders | 373.294 | 720.498 |
| Earnings per share | 0,0836 | 0,1812 |

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

CONSOLIDATED BALANCE SHEET June 2006

(Values in Euros)

| ASSETS | IAS June 30th 2006 | IAS June 30th 2005 |
|---|---|---|
| NON CURRENT ASSETS | | |
| Consolidation diferences | 287.583.109 | 287.583.101 |
| Other intangible assets | 466.763 | 719.505 |
| Tangible fixed assets | 28.100.095 | 34.782.338 |
| Financial investments | 3.567.994 | 3.629.625 |
| Investment propreties | 10.367.660 | 10.790.914 |
| Program Rights | 15.623.194 | 14.007.481 |
| Inventories | 1.718.401 | 1.261.901 |
| Defered Taxes | 4.806.756 | 7.806.322 |
| Total Non Current Assets | 352.233.972 | 360.581.187 |
| CURRENT ASSETS | | |
| Program Rights | 23.504.032 | 23.005.151 |
| Inventories | 3.041.416 | 3.696.500 |
| Customers - current account | 56.537.757 | 48.228.144 |
| Other receivables | 6.160.393 | 6.245.556 |
| Assets being descontinued | 5.670.201 | |
| Cash and equivalents | 17.383.576 | 27.382.165 |
| Total Current Assets | 112.297.375 | 108.557.516 |
| **TOTAL ASSETS** | 464.531.347 | 469.138.703 |

| EQUITY, MINORITIES AND LIABILITIES | June 30th (IAS) | June 30th (IAS) |
|---|---|---|
| EQUITY | | |
| Capital | 84.000.000 | 84.000.000 |
| Share issue premiums | 97.902.257 | 97.902.257 |
| Legal reserve | 591.589 | 591.589 |
| Retained earnings and other reserves | (48.819.526) | (70.827.151) |
| Consolidated net profit | 7.021.293 | 15.222.558 |
| Equity of IMPRESA shareholders | 140.695.613 | 126.889.254 |
| Equity of minority interests | 2.282.138 | 4.925.646 |
| Total Equity Funds | 142.977.751 | 131.814.900 |
| LIABILITIES | | |
| NON CURRENT LIABILITIES | | |
| Loans | 219.479.888 | 210.852.507 |
| Suppliers payables | 9.902.281 | 7.878.463 |
| Provisions for risk and charges | 3.205.177 | 3.788.175 |
| Total Non Current Liabilities | 232.587.346 | 222.519.145 |
| CURRENT LIABILITIES | | |
| Loans | 13.258.938 | 37.591.044 |
| Suppliers payables | 31.333.409 | 33.894.162 |
| Liabilities being descontinued | 814.869 | - |
| Other current liabilities | 43.559.021 | 43.319.452 |
| Total Current Liablities | 88.966.237 | 114.804.658 |
| **TOTAL EQUITY, MINORITIES AND LIABILITIES** | 464.531.334 | 469.138.703 |