

Press Release - IMPRESA 2003 Consolidated Accounts

1. Main Events

IMPRESA posted consolidated revenues of 265.7€ for fiscal 2003, up 6% on 2002. An important contribution to this growth was made by SIC, whose own revenues grew by 11%. Growth in magazine and newspaper sales was 2.4% and 0.4%, respectively.

This growth in revenues was fuelled by an increase of 8% in SIC's advertising revenues, a 7.1% increase in publication sales as a whole, and strong growth in editorial products, with particular emphasis on the "Os Lusíadas" collectible series.

The focus remained on cost-cutting throughout the reporting year, as demonstrated by a 5.6% decline in consolidated cash costs, of approximately 13.4 M€.

EBITDA stood at 43.7 M€, excluding restructuring charges, which is a 133% improvement on 2002. The EBITDA margin stood at 6.5% by the end of 2003.

2003 saw restructuring charges of 2.8 M€, explained by severance pay, particularly at SIC, Expresso, Edimpresa and Jornal da Região. Headcount in the three main business areas at year end 2003 stood at 1,436, reflecting a reduction of 9.4% from the 2002 level.

Results at the operating level returned to positive territory, to 19.6 M€, in contrast to an operating loss of 19.7 for 2002.

These improvements at the operating level enabled us to narrow losses by an important margin. With the return of the three business areas to profit, consolidated results before taxes stood at a negative 1.6 M€ for the year, against a negative 40 M€ in 2002. The consolidated net loss for the year was 10.2 M€ (2002: - 27.9), an improvement of 63.5%.



Table 1. Consolidated Accounts

| | Dec 2003 | Dec 2002 | % ch | 4º Quarter 2003 | 4º Quarter 2002 | % ch |
|---|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| Total Revenues | 265.723.982 | 250.690.901 | 6,0% | 81.349.117 | 75.620.439 | 7,6% |
| Television | 144.720.116 | 130.352.359 | 11,0% | 44.083.922 | 40.060.913 | 10,0% |
| Newspapers | 50.747.750 | 50.544.938 | 0,4% | 15.775.451 | 13.500.436 | 16,9% |
| Mgazines | 74.533.507 | 72.758.490 | 2,4% | 22.401.630 | 23.017.528 | -2,7% |
| Inter-segments | -4.277.392 | -2.964.886 | -44,3% | -911.886 | -958.438 | -4,9% |
| Cash costs | 224.866.817 | 238.305.289 | -5,6% | 63.002.022 | 64.674.820 | -2,6% |
| Costs w/restruturing | 2.884.184 | 6.413.505 | -55,0% | 1.468.255 | 4.694.384 | -68,7% |
| EBITDA adj for rest. | 43.741.349 | 18.799.117 | 132,7% | 19.815.350 | 15.640.003 | 26,7% |
| EBITDA margin | 16,5% | 7,5% | | 24,4% | 20,7% | |
| EBITDA Consolidated | 40.857.165 | 12.385.612 | 229,9% | 18.347.095 | 10.945.619 | 67,6% |
| EBITDA margin | 15,4% | 4,9% | | 22,6% | 14,5% | |
| Television | 25.804.338 | -3.404.572 | 857,9% | 13.331.810 | 4.214.229 | 216,4% |
| Newspapers | 8.416.680 | 4.163.905 | 102,1% | 3.396.646 | 1.178.326 | 188,3% |
| Magazines | 10.367.506 | 13.180.441 | -21,3% | 4.217.593 | 6.087.991 | -30,7% |
| Holding Adjustaments | -3.731.360 | -1.554.162 | 140,1% | -2.598.954 | -534.928 | 385,9% |
| Depreciations (-) | 15.560.270 | 21.588.909 | -27,9% | 1.554.231 | 5.277.503 | -70,5% |
| Provisions (-) | 6.659.762 | 10.556.456 | -36,9% | 2.369.602 | 7.594.033 | -68,8% |
| EBIT | 18.637.133 | -19.759.753 | 194,3% | 14.423.261 | -1.925.917 | 848,9% |
| EBIT margin | 7,0% | -7,9% | | 17,7% | -2,5% | |
| Financial results(-) | 10.024.926 | 11.133.585 | -10,0% | 3.124.811 | 4.795.224 | -34,8% |
| Goodwill(-) | 10.959.654 | 9.861.671 | 11,1% | 2.837.861 | 2.543.876 | 11,6% |
| Current Results | -2.347.447 | -40.755.009 | 94,2% | 8.460.589 | -9.265.017 | 191,3% |
| Extraordinaries Results | 733.977 | 331.003 | 121,7% | -1.205.380 | 1.299.565 | 192,8% |
| Res. Bef. Taxes & Minorities | -1.613.470 | -40.424.006 | 96,0% | 7.255.209 | -7.965.452 | 191,1% |
| Taxes (IRC)(-) | 5.472.432 | -2.327.431 | n.a | 3.499.243 | 1.005.109 | 248,1% |
| Minorities Interests (-) | 3.115.700 | -10.131.387 | n.a | 3.611.853 | -3.507.779 | n.a |
| Consolidated Net profit | -10.201.602 | -27.965.188 | 63,5% | 144.113 | -5.462.782 | 102,6% |

2. Financial Review

IMPRESA posted consolidated revenues of 265.7 M€ in 2003, a 6% increase over 2002.

This growth in revenues was due mainly to a 2.1% increase in advertising revenues, which in 2003 accounted for 66% of consolidated revenues. Other revenues increased by 25%, thanks to the growth of the cable channels, SMS, publishing products and alternative marketing. Publication sales grew by 7.1%, accounting for 19.8% of the total.

Despite this growth in revenues, after two years of retrenchment, we made further intense efforts to reduce costs in 2003. Television programming costs were cut, the headcount was further reduced and variable costs were subject to tight controls, while at the same time, we obtained some relief through the fall in paper prices. Accordingly, consolidated operating expenses were down by 5.6%, representing total savings of 13.4 M€.

This reduction in costs combined with revenue growth enabled us to generate an EBITDA of 40.8 M€, as against 12.4 M€ in 2002. EBITDA was further penalized by restructuring charges totaling 2.8 M€ in 2003. Excluding these charges, EBITDA would have been euros 43.7 M€, or a margin of 16.5%.

Restructuring charges were due to severance pay, specifically to employees of SIC, Expresso, Edimpresa, Jornal da Região and Cinforma. The payrolls showed 1,436 workers employed in the three main business areas at year end 2003, reflecting the elimination of 134 jobs, or 9.9% of the total employed at year end 2002.

Provisions remained at a high level, at some 6.6 M€. Most of this amount is to cover potential litigation expenses and recovery of bad debts.

Depreciation charges were down by 27.9%. This fall is due to the low level of capital expenditures over the preceding three years, while some intangibles were written down to zero. Also, depreciation rates were adjusted to reflect the expected useful life of some equipment, such as mobile television studios and printing presses.

The year's operating profit stood at 18.5 M€, in strong contrast to the 19.8 M€ loss posted in 2002. The operating margin reached a positive 7% against a negative 7.9% in 2002.

The financial results stood at negative 10 M€ in 2003, a 10% improvement over 2002. This was due to the decline in interest rates, despite the general widening of spreads, and further gains on foreign exchange, reflecting the strengthening of the euro against the US dollar. This exposure to the US currency is explained by the important dollar-indexed component of SIC's programming costs – some 45%. Also, the restructuring carried out at our various subsidiaries, specifically at Lusa and at Vasp, there was a substantial reduction in their losses, to 835,000 euros at year-end.

Net interest-bearing liabilities stood at 149 M€ at year end, about 1 M€ more than at year end 2002. However, debt peaked, at 174 M€, at the end of September, due to the need to cover a contingent liability related to a stock option contract entered into in 2000.



Partly to cover short-term financial requirements, but mainly to improve its debt/equity ratio, IMPRESA increased its capital during the reporting year. This increase raised 19.4 M€ in fresh equity, net of commissions, and brought our debt/equity ratio up to 28%.

At the same time, we restructured approximately 56% of the holding company's bank debt – medium and long-term - obtaining a grace period for repayment of principal during 2003 and 2004, while transferring 13.25 M€ to the newspaper area, with maturities unchanged but with an appropriate reallocation of guarantees.

Goodwill amortization for the year stood at euros 10.9 M€. Here it should be noted that instead of amortizing goodwill as a financial expense, we now amortize it as an intangible asset, a change in methodology that is entirely earnings-neutral.

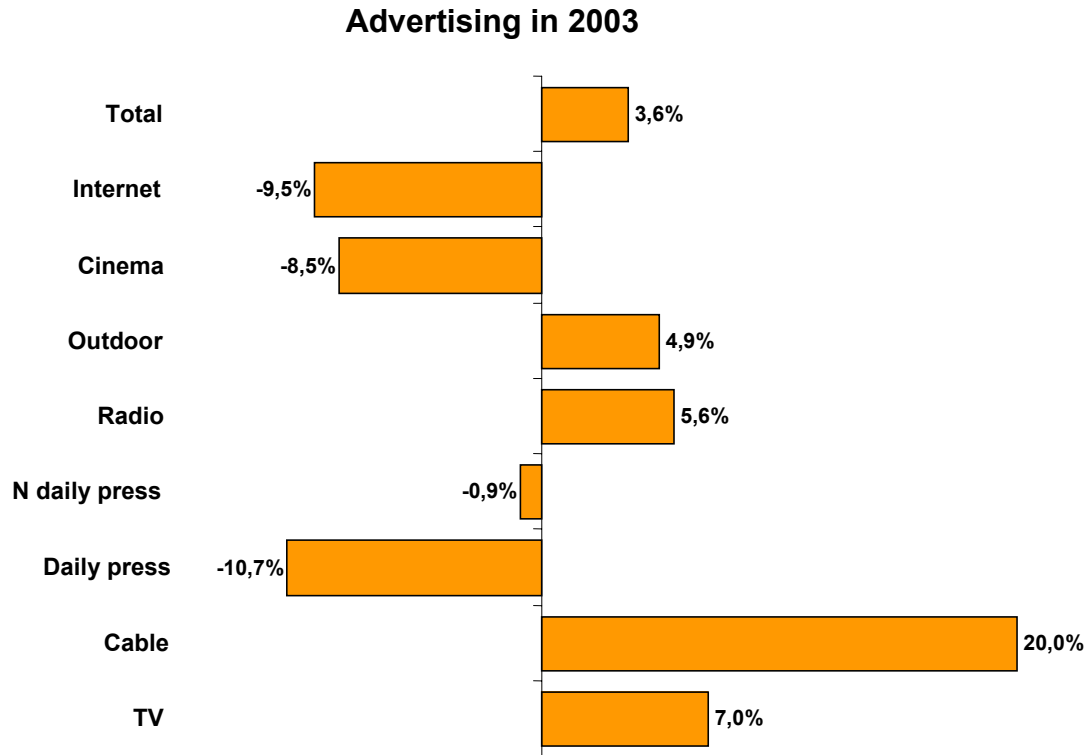
Losses for the year before taxes and minority interests stood at 1.6 M€, an enormous improvement on the 40 M€ loss posted in 2002.

IMPRESA paid euros 5.4 M€ more in taxes in 2002. This was for two reasons. On the one hand, Edimpresa paid taxes, having exhausted its tax losses. On the other, with the reduction in the IRC (corporate tax) rate from 30% to 25% approved in the state budget for 2004, it was necessary to adjust the deferred taxes (including tax loss carry-forwards) of the various companies. These adjustments called for an additional tax charge of 3.5 M€.

The improvement in operating results enabled us to reduce our consolidated loss from 27.9 M€ to 10.2 M€ – an improvement of some 63.5%. It should be noted that we would have shown a profit if goodwill amortization had been excluded from the net results.

3. Advertising Market

After a 9.1% decline in 2002, advertising spending recovered in 2003, growing by 3.6%, according to the latest estimates. Expectations of a stronger economy and the approaching European Football Championship - Euro 2004, were the main factors behind this growth.

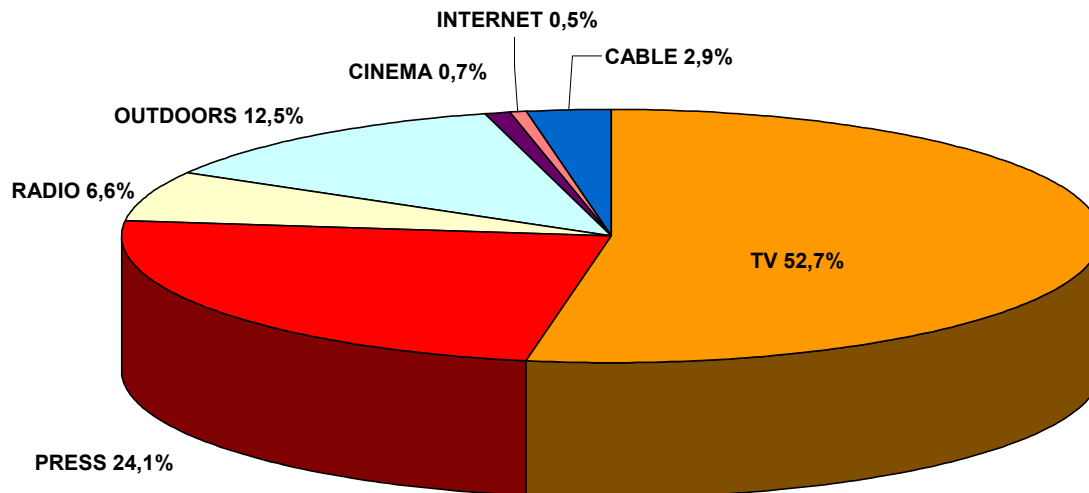


Source: APAP/Deloitte/TempoOMD

This recovery was uneven. “Open” television grew by approximately 7%, despite the rapid growth of the cable channels, while the ad spend on non-daily press advertising remained virtually unchanged from the previous year (+0.8%); the dailies saw a further decline in advertising revenues (-10.7%).



Advertising per type in 2003



Source: APAP/Deloitte/TempoOMD

This trend enabled our general television segment to reverse the recent years' decline in advertising market share. In 2003, our market share of "open" television rose to 52.7%, while the press segment suffered the greatest loss of same, this falling to 24.1%.

Prospects for 2004 are clearly positive. 3 important events scheduled for 2004, namely Rock in Rio Lisbon, Euro – 2004, and the Olympic Games, together with expected improvements in the economic situation, should ensure that the advertising spend will grow at a more rapid rate than in 2003.

4. Television

SIC posted revenues of 144.7 M€, up 11% on 2002. This growth was due to improvements across all its business areas.

Table 2. SIC revenues

| (values in €) | 2003 | 2002 | % change |
|----------------------------|--------------------|--------------------|--------------|
| Total revenues | 144,720,116 | 130,352,359 | 11,0% |
| Advertising | 109,534,726 | 101,457,359 | 8,0% |
| Merchandising | 2,081,804 | 1,803,016 | 15,5% |
| SIC Internacional | 1,421,962 | 1,196,125 | 18,8% |
| Cable channels | 26,246,327 | 21,623,632 | 21,5% |
| Others | 5,435,296 | 4,272,227 | 27,1% |
| EBITDA Consolidated | 25,804,338 | -3,404,571 | |
| EBITDA margin | 17,8% | -2.6% | |

SIC generated 109.5 in advertising revenues, up 8% on 2002. Other revenues - accounting for 24.3% of total revenues - rose by 21.8%, with particularly strong contributions from SMS and SIC Serviços.

Growth in audience share and advertising market share

SIC had the largest single share of domestic television audiences in 2003, a position it has maintained since 1995. Measured by audience numbers, the station lengthened its lead over TVI, with an average share of 30.3%: this lead has now widened to 1.8% from 0.1% in 2002.

This overall leadership position was obtained through higher audience numbers in the morning and afternoon periods and mainly, through a stronger showing in prime time. SIC posted prime time growth throughout the year, although this proved stronger in the second half. The gap between SIC and TVI was 8.3% in 2002, narrowing in 2003 to a mere 3.6%.

We should mention that the change in the audience panel – the result of a recount of the audience to better reflect the population base determined by the 2001 census - had a negative impact on the measurement of SIC's audiences. The 2001 census sharply reduced the participation of the 4/14 age-group target, penalizing SIC, which has a special affinity with that age-group. Moreover, the increased weighting assigned to cable-connected households in the Marktest sample had a negative impact on general channel audience numbers.

The preference of children and teenagers for SIC provides the station with an undoubted leadership in this target market, with important implications for its revenues. SIC has been able to absorb the impact of a decline in its audience share, from 31.5% in 2002, to 30.3% in 2003, while managing at the same time to increase, in net terms, its share of the sector's total advertising spend: from 42.1% in 2002, to 42.6% in 2003.

This up tick in market share has enabled SIC to grow faster than the TV advertising market, which as we pointed out above, grew by 7% in 2003.

Changes in the audio-visual model

During the reporting year, was organized a working party comprised of representatives of SIC, TVI and government officials, whose mission was to find ways to mitigate, for the two private-sector operators, the harmful effects of the disloyal competition reflected in the double financing, advertising and state subsidization of RTP1 and RTP2.

The result of this working party's efforts was a protocol limiting advertising time to six minutes per hour on RTP1 from September 1, 2003 onwards. As a *quid pro quo*, the private operators now include some public services in their programs, such as sign language, sub-titling of programs for the deaf people, programs for ethnic minorities, programs of a cultural nature, promotion of works subsidized by ICAM, the supply of content for RTP Internacional and RTP Africa and a commitment to support independent production.

This protocol also contemplates the possibility of reducing RTP1's advertising time to 4 ½ minutes in the future.

Programs Strategy

We continued our cost-cutting efforts in 2003, but even under such constraints, our programming strategy enabled us to meet our goals.

In fiscal 2003, SIC cut its overall programming costs by 5.9 M€, or 8%. However, the general channel programming programming schedule absorbed 7 M€ in cuts. The difference is explained by the start-up of the SIC Mulher channel in March of 2003 and by the additional expenses incurred through coverage of the war in Iraq.

Despite these cost cuts, we were able to meet our targets for 2003; here we would highlight our success in maintaining and strengthening our leadership position: our market share for the whole year stood at 30.3% - and we recovered our lead in prime time.

Another benefit derived from our programming options was the improvement in our audience share of commercial spots. In the extended commercial target (A/B, C1, C2 15-54) SIC ensured its sponsors a comfortable leadership position, with 29.2%.

Due to the programming policy we adopted, SIC's public showed an extremely youthful profile in 2003, with a clear leadership in the 4 to 44 age bracket. An analysis based on social stratification shows that SIC was the generalist station with the best annual share in the A and B classes and in the C2 and D classes.

In our programming profile, we should highlight the following points for 2003:

- SIC defined itself as “the comedy TV station” in Portugal, amplifying its line of popular programs, with emphasis on “Os Malucos do Riso” and the series of sit-coms interpreted by Camilo de Oliveira. But the big surprise in the comedy area of Portuguese television was the “Levanta-te e Ri” program, introducing stand-up comedy in our country and revealing a line-up of young talents such as Marco Horácio, Fernando Rocha, Bruno Nogueira, Nilton and Aldo Lima. The programs presented by Herman José in his “Herman SIC” could be regarded as the reception room of domestic television, a domain of comedy, interviews and shows unrivalled by the competing channels.
- In spite of its budgetary constraints, SIC was able to finance the “Idolos” program, a project with strong commercial potential designed to capture a younger audience and, and to invite the participation of a wider public by vote and opinion through SMS.
- SIC made a still greater show of force in prime time, mainly due to the good results obtained by “Mulheres Apaixonadas” a Globo soap that in some periods of its transmission secured the lead in its respective time slot.

SIC placed still greater emphasis on pursuing diversity in its programming in 2003, offering a programming schedule in which the following selections stood shoulder to shoulder:

- The most varied and consistent children’s programming of any of the “open” channels, with emphasis on the “Uma Aventura”, A Minha Família é Uma Animação” and “O Sítio do Pica-Pau Amarelo” programs;
- The only regular natural history documentaries in Portugal: “O Nosso Mundo and “BBC Vida Selvagem”;
- “SIC 10 Horas” and “As 2 por 3”, our leading day-time chat shows;
- Cinema programming which included 17 of the top 20 films of all domestic television stations; SIC also took second place among the top 20 of the most-viewed films on television with “The Lord of the Rings”, outranked only by “Harry Potter” on TVI

News Strategy

SIC’s news broadcasts kept pace with the political and social agenda of 2003 as it investigated and reported the main events of the year at first hand.

The Felgueiras case, the Casa Pia trials, the Portuguese Society of Authors, the frauds at the Health Ministry, the “cradle” and the resulting resignation of the Education and Foreign Affairs ministers, the scandal of the tourist trips in the helicopter of the Lamego firemen, the irregularities at the General Department of Highways, the Azores pedophile ring: these



were just a few of the scoops that confirmed SIC's leadership in investigative journalism in 2003.

The war in Iraq represented the most important news event in SIC's history. We devoted ten days - 240 hours – of continuous coverage to this subject at SIC and at SIC Notícias. This project served as an important test of the integration of the two desks. In our coverage of the war, we also brought innovations to the graphic concept, introducing for the first time in such a long broadcast the images and sequences of virtual graphics that contributed to a better understanding of the conflict.

In addition to the daily news, we produced some in-depth investigation programs, namely, "Hora Extra", Grande Reportagem" and "Pais em Directo".

Furthermore, SIC was the only Portuguese station with an exclusive on the Paris-Dakar race, on which it provided daily coverage. Also, as in the previous year in Mozambique, it distributed thousands of Portuguese books to Guiné- Bissau.

The integration of the SIC and the SIC Notícias news desks calls for further mention. Without precedence in Portuguese television, this integration of desks will serve to strengthen the team spirit (corporate culture), to rationalize resources and to generate synergies. At the same time, integration, combined with newly acquired technologies, brings to the company an innovative management concept that improves mobility and functional flexibility. These changes will be decisive in our moving in the direction of the "news turbine", so-called, with the obvious advantages they engender.

The daily news audiences ("Primeiro Jornal", 31.8% and "Jornal da Noite", 28.9%) were in line with the station's average audiences (30.3%). At the same time, SIC's news took first place in advertising market share at 36.8%.

Content Sales

In the content sales area, as well as providing domestic and international producers with a regular supply of images from our library, we strengthened our participation in the market with a number of deals, among which we highlight the following:

- The sale of "Ganância", a Portuguese soap to Mozambique Public Television, after the strong success of that production in Angola.
- Our supply of daily news images and provision of technical support at events to the main television stations and news agencies throughout the world. SIC distinguished itself particularly as a supplier of credible and quality news content covering events such as the Lages Summit, the Casa Pia trials, the European Central Bank summit meeting, and disasters such as the forest fires.
- The renegotiation of our contract with TAP relative to the on-board broadcast of "Jornal da Noite".
- The renewal of our contract with CP, with their advertising space opened to SIC's management.



Just as in the content sales area, SIC took over the commercial management of SIC Serviços as a supplier of technical resources to customers outside the SIC Group. SIC Serviços is one of the main suppliers to domestic companies including Sport TV and RTP Meios, as well as to international companies, including Telefónica (Spain), BBC (UK), ARD (Germany), ERT (Greece) and RAI (Italy).

Cable Channels

2003 saw the launch of SIC Mulher, our fourth cable channel, which began broadcasting at the end of March. Altogether, SIC's four cable channels are a benchmark among the cable channels, with approximately 26.7% of the total cable audience. The four channels accounted for 18.1% of the station's revenues in 2003.

SIC Radical

For the third year in a row, this channel was the undisputed leader of the themed channels in the 15 to 24 year segment. SIC Radical captured 5.9% of the total audience and 4th place among the most-viewed channels.

Over the past two years, SIC RADICAL has generated a ten-fold increase in the number of domestic titles originally produced for channel television.

"Prince of Belair", "Buffy – The Vampire Slayer" and "Popular", the US titles were the three most-viewed programs of the year, but of the 15 most-viewed in 2003, 5 are domestic productions, namely "Cabaret da Coxa", "O Homem da Conspiração", "Cine XL", "O Programa da Maria" and "Notícias".

SIC Gold

SIC Gold consolidated its position as a television classics channel, broadcasting foreign series as well as programs produced originally for SIC. Among all of SIC's cable channels, it is the most widely diversified in content, capturing a more urban public (Classes A/B and C1) notwithstanding.

As of year-end, SIC Gold had an average audience share of 2.6%, ranking above channels such as MTV, Eurosport and National Geographic.

SIC Notícias

In its third year of operation, SIC Notícias strengthened its position as the most-viewed cable television channel.

At year-end 2003, SIC Notícias ranked fourth among domestic channels in the cable universe, overtaking RTP 2 and achieving a rating of 4.4 and a 16% share, reflecting sustained growth over the years before. For 74 days of the year, SIC Notícias captured more than two million viewers.

SIC Notícias continued to provide excellent coverage of domestic and international events, maintained its line of international documentaries, and considerably strengthened its programming, creating a daily line of programs featuring debates, interviews and news coverage.



We followed all important current events, both domestic and international, thus highlighting our vocation for public service during a year that saw an intensification of international ties: 2003 also was the year in which we launched SIC Notícias in Angola and Mozambique.

SIC Mulher

We launched the SIC Mulher cable TV channel in March, 2003. Launched auspiciously on International Mother's Day, the channel broadcasts 24 hours a day. Its programming schedule is based on domestic and foreign programming, and includes magazines, talk-shows, series, sitcoms and films, embracing topics catering to a mainly feminine audience.

With a strong daily emphasis on foreign sitcoms and series, SIC MULHER has already succeeded in cementing the loyalty of its audience. By year-end 2003, the station's profile is clearly feminine (classes A/B/C1, catering to 15 – 24-year olds, in greater Lisbon).

Over the nine months during which it has been on the air, SIC Mulher has achieved a 3.4% average among the cable channels.

SIC Internacional

SIC Internacional's revenues grew by 18.9% in 2003, to 1.5 M€. It consolidated its presence in Portuguese communities all over the world, as well as in the Portuguese-speaking African countries. The highlights were as follows:

- A distribution agreement between SIC Internacional and the Swiss Cable Networks Association (Swisscable).
- Renegotiation of the distribution agreement between SIC Internacional and the digital Multichoice platform in Africa.

SIC Internacional now has a presence in France, Switzerland, Luxembourg, USA, Canada, Angola, Mozambique, South Africa and Australia, and has approximately 1 M€ TV viewers.

Drawing on its know-how and resources, SIC Internacional has also made a strong contribution towards the first stage of the international expansion of SIC Notícias, specifically that station's launch in Angola and Mozambique through Multichoice.



SIC Online

SIC Online extended its areas of competences during 2003, introducing content packaging for the internet, teletext, SMS's and SIC Indoor.

After years of severe cuts in overheads, our strategic options for 2003 were focused on growth in revenues and the consolidation of the company's activities. The events we considered to be most important were the following:

- The launch of teletext at SIC, SIC Notícias and SIC Radical;
- A joint venture with the SAPO portal for broadband content, which gave a strong boost to audience numbers of the SIC sites;
- Various SMS initiatives related to TV programs.

The immediate result of these measures was a substantial increase in revenues, accompanied by an equally important reduction in overheads. SIC Online has generated a positive EBITDA since May of 2003.

SIC Serviços

The reorganization of SIC Serviços continued throughout the reporting year, with the constant aim of improving the productivity of its workforce and the company's profitability.

In spite of a lower headcount, we remained competitive in the market in terms of costs and quality, thus earning the confidence of customers within the SIC universe and increasing the number of technical productions in our charge.

On the external services side, we entered the fray in the much more demanding mobile resources market through the production of football matches for SportTV, the quality of which has achieved wide recognition. Apart from SportTV, SIC Serviços can boast of customers such as RTP, United Broadcast Facilities, Valentim de Carvalho, HarmanZap, D&D, Telefónica and Medialulso, among others.

Some international operators, specifically BBC, RTL4, CNBC Europe, the European Parliament, RAI, TVE, TV Galicia, Antena 3 and ITN have shown their preference for SIC Serviços when setting up special operations.

SIC Indoor

During the reporting year, we launched SIC Indoor, a joint venture with the Sonae group. This is an entirely new advertising platform, without precedent in Portugal. In one "alternative channel" it combines news, entertainment and advertising at shopping centers

SIC Indoor is a communication channel that on enormous screens positioned in the grocery sections reaches customers in the 12 main shopping centers of Sonae Imobiliária, providing an excellent means of communication with all who frequent these centers, both visitors and retailers.



This company's business is heavily dependent on advertising revenues, and being an unconventional medium that started its regular broadcasts only in May, revenues from its first months of operation were lower than expected.

SIC Esperança

2003 also saw the inception of SIC Esperança - SIC's solidarity project. This is a project through which we seek to centralize and expand the scope of our intervention in the domain of solidarity and culture, embracing all SIC companies and acting as the umbrella for all initiatives in this area.

"Sorriso das Crianças" has been the link for all initiatives and fund-raising campaigns for the benefit of solidarity associations and institutions that work in areas associated with this cause.

In 2003, we launched, at our own expense, some ninety campaigns of a humanitarian and/or cultural nature throughout the SIC universe, under the logo of SIC Esperança.

SIC financial situation

SIC returned to profit in fiscal 2003. We achieved this goal by cutting costs, assisted by the recovery of the advertising market

On a consolidated basis, we cut operating expenses by 8.5%, or 10.9 M€, with particular emphasis on the programming costs of general SIC TV. At the same time, the launch of SIC Mulher involved an increase in expenses, as did the growth of SMC service and the start-up of SIC Indoor.

Revenue growth, combined with a fall in costs, was reflected in EBITDA of 25.8 M€ (2003: -3.4 M€). Earnings for 2003 were penalized by 838,000 euros in restructuring charges. Hence SIC posted a consolidated EBITDA of 17.8% at year-end 2003. Our best EBITDA result came in at the end of the 4th quarter, at 30.2%.

Restructuring charges related to the downsizing that eliminated 45 jobs from SIC's various areas over the year. Amicable terminations of employment contracts generated charges totaling 3.3 M€, covered by provisions made at year-end 2002; hence only 838,000 euros was charged to 2003 earnings.

Depreciation charges were lower in 2003, reflecting not only the low level of capital expenditure, but also the amortization in full of the start-up costs of the SIC Notícias channel, while the estimated useful life of mobile TV studio was extended for depreciation purposes. The depreciation account stood at euros 10.8 M€ at year-end.

Operating results, at a positive 11.5 M€, reflected an operating margin of 8%.

Following a 19.3 M€ loss in 2002, SIC earned a net profit of 5.3 M€ in 2003.

5. Newspapers

The newspaper segment posted consolidated revenues of 50.7 M€, up by a bare 0.4% on 2002. Revenue growth was stifled by the decline in advertising spending, although this was partially offset by growth in circulation figures for newspapers and editorial products.

Table 3. Newspapers Indicators

| (values em €) | 2003 | 2002 | % change |
|----------------------------|-------------------|-------------------|-------------|
| Total Revenues | 50,747,750 | 50,544,938 | 0,4% |
| Advertising | 32,474,392 | 35,756,528 | -9,2% |
| Newspaper Sales | 15,016,445 | 13,569,530 | 10,7% |
| Other | 3,256,914 | 1,218,880 | 167,2% |
| EBITDA Consolidated | 8,416,680 | 4,163,905 | 202% |
| Margin | 16,6% | 8,2% | |

Newspaper advertising revenues were down by 9.2%, a trend suffered by all group newspapers, having been exacerbated by the closure of two editions of Jornal da Região. It should be noted that advertising revenues fell no more than 2.7% during the 4th quarter, with Expresso and AutoSport showing positive growth, comparing favorably with the 14.8% decline posted in the 1st half and indicating a recovery in the advertising market at long last.

Newspaper sales showed a positive trend, with an increase of 10.7%, this due largely to increases in the cover prices of the main papers, which offset the decline in circulations.

Table 4. Newspaper Circulation

| | 2003 | 2002 | % change |
|----------------------|---------|---------|----------|
| Expresso | 137.935 | 141.507 | -2,5% |
| Blitz | 10.156 | 12.198 | -16,7% |
| AutoSport | 12.344 | 13.298 | -7,2% |
| Surf Portugal | 3.590 | 3.387 | 6,2% |
| Jornal da Região (1) | 27.089 | 34.084 | -28,4% |

Source: APCT and IMPRESA . (1) average per edition

Growth of approximately 167% was posted for the other revenues, these accounting for 6.4% of total revenues. Growth in this area was due to the highly successful launch by Expresso of various editorial products, among which we can highlight “Os Lusíadas”, published in 10 installments during the 4th quarter, of which some 40,000 copies were sold.

EXPRESSO

Total revenues grew by 4.4%, to 44.1 M€. In the face of lower advertising revenue, this was due to increased circulation revenues and the tonic effect of various publishing initiatives.

The decline in advertising revenues, at 4.1%, was spread unevenly. Traditional advertising grew by 0.5%, while classified advertising was down by 10.2%. Advertising spending increased, particularly during the second half of the year. In the 4th quarter, Expresso saw a 6.5% increase in advertising revenues, after growing 3% in the 3rd quarter.

The strong growth in advertising revenues generated by “Unica” and “Actual” magazines deserves to be highlighted. This was due mainly to the thorough revamp of the two supplements we carried out during the reporting year.

Its worth to note that internet advertising revenue was up some 80% on 2002.

The decline in advertising in 2003 was offset, as in 2002, by various publishing initiatives, which generated added value. These, such as supplements and books, generated more than 2 M€ in additional revenues, thus making an important contribution to the company's earnings.

Among this array of initiatives we would highlight our publication of “Os Lusíadas”, Portugal's greatest literary work. It sold some 40,000 collections, of 10 volumes each, between the months of September and December. The success of this publication encouraged us to publish a new edition in January 2004, with a print run of 25,000 copies.

Circulation fell by approximately 2.5%, to 137,935 copies, which will not cause too much concern when we bear in mind both the overall performance of the market and the increase in the cover price (from 2.5 to 2.9€) at the start of the year. We would mention that revenues from newspaper sales grew by 14%, entirely due to that price increase.

In 2003, Expresso made access to the internet edition of Expresso on a paying basis, with some 2,000 subscribers signed up by year end. A Marktest survey showed Expresso's site as ranking second as the most-visited on-line newspaper site,

JORNAL DA REGIÃO

2003 was also a particularly difficult year for Publiregiões, publisher of Jornal da Região, in which Impresa has a 60% stake. This was due mainly to the weak advertising market, this company's sole source of revenues.

Jornal da Região posted revenues of 2.28 M€, down 42.7% from 2002. This decline was due to the closure of 2 editions on top of the closure of 5 in 2002. On a like-for-like basis, the decline in revenues would have been 34%.

Restructuring enabled us to cut losses at the EBITDA level by approximately one half, already reflected in strong improvements in profitability, with a positive EBITDA achieved in the 4th quarter.



Jornal da Região now publishes 7 editions in Greater Lisbon, with an average print run of 27,089 copies.

Other Newspapers

Blitz posted revenues of 1 M€, 20% down on 2002. This decline in revenues was due mainly to the decline in the advertising spend; circulation revenues were much the same as in 2002.

In the face of this decline in revenues and to reverse this trend, we took a number of initiatives: editorial changes in the newspaper, the creation of new print products and the implementation of an over-pricing policy, which enables us to generate other sources of income. The impact of these measures will be felt mainly in 2004.

Autosport, the automotive weekly held by Impresa as to 50%, was able to arrest the decline in revenues it has suffered since 2000, even though 2003 was the worst year that the automotive sector had gone through since 1989.

Total revenues rose by 5.6%, to 1.4 M€. This increase resulted from an increase in the cover price, which offset the drop in circulation, and a 1.7% decline in advertising revenues. We withstood the crisis in the advertising market by taking a more aggressive stance and by launching a number of trade supplements throughout the year.

SurfPortugal magazine continued to post gains in circulation over the year, with a growth of 6%, to 3,590 copies. However, these circulation gains failed to prevent a decline in advertising revenues; hence total revenues fell by 6.3%, to 241,000 euros.

Costs Evolution

2003 was a year marked by continuing restructuring on the newspaper side, which resulted in an 8.7% reduction in operating costs. This was achieved by publishing changes, restructuring at Jornal da Região, new back office arrangements, tight control of variable costs and lower paper prices.

These restructuring measures involved reducing the headcount in this area by 22%, specifically at Jornal da Região, and concentrating the pre-press activities under one roof. These measures were carried out at a cost of euros 1.35 M€, to the detriment of operating margins.

The upswing in revenues, combined with cuts in operating expenses enabled us to achieve an EBITDA of 8.4 M€, representing a 16.6% margin, more than double that achieved in 2002 (8.2%). After stripping out restructuring charges, the EBITDA margin was 19.2%. For the 4th quarter, the EBITDA margin, excluding restructuring charges, stood at 21.5%.

The trend in operating results was also more positive, making for a margin of 8.6% in 2003 (2002: - 2.3%).

The net profit for this area stood at euros 4.16 M€ at year-end 2003.

6. Magazines

Table 5. Magazines Indicators

| (values in €) | 2003 | 2002 | % Change |
|-----------------------------------|-----------------------------|-----------------------------|---------------|
| Total Revenues | 74.533.507 | 72.758.490 | 2,4% |
| Advertising | 32.635.525 | 33.851.484 | -3,6% |
| Magazines Sales | 37.536.025 | 35.476.457 | 5,8% |
| Others | 4.361.957 | 3.430.549 | 27,2% |
| EBITDA Consolidated Margin | 10.367.506 13,9% | 13.180.441 18,1% | -21,3% |

Business In the magazine area suffered due to increased competition and the weak advertising market. This was partly offset by good publication figures. Edimpresa's total revenues were up 2.4% on 2002, to 74.5 M€.

Advertising revenues declined by 3.6%, offset by the increase in circulation and other revenues.

Circulation revenues grew by 5.8%, accounted for by increased cover prices, the relaunch of existing magazines and the launch of new publications, mainly from September onwards. Magazines sales accounted for 50.4% of Edimpresa's total revenues in 2003.

In 2003, the other revenues grew 27.2%, derived from the successful marketing plan implemented, which pushed sales of DVD's, VHS, books and merchandising related to the publications.

2003 saw the relaunching of some publications, specifically "Super Interessante", "Turbo" and "Exame". The results can be regarded as positive, since 3 publications increased their sales after their relaunches. The relaunch of "Exam" in October is noteworthy; it resumed its large format and monthly frequency and enjoyed excellent acceptance by the advertising market.

We can highlight here the performance of some magazines:

- Cosmopolitan broke its previous sales record, with an average circulation of 58,615 copies, 1.7% up on 2003.
- Exame Informática continued to recover, with growth of 15% from 2002; 2003 was its second best year in terms of circulation.

**Table 6. Magazine Circulations**

| | 2003 | 2002 | % change |
|--------------------|-------------|-------------|-----------------|
| Exame Informática | 43.427 | 37.775 | 15,0% |
| Cosmopolitan | 58.615 | 57.635 | 1,7% |
| Super Interessante | 53.412 | 52.991 | 0,8% |
| Activa | 79.652 | 80.320 | -0,8% |
| Visão | 108.347 | 110.494 | -1,9% |
| Auto Guia | 13.169 | 13.629 | -3,4% |
| Caras Decoração | 25.139 | 26.219 | -4,1% |
| Executive Digest | 19.740 | 20.917 | -5,6% |
| Turbo | 24.971 | 26.600 | -6,1% |
| Jornal de Letras | 9.379 | 10.371 | -9,6% |
| Exame | 20.843 | 23.263 | -10,4% |
| Caras | 99.466 | 112.312 | -11,4% |
| Casa Claudia | 24.929 | 28.529 | -12,6% |
| TV Mais | 69.613 | 82.619 | -15,7% |
| Telenovelas | 124.187 | 154.652 | -19,7% |

Source: APCT and IMPRESA

On the other hand, the launch of a number of magazines in the popular and television segments by competing publishers penalized the circulations and sales of Edimpresa's magazines in these segments, specifically those of "Caras", "TV Mais" and "Telenovelas".

2003 saw the launch of a number of new publications. After launching "Casa do Picapau Amarelo", a children's magazine in March of 2003, Edimpresa launched 3 new magazines in September: "Boa Mesa", "Disney Cozinhas" and "Nintendo". "Witch", another new magazine was launched in October, while in the same month we acquired 50% of the publisher of "Doze" magazine, which marks our entry in the sports segment.

The increase in publication sales, the various promotions, relaunches and the launch of new publications called for an increase of approximately 5.8% in operating expenses in 2003. These expenses were also swollen by 687,000 euros in restructuring charges

Weak advertising revenues, combined with the above-mentioned cost increases severely depressed operating cash flow, which was down by 21.3%, to 10.3 M€, or an EBITDA margin of 13.9%.

Edimpresa's net profit was further penalized by interest charges and fees relative to our acquisition of 33.33% of Edimpresa, and the respective goodwill amortization. Nevertheless it made a profit of 1.66 M€, only 7.6% less than in 2002.

7. Other Activities

In addition to the foregoing segments, the Impresa Group balance sheet carries some business interests that are consolidated by the equity method, namely Vasp and Lusa.

During the reporting year, Impresa disposed of its holdings in Portusat and Portais Verticais.Com. On this last disposal realizing a small loss of 383,000 euros, which was covered by a provision made on March 2003, while on the first disposal it generated a small gain.

Vasp, a distribution company in which Impresa holds a 33.33% stake, completed its first year of operations after merging with Deltapress. Its total revenues were 230.8 M€, 68% more than in 2002. After a reorganization of these operations in that year, which resulted in a substantial increase in their margins, EBITDA tripled to 4 M€ at year-end 2003.

VASP was thus enabled to return to profit, earning 1 M€, after posting a loss of 424,000 euros in 2002.

Lusa, held as to 22.35% by Impresa, continued to restructure throughout the reporting year and ended it with a net loss of 5.2 M€, including 6.7 M€ in restructuring charges. The reorganization carried out in 2003 now clears the way for Lusa to return to profit in the current year.

For fiscal 2003, these subsidiaries results will show as 830,000 euros loss to be borne by IMPRESA when they are consolidated by the equity method.

However, we are confident that based on the progress made by these subsidiaries in 2003, we shall see a positive contribution from them in the current year.

7. Prospects for 2004

Prospects for 2004 are relatively positive. The economic recovery, the striving of companies to increase their revenues, events – such as Euro 2004, the Olympic Games and Rock in Rio Lisbon, open up attractive prospects for advertising spending in 2004. Accordingly we expect to see stronger growth than in 2003, rising more than the 5%. To back this up, IMPRESA advertising revenues were up 9.7% on the first two months of 2003.

SIC aims to maintain and strengthen its overall audience leadership, to reinforce its number one position in terms of market share, and to consolidate the new ventures launched in 2003, namely SIC Indoor and the SIC Mulher channel. At the same time, it will continue to cut costs in the quest for a durable improvement in productivity.

At Expresso, we started the current year by revamping some publications, thus recapturing lost advertising spending, while imposing a modest increase in the cover price to 3€. With the recovery of Jornal da Região now confirmed and a continuing reduction in overheads, results and operating margins on the newspaper side can only improve.

At Edimpresa, as well as consolidating the magazines launched last year, we will continue to focus on revenue growth either through fresh launches or through the expansion of the alternative marketing associated with the various publications, thereby improving the bottom line.

From its businesses as a whole, the IMPRESA group forecasts 7% growth in total revenues for 2004, hitting the 284 M€. This will also enable us to increase our operating margins. While we expect to see consolidated EBITDA to grow in excess of 30%, reaching a margin within 20 – 21%, our main goal for 2004 will be to return to net profit by year-end.

Lisbon, March 11th, 2004

By the Board of Directors

José Freire
Director Investor Relations