

Impresa

Hold

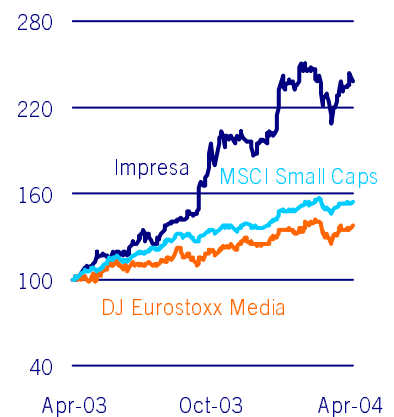
22nd April 2004

Portugal

Earnings & Valuation Update

- ▶ First of all, **we should point out that we were surprised by Impresa's positive "sales warnings" as we were not expecting such a high advertising growth in the 1Q04.** This was one of the reason leading us to revise our estimates. After our Earnings Revision, we expect Impresa to reach a consolidated 1Q04 net loss of € 2.1 mn on a Total turnover of € 63 mn and an EBITDA of € 5.4 mn.
- ▶ This earnings revision is essentially powered by (1) a better than expected performance of the Portuguese advertising market in the 1Q03, as well as (2) the incorporation of Impresa's 2003 figures into our model. **After this revision, we are currently expecting Impresa to beat its record EBITDA (€ 61.5 mn vs. € 60.1 mn) achieved in the peak year of the advertising market in 2000.**
- ▶ **We are sticking to our HOLD recommendation while maintaining our YE04 Price Target at € 4.10 after our valuation update. Recall that we apply a 10% discount to fundamental valuation. However, Impresa is maintaining a positive newsflow momentum (as proven by its recent "sales warning") and if that continues we believe the "ceiling" for the stock should lie on our DCF valuation Fair Value of € 4.51 per share.**

Impresa vs. DJ Eurostoxx Media and MSCI Small Caps



Source: Datastream.

Stock Data

Risk	High Sector	Media
Price	4.16 Price Target	4.10
PSI20	7579 No. of shares (mn)	84.0
Index Weight	0.7% Market Cap (€ mn)	349.4
Reuters/Bloomberg	IPRN.IN/IPR PL EV (€ mn)	434.8
Avg. Daily Turnover (€ mn)	0.7 Free-Float	33%
Major Shareholders:	Impreger (52.2%), BPI (15.2%)	

Note: BPI has appointed a non-executive member of the Board. BPI Group holds 15.2% of Impresa and 41% of SIC.

Estimates (€)	2001	2002	2003	2004 ^E	2005 ^E	2006 ^E
EPS	-0.35	-0.26	0.00	0.22	0.26	0.31
PER	-11.8	-16.2	1486.9	19.2	15.9	13.3
CEPS	-0.07	0.05	0.15	0.34	0.37	0.41
P/CE	-56.5	77.8	28.1	12.4	11.2	10.1
EV/EBITDA	-136.3	48.2	16.2	10.9	10.1	9.3
EV/Sales	2.6	2.8	2.7	2.5	2.4	2.3

Source: BPI Equity Research, Bloomberg.

Analyst

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Historical Recommendation

Date	Recommendation
12-Sep-00	Accumulate
1-Jan-02	Hold
17-Jan-03	Reduce
18-Mar-03	Hold
28-Jul-03	Accumulate
28-Oct-03	Under revision
5-Nov-03	Hold

Source: BPI Equity Research.

Available on our website:
www.bpi.pt/equity, BPI Online,
 Bloomberg at BPIR and
 through IBES Trapeze

VALUATION UPDATE

Since our last Impresa Valuation Update (dated 27th January 2004) the DJ Eurostoxx Media stood flat. However, Vivendi, Reed Elsevier and Lagardere dominate this index, while representing approximately 55% of the total index. All these 3 companies have posted positive performances since the 27th January. As such, apart from the Newspapers division comparables, which managed to rise 1% during this period, the DJ Eurostoxx Media performance came above that of the comparables we use for each of Impresa's divisions. TV comparables fell an average of 10% in the same timeframe while the Magazines comparables went down 4%. Impresa's stock price appreciated 3% in the same period.

European Media Performance

	YTD	24M	12M	6M	3M	1M	Since 27 th Jan
Iberian Media							
Antena 3	19%	-	-	12%	6%	12%	6%
Impresa	22%	78%	143%	32%	4%	6%	3%
Prisa	37%	43%	136%	59%	21%	10%	19%
PT Multimedia	22%	134%	47%	29%	9%	2%	7%
Recoletos	10%	38%	68%	20%	26%	-3%	19%
Sogecable	31%	45%	291%	61%	18%	5%	6%
TPI	41%	28%	62%	42%	20%	4%	26%
Average	26%	61%	125%	37%	15%	5%	12%
TV							
TF1	-5%	-25%	0%	-1%	-13%	-1%	-15%
Mediaset	-2%	-6%	18%	10%	-4%	2%	-8%
Prosieben	17%	29%	213%	29%	-8%	-2%	-9%
M6	-5%	-23%	20%	-4%	-11%	-2%	-9%
Granada							
Average	1%	-6%	63%	9%	-9%	-1%	-10%
Newspapers							
Daily Mail	2%	-14%	29%	16%	-6%	1%	-4%
L'Espresso	1%	4%	39%	13%	0%	3%	1%
Ind. News & Media	5%	10%	69%	11%	-2%	-2%	-5%
Telegraaf	2%	-17%	19%	5%	1%	1%	4%
Trinity Mirror	2%	21%	38%	4%	0%	0%	-4%
Johnston Press	16%	47%	50%	17%	12%	6%	13%
Average	5%	8%	41%	11%	1%	2%	1%
Magazines							
Emap	2%	6%	13%	5%	-7%	-1%	-5%
Edipresse	3%	13%	46%	19%	-7%	4%	-6%
Roularta	17%	90%	90%	25%	10%	0%	-3%
Mondadori	9%	-8%	26%	17%	2%	1%	-4%
Average	8%	25%	44%	16%	0%	1%	-4%
DJ Eurostoxx Media	8%	-31%	36%	13%	1%	3%	0%

Source: Datastream.

We are maintaining our valuation approach, an average of our Sum-of-Parts DCF and Multiples Valuation and are maintaining our YE04 Price Target of € 4.10 (that encompasses a 10% small cap discount), which lies 1% below current market price.

However, we are sticking to our HOLD recommendation. Impresa is maintaining a positive newsflow momentum (as proven by its recent "sales warning") and if that continues we believe the "ceiling" for the stock should lie on our DCF valuation Fair Value of € 4.51 per share.

We also should point out some variables that could alter investors' perception of Impresa's value:

- **Audience Shares:** In the 1Q04, SIC managed to maintain the overall audience share lead with a 0.1 p.p. advantage over Media Capital's TVI. According to our calculations, in April (and until now) SIC has been able to widen that gap, which should have come through a slight recovery in prime-time. Still, SIC should go a long way to reach its proclaimed goal of reaching overall and prime-time lead in 2004.
- **Advertising:** We were already surprised in this 1Q04. We could be surprised again. We do believe in a very strong 1H04 based on events such as Rock in Rio-Lisboa and the Euro 2004. However, visibility for the 2H04 is very low and the uncertainty over the advertising market performance is still high.
- **New launches and acquisitions at the Magazines division:** We refrained from incorporating in our estimates any possible launches or acquisition that Edimpresa may carry out in 2004. Edimpresa, though, has declared its intention to launch or acquire new titles.

DCF VALUATION

We are maintaining the basic assumptions of our DCF valuation:

- WACCs stand at 9.8% for SIC (TV), 9.2% for Edimpresa (Magazines) and 9.3% for Newspapers;
- Nominal growth rate in perpetuity remains at 3.5% for each division;
- This valuation does not include any kind of controlling premium for SIC.

Our DCF Sum-of-the Parts Valuation points to an € 4.51 YE04 Fair Value per share.

Impresa's Valuation

DCF	€ 4.51
Multiples	€ 4.60
Average YE04 FV	€ 4.55
Small Cap Discount	10%
Price Target YE04	€ 4.10

Source: BPI Equity Research Estimates.

Impresa Sum-of-the-Parts DCF

Business Area (€ mn)	EV	Net Debt	Impresa's Stake	Equity Value	Implied Multiples
TV	476	39	51.0%	223	EV/EBITDA 04 = 11.6x; EV/Sales = 2.7x
Magazines	130	14	50.0%	58	EV/EBITDA 04 = 11.0x; EV/Sales = 1.8x
Newspapers	143	13	100.0%	130	EV/EBITDA 04 = 10.3x; EV/Sales = 2.3x
Total	749	66		411	
(+) Distribution			33.3%	9	6x 2004 EV/EBITDA Multiple
(+) Other Non-Core Assets				12	
(-) Net Debt				52	
Equity Value				379	
# Shares				84.0	
FV per share (€)				4.51	

Source: BPI Equity Research Estimates.

Impresa's Valuation Sensitiveness

	2004 Advertising Growth				
	-2%	-1%	Base Case	+1%	+2%
DCF Fair Value	4.16	4.34	4.51	4.68	4.85
Chg. To Base Case	-7.7%	-3.8%		3.8%	7.7%
	Perpetuity Growth Rate (g)				
	2.5%	3.0%	3.5%	4.0%	4.5%
DCF Fair Value	3.98	4.22	4.51	4.85	5.25
Chg. To Base Case	-11.8%	-6.3%		7.5%	16.5%

Source: BPI Equity Research Estimates.

Multiples Valuation

Since our last valuation update on the 27th Jan, media stocks have "cooled" of their beginning of the year impetus. This was particularly evident in the case of TV the TV segment, which since that date has gone down by an average of 10%.

Impresa's Sum-of-the-Parts using EV/EBITDA 2004 multiples points to an € 4.60 YE04 Fair Value per share.

Impresa Sum-of-the-Parts: EV/EBITDA Multiples

Business Area (€ mn)	EV	Net Debt	Impresa's Stake	Equity Value	Valuation Method
TV	554.7	39.4	51.0%	262.8	2004 EV/EBITDA Multiple
Magazines	102.8	14.0	50.0%	44.4	2004 EV/EBITDA Multiple
Newspapers	124.2	13.0	100.0%	111.2	2004 EV/EBITDA Multiple
Total	781.6	66.4		418.4	
(+) Distribution				8.6	6x 2004 EV/EBITDA Multiple
(+) Other Non-Core Assets				11.7	
(-) Net Debt				52.3	
Equity Value				386.4	
# Shares				84.0	
FV per share (€)				4.60	

Source: IBES, BPI Equity Research Estimates.

If using EV/Sales multiples we reach a YE04 Fair value of € 3.70 per share.

TV Multiples

	Price	Currency	EV/Sales			EV/EBITDA		
			2004	2005	2006	2004	2005	2006
TF1	27.1	Eur	2.2	2.1	2.0	12.3	11.2	11.3
Mediaset	9.2	Eur	3.6	3.4	3.2	7.7	7.1	7.3
Prosieben	15.2	Eur	2.3	2.2	2.1	16.0	13.0	11.2
M6 - Metropole Television	25.1	Eur	2.5	2.4	2.2	10.3	9.5	9.5
ITV	140.8	GBp	3.0	2.9	2.7	19.6	13.6	12.7
Antena 3	41.3	Eur	3.5	3.3	3.2	14.2	12.6	11.7
Average			2.8	2.7	2.6	13.4	11.2	10.6
SIC Implied Multiples			3.0	2.9	2.7	11.5	10.3	9.3

Source: IBES, BPI Equity Research Estimates (SIC, Antena 3).

Consumer Magazines Multiples

	Price	Currency	EV/Sales			EV/EBITDA		
			2004	2005	2006	2004	2005	2006
Emap	867.0	GBp	2.2	2.1	2.1	10.1	9.6	8.9
Edipresse	610.0	CHF	1.1	1.0		9.0	7.8	
Roularta	43.0	Eur	1.0	1.0	0.9	7.2	6.8	6.9
Mondadori	7.8	Eur	1.2	1.2	1.1	8.6	8.1	6.6
Average			1.4	1.3	1.4	8.7	8.1	7.5
Edimpresa Implied Multiples			1.7	1.6	1.6	11.1	10.3	9.6

Source: IBES, BPI Equity Research Estimates (Edimpresa).

Newspapers Multiples

	Price	Currency	EV/Sales			EV/EBITDA		
			2004	2005	2006	2004	2005	2006
Daily Mail	686.5	GBP	1.8	1.8	1.7	11.2	10.3	9.6
L'Espresso	5.1	Eur	2.2	2.2	2.1	10.3	9.7	8.4
Independent News & Media	1.9	Eur	1.4	1.3	0.0	6.6	6.1	0.0
Telegraaf	18.5	Eur	1.4	1.3	1.3	12.6	10.5	9.0
Trinity Mirror	582.0	GBP	2.1	2.0	2.0	8.2	7.8	7.7
Average			1.8	1.7	1.8	9.8	8.9	8.7
Newspapers Implied Multiples			2.6	2.5	2.5	11.2	10.8	10.4

Source: IBES, BPI Equity Research Estimates (Newspapers implied multiples).

EARNINGS REVISION

This earnings revision is essentially powered by (1) a better than expected performance of the Portuguese advertising market in the 1Q04, as well as (2) the incorporation of Impresa's 2003 figures into our model.

Television - SIC

The estimates revision at SIC is mainly based on the incorporation of 2003 figures into our model. **The most significant changes in the programming costs line and in the thematic channels revenues. In both cases 2003 figures came better than our expectations and our estimates were adjusted accordingly** as we believe the evolution into 2004 should remain as we were previously estimating.

Additionally, after the surprising announcement that 1Q04 advertising revenues rose 15%, we also adjusted our estimates for the Portuguese advertising market. **In what respects the TV segment, we were previously estimating an 8% YoY** growth based on the natural growth of the market and the reduction of agency commissions. **We are now expecting the TV advertising market to grow 9%.**

However, we also believe that part of this good performance is explained by events that will not be repeated in 2005 and will certainly put some pressure in the advertising market. Even though we deem that an economic recovery could help to sustain the TV advertising market in 2005, we expect 2004's good performance to take its toll on TV advertising 2005 growth. We are now estimating a 3% growth for the TV advertising market in 2005, which compares with our prior estimates of 4.1%.

Just another note for the 4.2% increase in Thematic Channels estimates for 2004 to refer that it is the result of a higher than expected figure in 2004 coupled with slightly higher expected revenues for SIC Mulher. Our estimates were based on SIC Mulher obtaining similar audience share levels to those of SIC Gold and SIC Mulher has clearly surpassed SIC Gold during 2003.

SIC Estimates Revision

(€ mn)	2004 ^E			2005 ^E			2006 ^E		
	Current	Previous	% Chg.	Current	Previous	% Chg.	Current	Previous	% Chg.
Total Operating Income	160	157	2%	167	165	1%	175	172	2%
Advertising	121	120	1%	126	125	0%	131	130	0%
Thematic Channels	29	28	4%	31	30	4%	33	31	4%
Others	10	9	7%	10	10	7%	11	10	11%
Cash Costs	119	120	-1%	120	122	-1%	123	125	-1%
COGS	69	71	-3%	70	72	-3%	71	74	-3%
External Supplies & Services	23	23	1%	23	23	1%	24	23	1%
Personnel Costs	27	26	3%	28	27	3%	28	27	3%
EBITDA	42	37	13%	46	43	8%	51	47	8%
EBITDA Margin	25.9%	23.5%		27.8%	26.1%		29.3%	27.4%	

Source: BPI Equity Research Estimates.

Television P&L

(€ mn)	2003 ^A	Δ	2004 ^E	Δ	2005 ^E	Δ	2006 ^E	Δ
Total Operating Income	145	11%	160	11%	167	4%	175	5%
Advertising	110	8%	121	11%	126	4%	131	4%
Thematic Channels	26	21%	29	11%	31	6%	33	6%
Others	9	23%	10	11%	10	3%	11	8%
Total Cash Costs	119	-11%	119	0%	120	1%	123	3%
COGS	69	-8%	69	0%	70	1%	71	3%
Personnel Costs	28	1%	27	-2%	28	2%	28	3%
Other Operating Costs	22	-29%	23	3%	23	1%	24	3%
EBITDA	26	-	42	61%	46	12%	51	10%
EBITDA Margin	17.8%		25.9%		27.8%		29.3%	

Source: Impresa (A); BPI Equity Research Estimates (E).

Magazines - Edimpresa

Again, we revised our estimates for Edimpresa to take into account a worse than expected 2003 performance coupled with a stronger growth in advertising. We are estimating Non-Daily Press advertising to rise 6% YoY vs. a previous 4%.

We are still considering that this should a tough year for Edimpresa. Please note that Edimpresa is not the only publisher aiming to launch new publications. Some others (Cofina and Impala) have also announced their intention to introduce new magazines onto the market, which should propel a more challenging competitive environment. Cofina, in particular, has already announced the launch of a weekly news magazine ("Sábado) to compete directly with one of Edimpresa's most successful titles, "Visão".

Magazines P&L

(€ mn)	2004 ^E			2005 ^E			2006 ^E		
	Current	Previous	% Chg.	Current	Previous	% Chg.	Current	Previous	% Chg.
Total Operating Income	79	80	-1%	81	82	-1%	84	85	-1%
Advertising	35	35	-2%	36	37	-2%	37	38	-2%
Circulation	40	41	-3%	41	42	-3%	42	43	-3%
Others	4	4	21%	5	4	21%	5	4	21%
Cash Costs	67	67	0%	69	68	0%	70	70	0%
COGS	12	14	-9%	13	14	-9%	13	14	-9%
Personnel Costs	20	19	4%	20	19	4%	20	20	4%
Other Operating Costs	35	34	2%	36	35	2%	37	36	2%
EBITDA	12	13	-10%	13	14	-10%	14	15	-9%
EBITDA Margin	14.9%	16.4%		15.5%	16.9%		16.2%	17.6%	

Source: BPI Equity Research Estimates.

Overall, we do not expect Edimpresa's evolution to change much. However, this evolution now starts from a lower base (2003).

Even though Impresa already announced that Edimpresa intends to launch or even acquire some magazines in 2004, our estimates do not account for any launch or acquisition.

Magazines P&L

(€ mn)	2003 ^A	Δ	2004 ^E	Δ	2005 ^E	Δ	2006 ^E	Δ
Total Operating Income	75	2%	79	6%	81	3%	84	3%
Advertising	33	-4%	35	6%	36	4%	37	4%
Circulation	38	6%	40	6%	41	2%	42	2%
Others	4	27%	4	2%	5	2%	5	3%
Total Cash Costs	64	8%	67	4%	69	2%	70	2%
COGS	12	-4%	12	7%	13	2%	13	2%
Personnel Costs	19	7%	20	2%	20	2%	20	2%
Other Operating Costs	33	13%	35	5%	36	2%	37	2%
EBITDA	10	-21%	12	13%	13	7%	14	8%
EBITDA Margin	13.9%		14.9%		15.5%		16.2%	

Source: Impresa (A); BPI Equity Research Estimates (E).

Newspapers

The newspapers division performance in 2003 was in line with expectations. **The most significant change to our estimates comes not only from an upgrade in the growth expectations for the Press advertising market but also from the acknowledgement of the positive effect of "Espresso"'s layout change.** The change in layout enabled "Espresso" to introduce more colour advertising with an obvious positive effect on advertising prices. **We now expect advertising at Espresso to grow 10% YoY vs. a previous 5.5%.**

Newspapers P&L

(€ mn)	2004 ^E			2005 ^E			2006 ^E		
	Current	Previous	% Chg.	Current	Previous	% Chg.	Current	Previous	% Chg.
Total Operating Income	55	53	3%	56	55	3%	58	56	3%
Advertising	36	34	4%	37	35	4%	38	37	4%
Circulation	16	16	-1%	16	16	-1%	16	16	-1%
Others	3	3	13%	4	3	13%	4	3	13%
Cash Costs	42	41	2%	43	42	2%	44	44	2%
COGS	7	7	5%	7	7	5%	8	7	5%
External Supplies & Services	17	17	0%	18	18	0%	18	18	0%
Personnel Costs	17	17	2%	18	18	2%	18	18	2%
EBITDA	13	12	8%	13	12	8%	14	13	8%
EBITDA Margin	23.3%	22.2%		23.4%	22.3%		23.6%	22.5%	

Source: BPI Equity Research Estimates.

Newspapers P&L

(€ mn)	2003 ^A	Δ	2004 ^E	Δ	2005 ^E	Δ	2006 ^E	Δ
Total Operating Income	51	0%	55	8%	56	3%	58	3%
Advertising	32	-9%	36	10%	37	4%	38	4%
Circulation	15	11%	16	4%	16	1%	16	1%
Others	3	167%	3	5%	4	5%	4	5%
Total Cash Costs	42	-9%	42	-1%	43	3%	44	3%
COGS	7	-20%	7	5%	7	3%	8	2%
External Supplies & Services	18	-7%	17	-4%	18	3%	18	3%
Personnel Costs	18	-6%	17	0%	18	3%	18	3%
EBITDA	8	102%	13	51%	13	4%	14	4%
EBITDA Margin	16.6%		23.3%		23.4%		23.6%	

Source: Impresa (A); BPI Equity Research Estimates (E).

CONSOLIDATED ACCOUNTS**Consolidated P&L**

(€ mn)	2003 ^A	Δ	2004 ^E	Δ	2005 ^E	Δ	2006 ^E	Δ
Total Operating Income	266	6%	290	9%	300	4%	312	4%
Television	145	11%	160	11%	167	4%	175	5%
Magazines	75	2%	79	6%	81	3%	84	3%
Newspapers	51	0%	55	8%	56	3%	58	3%
Intragroup	-4	44%	-4	-6%	-4	4%	-4	4%
Total Cash Costs	225	-6%	228	1%	233	2%	239	3%
COGS	78	-8%	80	2%	81	1%	83	3%
External Supplies & Serv.	78	-9%	80	2%	82	2%	84	2%
Personnel Costs	69	1%	69	0%	70	3%	72	3%
EBITDA	41	230%	61	50%	67	10%	73	9%
EBITDA Margin	15.4%		21.2%		22.4%		23.5%	

Source: Impresa (A); BPI Equity Research Estimates (E).

After this revision, we are currently expecting Impresa to beat its record EBITDA (€ 61.5 mn vs. € 60.1 mn) achieved in the peak year of the advertising market in 2000. This evolution should be powered by two major factors:

- Impresa's ability to reduce its cost base, which now enables the company to benefit from an upturn in the advertising market;
- A recovery in the advertising market, which should allow Impresa to take advantage of its operating leverage;

After the company's announcement of a surprising 15% growth in revenues in the 1Q04, we would not be surprised if Impresa upgrades its current guidance for 2004 (Revenues of € 284 mn and EBITDA of € 58 mn) when it discloses 1Q04 results on the 26th April.

1Q04 EARNINGS PREVIEW

(to be released on the 26th April after the market's close at 16:30 London time; Analysts Conference Call at 17:00 London time)

First of all, we should point out that we were positively surprised by Impresa's "sales warnings" as we were not expecting such a high advertising growth in the 1Q04. This was one of the reasons leading us to revise our estimates. After our Earnings Revision, we expect Impresa to reach a consolidated 1Q04 net loss of € 2.1 mn on a Total turnover of € 63 mn and an EBITDA of € 5.4 mn.

Key points at each division should be:

- **TV:** We expect SIC's EBITDA margin to reach 13.8% at 1Q04 as it capitalises on the recovery of the TV advertising market and of its restructuring programme. Turnover should grow by 14.5% YoY mainly supported by the 16.1% growth in advertising revenues. Costs under control should allow SIC to post a € 5.4 mn improvement at the EBITDA line while closing 1Q04 with an € 4.7 EBITDA.
- **Magazines:** Turnover should improve by 11.4% YoY to € 17.2 mn, mainly justified by the 5 new magazines launches in September and October and a solid (below the other two divisions but solid) growth in advertising revenues. We believe that the competitive environment on this business should continue taking its toll on the EBITDA margin, which we estimate to reach 8.4% at 1Q04, still 1.3 p.p. better than in 1Q03.
- **Newspapers:** We estimate Turnover to grow 18% YoY backed by a strong rise in advertising revenues. Advertising revenues should have been benefited by the recovery of the market as a whole but also by the change in "Espresso" layout, which allows the use of more colour pages. This coupled with the division's restructuring effort should lead to an healthy improvement in EBITDA margin (16.8% estimates vs 10.3% in 1Q03)

Consolidated YE03 Preview

(€ mn)	1Q04 ^E	1Q03 ^A	%Δyoy	4Q03 ^A	3Q03 ^A	2Q03 ^A	YE04 ^E
Turnover	63.0	54.8	15.0%	81.3	62.3	67.3	289.7
TV	34.0	29.7	14.5%	44.1	32.4	38.6	160.4
Newspapers	12.7	10.8	17.8%	15.8	11.0	13.2	54.6
Magazines	17.2	15.5	11.4%	22.4	19.4	17.3	78.8
Intra-Group Adjustments	-0.8	-1.1	-21.7%	-0.9	-0.5	-1.8	-4.0
EBITDA	5.4	1.2	-	18.3	6.5	14.9	61.5
<i>EBITDA Margin</i>	<i>8.6%</i>	<i>2.1%</i>		<i>22.6%</i>	<i>10.4%</i>	<i>22.1%</i>	<i>21.2%</i>
Depreciation & Provisions	4.4	6.5	-32.3%	3.9	5.6	6.3	21.0
EBIT	1.0	-5.3	-119.6%	14.4	0.9	8.6	40.5
<i>EBIT Margin</i>	<i>1.6%</i>	<i>-9.7%</i>		<i>17.7%</i>	<i>1.4%</i>	<i>12.8%</i>	<i>14.0%</i>
Net Financials	-4.2	-4.7	-9.9%	-6.0	-5.6	-4.7	-18.8
Extraordinaries	0.0	0.5	-	-1.2	1.0	0.4	0.0
EBT	-3.2	-9.5	-66.3%	7.3	-3.7	4.4	21.7
Taxes	-0.8	0.6	-	3.5	0.3	1.1	5.4
EAT	-2.4	-10.1	-76.2%	3.8	-4.0	3.3	16.3
Minorities	-0.3	-2.7	-	3.6	-0.4	2.6	9.1
Net Profit	-2.1	-7.4	-	0.1	-3.6	0.7	7.2
Adjusted Net Profit ⁽¹⁾	0.6	-4.6	-	3.0	-1.0	3.4	18.2

1) Adjusted by Goodwill.

Source: Impresa (A), BPI Equity Research Estimates (E).

TV 1Q04 Preview

(€ mn)	1Q04 ^E	1Q03 ^A	%Δyoy	4Q03 ^A	3Q03 ^A	2Q03 ^A	YE04 ^E
Turnover	33.9	29.6	14.5%	44.1	32.4	38.6	160.4
Advertising	23.7	20.4	16.1%	35.4	23.2	30.5	121.4
Thematic Channels	6.9	6.0	14.2%	6.8	6.5	6.9	29.1
Others	3.3	3.2	4.6%	1.8	2.7	1.2	9.9
Operating Costs	29.2	30.3	-3.7%	30.8	29.5	28.3	118.9
EBITDA	4.7	-0.7	-769.9%	13.3	2.9	10.3	41.5
<i>EBITDA Margin</i>	<i>13.8%</i>	<i>-2.4%</i>		<i>30.2%</i>	<i>8.9%</i>	<i>26.7%</i>	<i>25.9%</i>

Source: Impresa (A), BPI Equity Research Estimates (E).

Magazines 1Q04 Preview

(€ mn)	1Q04 ^E	1Q03 ^A	%Δyoy	4Q03 ^A	3Q03 ^A	2Q03 ^A	YE04 ^E
Turnover	17.2	15.4	11.4%	22.4	19.4	17.3	78.8
Advertising	6.1	5.4	13.5%	10.5	7.6	9.1	34.1
Circulation	9.8	8.9	10.5%	8.8	11.0	8.8	37.6
Others	1.2	1.1	9.4%	3.0	0.9	-0.6	3.5
Operating Costs	15.7	14.3	9.9%	18.2	16.8	14.9	67.0
EBITDA	1.4	1.1	30.8%	4.2	2.6	2.4	11.8
<i>EBITDA Margin</i>	<i>8.4%</i>	<i>7.1%</i>		<i>18.8%</i>	<i>13.5%</i>	<i>14.0%</i>	<i>14.9%</i>

Source: Impresa (A), BPI Equity Research Estimates (E).

Newspapers 1Q04 Preview

(€ mn)	1Q04 ^E	1Q03 ^A	%Δyoy	4Q03 ^A	3Q03 ^A	2Q03 ^A	YE04 ^E
Turnover	12.6	10.7	17.8%	11.1	13.2	13.2	54.6
Advertising	7.6	6.2	22.6%	6.8	9.3	9.3	35.6
Circulation	4.0	3.8	4.5%	4.3	3.5	3.5	15.6
Others	1.0	0.7	49.9%	0.0	0.4	0.4	3.4
Operating Costs	10.5	9.6	9.2%	9.6	10.8	10.8	41.8
EBITDA	2.1	1.1	92.6%	1.5	2.5	2.5	12.7
<i>EBITDA Margin</i>	<i>16.8%</i>	<i>10.3%</i>		<i>4.2%</i>	<i>18.7%</i>	<i>18.7%</i>	<i>23.3%</i>

Source: Impresa (A), BPI Equity Research Estimates (E)

Consolidated P&L

(€ mn)	2003 ^A		2004 ^E		2005 ^E		2006 ^E	
Total Operating Income	265.7	6.0%	289.7	9.0%	300.0	3.6%	312.1	4.0%
Television	144.7	11.0%	160.4	10.8%	166.6	3.9%	174.5	4.7%
Magazines	74.5	2.4%	78.8	5.7%	81.3	3.2%	83.8	3.1%
Newspapers	50.7	0.4%	54.6	7.5%	56.3	3.2%	58.1	3.2%
Distribution	0.0		0.0		0.0		0.0	
Intragroup	-4.3	44.3%	-4.0	-6.2%	-4.2	3.6%	-4.3	4.0%
Programming Costs	77.8	-8.2%	79.6	2.4%	80.7	1.3%	82.8	2.7%
External Supplies & Services	78.2	-8.5%	79.9	2.2%	81.6	2.0%	83.6	2.4%
Personnel Costs	68.9	1.2%	68.6	-0.4%	70.4	2.6%	72.3	2.6%
EBITDA	40.9	229.9%	61.5	50.5%	67.3	9.5%	73.4	9.0%
EBITDA Margin	15.4%		21.2%		22.4%		23.5%	
Depreciation & Provision	22.2	-30.9%	21.0	-5.7%	20.2	-3.9%	19.2	-4.6%
EBIT	18.6	-194.3%	40.5	117.4%	47.2	16.4%	54.2	14.9%
EBIT Margin	7.0%		14.0%		15.7%		17.4%	
Net Financial Expenses	-20.8	-1.0%	-18.8	-9.4%	-16.8	-10.8%	-14.4	-14.5%
Extraordinaries	0.7	121.7%	0.0	-	0.0	-	0.0	-
EBT	-1.4	-96.5%	21.7	-1626.3%	30.4	40.1%	39.8	31.1%
Income Tax	5.5	-335.1%	5.4	-1.0%	8.4	54.1%	11.0	31.1%
Effective Tax Rate	-385.3%		25.0%		27.5%		27.5%	
Minority Interest	3.1	-130.8%	9.1	190.9%	11.0	21.1%	13.4	21.7%
Net Profit	-10.0	-64.2%	7.2	-171.9%	11.1	53.6%	15.5	40.4%
Goodwill	11.0	11.1%	11.0	0.0%	11.0	0.0%	10.8	-1.6%
Adjusted Net Profit	1.0	-105.3%	18.2	1809.0%	22.0	21.3%	26.3	19.5%

Source: Impresa (A) and BPI Equity Research (E).

Consolidated Balance Sheet

(€ mn)	2003	2004	2005	2006
Net Intangibles	166.6	155.3	144.0	132.8
Net Fixed Assets	73.5	68.4	64.4	61.6
Investments	3.2	3.2	3.2	3.2
MLT Debtors	0.0	0.0	0.0	0.0
Total LT Assets	243.2	226.8	211.5	197.6
Inventories	38.2	39.1	39.7	40.7
ST Receivables	52.2	56.9	59.0	61.3
Accruals & Deferrals	29.2	31.8	32.9	34.3
Other ST Assets	17.5	19.0	19.6	20.4
Cash & Equivalents	21.0	20.7	20.1	45.4
Net Assets	401.4	394.3	382.7	399.7
Equity	95.7	102.8	113.9	129.4
Minorities	15.7	24.8	35.7	49.1
Provisions	5.6	6.2	6.4	6.6
MLT Liabilities	136.2	126.5	115.3	104.2
o.w. debt	120.3	109.2	97.4	85.6
ST Liabilities	117.1	100.1	76.3	73.9
o.w. debt	49.8	31.7	5.4	0.0
Accruals & Deferrals	31.1	33.9	35.1	36.5
Liabilities	284.4	260.6	226.8	214.6
Equity + Minorities + Liabilities	401.4	394.3	382.8	399.8

Source: Impresa (A) and BPI Equity Research (E).

Cash-flow Statement

(€ mn)	2003	2004	2005	2006
+ EBIT	18.6	40.5	47.2	54.2
+ Dep. & Amort.	8.0	13.7	12.6	11.4
- Changes Working Capital	-8.8	-6.2	-0.9	-1.4
= Operating Cash Flow	17.8	48.0	58.9	64.2
- Capex	-3.4	-8.3	-8.3	-8.3
- Net financial investments	4.3	0.0	0.0	0.0
= Cash Flow after Investments	18.7	39.7	50.6	55.9
- Net financial expenses	-9.8	-7.9	-5.8	-3.6
- Taxes paid	-5.5	-5.4	-8.4	-11.0
- Dividends Paid	0.0	0.0	0.0	0.0
- Other	-20.9	0.9	0.5	0.5
+ Equity increase	17.8	0.0	0.0	0.0
= Changes in Net Debt	-0.3	-27.3	-36.9	-41.9

Source: Impresa (A) and BPI Equity Research (E).

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INVESTMENT RATINGS AND RISK CLASSIFICATION (TOTAL RETURN IN 12-18 MONTHS):

	Low Risk	Medium Risk	High Risk
Buy	> 15%	>20%	>25%
Accumulate	>10% and < 15%	>10% and < 20%	>15% and < 25%
Hold	>0% and < 10%	>0% and < 10%	>0% and < 15%
Reduce	>-15% and < 0%	>-20% and < 0%	>-25% and < -0%
Sell	< -15%	< -20%	< -25%

These investment ratings are not strict and should be taken as a general rule.

INVESTMENT RATINGS STATISTICS

As of 31st March BPI Equity Research's investment ratings were distributed as follows:

	%
Buy / Speculative Buy	15%
Accumulate	20%
Hold	29%
Reduce	15%
Sell	0%
Under Revision	19%
Restricted	3%
Total	100%

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