

COFINA, SGPS, S.A.

Share Capital: 25,641,459 Euro

Rua General Norton de Matos, nr. 68, Porto

Fiscal number 502 293 225

COFINA, S.G.P.S., S.A.
(OPEN CAPITAL COMPANY)

Directors' Report

CONSOLIDATED ACCOUNTS

30 June 2008

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To the Shareholders

Pursuant to the legal requirements, the Board of Directors of Cofina, S.G.P.S., S.A. (Open capital company) hereby presents its Directors' Report for the first semester of 2008.

INTRODUCTION

As in recent periods, the first semester of 2008 was dominated by the strong competition in the media market with several players trying to increase its market share in circulation as well as in advertising revenue. This task has not been simple as a result of the adverse economical environment. Notwithstanding, Cofina Media, holding which includes the Group's operating companies, kept presenting good performances, mainly in the advertising market, maintaining and strengthening the leadership of its main publications.

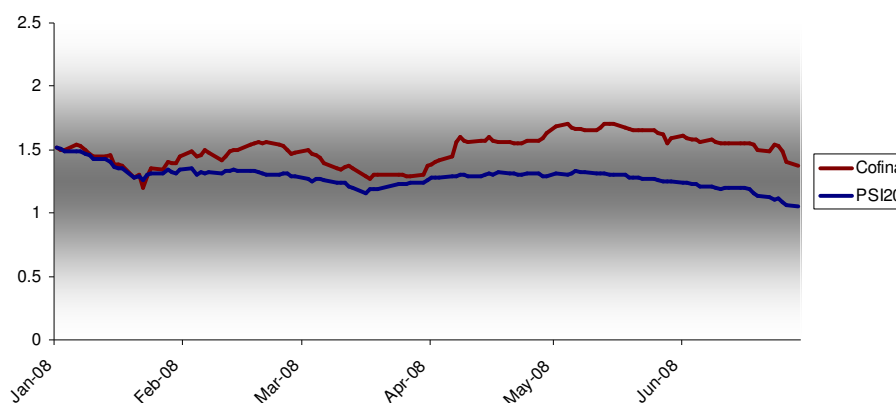
STOCK EXCHANGE EVOLUTION

(Note: in order to enable a better comparison between the stock price variation and PSI 20, the index has been considered as being equal in value to the opening price of the shares in question.)

The first semester of 2008 was negative for the major Portuguese stock market index (PSI 20), recording one of the worse periods in the Portuguese capital market history. The main Portuguese stock exchange index (PSI 20) decreased approximately 32% in this period, representing the worst performance of 20 global stock exchange index serving as reference to Euronext.

During the first six months, the PSI 20 stock exchange capitalization reduced significantly. At the last year end, the value of the 20 companies of the major Portuguese stock market index reached 94.3 thousand million Euro, decreasing to 64.5 thousand million Euro at the end of the first semester of 2008.

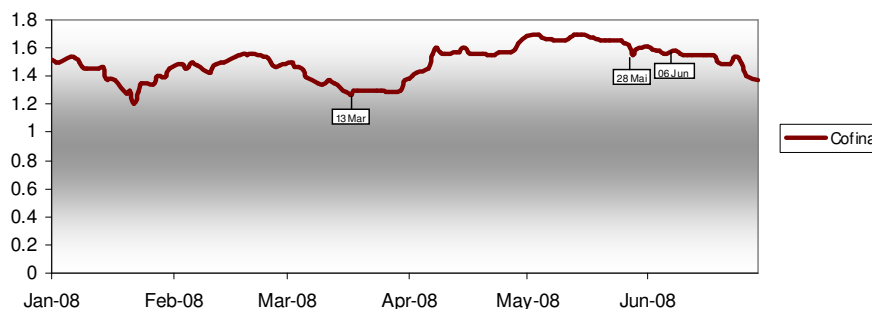
Stock exchange evolution



As a consequence of the instability felt in the media sector, Cofina's shares noted a certain degree of underperformance, closing the semester at 1.37 Euro per share. During the semester around 12.8 million of Cofina shares were traded, representing approximately 12% of the Company's share capital. Cofina's shares reached its maximum at 1.7 Euro per share and its minimum at 1.2 Euro per share during the first semester of 2008.

The most significant events that, during the first semester of 2008, affected the share price evolution were as follows:

Stock exchange evolution



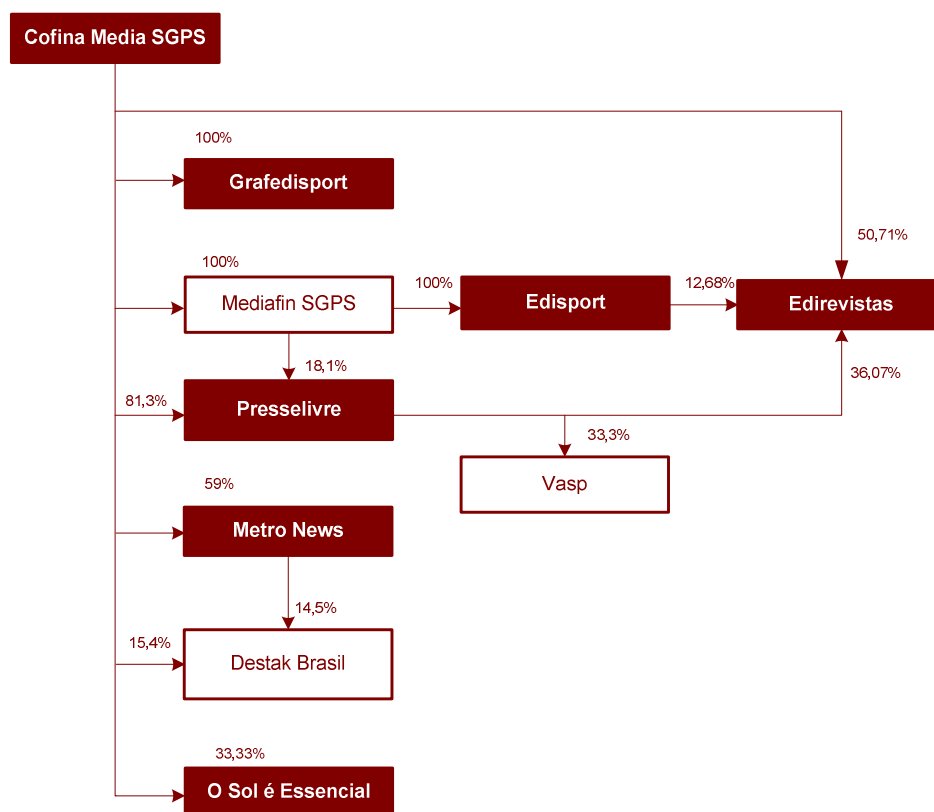
- 13 March 2008 – announcement of the Group's performance for the year 2007, presenting a consolidated net profit of 10 million Euro. Operating income increased 2.5% amounting to 134.6 million Euro. As of that date, Cofina's shares closed at 1.37 Euro per share.
- 27 May 2008 – announcement to the Securities Market Commission ("Comissão do Mercado de Valores Mobiliário" – CMVM) of the reduction of the Millennium BCP participation in Cofina, SGPS, S.A. for 3.498.224 shares. As of that date, Cofina's shares closed at 1.63 Euro per share.
- 28 May 2008 – announcement of the financial performance of the first quarter of 2008. The net profit for the period amounted to -11 million. EBITDA increased 1% in the same period and the shares' price as of that date amounted to 1.62 Euro per share.
- 6 June 2008 – information to the Securities Market Commission ("Comissão do Mercado de Valores Mobiliários" – CMVM) concerning the payment of a dividend of 0.035 Euro per share for the year 2007 as from 25 June 2008. As of that date, the price of shares was at 1.56 Euro per share.

GROUP'S ACTIVITY

Cofina Group currently develops its operations mainly in the media segment.

The key company in this area is Cofina Media, S.G.P.S., S.A. which owns leading products in their respective segments such as the daily newspaper "Correio da Manhã", the daily sports newspaper "Record", the free newspapers "Destak" and "Meia Hora", the newsmagazine "Sábado" as well as other titles such as "Jornal de Negócios", "Máxima", "TV Guia", "Flash!", "Vogue", "GQ", "Rotas e Destinos", "PC Guia" and "Automotor".

Currently, the Cofina Media Group's structure is as follows:



The first semester of 2008 was characterized by the pressure to traditional media, threatened by the free distribution newspapers and the access to on-line newspapers. However, this is not a vulnerable area for the Group: on one hand, Cofina has a consistent base of readers in its main newspapers; on the other hand, its presence in the areas that will potentially benefit from this change in the readers habits will allow the Group to easily replace the circulation revenues that could be lost by advertising income.

The first semester of 2008 was also marked by an adverse international economic climate, with impacts on domestic demand and in the Portuguese economy recovery. Still, Cofina managed to maintain the leadership on its main media, particularly in the

daily newspaper "Correio da Manhã," gaining market share in other headings, namely in the weekly information magazine "Sábado".

As far as it concerns the advertising market, the Group managed to keep the leadership among the main media groups:

| | Advertising investment in 2008 | Share | Advertising investment in 2007 | Share |
|---------------------|--------------------------------------|------------|--------------------------------------|------------|
| Cofina Media | 103,440,146 | 24% | 83,922,939 | 21% |
| Controlinveste | 71,111,174 | 17% | 64,446,629 | 16% |
| Impresa | 70,765,311 | 17% | 71,823,298 | 18% |
| Impala | 29,420,016 | 7% | 28,701,450 | 7% |

Source: Mediamonitor

(standard prices in Euro accumulated as of 30 June 2008)

Despite the constraints felt by the market as a result of the scarce internal demand and difficult economic recovery, the Group, besides keeping the leadership of its main headings, also managed to strengthen the position of some of its products.

During the first semester of 2008, Cofina Media was able to maintain the advertising investment growth (23%), presenting a performance above its main competitors (5.2%), increasing its share from 21% to 24%.

As far as it concerns the circulation market, the Group is the second editorial group among the main media groups.

| | Paid Circulation | | Paid Circulation | |
|------------------------|-------------------|------------|-------------------|------------|
| <u>Publisher Group</u> | 2008 | Share | 2007 | Share |
| Cofina Media | 27,427,839 | 27% | 26,646,606 | 27% |
| Controlinveste | 28,410,856 | 28% | 25,964,471 | 27% |
| Impala | 11,294,827 | 11% | 12,760,887 | 13% |
| Impresa | 10,158,817 | 10% | 10,390,134 | 11% |

Source: APCT

(Medium number of copy sold by edition as of 30 April 2008)

The Group has the same market share in comparison with 2007, increasing the advertising investment.

| | Paid Circulation | | | Share | |
|---------------|------------------|----------------|---------------|--------------|--------------|
| | 2008 | 2007 | Δ 2008 / 2007 | 2008 | 2007 |
| Sábado | 70,055 | 68,430 | 2.4% | 37.0% | 36.0% |
| Visão | 109,224 | 109,464 | -0.2% | 57.0% | 56.0% |
| Focus | 11,008 | 14,012 | -21.4% | 6.0% | 8.0% |
| Market | 190,287 | 191,906 | -0.8% | | |

Source: APCT

(Medium number of copy sold by edition as of 30 April 2008)

The magazine segment decreased 0.8% between January and April 2008.

The magazine "Sábado" strengthened its position in paid circulation during the first semester of 2008, growing about 2.4%, being the only publication growing in this segment.

| | Paid Circulation | | | Share | |
|-------------------------|------------------|----------------|---------------|--------------|--------------|
| | 2008 | 2007 | Δ 2008 / 2007 | 2008 | 2007 |
| Correio da manhã | 117,722 | 111,294 | 5.8% | 34.7% | 36.1% |
| Jornal de Notícias | 99,313 | 88,565 | 12.1% | 29.3% | 28.6% |
| 24 Horas | 41,588 | 41,495 | 0.2% | 12.2% | 10.9% |
| Público | 35,831 | 34,219 | 4.7% | 10.6% | 13.1% |
| Diário de Notícias | 45,063 | 35,479 | 27.0% | 13.3% | 11.3% |
| Market | 339,517 | 311,052 | 9.2% | | |

Source: APCT

(Medium number of copy sold by edition as of 30 April 2008)

The newspaper segment increased 9.2% between January and April 2008. In the first semester of 2008, "Correio da Manhã" was the newspaper that recorded the biggest levels of paid circulation.

FINANCIAL REVIEW

The consolidated financial performance indicators of Cofina for the first semester of 2008, prepared in accordance with the recognition and measurement principles of IFRS, can be summarized as follows:

| | 30.06.2008 | 30.06.2007 | Δ 2008 / 2007 |
|-----------------------------|------------|------------|---------------|
| Operating income | 75,184 | 66,994 | 12.2% |
| Operating net profit (EBIT) | 8,275 | 7,949 | 4.1% |
| EBITDA | 10,160 | 9,825 | 3.4% |
| Consolidated net profit (a) | (46,125) | 5,482 | - |

(amounts in thousand Euro)
 EBITDA = operating net profit + amortisation
 (a) - Net profit attributable to parent-company's shareholders

The operating income for the first semester increased 12.2% when compared with the homologous period of 2007. The growth of the advertising revenues, reinforced by the recovery of the market felt in the first semester, contributed largely to this evolution. The operating net profit increased 4.1% due to the continuous rationalization efforts made by the Group.

EBITDA grew 3.4% in comparison with the first semester of 2007 amounting to 10.2 million Euro as of 30 June 2008.

The net consolidated profit was affected by the effect of the valuation of the Zon Multimédia investment held in listed shares at its market value, which had an impact of, approximately, 63 million Euro in caption "Gains and losses in other investments".

The Group's total nominal debt amounted to 208.5 million Euro corresponding to a nominal net debt of 89.2 million Euro, including the investments held for trading.

The Group's performance may be detailed as follows:

| | Jun-08 | Jun-07 | Δ 2008 / 2007 |
|---|-----------------|---------------|---------------|
| Operating income | 75,184 | 66,994 | 12.2% |
| Circulation | 29,851 | 29,198 | 2.2% |
| Advertising | 31,985 | 30,216 | 5.9% |
| Alternative marketing products and others | 13,348 | 7,580 | 76.1% |
| Operating income by segments | 75,184 | 66,994 | 12.2% |
| Newspapers | 52,872 | 47,232 | 11.9% |
| Magazines | 22,312 | 19,762 | 12.9% |
| Operating expenses (a) | 65,024 | 57,169 | 13.7% |
| Consolidated EBITDA (b) | 10,160 | 9,825 | 3.4% |
| EBITDA margin | 13.5% | 14.7% | |
| Newspapers EBITDA | 9,475 | 9,292 | 2.0% |
| Newspapers EBITDA margin | 17.9% | 19.7% | |
| Magazines EBITDA | 685 | 533 | 28.5% |
| Magazines EBITDA margin | 3.1% | 2.7% | |
| Amortisation | 1,885 | 1,876 | 0.5% |
| EBIT (c) | 8,275 | 7,949 | 4.1% |
| EBIT margin | 11.0% | 11.9% | |
| Financial profit | (60,072) | 18 | - |
| Current profits | (51,797) | 7,967 | - |
| Current profits margin | -68.9% | 11.9% | |
| Income before taxes and minority interests | (51,797) | 7,967 | - |
| Income taxes | (5,697) | 2,279 | - |
| Minority interests | 25 | 207 | - |
| Net consolidated profit (c) | (46,125) | 5,482 | - |

(amounts in thousand Euro)

(a) Operating expenses excluding amortisation

(b) EBITDA = operating net profit + depreciation and amortisation

(c) EBIT = operating net profit

The operating income for the first semester increased 12%, mainly supported by the 5.9% growth in the advertising income. The alternative marketing products income recorded a significant increase in comparison with the homologous period of 2007.

The increase in operating income was stronger than the increase in operating expenses leading to an EBITDA growth of 3.4%, reaching 10.2 million Euro. The EBITDA margin decreased 1.2 percentage points from 14.7% in 2007 to 13.5% in 2008.

EBIT reached over 8 million Euro increasing 4.1% in comparison with the first semester of 2007.

The semester presented negative net financial income of 60 million Euro, being unfavourably influenced by the Zon Multimédia investment.

Newspapers segment:

This segment integrates the following publications: "Correio da Manhã", "Record", "Jornal de Negócios", "Destak" and "Meia Hora".

The Periodic Correio da Manhã managed to keep the leadership of the segment of the daily newspapers corresponding to a market share of 918,000 readers.

| | Jun-08 | Jun-07 | Δ 2008 / 2007 | |
|---|---------------|---------------|---------------|--------------|
| | | | Value | % |
| Operating income | 52,872 | 47,232 | 5,640 | 11.9% |
| Circulation | 21,313 | 20,954 | 359 | 1.7% |
| Advertising | 23,915 | 21,545 | 2,370 | 11.0% |
| Alternative marketing products and others | 7,644 | 4,733 | 2,911 | 61.5% |
| Operating expenses (a) | 43,397 | 37,940 | 5,457 | 14.4% |
| EBITDA | 9,475 | 9,292 | 183 | 2.0% |
| EBITDA margin | 17.9% | 19.7% | | |

(amounts in thousand Euro)

(a) Operating expenses excluding amortisation

During the first six months of 2008, the newspapers operating income grew 11.9%, amounted to 53 million Euro. It is worthwhile to mention the 11% increase in the advertising income and the 61.5% increase in the alternative marketing products in comparison with the homologous period of 2007. On the other hand, the 1.7% growth of the circulation income reflects the good performance occurred in the first semester of 2008.

The 14.4% growth recorded in the operating expenses was lead by costs incurred with promotional activities within alternative marketing products sales.

EBITDA in the period amounted to 9.5 million Euro presenting an increase of 2% compared to the homologous period of previous year. The corresponding EBITDA margin decreased 1.8 percentage points in comparison with the first semester of 2007.

Magazines segment:

This segment integrates the following publications: "Sábado", "Tv Guia", "Flash", "Máxima", "Vogue", "Máxima Interiores", "GQ", "Automotor", "Rotas&Destinos", "PC Guia" and "Semana Informática".

The magazine "Sábado" paid circulation increased around 2.4% in the first semester of 2008. Additionally, the number of readers grew of 205,000 in the first semester of 2007 for 279,000 in same period of 2008.

| | Jun-08 | Jun-07 | Δ 2008 / 2007 | |
|---|---------------|---------------|---------------|--------------|
| | | | Value | % |
| Operating income | 22,312 | 19,762 | 2,550 | 12.9% |
| Circulation | 8,538 | 8,244 | 294 | 3.6% |
| Advertising | 8,070 | 8,671 | (601) | -6.9% |
| Alternative marketing products and others | 5,704 | 2,847 | 2,857 | 100.4% |
| Operating expenses (a) | 21,627 | 19,229 | 2,398 | 12.5% |
| EBITDA | 685 | 533 | 152 | 28.5% |
| EBITDA margin | 3.1% | 2.7% | | |

(amounts in thousand Euro)

(a) Operating expenses excluding amortisation

In the magazines segment it should be highlighted the duplication of the alternative marketing products income in the first semester of 2008.

The operating expenses component reached 21.6 million Euro, recording an increase of 12.5% in comparison with the homologous period of 2007.

During the first semester of 2008, the total operating income grew 12%, highly influenced by the alternative marketing products income.

EBITDA in the period amounted to 685 thousand Euro presenting an increase of 28.5% compared to the homologous period of previous year.

EBITDA margin grew by 0.4 percentage points reaching 3.1% in the first semester of 2008.

SECOND SEMESTER 2008 OUTLOOK

In July 2008, the Group launched the daily free newspaper "Destak" in Rio de Janeiro, in Brazil, integrated in the project of expansion of the participated Destak Brasil.

The Group remains confident that it will keep a leading position in its most relevant publications, presenting as an objective the pursuance of consolidation for its publications and growth in its most recent ones, allowing it to keep the Group's position in the media sector.

CORPORATE GOVERNANCE

In compliance with the guidelines included in the Stock Exchange Regulation ("Regulamento da CMVM") 7/2001, the Company is exempt from presenting information related with Corporate Governance, once this information is only compulsory upon the presentation of the Annual Directors' Report.

LEGAL MATTERS

Own shares

Pursuant to the requirements of article 66 of the Commercial Companies Code ("Código das Sociedades Comerciais"), the Directors inform that as of 30 June 2008 Cofina had no own shares and did not acquire or sell own shares during the semester then ended.

Shares held by Cofina's corporate board members

Pursuant to the requirements of article 447 of the Commercial Companies Code the Directors inform that, as of 30 June 2008, the held shares were as follows:

| | |
|--|-------------|
| Paulo Jorge dos Santos Fernandes | 3.085.746 |
| Pedro Macedo Pinto de Mendonça | 854.500 |
| Domingos José Vieira de Matos | 3.469.716 |
| João Manuel Matos Borges de Oliveira (a) | } 4.580.000 |
| Carlos Manuel Matos Borges de Oliveira (a) | |

(a) – 4,580,000 shares corresponds to the total number of shares of Cofina, S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A. whose shareholders include the directors João Manuel Matos Borges de Oliveira and Carlos Manuel Matos Borges de Oliveira.

As of 30 June 2008 the Statutory Auditor and the members of the Shareholders' Meeting and of the Fiscal Board held no shares of the Company.

Participation in the Company's share capital

Pursuant to the requirements of articles 16 and 20 of the Securities Market Code ("Código dos Valores Mobiliários") and article 448 of the Commercial Companies Code, the Directors inform that, in accordance with the notifications received by the Company, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

| Exceeding 2% of the voting rights | Held shares at 30.06.2008 | Direct % of voting rights |
|--|------------------------------|------------------------------|
| Caderno Azul, SGPS, S.A. (a) | 4,580,000 | 4.47% |
| Santander Gestão de Activos – Sociedade Gestora de Fundos de Investimento Mobiliário, S.A. | 3,728,974 | 3.64% |
| Millennium BCP – Gestão de Fundos de Investimento, S.A. | 3,498,224 | 3.41% |
| Domingos José Vieira de Matos | 3,469,716 | 3.38% |
| Banco BPI, S.A. | 3,200,000 | 3.12% |
| Paulo Jorge dos Santos Fernandes | 3,085,746 | 3.01% |
| Caixa Geral de Depósitos | 2,443,531 | 2.38% |
| CAIXAGEST-Técnicas de Gestão de Fundos S.A. | 2,064,307 | 2.01% |

(a) – 4,580,000 shares corresponds to the total number of shares of Cofina, S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A. whose shareholders include the directors João Manuel Matos Borges de Oliveira and Carlos Manuel Matos Borges de Oliveira.

| Exceeding 5% of the voting rights | Held shares at 30.06.2008 | Direct % of voting rights |
|--|------------------------------|------------------------------|
| Ana Rebelo Mendonça Fernandes | 6,256,340 | 6.10% |
| UBS AG, Zurich | 6,040,000 | 5.89% |
| <hr/> | | |
| Exceeding 20% of the voting rights | Held shares at 30.06.2008 | Direct % of voting rights |
| Cofihold, S.G.P.S., S.A. | | |
| i) directly | 21,000,000 | 20.47% |
| ii) indirectly, through its directors | | |
| Paulo Jorge dos Santos Fernandes | | 3.01% |
| Domingos José Vieira de Matos | | 3.38% |
| Pedro Macedo Pinto de Mendonça | | 0.83% |
| João Manuel Matos Borges de Oliveira (a) | | } 4.47% |
| Carlos Manuel Matos Borges de Oliveira (a) | | |

(a) – 4.47% corresponds to the total participation held by Caderno Azul – S.G.P.S., S.A. whose shareholders include the directors João Manuel Matos Borges de Oliveira and Carlos Manuel Matos Borges de Oliveira.

Cofina was not informed of any participation exceeding 33% of the voting rights.

DECLARATION OF RESPONSIBILITY

The members of the Board of Directors of Cofina, S.G.P.S., S.A. declare to assume responsibility for the information hereby presented and assure that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 8, nr.3, of the Stock Exchange Regulation, the Board of Directors declares that the accounts that integrate this report were not object of a Limited Review.

As required by article 21 of Decree-Law 411/91 of 17 October, the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

CLOSING REMARKS

The Board of Directors concludes by expressing a vote of gratitude to the personnel of Cofina Group for their dedication and effort, and also to the other Corporate Boards and to the Financial Institutions that co-operated with the Group.

Porto, 28 August 2008

The Board of Directors

Paulo Jorge dos Santos Fernandes – President

João Manuel Matos Borges de Oliveira

Pedro Macedo Pinto de Mendonça

Domingos José Vieira de Matos

Carlos Manuel Matos Borges de Oliveira

Statement under the terms of Article 246, paragraph 1, al. c) of the Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Individual Financial Statements prepared in accordance with generally accepted accounting principles in Portugal and the Consolidated Financial Statements prepared meeting the standards of the applicable International Financial Accounting as adopted by the European Union, and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, and other accounting documents required by law or regulation, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Cofina, SGPS, S.A. (“Cofina”) at 30 June 2008 and that the Management Report faithfully describes the business evolution and position of Cofina and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Porto, 28 August 2008

Paulo Jorge dos Santos Fernandes
President of the Board of Directors

João Manuel Matos Borges de Oliveira
Member of the Board of Directors

Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

Domingos José Vieira de Matos
Member of the Board of Directors

Carlos Manuel Matos Borges de Oliveira
Member of the Board of Directors

COFINA, S.G.P.S., S.A.

CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2008 AND 31 DECEMBER 2007

(Translation of financial statements originally issued in Portuguese - Note 20)

(Amounts expressed in Euro)

| ASSETS | Notes | 30.06.2008 | 31.12.2007 |
|--|--------------|--------------------|--------------------|
| NON CURRENT ASSETS | | | |
| Tangible assets | | 12,632,825 | 11,009,504 |
| Goodwill | 5 | 89,053,723 | 89,053,723 |
| Intangible assets | | 302,460 | 420,581 |
| Investments in associated companies | 4 | 7,294,560 | 7,154,715 |
| Deferred tax assets | 6 | 14,519,454 | 8,573,499 |
| Other non current assets | | 135,000 | - |
| Total non current assets | | 123,938,022 | 116,212,022 |
| CURRENT ASSETS | | | |
| Inventories | | 1,646,829 | 2,711,281 |
| Customers | | 13,850,573 | 14,536,264 |
| State or other public entities | | 3,966,495 | 2,893,506 |
| Other current debtors | | 690,556 | 4,375,556 |
| Other current assets | | 8,223,279 | 8,335,581 |
| Investments recorded at fair value through profit and loss | 7 | 80,248,707 | 115,079,670 |
| Cash and cash equivalents | | 39,017,344 | 108,996,445 |
| Total current assets | | 147,643,783 | 256,928,303 |
| TOTAL ASSETS | | 271,581,805 | 373,140,325 |
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS: | | | |
| Share capital | 16 | 25,641,459 | 25,641,459 |
| Share premium account | | 15,874,835 | 15,874,835 |
| Legal reserve | | 5,409,144 | 5,409,144 |
| Other reserves | | 13,090,097 | 6,558,030 |
| Consolidated net profit for the year | | (46,124,613) | 10,120,787 |
| Equity attributable to equity holder of the parent | | 13,890,922 | 63,604,255 |
| Minority interests | | 836,042 | 870,726 |
| TOTAL EQUITY | | 14,726,964 | 64,474,981 |
| LIABILITIES: | | | |
| NON CURRENT LIABILITIES: | | | |
| Other loans | 9 | 98,647,169 | 98,430,913 |
| Pension liabilities | | 4,396,845 | 4,396,845 |
| Other non current creditors | 8 | 6,729,870 | 4,734,792 |
| Deferred tax liabilities | 6 | - | 250,176 |
| Provisions | 10 | 384,076 | 1,466,809 |
| Total non current liabilities | | 110,157,960 | 109,279,535 |
| CURRENT LIABILITIES: | | | |
| Bank loans | 9 | 14,757,178 | 24,007,570 |
| Other loans - short term | 9 | 93,207,819 | 113,463,461 |
| Derivatives | 11 | 445,000 | 950,000 |
| Suppliers | | 12,106,256 | 11,846,212 |
| State or other public entities | | 4,962,762 | 3,401,851 |
| Other current creditors | 8 | 4,167,190 | 30,384,527 |
| Other current liabilities | | 17,050,676 | 15,332,188 |
| Total current liabilities | | 146,696,881 | 199,385,809 |
| TOTAL LIABILITIES | | 256,854,841 | 308,665,344 |
| TOTAL EQUITY AND LIABILITIES | | 271,581,805 | 373,140,325 |

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

COFINA, S.G.P.S., S.A.

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED 30 JUNE 2008 AND 2007**
(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

| | Notes | 30.06.2008 | 2nd Quarter 2008 | 30.06.2007 | 2nd Quarter 2007 |
|--|--------------|----------------------------|--|-------------------------|--|
| Operating income: | | | | | |
| Sales | | 29,707,015 | 14,901,464 | 29,482,861 | 14,929,698 |
| Services rendered | | 32,258,660 | 17,943,869 | 30,430,374 | 16,026,360 |
| Other operating income | | 13,218,103 | 8,384,222 | 7,080,523 | 3,549,132 |
| Total operating income | 17 | <u>75,183,778</u> | <u>41,229,555</u> | <u>66,993,758</u> | <u>34,505,190</u> |
| Operating expenses: | | | | | |
| Cost of sales | | 10,784,681 | 5,337,208 | 10,139,708 | 5,198,470 |
| External supplies and services | | 32,807,118 | 19,758,274 | 27,583,487 | 14,246,063 |
| Payroll expenses | | 20,366,201 | 10,328,768 | 18,294,876 | 9,444,401 |
| Amortisation and depreciation | | 1,884,604 | 938,045 | 1,875,785 | 948,228 |
| Provisions / (reversals) and impairment losses | 10 | 715,820 | 381,949 | 719,437 | 386,197 |
| Other operating expenses | | <u>350,016</u> | <u>176,190</u> | <u>431,136</u> | <u>269,488</u> |
| Total operating expenses | | <u>66,908,440</u> | <u>36,920,434</u> | <u>59,044,429</u> | <u>30,492,847</u> |
| Operating profit | 17 | <u>8,275,338</u> | <u>4,309,121</u> | <u>7,949,329</u> | <u>4,012,343</u> |
| Gains and losses in derivatives | 11 | 505,000 | 505,000 | - | - |
| Gains and losses in associated companies | 12 | (656,367) | (656,367) | (325,541) | (101,515) |
| Gains and losses in other investments | 12 | (55,221,354) | (42,735,090) | 2,390,742 | 1,967,537 |
| Financial expenses | 12 | (5,304,776) | (2,555,017) | (3,210,352) | (1,927,056) |
| Financial income | 12 | <u>605,620</u> | <u>168,762</u> | <u>1,163,485</u> | <u>435,853</u> |
| Profit before income tax | | <u>(51,796,539)</u> | <u>(40,963,591)</u> | <u>7,967,663</u> | <u>4,387,162</u> |
| Income tax | 6 | <u>5,696,644</u> | <u>6,138,597</u> | <u>(2,278,576)</u> | <u>(1,204,170)</u> |
| Profit after income tax | | <u>(46,099,895)</u> | <u>(34,824,994)</u> | <u>5,689,087</u> | <u>3,182,992</u> |
| Attributable to: | | | | | |
| Shareholders of the parent company | | (46,124,613) | (34,916,006) | 5,481,675 | 3,057,349 |
| Minority interests | | 24,718 | 91,012 | 207,412 | 125,643 |
| Earnings per share: | | | | | |
| Basic | 15 | (0.45) | (0.34) | 0.05 | 0.03 |
| Diluted | 15 | (0.36) | (0.27) | 0.04 | 0.02 |

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

COFINA, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' FUNDS
FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2008 AND 2007
(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

| | Attributable to parent company's shareholders | | | | | | | |
|---|---|-----------------------|------------------|-------------------|---------------------|-------------------|-------------------|---------------------------|
| | Share capital | Share premium account | Legal reserve | Other reserves | Net profit | Total | Minority interest | Total Shareholders' funds |
| Balance as of 1 January 2007 | 25,641,459 | 15,874,835 | 5,128,293 | 724,500 | 9,687,333 | 57,056,420 | 2,706,542 | 59,762,962 |
| Appropriation of consolidated net profit for 2006: | | | | | | | | |
| Transfer to legal reserve and retained earnings | - | - | 280,851 | 5,816,678 | (6,097,529) | - | - | - |
| Dividend distribution | - | - | - | - | (3,589,804) | (3,589,804) | (48,720) | (3,638,524) |
| Change in reserves and minority interests: | | | | | | | | |
| Other changes | - | - | - | 12,638 | - | 12,638 | (4,166) | 8,472 |
| Net consolidated profit for the six months period ending 30 June 2007 | - | - | - | - | 5,481,675 | 5,481,675 | 207,412 | 5,689,087 |
| Balance as of 30 June 2007 | <u>25,641,459</u> | <u>15,874,835</u> | <u>5,409,144</u> | <u>6,553,816</u> | <u>5,481,675</u> | <u>58,960,929</u> | <u>2,861,068</u> | <u>61,821,997</u> |
| Balance as of 1 January 2008 | 25,641,459 | 15,874,835 | 5,409,144 | 6,558,030 | 10,120,787 | 63,604,255 | 870,726 | 64,474,981 |
| Appropriation of consolidated net profit for 2007: | | | | | | | | |
| Transfer to legal reserve and retained earnings | - | - | - | 6,530,983 | (6,530,983) | - | - | - |
| Dividend distribution | - | - | - | - | (3,589,804) | (3,589,804) | (58,501) | (3,648,305) |
| Change in reserves and minority interests: | | | | | | | | |
| Other changes | - | - | - | 1,084 | - | 1,084 | (901) | 183 |
| Net consolidated profit for the six months period ending 30 June 2008 | - | - | - | - | (46,124,613) | (46,124,613) | 24,718 | (46,099,895) |
| Balance as of 30 June 2008 | <u>25,641,459</u> | <u>15,874,835</u> | <u>5,409,144</u> | <u>13,090,097</u> | <u>(46,124,613)</u> | <u>13,890,922</u> | <u>836,042</u> | <u>14,726,964</u> |

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

COFINA, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2008 AND 2007
(Translation of financial statements originally issued in Portuguese - Note 20)
(Amounts expressed in Euro)

| | Notes | 2008 | | 2007 | |
|---|-------|---------------------|---------------------|---------------------|----------------------|
| Operating activities | | | | | |
| <i>Cash flow from operating activities (1)</i> | | | <u>11,277,257</u> | | <u>8,370,690</u> |
| Investment activities: | | | | | |
| Collections relating to: | | | | | |
| Investments | 1 | - | | 41,508,754 | |
| Interests and similar income | | 720,238 | | 3,717,404 | |
| Dividends | | <u>7,601,642</u> | 8,321,880 | <u>3,555,893</u> | 48,782,051 |
| Payments relating to: | | | | | |
| Investments | 1 | (53,126,009) | | (124,705,975) | |
| Tangible assets | | (19,920) | | (1,581,393) | |
| Loans granted | | <u>-</u> | <u>(53,145,929)</u> | <u>(1,140,000)</u> | <u>(127,427,368)</u> |
| <i>Cash flow from investment activities (2)</i> | | | <u>(44,824,049)</u> | | <u>(78,645,317)</u> |
| Financing activities: | | | | | |
| Collections relating to: | | | | | |
| Loans obtained | | <u>-</u> | - | <u>65,000,000</u> | 65,000,000 |
| Payments relating to: | | | | | |
| Interest and similar costs | | (3,592,113) | | (4,686,477) | |
| Dividends | | (3,589,804) | | (3,593,458) | |
| Loans obtained | | <u>(20,000,000)</u> | <u>(27,181,917)</u> | <u>(33,061,690)</u> | <u>(41,341,625)</u> |
| <i>Cash flow from financing activities (3)</i> | | | <u>(27,181,917)</u> | | <u>23,658,375</u> |
| Cash and its equivalents at the beginning of the period | 2 | | 84,988,875 | | 63,010,437 |
| Net decrease of cash and its equivalents: (1)+(2)+(3) | | | <u>(60,728,709)</u> | | <u>(46,616,252)</u> |
| Cash and its equivalents at the end of the period | 2 | | <u>24,260,166</u> | | <u>16,394,185</u> |

The accompanying notes form an integral part of the consolidated financial statements.

The Board of Directors

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

1. PAYMENTS/COLLECTIONS RELATING TO INVESTMENTS

During the period ended 30 June 2008, the payments / collections relating to investments were as follows:

| <u>Acquisitions</u> | <u>Transaction amount</u> | <u>Amount paid/collected</u> |
|--|-------------------------------|----------------------------------|
| Grafedisport – Impressão e Artes Gráficas, S.A. – acquired | | |
| In the exercise ended 31 December 2007 | 3,700,000 | 1,850,000 |
| Investments recorded at fair value through profit and losses | 27,992,232 | 27,992,232 |
| Investments recorded at fair value through profit and losses | | |
| – acquisitions in previous fiscal years liquidated in 2008 | 22,542,297 | 22,542,297 |
| Investments advanced payments | 75,000 | 75,000 |
| Others | 666,680 | 666,680 |
| | ----- | ----- |
| | 54,976,209 | 54,976,209 |
| | ===== | ===== |

2. BREAKDOWN OF CASH AND CASH EQUIVALENTS

Cash and its equivalents as of 30 June 2008 and 2007 and as of 31 December 2007 and 2006, and the reconciliation between those amounts and the amounts shown in the balance sheets as of those dates, are as follows:

| | <u>30.06.2008</u> | <u>31.12.2007</u> | <u>30.06.2007</u> | <u>31.12.2006</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| Cash | 154,783 | 203,103 | 103,298 | 84,936 |
| Bank deposits repayable on demand | 27,512,561 | 31,893,342 | 12,585,724 | 18,403,777 |
| Bank deposits convertible within 3 months | 11,350,000 | 76,900,000 | 19,027,471 | 61,187,471 |
| | ----- | ----- | ----- | ----- |
| | 39,017,344 | 108,996,445 | 31,716,493 | 79,676,184 |
| Bank overdrafts | (14,757,178) | (24,007,570) | (15,322,308) | (16,665,747) |
| Cash and cash equivalents in accordance with the balance sheet | ----- | ----- | ----- | ----- |
| | 24,260,166 | 84,988,875 | 16,394,185 | 63,010,437 |
| | ===== | ===== | ===== | ===== |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

1. INTRODUCTION

Cofina, SGPS, S.A. (“Cofina” or “Company”), an Open capital company, has its head-office located at Rua General Norton de Matos, 68, r/c in Porto and has its shares listed in the Lisbon Euronext Stock Exchange. Cofina is the parent company of a group of companies detailed in Note 4 commonly designated as Cofina Group, and its main activity is the management of investments mainly in the Media sector.

The Group owns headings of reference in the respective segments, editing titles like “Correio da Manhã”, “Record”, “Jornal de Negócios” and “Destak”, as well as the magazines “Sábado”, “Automotor”, “TV Guia”, “Flash!”, “Rotas e Destinos”, “Máxima” and “GQ”, among others.

During the first semester of 2008, the Group developed its activity mainly in Portugal, having also some interests in Brazil through the investment in Destak Brasil (Note 4).

Cofina’s consolidated financial statements are expressed in Euro (rounded to the nearest unit). This is the currency used by the Group in its operations and as so, considered the functional currency. The operations of the foreign group companies whose functional currency is not the Euro are translated to Euro using the exchange rates in force at the balance sheet date. Profit and loss and cash flows are converted to Euro using the average exchange rate for the period. The exchange rate differences originated are recorded in equity captions.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The financial statements as of 30 June 2008 were prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accounting policies adopted in Cofina’s consolidated financial statements are consistent with those used in the preparation of financial statements presented in the year ended 31 December 2007.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During the period there were no changes in accounting policies and no material mistakes were identified related with previous periods.

4. INVESTMENTSConsolidation perimeter

The companies included in the consolidation, their headquarters, percentage participation held as of 30 June 2008 and the activity developed by each company are as follows:

| Companies | Headquarters | Percentage participation held | Activity |
|---|-------------------------|-------------------------------|-------------------------------------|
| <u>Parent company:</u> | | | |
| Cofina, SGPS, S.A. | Porto | | Investment management |
| Cofina B.V. | Amsterdam (Netherlands) | 100.00% | Investment management |
| F. Ramada – Participações, SGPS, S.A. | Ovar | 100.00% | Investment management |
| <u>Cofina Media Group</u> | | | |
| Cofina Media, SGPS, S.A. | Lisbon | 100.00% | Investment management |
| Presselivre – Imprensa Livre, S.A. | Lisbon | 99.39% | Newspapers and magazine publication |
| Edisport – Sociedade de Publicações Desportivas, S.A. | Lisbon | 100.00% | Newspapers publication |
| Edirevistas – Sociedade Editorial, S.A. | Lisbon | 99.46% | Magazine publication |
| Mediafin, SGPS, S.A. | Lisbon | 100.00% | Investment management |
| Metronews – Publicações, S.A. | Carnaxide | 59.00% | Newspapers publication |
| Grafedisport – Impressão e Artes Gráficas, S.A. | Queluz | 100.00% | Newspapers printing |

These subsidiaries were included in the consolidation of Cofina Group using the full consolidation method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

The associated companies, their headquarters, the percentage participation held as of 30 June 2008 and the activity developed by each company are as follows:

| Companies | Headquarters | Percentage participation held | | Activity |
|---|-------------------|-------------------------------|----------|------------------------|
| | | Direct | Indirect | |
| VASP – Sociedade de Transportes e Distribuições, Lda. | Lisbon | 33.33% | - | Distribution |
| Destak Brasil – Empreendimentos e Participações, S.A. | São Paulo, Brasil | 23.96% | - | Holding company |
| Destak Brasil – Editora de Publicações, S.A. | São Paulo, Brasil | - | 23.96% | Newspapers publication |
| O Sol é Essencial, S.A. | Lisbon | 33.33% | - | Newspapers publication |

These associated companies were included in the consolidated financial statements in accordance with the equity method.

Investments in associated companies

The acquisition cost of the associated companies and its book value as of 30 June 2008 are as follows:

| Companies | Acquisition cost | Book value |
|--|------------------|------------|
| VASP – Sociedade de Transportes e Distribuições, Lda. – Financial investment | 6,234 | 3,158,753 |
| Destak Brasil – Empreendimentos e Participações, S.A. | 299,064 | - |
| Destak Brasil – Editora de Publicações, S.A. (a) | - | - |
| O Sol é Essencial, S.A. | 3,166,780 | (129,616) |

(a) – Investment held by the subsidiary Destak Brasil – Empreendimentos e Participações, S.A

As of 30 June 2008 and 31 December 2007 the caption “Investments in associated companies” can be detailed as follows:

| | 30.06.2008 | 31.12.2007 |
|---|------------------|------------------|
| Financial investment | | |
| VASP – Sociedade de Transportes e Distribuições, Lda. - equity method | 3,158,753 | 3,014,615 |
| Destak Brasil – Empreendimentos e Participações, S.A. | 299,064 | 299,064 |
| O Sol é Essencial, S.A. - equity (a) | - | 4,293 |
| O Sol é Essencial, S.A. - goodwill | 2,495,807 | 2,495,807 |
| | <u>5,953,624</u> | <u>5,813,779</u> |
| Accumulated impairment losses on investments in associates | (299,064) | (299,064) |
| Loans granted to associated companies | | |
| Gross amount | 3,000,000 | 3,000,000 |
| Accumulated impairment losses | (1,360,000) | (1,360,000) |
| | <u>7,294,560</u> | <u>7,154,715</u> |

(a) - share acquired during December 2007 in a capital increase. During the semester ended 30 June 2008, the Group recorded a provision to accumulated impairment losses on investments in associates in the amount of 129,616 Euro (Note 10).

As of 30 June 2008 and 2007 the Group has available for sale investments corresponding to minority investments. The Group has recorded impairment losses to face differences to the realisable amount, presenting this caption a null net book value as of those dates.

5. GOODWILL

During the six months periods ended 30 June 2008 and 2007, there were no changes in caption “Goodwill”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

6. DEFERRED INCOME TAXESDeferred taxes

The movement occurred in deferred tax assets and liabilities in the six months periods ended 30 June 2008 and 2007 was as follows:

| | Deferred tax assets | | Deferred tax liabilities | |
|--|---------------------|------------------|--------------------------|------------|
| | 30.06.2008 | 30.06.2007 | 30.06.2008 | 30.06.2007 |
| Opening balance | 8,573,499 | 1,961,962 | 250,176 | - |
| Effects on the income statement: | | | | |
| Increase/(decrease) in tax losses carried forward | (2,322,023) | - | - | - |
| Increase/(decrease) in provisions not accepted for tax purposes | (321,273) | - | - | - |
| Temporary differences between the accounting value and the taxable value of assets and liabilities | 8,589,251 | - | (250,176) | - |
| Other effects | | 956 | - | - |
| Closing balance | <u>14,519,454</u> | <u>1,962,918</u> | <u>-</u> | <u>-</u> |

The caption “Deferred tax assets” as of 30 June 2008 and 31 December 2007, in accordance with the nature of the temporary differences generated, can be detailed as follows:

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---------------------|------------------|--------------------------|----------------|
| | 30.06.2008 | 31.12.2007 | 30.06.2008 | 31.12.2007 |
| Provision and impairment losses not accepted for tax purposes | 10,094,658 | 1,826,680 | - | 250,176 |
| Reportable tax losses | 4,424,796 | 6,746,819 | - | - |
| | <u>14,519,454</u> | <u>8,573,499</u> | <u>-</u> | <u>250,176</u> |

The tax losses carried forward for which the correspondent deferred tax assets have been recorded as of 30 June 2008, and the corresponding time limit to use these tax losses, are as follows:

| | Tax loss | Deferred tax assets | Limit year |
|-------------------|-------------------|---------------------|-------------|
| Generated in 2007 | <u>17,699,186</u> | <u>4,424,796</u> | <u>2013</u> |

In addition, some companies included in the consolidated financial statements by the full consolidation method, namely holdings, had tax losses carried forward for which no deferred tax assets were recorded due to the uncertainty of its recovery.

In accordance with the current Portuguese legislation, no deferred tax liabilities were recorded in relation to dividends taxation, as this is not applicable to the Group.

Current taxes

Income taxes recorded in the income statements in the periods ended 30 June 2008 and 2007 are detailed as follows:

| | 30.06.2008 | 30.06.2007 |
|------------------------------------|--------------------|------------------|
| Current tax | | |
| Income tax for the year | 41,444 | 2,030,363 |
| Excess of prior periods income tax | 116,562 | 232,326 |
| Deferred taxes | <u>(5,695,779)</u> | <u>15,887</u> |
| | <u>(5,537,773)</u> | <u>2,278,576</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

7. INVESTMENTS RECORDED AT FAIR VALUE THROUGH PROFIT AND LOSS

The amount recorded in the caption “Investments measured at fair value through profit and loss” as of 30 June 2008 and 2007 relate to shares traded in stock markets and are valued at its market value as of those dates (Note 12).

As of 30 June 2008, the book value and market value can be detailed as follows:

| | <u>Shares' book</u> | <u>Share value</u> | <u>Market value</u> |
|----------------|---------------------|--------------------|---------------------|
| Zon Multimédia | 15,183,844 | 5.28 | 80,170,696 |
| Other shares | | | 78,011 |
| | | | ----- |
| | | | 80,248,707 |
| | | | ===== |

8. LEASE CONTRACTS

As of 30 June 2008 and 31 December 2007, the amounts payable to fixed asset suppliers acquired in relation to financial lease contracts were classified in the captions “Other non current creditors” and “Other current creditors” and had the following predicted reimbursement plan:

| | <u>30.06.2008</u> | <u>31.12.2007</u> |
|--------------------------|-------------------|-------------------|
| Year n+1 | 1,119,302 | 1,300,908 |
| Year n+2 | 2,283,554 | 1,341,103 |
| Year n+3 | 1,319,267 | 360,281 |
| Year n+4 | 984,580 | - |
| Year n+5 and subsequents | 1,023,167 | 1,732,500 |
| | <u>6,729,870</u> | <u>4,734,792</u> |
| Short term | 2,158,309 | 1,267,943 |
| | <u>8,888,179</u> | <u>6,002,735</u> |

9. BANK LOANS AND OTHER LOANS

The current liabilities caption “Bank loans” refers to bank overdrafts reimbursable in the short term which bear market interest rates.

As of 30 June 2008 and 31 December 2007, the caption “Other loans” can be detailed as follows:

| | <u>30.06.2008</u> | | | |
|------------------|--------------------|-------------------|----------------------|--------------------|
| | <u>Book value</u> | | <u>Nominal value</u> | |
| | Current | Non-current | Current | Non-current |
| Bonds | - | 98,647,169 | - | 100,000,000 |
| Commercial paper | 93,207,819 | - | 93,750,000 | - |
| | <u>93,207,819</u> | <u>98,647,169</u> | <u>93,750,000</u> | <u>100,000,000</u> |
| | <u>31.12.2007</u> | | | |
| | <u>Book value</u> | | <u>Nominal value</u> | |
| | Current | Non-current | Current | Non-current |
| Bonds | - | 98,430,913 | - | 100,000,000 |
| Commercial paper | 113,463,461 | - | 113,750,000 | - |
| | <u>113,463,461</u> | <u>98,430,913</u> | <u>113,750,000</u> | <u>100,000,000</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

As of 30 June 2008 the non-current liabilities caption "Bond loans" relates to two bond loans, whose nominal values amount to 50.000.000 Euros each, issued by Cofina BV and Cofina SGPS, S.A.. These bond loans are valued in accordance with the effective interest rate.

The nominal value of bond loans (capital and interests) is repayable in accordance with the following plan:

| Year | Capital | Interest |
|-------------------|--------------------|-------------------|
| 2nd Semester 2008 | - | 2,375,000 |
| 2009 | - | 4,750,000 |
| 2010 | 50,000,000 | 4,750,000 |
| 2011 | - | 2,812,500 |
| 2012 | - | 2,812,500 |
| 2013 | - | 2,812,500 |
| 2014 | - | 2,812,500 |
| 2015 | 50,000,000 | 2,812,500 |
| | <u>100,000,000</u> | <u>25,937,500</u> |

The current liabilities caption "Commercial paper" relates to commercial paper programs with short term maturities and bear interest at market rates.

In addition to the amounts included in the balance sheet as of 30 June 2008 and 2007, Cofina SGPS, S.A. had issued commercial paper programs amounting to 50,000,000 Euros which are presented in the balance sheet net of a bank deposit in the same amount since these financial instruments fulfil the compensation requirements.

10. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

The movement occurred in provisions and impairment losses during the six months periods ended 30 June 2008 and 2007 is as follows:

| 30.06.2008 | | | | |
|-----------------|------------------|--|--|--|
| | Provisions | Accumulated impairment losses in investments | Accumulated impairment losses in inventories | Accumulated impairment losses in accounts receivable |
| Opening balance | 1,466,809 | 3,363,622 | 802,888 | 9,777,260 |
| Increase | 147,680 | - | - | 697,756 |
| Reversal | (35,000) | - | - | - |
| Utilization | (1,195,413) | - | (3,021) | - |
| Closing balance | <u>384,076</u> | <u>3,363,622</u> | <u>799,867</u> | <u>10,475,016</u> |
| 30.06.2007 | | | | |
| | Provisions | Accumulated impairment losses in investments | Accumulated impairment losses in inventories | Accumulated impairment losses in accounts receivable |
| Opening balance | 1,949,559 | 5,948,054 | 794,532 | 10,040,800 |
| Increase | 419,678 | - | - | 719,437 |
| Reversal | (70,030) | - | - | - |
| Utilization | - | (148,452) | - | - |
| Closing balance | <u>2,299,207</u> | <u>5,799,602</u> | <u>794,532</u> | <u>10,760,237</u> |

The "Increase" in impairment losses in accounts receivable during the first half-year of 2008 was reflected in the profit and loss statement as follows:

| | |
|--|----------------|
| Provisions and impairment losses | 715,820 |
| Gains and losses in associated companies (Note 12) | 129,616 |
| | <u>845,436</u> |
| | ===== |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

The balance sheet caption “Provisions” as of 30 June 2008 corresponds to the Board of Directors’ best estimate to cover possible losses arising from legal actions and processes and to face the impairment losses related to the investment in associated companies.

The utilization of provisions in the first semester of 2008 relates to supported costs with severance payments in consequence of the editorial structure re-organization in the Group’s participated media.

11. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 June 2008 and 2007 this caption relates to call warrants, which entitle the bondholders the right to subscribe Cofina, SGPS, S.A. shares at a variable exchange price, initially fixed at 4.08 Euro (before the share split, occurred in 2006).

These warrants are recorded in accordance with its fair value, based in evaluations of financial institutions. The movement in these derivatives for the years ended 30 June 2008 and 2007 can be presented as follows:

| | <u>30.06.2008</u> | <u>30.06.2007</u> |
|-------------------------|-------------------|-------------------|
| Opening balance | 950,000 | 5,109,322 |
| Increases / (decreases) | (505,000) | - |
| Closing balance | <u>445,000</u> | <u>5,109,322</u> |

12. NET FINANCIAL PROFIT

The financial income and expenses from the six months periods ended 30 June 2008 and 2007 can be detailed as follows:

| | <u>30.06.2008</u> | <u>30.06.2007</u> |
|---------------------------|-------------------|-------------------|
| <u>Financial expenses</u> | | |
| Interests | 5,089,707 | 2,988,985 |
| Commissions | 208,469 | 216,460 |
| Exchange losses | 337 | - |
| Other financial expenses | 6,263 | 4,907 |
| Closing balance | <u>5,304,776</u> | <u>3,210,352</u> |
| <u>Financial income</u> | | |
| Interests | 605,620 | 1,163,485 |
| Closing balance | <u>605,620</u> | <u>1,163,485</u> |

The caption “Gains and losses in associated companies” shown in the profit and loss statements as of 30 June 2008 and 2007 corresponds essentially to the Group’s share appropriation over the net income of the associated companies.

The caption “Gains and losses in other investments” as of 30 June 2008 and 2007 can be detailed as follows:

| | <u>30.06.2008</u> | <u>30.06.2007</u> |
|--|---------------------|-------------------|
| Gains and losses in the sale of treasury applications | - | (284,378) |
| Dividends received | 7,601,642 | 1,822,348 |
| Gains in the sale of other financial investments | - | 33,607 |
| Investments recorded at fair value through profit and losses | (62,822,996) | 819,165 |
| | <u>(55,221,354)</u> | <u>2,390,742</u> |

The caption “Dividends received” relates to dividends collected in connection with shares of “Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A.” disposed during the semester.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

The captions “Investments recorded at fair value through profit and losses” refer, mainly, to the adjustment to fair value of “Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A.” at its market value as of 30 June 2008.

13. RELATED PARTIES

The main balances with related parties as of 30 June 2008 and the main transactions with those entities during the period then ended can be detailed as follows:

| Transactions | Sales and services rendered | Supplementary income | | |
|----------------------|-----------------------------|-------------------------|------------------|--|
| | 30.06.2008 | 30.06.2008 | | |
| Associated companies | 27,725,872 | 12,444,669 | | |
| | <u>27,725,872</u> | <u>12,444,669</u> | | |
| Balances | Accounts receivable | Sales pending invoicing | Accounts payable | |
| | 30.06.2008 | 30.06.2008 | 30.06.2008 | |
| Associated companies | 148,629 | 5,826,486 | 188,490 | |
| | <u>148,629</u> | <u>5,826,486</u> | <u>188,490</u> | |

Sales and services rendered to associated companies during the period ended 30 June 2008 relate mainly to the sale of publications (newspapers and magazines) and alternative marketing products to VASP (Note 4), which is the company in charge of its distribution to the points of sale. These transactions are carried out under the normal activity of the Group.

14. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of 30 June 2008 Cofina had provided guarantees as follows:

- Pledge over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for loan facility structured by Banco BPI, S.A., not being used as of 30 June 2008;
- Pledge over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for commercial paper programs structured by Banco BPI, S.A., amounting to 3,750,000 Euro as of 30 June 2008;
- Pledge over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for commercial paper programs structured by Banco BPI, S.A., amounting to 20,000,000 Euro as of 30 June 2008;
- Pledge over 7,778,630 shares of ZON MULTIMÉDIA - Serviços de Telecomunicações e Multimédia, SGPS, S.A. as a guarantee for commercial paper programs structured by Caixa - Banco de Investimento and Caixa Geral de Depósitos, amounting to 50,000,000 Euro as of 30 June 2008.

As of 30 June 2008 Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 1,735,000 Euro in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 26,000,000 Euros.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSFOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2008

(Translation of notes originally issued in Portuguese – Note 20)

(Amounts stated in Euro)

15. EARNINGS PER SHARE

Earnings per share for the semesters ended 30 June 2008 and 2007 were determined taking into consideration the following amounts:

| | <u>30.06.2008</u> | <u>30.06.2007</u> |
|---|--------------------|--------------------|
| Net profit considered for the computation of basic and diluted earnings per share | (46,124,613) | 5,481,675 |
| Weighted average number of shares used to compute the basic earnings per share | 102,565,836 | 102,565,836 |
| Warrants dilution effect (a) | 24,509,800 | 24,509,800 |
| Weighted average number of shares used to compute the diluted earnings per share | <u>127,075,636</u> | <u>127,075,636</u> |
| Earnings per share: | | |
| Basic | (0.45) | 0.05 |
| Diluted | (0.36) | 0.04 |

(a) - The "Warrants dilution effect" refers to the option given to the holders of the bonds representative of the 50,000,000 Euro bond loan issued by Cofina B.V. to convert each bond held, with a nominal amount of 5,000 Euro, into 4,901.96 shares of Cofina, SGPS, S.A.

16. SHARE CAPITAL

As of 30 June 2008 the Company's fully subscribed and paid up capital consisted of 102,565,836 shares with a nominal value of 25 cents of Euro each. As of that date Cofina and the group companies did not hold own shares.

As of 30 June 2008, the following entities held more than 20% of the subscribed share capital:

- Cofihold, SGPS, S.A.

17. SEGMENT INFORMATION

In accordance with the origin and nature of the income generated by the Group, the following reporting segments have been identified:

- Newspapers
- Magazines
- Holding

Since the Group only operates in the domestic market, geographic segments are not presented.

The information for the six months periods ended 30 June 2008 and 2007 is detailed as follows:

| | <u>30.06.2008</u> | | | | |
|----------------------------------|-------------------|------------------|----------------|----------------------------------|---------------------|
| | <u>Newspapers</u> | <u>Magazines</u> | <u>Holding</u> | <u>Consolidation adjustments</u> | <u>Consolidated</u> |
| Operating income | 52,868,476 | 22,312,102 | 3,200 | - | 75,183,778 |
| Operating cash-flow (EBITDA) (a) | 10,215,447 | 685,315 | (740,820) | - | 10,159,942 |
| Operating profit (EBIT) | 8,198,049 | 830,763 | (753,474) | - | 8,275,338 |

| | <u>30.06.2007</u> | | | | |
|----------------------------------|-------------------|------------------|----------------|----------------------------------|---------------------|
| | <u>Newspapers</u> | <u>Magazines</u> | <u>Holding</u> | <u>Consolidation adjustments</u> | <u>Consolidated</u> |
| Operating income | 47,180,787 | 19,762,367 | 50,604 | - | 66,993,758 |
| Operating cash-flow (EBITDA) (a) | 9,593,177 | 533,487 | (301,550) | - | 9,825,114 |
| Operating profit (EBIT) | 7,877,093 | 380,559 | (308,323) | - | 7,949,329 |

(a) - Operating profit + amortisation and depreciation

18. DIVIDENDS

The Annual General Shareholders' Meeting held on 28 May 2008 approved that the Cofina SGPS, S.A. non consolidated net profit for the year ended 31 December 2007 was appropriated as follows:

| | |
|---------------------------|---------------|
| Other reserves | 52,179,678.98 |
| Retained earnings | 333,671.96 |
| Distribution of dividends | 3,589,804.26 |
| | ----- |
| | 56,103,155.20 |
| | ===== |

The dividends were fully paid during the first semester of 2008 and refer to ordinary shares.

19. INTERIM FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 30 June 2008 were approved by the Board of Directors for issuance in 28 August 2008.

20. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted in the European Union, some of which may not conform or be required be generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.