



**COFINA, SGPS, S.A.**  
Public Company

Head Office: Rua do General Norton de Matos, 68, r/c – Porto  
Fiscal Number 502 293 225  
Share Capital: 25,641,459 Euro

**3<sup>rd</sup> quarter '10 FINANCIAL INFORMATION**

**3<sup>rd</sup> Quarter 2010: EBITDA increases 8,1%**

The consolidated financial information of Cofina for the 3rd quarter 2010, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), can be presented as follows:

(amounts in thousand Euro)	3Q 2010	3Q 2009	Var % 3Q10/3Q09
<b>Operating income</b>	<b>33.666</b>	<b>33.061</b>	<b>1,8%</b>
Circulation	18.044	17.207	4,9%
Advertising	12.019	12.384	-2,9%
Alternative marketing products and others	3.603	3.470	3,8%
<b>Operating income by segments</b>	<b>33.666</b>	<b>33.061</b>	<b>1,8%</b>
Newspapers	25.037	24.198	3,5%
Magazines	8.629	8.863	-2,6%
<b>Operating expenses (a)</b>	<b>27.701</b>	<b>27.543</b>	<b>0,6%</b>
<b>Consolidated EBITDA (b)</b>	<b>5.965</b>	<b>5.518</b>	<b>8,1%</b>
EBITDA margin	17,7%	16,7%	+ 1,0 p.p.
Newspapers EBITDA	5.794	5.494	5,5%
Newspapers EBITDA margin	23,1%	22,7%	+ 0,4 p.p.
Magazines EBITDA	171	24	612,5%
Magazines EBITDA margin	2,0%	0,3%	+ 1,7 p.p.
Amortisation and depreciation (-)	966	846	<b>14,2%</b>
<b>EBIT</b>	<b>4.999</b>	<b>4.672</b>	7,0%
EBIT margin	14,8%	14,1%	+ 0,7 pp
Net financial income	(5.273)	11.759	-
<b>Income before taxes and minority interests</b>	<b>-274</b>	<b>16.431</b>	-
Income taxes	985	2.371	-58,5%
Minority interests	8	23	-65,2%
<b>Net consolidated profit / loss (c)</b>	<b>-1.267</b>	<b>14.037</b>	-

(a) Operating expenses excluding amortisation

(b) EBITDA = earnings before interest, taxes, amortisation and depreciation

(c) Net profit / (loss) attributable to the parent company shareholders

Operating income for the third quarter 2010 reached 33.7 million Euro, an increase of 2% comparing with the homologous period. Advertising revenue reached 12 million Euro (-2.9%); Alternative marketing revenue amounted to 3.6 million Euro (+3.8%) and Circulation revenue overcame 18 million Euro, which led to an increase of 4.9%.

EBITDA recorded in this period amounts to about 6 million Euro, an increase of 8% comparing with the homologous period, with the EBITDA Margin at 17.7%: an increase of 100 basis points.

Consolidated net income achieved in 3<sup>rd</sup> quarter 2010 (-1.3 million Euro) was affected by the accounting at fair value of the shareholder stake that Cofina holds in ZON Multimédia.

Therefore, investments measured at fair value, as the referred shareholder stake, are reflected at market value according to its quotation in the stock Exchange as of September 30, 2010.

The Impact of this valuation in 3<sup>rd</sup> quarter (-4.3 million Euro approximately) was fully recognized in the income statement under the caption "Gains and losses in other investments".

On September 30, 2010, nominal net debt of Cofina was about 99.1 million Euro.

**Newspaper Segment: EBITDA: about 5.8 million Euro and margin of 23.1%**

(amounts in thousand Euro)	3Q 2010	2Q 2010	3Q 2009	Var (%) 3Q10/2Q10	Var (%) 3Q10/3Q09
<b>Consolidated operating income</b>	<b>25.037</b>	<b>25.952</b>	<b>24.198</b>	<b>-3,5%</b>	<b>3,5%</b>
Circulation	13.201	11.907	12.508	10,9%	5,5%
Advertising	9.012	11.369	9.624	-20,7%	-6,4%
Alternative marketing products and others	2.824	2.676	2.066	5,5%	36,7%
<b>Operating expenses (a)</b>	<b>19.243</b>	<b>20.409</b>	<b>18.704</b>	<b>-5,7%</b>	<b>2,9%</b>
<b>Consolidated EBITDA (b)</b>	<b>5.794</b>	<b>5.543</b>	<b>5.494</b>	<b>4,5%</b>	<b>5,5%</b>
EBITDA margin	23,1%	21,4%	22,7%	+1,8 p.p.	+0,4 p.p.

(a) Operating expenses excluding amortisation

(b) EBITDA = earnings before interest, taxes, amortisation and depreciation

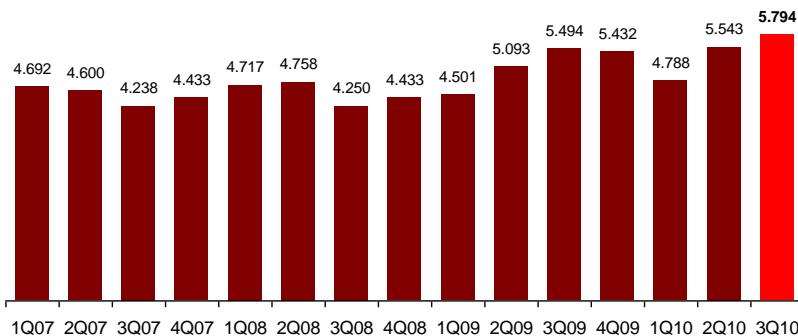
In the third quarter of 2010, consolidated income of the newspapers segment reached, approximately, 25 million Euro, an increase of about 3.5% when compared to the homologous period of 2009. Advertising income amounted to, approximately, 9 million Euro (-6.4%). Revenue related to alternative marketing products and others reached, approximately, 2.8 million Euro presenting a 37% increase.

Advertising income recorded a decrease year-on-year of 6.4% and 20.7% when compared to third quarter 2009 and second quarter 2010, respectively. This was due to the softening verified in the advertising market, closely linked to the available income, and to the perception about the evolution of the Portuguese economy. However, both alternative marketing and circulation revenue experienced an increase. These last ones reached 13.2 million euro, an increase of 5.5% (when compared to the third quarter of 2009) and 10.9% (when compared to the second quarter of 2010).

EBITDA amounted to, approximately, 5.8 million Euro, an increase of 5.5% comparing with the homologous period of 2009. EBITDA margin reached 23.1%. EBITDA achieved on third quarter 2010 on the newspaper segment was the uppermost of the last 15 quarters.

### Quarterly Evolution of EBITDA on the newspaper segment since 1<sup>st</sup> trimester of 2007

Valores em milhares de Euros



Concerning circulation, in terms of newspaper titles, and according to last available data on APCT (relative to the months from January to August 2010), "Correio da Manhã" recorded average sales exceeding 126 thousand copies, thus reinforcing its leadership, reaching a market share on the newspaper segment of generalists daily newspapers of 41.7%. In August 2010, average daily sales overcame 140 thousand copies.

### Evolution of payed circulation of generalist daily newspapers (average annual circulation)

Anual Average Circulation	2003	2004	2005	2006	2007	2008	2009	2010*
<b>CM</b>	<b>110.750</b>	<b>115.943</b>	<b>113.792</b>	<b>111.951</b>	<b>115.334</b>	<b>118.336</b>	<b>117.914</b>	<b>126.269</b>
Diário de Notícias	47.131	39.094	35.542	36.537	36.226	40.017	36.181	30.719
Jornal de Notícias	102.527	112.150	95.231	95.441	91.812	101.234	94.233	85.182
Público	54.306	51.194	48.986	44.197	41.760	41.908	37.426	33.606
24 Horas (1)	47.575	49.738	48.819	41.417	35.786	37.311	29.574	16.077
Jornal I							12.828	10.845

Source: APCT  
 \* January- August  
 (1) Finished on June 2010

In terms of sports segment, during the same period, daily newspaper "Record" sold, on average, about 75.5 thousand copies per day, being the leader of its segment. "Jornal de Negócios", daily newspaper on economics segment, recorded average daily sales of 9.5 thousand copies.

### Magazines Segment

Advertising revenue reached 3 million Euro, reflecting a growth of 8.9% when compared to homologous period and a decrease of 19% when compared to 2<sup>nd</sup> quarter 2010. In terms of alternative marketing products, these experienced decreases of 44.5% and 17.3%, when compared to third quarter 2009 and second quarter 2010, respectively.

In terms of circulation, the recorded trend was clearly positive, with a growth of 3.1% when compared to homologous period and with a growth of 21% when compared to second quarter 2010.

(amounts in thousand Euro)	3Q 2010	2Q 2010	3Q 2009	Var (%) 3Q10/2Q10	Var (%) 3Q10/3Q10
<b>Consolidated operating income</b>	<b>8.629</b>	<b>8.673</b>	<b>8.863</b>	<b>-0,5%</b>	<b>-2,6%</b>
Circulation	4.843	4.002	4.699	21,0%	3,1%
Advertising	3.007	3.729	2.760	-19,4%	8,9%
Alternative marketing products and others	779	942	1.404	-17,3%	-44,5%
<b>Operating expenses (a)</b>	<b>8.458</b>	<b>8.929</b>	<b>8.839</b>	<b>-5,3%</b>	<b>-4,3%</b>
<b>Consolidated EBITDA (b)</b>	<b>171</b>	<b>-256</b>	<b>24</b>	<b>166,8%</b>	<b>612,5%</b>
EBITDA margin	2,0%	-3,0%	0,3%	+4,9 p.p.	+1,7 p.p.

(a) Operating expenses excluding amortisation

(b) EBITDA = earnings before interest, taxes, amortisation and depreciation

EBITDA of magazines segment recorded on third quarter 2010 was 171 thousand Euros.

### Main indicators for the first 9 months of 2010

On an accumulated basis, during the first 9 months of 2010 operating income amounted to 100 million Euro (+3%), with EBITDA reaching 15.9 million Euro, representing an increase of 7.8% when compared to previous year.

(amounts in thousand Euro)	9M 2010	9M 2009	Var (%) 9M 10/9M 09
<b>Operating income</b>	<b>100.446</b>	<b>97.817</b>	<b>2,7%</b>
Circulation	49.609	48.038	3,3%
Advertising	39.163	37.185	5,3%
Alternative marketing products and others	11.674	12.594	-7,3%
<b>Operating income by segments</b>	<b>100.446</b>	<b>97.817</b>	<b>2,7%</b>
Newspapers	75.069	72.290	3,8%
Magazines	25.377	25.527	-0,6%
<b>Operating expenses (a)</b>	<b>84.549</b>	<b>83.070</b>	<b>1,8%</b>
<b>Consolidated EBITDA (b)</b>	<b>15.897</b>	<b>14.747</b>	<b>7,8%</b>
EBITDA margin	15,8%	15,1%	+ 0,8 p.p.
Newspapers EBITDA	16.125	15.088	6,9%
Newspapers EBITDA margin	21,5%	20,9%	+ 0,6 p.p.
Magazines EBITDA	-228	-341	33,1%
Magazines EBITDA margin	-0,9%	-1,3%	+ 0,4 p.p.
Amortisation and depreciation (-)	2.888	2.532	14,1%
<b>EBIT</b>	<b>13.009</b>	<b>12.215</b>	6,5%
EBIT margin	13,0%	12,5%	+ 0,5 pp
Net financial income	(22.643)	12.275	-
<b>Income before taxes and minority interests</b>	<b>-9.634</b>	<b>24.490</b>	-
Income taxes	2.602	4.864	-46,5%
Minority interests	(43)	121	-135,5%
<b>Net consolidated profit / loss (c)</b>	<b>-12.193</b>	<b>19.505</b>	-

(a) Operating expenses excluding amortisation

(b) EBITDA = earnings before interest, taxes, amortisation and depreciation

(c) Net profit / (loss) attributable to the parent company shareholders

Porto, November 4th, 2010

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**FOR THE PERIODS ENDED 30 SEPTEMBER 2010 AND 31 DECEMBER 2009**  
 (Translation of financial statements originally issued in Portuguese - Note 19)  
 (Amounts expressed in Euro)

	<b>ASSETS</b>	<b>Notes</b>	<b>30.09.2010</b>	<b>31.12.2009</b>
<b>NON CURRENT ASSETS</b>				
Tangible assets			7,970,611	9,927,157
Goodwill	6		91,996,994	91,996,994
Intangible assets			650,234	527,038
Investments in associated companies	4		5,145,277	4,733,946
Investments available for sale	4		5,000	-
Deferred tax assets			3,387,112	3,723,053
<b>Total non current assets</b>			<b>109,155,228</b>	<b>110,908,188</b>
<b>CURRENT ASSETS</b>				
Inventories			3,213,485	3,129,658
Customers			10,995,948	11,384,331
State and other public entities			1,113,502	522,914
Other current debtors			3,470,881	713,565
Other current assets			7,127,966	8,617,438
Investments recorded at fair value through profit and loss	8		44,058,498	65,901,718
Cash and cash equivalents			22,683,009	46,315,859
<b>Total current assets</b>			<b>92,663,289</b>	<b>136,585,483</b>
<b>TOTAL ASSETS</b>			<b>201,818,517</b>	<b>247,493,671</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' FUNDS</b>				
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			(45,049,383)	(60,362,753)
Consolidated net profit/(loss) for the period attributable to the parent			(12,192,856)	17,091,529
Equity attributable to equity holder of the parent			(10,316,801)	3,654,214
Non-controlling interests			478,084	591,835
<b>TOTAL EQUITY</b>			<b>(9,838,717)</b>	<b>4,246,049</b>
<b>LIABILITIES</b>				
<b>NON CURRENT LIABILITIES</b>				
Other loans	10		20,000,000	49,720,203
Pension liabilities			691,357	691,357
Other non current creditors	9		2,508,397	3,469,794
Provisions			1,075,567	1,076,423
<b>Total non current liabilities</b>			<b>24,275,321</b>	<b>54,957,777</b>
<b>CURRENT LIABILITIES</b>				
Bank loans	10		21,410,656	2,418,284
Other loans - short term	10		124,448,218	143,299,505
Derivatives	11		1,267,256	245,439
Suppliers			10,780,792	12,804,434
State and other public entities			3,686,608	4,888,406
Other current creditors	9		8,867,453	8,464,087
Other current liabilities			16,920,930	16,169,690
<b>Total current liabilities</b>			<b>187,381,913</b>	<b>188,289,845</b>
<b>TOTAL LIABILITIES</b>			<b>211,657,234</b>	<b>243,247,622</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>201,818,517</b>	<b>247,493,671</b>

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 NINE MONTHS AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**  
 (Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	<b>Notes</b>	<b>30.09.2010</b>	<b>30.09.2009</b>	<b>3<sup>rd</sup> Quarter 2010</b>	<b>3<sup>rd</sup> Quarter 2009</b>
Sales		49,677,915	47,888,062	18,214,266	17,143,762
Services rendered		39,422,023	38,453,472	12,288,322	12,841,333
Other income		11,346,374	11,475,710	3,163,309	3,075,778
Cost of sales		(13,975,344)	(14,517,338)	(4,776,869)	(5,018,084)
External supplies and services		(39,477,879)	(39,206,603)	(12,541,363)	(12,694,378)
Payroll expenses		(29,771,557)	(28,331,882)	(9,952,508)	(9,434,796)
Amortisation and depreciation		(2,888,091)	(2,531,082)	(966,537)	(844,598)
Provisions and impairment losses		(878,699)	(600,188)	(281,663)	(274,836)
Other expenses		(445,928)	(414,625)	(148,555)	(122,307)
Gains and losses in derivatives	11	(278,338)	-	(278,338)	-
Gains and losses in associated companies	12	111,331	187,500	69,526	58,926
Gains and losses in other investments	12	(19,412,820)	16,508,014	(4,283,580)	12,799,350
Financial expenses	12	(4,232,699)	(5,348,607)	(1,271,994)	(1,343,527)
Financial income	12	1,169,644	927,931	491,774	244,550
Profit before income tax		(9,634,068)	24,490,364	(274,210)	16,431,173
Income tax	7	(2,601,760)	(4,864,498)	(984,726)	(2,371,439)
Net consolidated profit / (loss) for the period		(12,235,828)	19,625,866	(1,258,936)	14,059,734
Attributable to:					
Shareholders of the parent company		(12,192,856)	19,504,718	(1,266,465)	14,036,315
Non-controlling interests		(42,972)	121,148	7,529	23,419
Earnings per share:					
Basic	15	(0.12)	0.19	(0.01)	0.14
Diluted	15	(0.12)	0.15	(0.01)	0.11

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 EQUITY FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	Attributable to equity holders of the parent company							
	Share capital	Share premium account	Legal reserve	Other reserves	Net profit / (loss)	Total	Non-controlling interests	Total equity
Balance as of 1 January 2009	25,641,459	15,874,835	5,409,144	13,089,460	(73,272,795)	(13,257,897)	767,021	(12,490,876)
Changes in consolidation perimeter (Note 5)	-	-	-	-	-	-	141,904	141,904
Appropriation of consolidated net loss for 2008:								
Transfer to legal reserve and retained earnings	-	-	-	(73,272,795)	73,272,795	-	-	-
Dividends distributed	-	-	-	-	-	-	(64,800)	(64,800)
Change in reserves:								
Other changes	-	-	-	1,019	-	1,019	(1,103)	(84)
Net consolidated profit for the nine months period ended 30 September 2009	-	-	-	-	19,504,718	19,504,718	121,148	19,625,866
Balance as of 30 September 2009	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(60,182,316)</u>	<u>19,504,718</u>	<u>6,247,840</u>	<u>964,170</u>	<u>7,212,010</u>
Balance as of 1 January 2010	25,641,459	15,874,835	5,409,144	(60,362,753)	17,091,529	3,654,214	591,835	4,246,049
Appropriation of consolidated net loss for 2009:								
Transfer to legal reserve and retained earnings	-	-	-	17,091,529	(17,091,529)	-	-	-
Dividends distributed	-	-	-	(1,025,659)	-	(1,025,659)	(69,660)	(1,095,319)
Change in reserves:								
Other changes	-	-	-	(1,464)	-	(1,464)	(1,119)	(2,583)
Net consolidated loss for the nine months period ended 30 September 2010	-	-	-	(751,036)	(12,192,856)	(12,943,892)	(42,972)	(12,986,864)
Balance as of 30 September 2010	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(45,049,383)</u>	<u>(12,192,856)</u>	<u>(10,316,801)</u>	<u>478,084</u>	<u>(9,838,717)</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 STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	<b>30.09.2010</b>	<b>30.09.2009</b>	<b>3<sup>rd</sup> Quarter 2010</b>	<b>3<sup>rd</sup> Quarter 2009</b>
Profit / (loss) for the period	(12,235,828)	19,625,866	(1,258,936)	14,059,734
Cash-flows hedges	(751,036)	-	(74,726)	-
Total comprehensive income for the period	<b><u>(12,986,864)</u></b>	<b><u>19,625,866</u></b>	<b><u>(1,333,662)</u></b>	<b><u>14,059,734</u></b>
Attributable to:				
Shareholders of the parent company	(12,943,892)	19,504,718	(1,341,191)	14,036,315
Non-controlling interests	<b><u>(42,972)</u></b>	<b><u>121,148</u></b>	<b><u>7,529</u></b>	<b><u>23,419</u></b>

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The Board of Directors

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	Notes	30.09.2010	30.09.2009	3 <sup>rd</sup> Quarter 2010	3 <sup>rd</sup> Quarter 2009
<b>Operating activities</b>					
<i>Cash flow from operating activities (1)</i>		<u>11,026,719</u>	<u>14,172,697</u>	<u>5,541,003</u>	<u>6,004,324</u>
<b>Investment activities</b>					
Collections relating to:					
Investments		-	1,583,390	-	741,695
Tangible assets		28,250	70,794	28,250	-
Interest and similar income		3,701,248	1,192,842	3,097,446	861,730
Dividends		<u>2,430,400</u>	<u>2,438,433</u>	<u>-</u>	<u>191,428</u>
Payments relating to:					
Investments	1	(125,000)	(2,211,939)	-	(546,699)
Tangible assets		(991,984)	(688,337)	(696,492)	(240,344)
Intangible assets		<u>(68,689)</u>	<u>(1,185,673)</u>	<u>(92,248)</u>	<u>(2,992,524)</u>
<i>Cash flow from investment activities (2)</i>		<u>4,974,225</u>	<u>2,292,935</u>	<u>(33,115)</u>	<u>(729,607)</u>
				<u>2,396,089</u>	<u>-</u>
					<u>1,007,810</u>
<b>Financing activities</b>					
Collections relating to:					
Loans obtained		-	1,483,390	1,483,390	-
Payments relating to:					
Interest and similar costs		(6,837,349)	(6,407,375)	(5,165,244)	(3,519,525)
Lease contracts		(1,763,158)	(1,680,787)	(609,149)	(562,058)
Dividends		(1,025,659)	-	-	-
Loans obtained		<u>(49,000,000)</u>	<u>(58,626,166)</u>	<u>(15,803,845)</u>	<u>(44,000,000)</u>
<i>Cash flow from financing activities (3)</i>		<u>(58,626,166)</u>	<u>(7,715,683)</u>	<u>(49,774,393)</u>	<u>(6,942,150)</u>
					<u>(11,023,733)</u>
Cash and its equivalents at the beginning of the period	2	43,897,575	35,322,431	43,109,654	41,677,263
Variation in consolidation perimeter		-	198,056	-	-
Variation of cash and its equivalents: (1)+(2)+(3)		<u>(42,625,222)</u>	<u>2,145,177</u>	<u>(41,837,301)</u>	<u>(4,011,599)</u>
Cash and its equivalents at the end of the period	2	<u>1,272,353</u>	<u>37,665,664</u>	<u>1,272,353</u>	<u>37,665,664</u>

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

The Board of Directors

**1. PAYMENTS/COLLECTIONS RELATING TO INVESTMENTS**

During the nine months period ended 30 September 2010, the payments / collections relating to investments were as follows:

<u>Acquisitions</u>	<u>Transaction amount</u>	<u>Amount paid</u>
Advances related with the acquisition of financial investments	300,000	100,000
Visapress – Gestão de Conteúdos dos Media, CRL	5,000	5,000
Mercados Globais – Publicação de Conteúdos, Lda. – acquired in previous years	72,000	20,000
	-----	-----
	377,000	125,000
	=====	=====

**2. BREAKDOWN OF CASH AND CASH EQUIVALENTS**

Cash and its equivalents as of 30 September 2010 and 2009 and as of 31 December 2009, and the reconciliation between those amounts and the amounts shown in the statement of financial position as of those dates, are as follows:

	<u>30.09.2010</u>	<u>31.12.2009</u>	<u>30.09.2009</u>
Cash	98,265	89,555	90,581
Bank deposits repayable on demand	14,484,744	2,281,304	18,319,271
Bank deposits convertible within 3 months	8,100,000	43,945,000	24,430,000
Cash and cash equivalents shown in the statement of financial position	22,683,009	46,315,859	42,839,852
Bank overdrafts	( 21,410,656 )	( 2,418,284 )	( 5,174,188 )
	<u>1,272,353</u>	<u>43,897,575</u>	<u>37,665,664</u>

The Board of Directors

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed 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 media segments, namely "Correio da Manhã", "Record", "Jornal de Negócios", "Destak" and Metro, as well as the magazines "Sábado", "Automotor", "TV Guia", "Flash!", "Rotas e Destinos", "Máxima" and "GQ", among others.

During the nine months period ended 30 September 2010, the Group developed its activity mainly in Portugal, having also some interests in Brazil through the investment in Destak Brasil (Note 4).

The accompanying consolidated financial statements have been prepared under the going concern assumption, although the total equity as of 30 September 2010 is negative. This is due solely to the Group's exposure to the participation in ZON Multimédia - Serviços de Telecomunicações e Multimedia, SGPS, S.A. ("Zon Multimedia") through the holding of 15,190,000 shares recorded at their market value (Note 8). It is the Board of Directors' belief that the price of Zon Multimédia as of that date does not reflect its fair value and the Board of Directors expects that, by the end of 2010, the consolidated equity will improve.

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 September 2010 were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by European Union. The financial statements as of 30 September 2010 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting, and include a statement of financial position, a statement of profit and loss, a statement of comprehensive income, a statement of changes in shareholders' funds and the statement of cash flows for the period, as well as the selected explanatory notes.

The accounting policies adopted in Cofina's consolidated financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2009.

**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 to previous periods.

During the period, the revised versions of IFRS 3 – Business Combinations (revised 2008) and IAS 27 – Consolidated and separate financial statements (revised 2008) were adopted by the first time.

These changes will bring some modifications regarding business combinations, namely in what refers to:

- a) the computation of goodwill and the measurement of non-controlling interests (previously referred to as minority interests): introduces the option, on transaction-by-transaction basis, of calculating the value of non-controlling interests at the fair value of the proportion of assets and liabilities acquired, or their share of the identifiable net assets of the acquiree. Additionally, goodwill is now calculated as the difference between the acquisition price of the participation plus the non-controlling interests and the fair value of the assets and liabilities acquired;

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

- b) the recognition and subsequent treatment of contingent payments: under the current version of IFRS 3, the amount of future contingent payments consideration is recognized as a liability at the date of the business combinations in accordance with its fair value. Once the fair value of the contingent consideration for the acquisition date has been determined, subsequent adjustments are made against goodwill only to the extent that they reflect fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). Otherwise they should be recorded against results;
- c) the accounting treatment of acquisition-related costs: they are generally recorded as expenses in the periods in which they are incurred, thus not affecting the acquisition price;
- d) the accounting of purchase transactions of entities already controlled by the entity and sale transactions that don't result in the loss of control: until the adoption of the revised version of IAS 27, any increase in equity interests in a subsidiary resulted in the calculation of goodwill, and any decrease loss on the percentage of control would give rise to the recognition of a gain or loss in the corresponding disposal. With the adoption of this new standard, transactions that do not give rise to gain or loss of control over an entity are treated and accounted as equity transactions, thus only affecting shareholders 'captions, without any impact in Goodwill or results;
- e) the calculation of the result of the disposal of an equity interest in a subsidiary with a contingent loss of control and the need to remeasure the retained interests in that investment: according to the new version of the standard, as a result of the loss of control, the assets and liabilities of the disposed subsidiary should be derecognized and any interest retained on the entity should be remeasured at fair value. The value received as a result of the disposal plus the effect of remeasurement is recorded as profit or loss of the period.

#### 4. INVESTMENTS

##### Consolidation perimeter

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage participation held and activity developed as of 30 September 2010 are as follows:

Designation	Headquarter s	Percentage participatio n held	Activity
<b>Parent company</b>			
Cofina, SGPS, S.A.	Porto		Holding company
Cofina B.V. ("Cofina BV")	Amsterdam (Netherlands )	100.00%	Holding company
Efe Erre Participações, SGPS, S.A. ("FR")	Ovar	100.00%	Holding company
<b>Cofina Media Group</b>			
Cofina Media, SGPS, S.A. ("Cofina Media")	Lisbon	100.00%	Holding company
Presselivre – Imprensa Livre, S.A. ("Presselivre")	Lisbon	99.37%	Newspapers and magazine publication
Edisport – Sociedade de Publicações, S.A. ("Edisport")	Lisbon	100.00%	Newspapers publication
Edirevistas – Sociedade Editorial, S.A. ("Edirevistas")	Lisbon	99.46%	Magazine publication
Mediafin, SGPS, S.A. ("Mediafin")	Lisbon	100.00%	Holding company
Metronews – Publicações, S.A. ("Metronews")	Carnaxide	59.00%	Newspapers publication
Grafedisport – Impressão e Artes Gráficas, S.A. ("Grafedisport")	Queluz	100.00%	Newspapers print
Web Works – Desenvolvimento de Aplicações para Internet, S.A. ("Web Works")	Lisbon	51.00%	Production and creation of websites to the development of online businesses
Holdimédia SGPS, S.A. ("Holdimédia")	Lisbon	59.00%	Holding company
Transjornal – Edição de Publicações, S.A. ("Transjornal")	Lisbon	59.00%	Newspapers publication
Cofina - Eventos e Comunicação S.A. ("Cofina Eventos")	Lisbon	70.00%	Events organization and promotion

All the above subsidiaries were included in the consolidated financial statements in accordance with the full consolidation method.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010**

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

The associated companies, their headquarters, percentage participation held and activity developed as of 30 September 2010 are as follows:

Designation	Headquarters	Percentage participation held		Activity
		Direct	Indirect	
VASP – Sociedade de Transportes e Distribuições, Lda.	Lisbon	33.33 %	-	Publication distribution
AdCom Media Anúncios e Publicidade, S.A.	São Paulo, Brasil	-	23.96%	Communication and advertising services
Destak Brasil – Editora, S.A.	São Paulo, Brasil	-	23.96%	Newspaper publication
Destak Brasil – Empreendimentos e Participações, S.A.	São Paulo, Brazil	23.96 %	-	Holding company
Mercados Globais – Publicação de Conteúdos, Lda.	V. N. Gaia	50.00 %	-	Management services and promotion of a financial forum on the internet

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 their book value as of 30 September 2010 are as follows:

Designation	Acquisition cost	Book value
VASP – Sociedade de Transportes e Distribuições, Lda.	6,234	3,205,924
AdCom Media Anúncios e Publicidade, S.A. (a)	-	-
Destak Brasil – Editora, S.A. (a)	-	-
Destak Brasil – Empreendimentos e Participações, S.A.	299,064	-
Mercados Globais – Publicação de Conteúdos, Lda.	72,000	-

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

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010**

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

As of 30 September 2010 and 31 December 2009 the caption "Investments in associated companies" can be detailed as follows:

	<u>30.09.2010</u>	<u>31.12.2009</u>
Financial investments		
VASP – Sociedade de Transportes e Distribuições, Lda. – equity method	3,205,924	3,094,593
Destak Brasil – Empreendimentos e Participações, S.A.	299,064	299,064
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
Advances related to the acquisition of financial investments	300,000	-
	<u>3,876,988</u>	<u>3,465,657</u>
Accumulated impairment losses on investments in associates	(371,064)	(371,064)
Loans to associated companies		
Gross value	3,697,878	3,697,878
Accumulated impairment losses	(2,058,525)	(2,058,525)
	<u>)</u>	<u>)</u>
	<u>5,145,277</u>	<u>4,733,946</u>

As of 30 September 2010 and as of 31 December 2009 the Group has available for sale investments corresponding to minority investments. The Group has recorded impairment losses for these investments in previous periods.

**5. CHANGES IN CONSOLIDATION PERIMETER**

During the nine months period ended 30 September 2010 there have been no changes in the consolidation perimeter of Cofina Group.

The facts generating changes in the consolidation perimeter of Cofina Group during the nine month period ended 30 September 2009 were as follows:

I. During the first semester of 2009 the Cofina Group, through its subsidiary Cofina Media, SGPS, S.A., acquired an investment representing 51% of the share capital of Web Works – Desenvolvimento de Aplicações para Internet, S.A. (Note 4). The Group has control over its operations as well as holds more than 50% of the share capital of this company. Therefore, this company was included in the consolidated financial statements by the full consolidation method.

Assets and liabilities as of the date of its inclusion in consolidation (1 January 2009) as well as the computation of the resulting goodwill, are as follows:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

	<u>Web Works</u>
<b>Assets</b>	
Intangible assets	286
Tangible assets	58,486
Accounts receivable	198,645
Cash and cash equivalents	198,056
Other assets	17,586
<b>Liabilities</b>	
Short term debts	(173,682)
Other liabilities	(9,776)
Net assets	<u>289,601</u>
Percentage acquired	51%
Acquired equity	<u>147,697</u>
Purchase price / Cost of Business Combination	1,668,157
Goodwill on the acquisition (Note 6)	1,520,460
Assets and liabilities attributable to non-controlling interests	<u>141,904</u>
Net cash flows arising from the change in the consolidation perimeter	
Payments	(1,600,657)
Cash and cash equivalents acquired	<u>198,056</u>
	<u>(1,402,601)</u>

Goodwill arising from this acquisition was computed based in the acquired company's financial statements as of 31 December 2008. In the purchase price allocation process, Cofina identified no relevant differences between the fair value of assets and liabilities acquired and its carrying amount. The difference between the acquisition cost and the carrying amount of assets and liabilities acquired was recorded as goodwill (Note 6).

Net profit and total income attributable to this subsidiary from the date of the first application of the full consolidation method and included in the Group's consolidated financial statements of the nine months periods ended as of 30 September 2010 and 2009 amount to, approximately, 266,000 Euro and 422,000 Euro, respectively.

II. As of 13 January 2009, the Group sold the investment held in the company "O Sol é Essencial, S.A.", owner of the weekly newspaper "Sol", by the amount of 1,583,390 Euro. This operation had no impact in the consolidated statements of profit and loss for the period ended as of 30 September 2009 due to the fact that the investment was recorded in accordance with its estimated net realizable value.

## 6. GOODWILL

During the nine months periods ended as of 30 September 2010 and 2009, the movement in the caption "Goodwill" was as follows:

	30.09.2010	30.09.2009
Opening Balance as of 1 January	91,996,994	89,053,723
Increases (Note 5)	-	1,520,460
Closing Balance	<u>91,996,994</u>	<u>90,574,183</u>

The movement occurred in this caption during the nine months period ended as of 30 September 2009 refers to the acquisition of the subsidiary "Web Works – Desenvolvimento de Aplicações para Internet, S.A." (Note 5).

## 7. CURRENT AND DEFERRED INCOME TAXES

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

Income taxes recognized in the statement of profit and loss as of 30 September 2010 and 2009 can be detailed as follows:

	<u>30.09.2010</u>	<u>30.09.2009</u>
Current taxes		
Income tax estimate for the period	787,067	1,160,023
Excess of prior years income tax	(105,622)	(98,491)
Insufficiency of prior periods income tax	109,879	66,096
Additional tax assessment	1,219,552	-
Deferred taxes	590,884	3,736,870
	<u>2,601,760</u>	<u>4,864,498</u>

The caption "Additional tax assessment" refers to a correction to the computed taxable income of the year ended as of 31 December 2006.

As confirmed by our lawyers, there are no material assets or liabilities associated with probable or possible tax contingencies that should be subject to disclosure in the accompanying notes to the consolidated financial statements as of 30 September 2010.

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

**8. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS**

The amounts included in the caption "Investments measured at fair value through profit and loss" relate to shares traded in stock markets and are recorded at their market value as of the balance sheet date (Note 12).

As of 30 September 2010, the corresponding book value can be detailed as follows:

	<u>Number of shares</u>	<u>Share price</u>	<u>Market value</u>
Zon Multimédia	15,190,000		44,051,000
Other listed shares			7,498
			-----
			44,058,498
			=====

**9. FINANCIAL LEASE CONTRACTS**

As of 30 September 2010 and 31 December 2009, the amounts payable to fixed asset suppliers related to financial lease contracts were classified in the captions "Other non-current creditors" and "Other current creditors" and had the following planned reimbursement plan:

	<u>30.09.2010</u>	<u>31.12.2009</u>
Year n+1	1,008,545	1,360,573
Year n+2	992,313	1,014,012
Year n+3	365,854	692,577
Year n+4	9,681	363,93
Year n+5 and subsequent	32,004	38,702
	2,408,397	3,469,794
Short term	1,643,650	2,345,411
	4,052,047	5,815,205

**10. BANK LOANS AND OTHER LOANS**

The current liabilities caption "Bank loans" refers to bank overdrafts in the short term which bear interests at market rates.

As of 30 September 2010 and 31 December 2009, the caption "Other loans" was made up as follows:

	<u>30.09.2010</u>			
	<u>Book value</u>		<u>Nominal value</u>	
	<u>Current</u>	<u>Non current</u>	<u>Current</u>	<u>Non current</u>
Bond loans	49,580,762	-	50,000,000	-
Commercial paper	74,867,456	20,000,000	75,000,000	20,000,000
	<u>124,448,218</u>	<u>20,000,000</u>	<u>125,000,000</u>	<u>20,000,000</u>
<u>31.12.2009</u>				
	<u>Book value</u>		<u>Nominal value</u>	
	<u>Current</u>	<u>Non current</u>	<u>Current</u>	<u>Non current</u>
	93,299,505	-	94,000,000	-
Bond loans	50,000,000	49,720,203	50,000,000	50,000,000
Commercial paper				
	<u>143,299,505</u>	<u>49,720,203</u>	<u>144,000,000</u>	<u>50,000,000</u>

The non-current liabilities caption "Commercial paper" relates to commercial paper programs with guaranteed subscription by the banks until 2012.

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

The current liabilities caption “Commercial Paper” relates to commercial paper programs with repayment in the short term which bear interests at market rates.

In addition to the amounts included in the balance sheet as of 31 December 2009, Cofina, SGPS, S.A. had issued a commercial paper program amounting to 50,000,000 Euro which is presented in the statement of financial position net of a bank deposit in the same amount, since these financial instruments fulfill the requirements for their compensation.

#### **11. DERIVATIVE FINANCIAL INSTRUMENTS**

As of 30 September 2010, this caption corresponds to interest rate swaps related with the Group’s financing loans. Once these derivatives fulfill the requirements of IAS 39 – Financial Instruments: Recognition and Measurement in order to be classified as hedging instruments, their respective fair value was recorded under the shareholder’s funds’ caption “Other reserves”, net of deferred taxes.

These financial instruments are recorded in accordance with their fair value at balance sheet date, based in computations made by the financial institutions. The movement in these derivative instruments for the nine months periods ended 30 September 2010 and 2009 can be presented as follows:

	30.09.2010	30.09.2009
Opening Balance	245,439	-
Increases (decreases)	1,021,817	-
<b>Closing Balance</b>	<b>1,267,256</b>	<b>-</b>

During the nine months period ended as of 30 September 2010, the amount of 278.338 Euro was recorded in the caption “Gains and losses in derivatives”, relating to incurred interests since last valuation.

#### **12. FINANCIAL RESULTS**

The financial income and expenses for the nine months periods ended 30 September 2010 and 2009 are made up as follows:

	30.09.2010	30.09.2009
Financial expenses		
Interests	3,653,596	4,905,927
Commissions	507,600	254,793
Other financial expenses	71,503	187,887
	<b>4,232,699</b>	<b>5,348,607</b>
<b>Financial income</b>		
Interests received	877,098	927,931
Other financial income	292,546	-
	<b>1,169,644</b>	<b>927,931</b>

The caption “Gains and losses in associated companies” for the nine months periods and quarters ended 30 September 2010 and 2009 mainly refers to the Group’s appropriation of its share of the results in associated companies.

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

The caption "Gains and losses in other investments" as of 30 September 2010 and 2009 can be detailed as follows:

	30.09.2010	30.09.2009
Gains in investments recorded at fair value through profit and loss (Introduction and Note 8)	(21,843,220)	14,069,581
Dividends	2,430,400	2,438,433
	<u>(19,412,820)</u>	<u>16,508,014</u>

The caption "Investments recorded at fair value through profit and loss" mainly refers to the adjustment to fair value of Zon Multimédia – Serviços de Telecomunicações e Multimédia, S.G.P.S., S.A. in accordance with the shares' market value.

### 13. RELATED PARTIES

The main balances with related parties as of 30 September 2010 and 2009 and the main transactions with those entities during the periods then ended may be detailed as follows:

<u>30.09.2010</u>			
<u>Transactions</u>	<u>Sales and services rendered</u>	<u>Other income</u>	<u>Purchase of goods and services</u>
Associated companies	45,673,007	11,013,199	70,227
<hr/>			
<u>Balances</u>	<u>Accounts receivable</u>	<u>Accounts payable</u>	<u>Accrued income</u>
Associated companies	117,830	139,691	6,212,958
<u>30.09.2009</u>			
<u>Transactions</u>	<u>Sales and services rendered</u>	<u>Other income</u>	<u>Purchase of goods and services</u>
Associated companies	44,121,624	11,253,870	354,167
<u>Balances</u>	<u>Accounts receivable</u>	<u>Accounts payable</u>	<u>Accrued income</u>
Associated companies	113,773	79,326	6,016,456

Sales and services rendered to associated companies and other income during the nine months periods ended as of 30 September 2010 and 2009 mainly relate to sales of newspapers and magazines and alternative marketing products to VASP (Note 4), which handles the corresponding distribution to the sales points. These transactions are carried out under the normal activity of the Group.

#### Related parties

Apart from companies included in the consolidation (Note 4), the entities considered to be related companies as of 30 September 2010, can be presented as follows:

- Altri, SGPS, S.A.
- Alteria, SGPS, S.A.
- Altri Florestal, S.A.
- Altri - Energias Renováveis, SGPS, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri Sales, S.A.
- BPS – Equipements, S.A.
- Caderno Azul, SGPS, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Caima Indústria de Celulose, S.A.
- Caminho Aberto, SGPS, S.A.
- Captaraíz Unipessoal, Lda.

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

- Celbi – Celulose da Beira Industrial, S.A.
- Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
- Celtero – Empresa de Celulose do Tejo, S.A.
- Celulose do Caima, SGPS, S.A.
- Cofihold, SGPS, S.A.
- CPK – Companhia Produtora de Papel Kraftsack, S.A.
- CPK II – Comércio e Indústria, S.A.
- Elege Valor, SGPS, S.A.
- F. Ramada – Aços e Indústrias, S.A.
- F. Ramada Investimentos, SGPS, S.A.
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II, Imobiliária, S.A.
- F. Ramada, Serviços de Gestão, Lda.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Invescaima – Investimentos e Participações, SGPS, S.A.
- Livre Fluxo, SGPS, S.A.
- Malva – Gestão Imobiliária, S.A.
- Pedro Frutícola, Sociedade Frutícola, Lda.
- Prestimo – Prestígio Imobiliário, S.A.
- Ródão Power, S.A. - Energia e Biomassa do Ródão, S.A.
- Socasca – Recolha e Comércio de Recicláveis, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Storax Benelux
- Storax Racking Systems, Ltd.
- Torres da Luz – Investimentos imobiliários, S.A.
- Universal Afir – Aços, Máquinas e Ferramentas, S.A.
- Valor Autêntico, SGPS, S.A.
- Viveiros do Furdouro Unipessoal, Lda.

Board of Directors

Cofina, SGPS, S.A. Board of Directors was made up as follows as of 30 September 2010:

Paulo Jorge dos Santos Fernandes  
João Manuel Matos Borges de Oliveira  
Pedro Macedo Pinto de Mendonça  
Domingos José Vieira de Matos  
Ana Rebelo Mendonça Fernandes  
Pedro Miguel Matos Borges de Oliveira

14. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of 30 September 2010, Cofina Group had provided guarantees as follows:

- a) Pledge over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for authorized overdraft, to a maximum of 8,000,000 Euro, granted by Banco BPI, S.A., which, as of 30 September 2010, was not in use;
- b) Promise of pledge with irrevocable powers of attorney over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for a commercial paper program structured by Banco BPI, S.A., amounting to 25,000,000 Euro as of 30 September 2010 (Note 10);
- c) Promise of pledge with irrevocable powers of attorney over 15,190,000 shares of ZON MULTIMÉDIA - Serviços de Telecomunicações e Multimédia, S.G.P.S., S.A as a guarantee for a commercial paper programs structured by Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., amounting to 50,000,000 Euro as of 30 September 2010 (Note 10).

As of 30 September 2010 Cofina Media Group companies had assumed responsibilities for guarantees granted amounting to, approximately, 1,700,000 Euro, mainly related with advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 26,000,000 Euro.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTSFOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

**15. EARNINGS PER SHARE**

Earnings per share for the nine months periods ended as of 30 September 2010 and 2009 were determined taking into consideration the following amounts:

	30.09.2010	30.09.2009
Net profit / (loss) considered for the computation of basic and diluted earning	(12,192,856)	19,504,718
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
Weighted average number of shares used to compute the diluted earnings per share	<hr/> 102,565,836	<hr/> 127,075,636
Earnings per share:		
Basic	(0.12)	0.19
Diluted	(0.12)	0.15

(a) – The “Warrants dilution effect” refers to the option granted to the bondholders associated to the bond loan issued by the Group in the amount of 50,000,000 Euro, and that ended in 2010, that entitled them the right to convert the bonds in 4,901.96 common shares, for each bond held in the amount of 5,000 Euro.

**16. SHARE CAPITAL**

As of 30 September 2010, the Company's fully subscribed and paid up capital consisted of 102,565,836 shares with a nominal value of 25 cents of a Euro each. As of that date, Cofina and the Group companies did not hold own shares.

**17. SEGMENT INFORMATION**

The segments considered by the Group are based on the financial information internally reported to the Board of Directors and that supports their evaluation of the businesses' performance and their business decisions. The segments identified by the Group are, therefore, consistent with the manner in which the Board of Directors analyses operations.

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

The information for the nine months periods ended as of 30 September 2010 and 2009 is detailed as follows:

30.09.2010	Newspapers	Magazines	Eliminations and consolidation adjustments	Total
Net operating income	75,069,112	25,377,200	-	100,446,312
Operating cash-flow - EBITDA (a)	16,125,014	(228,109)	-	15,896,905
Earning before interest and taxes	14,679,074	(1,670,260)	-	13,008,814

30.09.2009	Newspapers	Magazines	Eliminations and consolidation adjustments	Total
Net operating income	72,290,172	25,527,072	-	97,817,244
Operating cash-flow - EBITDA (a)	15,087,791	(341,183)	-	14,746,608
Earning before interest and taxes	12,839,911	(624,385)	-	12,215,526

(a) - Earnings before interest, taxes, depreciation and amortisation

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 19)

(Amounts expressed in Euro)

**18. FINANCIAL STATEMENTS APPROVAL**

The interim financial statements as of 30 September 2010 were approved by the Board of Directors and authorized for issuance in 3 November 2010.

**19. 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) and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required to be generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

## **STANDALONE FINANCIAL STATEMENTS**

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

**STATEMENTS OF FINANCIAL POSITION**

**AS OF 30 SEPTEMBER 2010 AND 31 DECEMBER 2009**

(Translation of financial statements originally issued in Portuguese - Note 13)

(Amounts expressed in Euro)

ASSETS	Notes	30.09.2010	31.12.2009
<b>NON CURRENT ASSETS</b>			
Tangible assets		48,116	10,647
Investments	4	222,000,260	222,000,260
Deferred tax assets		336,599	65,818
<b>Total non current assets</b>		<b>222,384,975</b>	<b>222,076,725</b>
<b>CURRENT ASSETS</b>			
State and other public entities		694,395	256,712
Other current debtors	4	1,606,931	2,303,390
Other current assets		7,708	218,968
Investments recorded at fair value through profit and loss	5	44,058,498	65,901,718
Cash and cash equivalents	6	8,181,122	26,186,339
<b>Total current assets</b>		<b>54,548,654</b>	<b>94,867,127</b>
<b>TOTAL ASSETS</b>		<b>276,933,629</b>	<b>316,943,852</b>
<hr/>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	7	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		25,686,087	26,550,224
Net profit/(loss) for the period		(13,274,172)	912,558
<b>TOTAL EQUITY</b>		<b>59,337,353</b>	<b>74,388,220</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Other loans	8	20,000,000	49,720,203
<b>Total non current liabilities</b>		<b>20,000,000</b>	<b>49,720,203</b>
<b>CURRENT LIABILITIES</b>			
Bank loans	6	4,671,770	23,092
Other loans - short term	8	124,448,218	149,518,014
Derivatives	9	1,267,256	245,439
Suppliers		3,999	1,821
State and other public entities		1,140,769	1,700,530
Other current creditors	4	65,696,852	39,946,191
Other current liabilities		367,412	1,400,342
<b>Total current liabilities</b>		<b>197,596,276</b>	<b>192,835,429</b>
<b>TOTAL LIABILITIES</b>		<b>217,596,276</b>	<b>242,555,632</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>276,933,629</b>	<b>316,943,852</b>

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

The Board of Directors

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

**STATEMENTS OF PROFIT AND LOSS BY NATURE**  
**FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**  
(Translation of financial statements originally issued in Portuguese - Note 13)  
(Amounts expressed in Euro)

	<u>Notes</u>	<b>30.09.2010</b>	<b>30.09.2009</b>
Other income		2,089	10
External supplies and services		(231,502)	(269,932)
Payroll expenses		(231,955)	(193,026)
Amortisation and depreciation		(14,273)	(12,720)
Other expenses		(42,493)	(69,285)
Gains and losses in derivatives	9	(278,338)	-
Gains and losses in other investments	10	(19,412,820)	16,508,014
Gains and losses in associated companies	10	7,858,771	-
Financial expenses	10	(4,618,059)	(6,167,118)
Financial income	10	487,519	723,866
Profit before income tax		(16,481,061)	10,519,809
Income tax		3,206,889	(5,891)
Net consolidated profit / (loss) for the period		(13,274,172)	10,513,918
Earnings per share:			
Basic	11	(0.13)	0.10
Diluted	11	(0.13)	0.08

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

The Board of Directors

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

**STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**

(Translation of financial statements originally issued in Portuguese - Note 13)

(Amounts expressed in Euro)

	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>
Profit / (loss) for the period	(13,274,172)	10,513,918
Cash-flows hedges	(751,036)	-
Total comprehensive income for the period	<b><u>(14,025,208)</u></b>	<b><u>10,513,918</u></b>

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

The Board of Directors

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

**STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**

(Translation of financial statements originally issued in Portuguese - Note 13)

(Amounts expressed in Euro)

	Share capital	Share premium account	Legal reserve	Other reserves	Net profit / (loss)	Total equity
Balance as of 1 January 2009	25,641,459	15,874,835	5,409,144	87,033,991	(60,303,369)	73,656,060
Appropriation of consolidated net loss for 2008:						
Transfer to retained earnings	-	-	-	(60,303,369)	60,303,369	-
Net comprehensive income for the nine months period ended 30 September 2009	-	-	-	-	10,513,918	10,513,918
Balance as of 30 September 2009	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>26,730,622</u>	<u>10,513,918</u>	<u>84,169,978</u>
Balance as of 1 January 2010	25,641,459	15,874,835	5,409,144	26,550,224	912,558	74,388,220
Appropriation of consolidated net profit for 2009:						
Transfer to retained earnings	-	-	-	912,558	(912,558)	-
Dividends distributed	-	-	-	(1,025,659)	-	(1,025,659)
Net comprehensive income for the nine months period ended 30 September 2010	-	-	-	(751,036)	(13,274,172)	(14,025,208)
Balance as of 30 September 2010	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>25,686,087</u>	<u>(13,274,172)</u>	<u>59,337,353</u>

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

The Board of Directors

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

**CONDENSED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2010 AND 2009**

(Translation of financial statements originally issued in Portuguese - Note 13)

(Amounts expressed in Euro)

	Notes	30.09.2010	30.09.2009
Operating activities			
<i>Cash flow from operating activities (1)</i>		<u>2,049,889</u>	<u>131,506</u>
Investment activities			
Collections relating to:			
Interest and similar income		703,676	898,295
Dividends		<u>10,289,171</u>	<u>10,992,847</u>
Payments relating to:			
Tangible assets		<u>(51,742)</u>	<u>(51,742)</u>
<i>Cash flow from investment activities (2)</i>		<u>10,941,105</u>	<u>3,336,728</u>
Financing activities			
Collections relating to:			
Loans obtained		<u>-</u>	<u>-</u>
Payments relating to:			
Interest and similar costs		(4,619,230)	(6,579,193)
Loans obtained		<u>(30,000,000)</u>	<u>-</u>
Dividends		<u>(1,025,659)</u>	<u>(35,644,889)</u>
<i>Cash flow from financing activities (3)</i>		<u>(35,644,889)</u>	<u>(6,579,193)</u>
Cash and its equivalents at the beginning of the period		26,163,247	27,968,152
Variation of cash and its equivalents: (1)+(2)+(3)		<u>(22,653,895)</u>	<u>(3,110,959)</u>
Cash and its equivalents at the end of the period	6	<u>3,509,352</u>	<u>24,857,193</u>

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

The Board of Directors

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

### NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 13)

(Amounts expressed in Euro)

#### **1. INTRODUCTORY NOTE**

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.

As of 30 September 2010, Cofina develops its activity essentially as a holding company of a Group of entities ("Cofina Group" or "Group") in the media area, acting in that sector mainly through its subsidiary Cofina Media, SGPS, S.A, a fully owned subsidiary of Cofina.

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

The financial statements of Cofina are presented in Euro rounded off to the unit, which is the currency used by the Group in its operations and considered as the functional currency.

#### **2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES**

The financial statements as of 30 September 2010 were prepared using accounting policies consistent with the International Financial Reporting Standards ("IFRS") and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, and includes the statement of financial position, the statement of profit and loss by nature, the statement of comprehensive income, the statement of changes in Equity and the statement of cash flows, as well as the selected explanatory notes.

#### **3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES**

Due to the dispositions contained in the 3rd paragraph of article 4 of Decree Law number 158/2009, of 13 July, Cofina decided to present its individual financial statements in accordance with the International Financial Reporting Standards, as from 1 January 2010.

The equity reconciliation at the transition date, 1 January 2009, and 31 December 2009 in accordance with the Portuguese Official Chart of Accounts ("POC") and in accordance with International Financial Reporting Standards is as follows:

	1 January 2009	31 December 2009
Equity in accordance with POC	73,595,989	74,569,911
Accounting of investments recorded at fair value through profit and loss	62,400	-
Intangible assets write-off	(2,329)	(1,293)
Accounting of derivative financial instruments	-	(180,398)
Equity in accordance with IFRS	<u>73,656,060</u>	<u>74,388,220</u>

The 2009 reconciliation of net income prepared in accordance with POC and in accordance with IFRS is as follow:

	31 December 2009
Net income in accordance with POC	973,922
Accounting of investments recorded at fair value through profit and loss	(62,400)
Intangible assets write-off	1,036
Net income in accordance with IFRS	<u>912,558</u>

During the period ended as of 30 September 2010 no material mistakes related to previous periods were subject to corrections.

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

### NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 13)

(Amounts expressed in Euro)

#### 4. INVESTMENTS

As of 30 September 2010 and 31 December 2009 this caption can be detailed as follows:

30-09-2010	Acquisition cost	Adjustments and impairments	Net book value
Cofina Media, SGPS, S.A.	222,000,260	-	222,000,260
FEF ERRE Participações, SGPS, S.A.	43,550,000	43,550,000	-
Cofina B.V.	3,525,500	3,525,500	-
	<u>269,075,760</u>	<u>47,075,500</u>	<u>222,000,260</u>
31-12-2009	Acquisition cost	Adjustments and impairments	Net book value
Cofina Media, SGPS, S.A.	222,000,260	-	222,000,260
FEF ERRE Participações, SGPS, S.A.	43,550,000	43,550,000	-
Cofina B.V.	3,525,500	3,525,500	-
	<u>269,075,760</u>	<u>47,075,500</u>	<u>222,000,260</u>

Additionally, Cofina has prepared consolidated financial statements in accordance with the recognition and measurement principles of the International Financial Reporting Standards, as adopted by the European Union and in accordance with the International Accounting Standard 34 – Interim Financial Reporting. A summary of the key financial data is presented below:

	30-09-2010	31-12-2009
Total consolidated net assets	201,818,517	247,493,671
Total consolidated equity (a)	(9,838,717)	4,246,049
Net consolidated income / (loss)	(12,235,828)	17,270,456

(a) including non-controlling interests

As of 30 September 2010 the detail of the balances with Group and related companies is as follows:

Entities	Other current debtors	Other current creditors	Net balance
Efe Erre Participações, SGPS, S.A.	288,050	(11,872,224)	(11,584,174)
Presselivre – Imprensa Livre, S.A.	840,282	(48,284,484)	(47,444,202)
Edisport – Sociedade de Publicações, S.A.	316,076	(5,021,139)	(4,705,064)
Edirevistas – Sociedade Editorial, S.A.	-	(341,817)	(341,817)
Mediafin, SGPS, S.A.	35,468	-	35,468
Cofina Media, SGPS, S.A.	-	(99,186)	(99,186)
Grafedisport – Impressão e Artes Gráficas, S.A.	123,864	-	123,864
	<u>1,603,741</u>	<u>(65,618,850)</u>	<u>(64,015,109)</u>

The above shown balances refer to the recording of the "Regime Especial de Tributação de Grupos de Sociedades" ("RETGS"), except about the liabilities shown regarding Presselivre and Edisport, that include the amounts of 47,500,000 Euros and 5,000,000 Euros, respectively, relating to loans obtained to cover the lack of cash, which pay interests at market rates and will be reimbursed in the short term.

#### 5. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

The amounts included in the caption "Investments measured at fair value through profit and loss" relate to shares traded in stock markets and are recorded at their market value as of the balance sheet date.

As of 30 September 2010, the book value can be detailed as follows:

	Number of shares	Share price	Market value
Zon Multimédia	15,190,000	2.90	44,051,000
Other shares			7,498
			<u>44,058,498</u>
			<u>=====</u>

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

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 13)

(Amounts expressed in Euro)

**6. CASH AND CASH EQUIVALENTS**

Cash and its equivalents as of 30 September 2010 and as of 31 December 2009, and the reconciliation between those amounts and the amounts shown in the statement of financial position as of those dates, are as follows:

	30.09.2010	31.12.2009
Cash	1,769	4,098
Bank deposits repayable on demand	279,353	207,241
Bank deposits convertible within 3 months	7,900,000	25,975,000
Cash and cash equivalents shown in the statement of financial position	<u>8,181,122</u>	<u>26,186,339</u>
Bank overdrafts	( 4,671,770 )	( 23,092 )
	<u>3,509,352</u>	<u>26,163,247</u>

**7. SHARE CAPITAL**

As of 30 September 2010, the Company's fully subscribed and paid up capital consisted of 102,565,836 shares with a nominal value of 25 cents of a Euro each.

As of 30 September 2010, there were no entities holding more than 20% of the subscribed share capital.

**8. BANK LOANS AND OTHER LOANS**

The current liabilities caption "Bank loans" refers to bank overdrafts in the short term which bear interests at market rates.

As of 30 September 2010, the caption "Other loans" was made up as follows:

	30.09.2010			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	49,580,762	-	50,000,000	-
Commercial paper	74,867,456	20,000,000	75,000,000	20,000,000
	<u>124,448,218</u>	<u>20,000,000</u>	<u>125,000,000</u>	<u>20,000,000</u>

The non-current liabilities caption "Commercial paper" relates to commercial paper programs with guaranteed subscription by the banks until 2012.

The current liabilities caption "Commercial Paper" relates to commercial paper programs with repayment in the short term which bear interest at market rates.

**9. DERIVATIVE FINANCIAL INSTRUMENTS**

As of 30 September 2010, this caption includes interest rate swaps related with the Company's financing loans. Once these derivatives fulfill the requirements of IAS 39 – Financial Instruments: Recognition and Measurement in order to be classified as hedging instruments, their fair value has been recorded under the shareholder's funds' caption "Other reserves", net of deferred taxes.

These financial instruments are recorded in accordance with their respective fair value at balance sheet date, based in computations made by financial institutions. The movement in these derivatives for the nine months periods ended as of 30 September 2010 and 2009 can be presented as follows:

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

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 13)

(Amounts expressed in Euro)

	30.09.2010	30.09.2009
Opening Balance	245,439	-
Increases (decreases)	1,021,817	-
<b>Closing Balance</b>	<b>1,267,256</b>	<b>-</b>

During the nine months period ended as of 30 September 2010, 278,338 Euro were recorded in the caption "Gains and losses in derivatives", relating to incurred interests since last valuation.

**10. FINANCIAL INCOME**

The financial income and expenses for the nine months periods ended as of 30 September 2010 and 2009 are made up as follows:

	30-09-2010	30-09-2009
Financial expenses		
Interests	4,045,953	5,778,694
Other financial expenses	<u>572,106</u>	<u>388,424</u>
	<u><b>4,618,059</b></u>	<u><b>6,167,118</b></u>
Financial income		
Interests	487,519	723,698
Other financial income	<u>-</u>	<u>168</u>
	<u><b>487,519</b></u>	<u><b>723,866</b></u>

As of 30 September 2009, the caption "Gains and losses in associated companies" refers to dividends received from the subsidiary Cofina Media, SGPS, S.A..

The caption "Gains and losses in other investments" as of 30 September 2010 and 2009 can be detailed as follows:

	30.09.2010	30.09.2009
Gains / (losses) in investments recorded at fair value through profit and loss	(21,843,220)	14,069,581
Dividends	2,430,400	2,438,433
	<u>(19,412,820)</u>	<u>16,508,014</u>

The caption "Gains / (losses) in investments recorded at fair value through profit and loss" refers mainly to the adjustment to fair value of Zon Multimédia shares in accordance with their market value.

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

NOTES TO THE FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2010

(Translation of notes originally issued in Portuguese – Note 13)

(Amounts expressed in Euro)

**11. EARNINGS PER SHARE**

Earnings per share for the nine months periods ended as of 30 September 2010 and 2009 were determined taking into consideration the following amounts:

	<u>30.09.2010</u>	<u>30.09.2009</u>
Net profit / (loss) considered for the computation of basic and diluted earning	(13,274,172)	10,513,918
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
Weighted average number of shares used to compute the diluted earnings per share	<u>102,565,836</u>	<u>127,075,636</u>
Earnings per share:		
Basic	(0.13)	0.10
Diluted	(0.13)	0.08

(a) The "warrants dilution effect" refers to the options granted to bondholders associated to the bond loan issued by Cofina in the amount of 50,000,000 Euros and that ended in 2010, which entitled them the right to convert the bonds in 4,901.96 common shares for each bond held in the amount of 5,000 Euros.

**12. FINANCIAL STATEMENTS APPROVAL**

The financial statements were approved by the Board of Directors and authorized for issuance on 3 November 2010.

**13. EXPLANATION ADDED FOR TRANSLATION**

These financial statements are a translation of financial statements originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The Board of Directors