



**COFINA, SGPS, S.A.**  
Open Capital Company

Head Office: Rua do General Norton de Matos, 68, r/c – Porto  
Fiscal Number 502 293 225  
Share Capital: 25.641.459 Euro

**1<sup>st</sup> Quarter 11 FINANCIAL INFORMATION**  
(Translation of a document originally issued in Portuguese)

### Net consolidated profit reaches 4.8 million Euro

The consolidated financial information of Cofina for the 1st quarter 2011, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, can be presented as follows:

(amounts in thousand Euro)	1st Q 2011	1st Q 2010	Var (%) 1st Q11/1st Q10
<b>Operating income</b>	<b>29,503</b>	<b>32,155</b>	<b>-8.2%</b>
Circulation	15,919	15,656	1.7%
Advertising	11,454	12,046	-4.9%
Alternative marketing products and others	2,130	4,453	-52.2%
<b>Operating income by segments</b>	<b>29,503</b>	<b>32,155</b>	<b>-8.2%</b>
Newspapers	22,614	24,081	-6.1%
Magazines	6,889	8,074	-14.7%
<b>Operating expenses (a)</b>	<b>25,225</b>	<b>27,510</b>	<b>-8.3%</b>
<b>Consolidated EBITDA (b)</b>	<b>4,278</b>	<b>4,645</b>	<b>-7.9%</b>
EBITDA Margin	14.5%	14.4%	+ 0.1 p.p.
Newspapers EBITDA	4,759	4,788	-0.6%
Newspapers EBITDA margin	21.0%	19.9%	+ 1.2 p.p.
Magazines EBITDA	-481	-143	-
Magazines EBITDA margin	-7.0%	-1.8%	- 5.2 p.p.
Amortisation and depreciation (-)	938	959	<b>-2.2%</b>
<b>EBIT</b>	<b>3,340</b>	<b>3,686</b>	<b>-9.4%</b>
EBIT Margin	11.3%	11.5%	- 0.2 pp
Net Financial income	3,327	(9,322)	-
<b>Income before taxes and non-controlling interests</b>	<b>6,667</b>	<b>-5,636</b>	<b>-</b>
Income taxes	1,911	1,132	68.8%
Non-controlling interests	(65)	(63)	3.2%
<b>Net consolidated profit / loss (c)</b>	<b>4,821</b>	<b>-6,705</b>	<b>-</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 first quarter 2011 reached 29.5 million Euro, corresponding to a decrease of approximately 8% comparing with the homologous period. This reduction resulted from the decrease of advertising revenue (-4.9%) and alternative marketing products revenue (-52%).

This quarter was characterized by an adverse macroeconomic context, with reductions of the available income and negative expectations on future economic performance, which determined significant breaks in advertising investment, with the non-daily press segment being the most affected.

The circulation revenue experienced a positive dynamics, with a growth of 1.7% in relation to the first quarter 2010, reaching more than 15.9 million Euro. It is important to highlight that circulation experienced increases, both in the newspapers segment (more significant) and in the magazines segment.

EBITDA recorded in this period amounted to, approximately, 4.3 million Euro, which corresponds to a fall of 7.9% year on year. EBITDA margin recorded a slight improvement (+0.1 basis points) in relation to the first quarter 2010, reaching 14.5%.

Consolidated net income achieved in this quarter was 4.8 million Euro, while one year ago it had reached -6.7 million Euro. The net income is influenced by the variation in the market price of ZON Multimédia, company where Cofina held, at the end of March, a shareholder stake of, approximately, 4.9%.

Therefore, investments measured at fair value, namely the above referred shareholder stake, are stated at their respective market value, in accordance with the corresponding share price as of March 31, 2011.

Already in the course of the second quarter of 2011, and aiming to achieve a balanced level of its investments portfolio, Cofina reduced its participation in ZON Multimédia to 3%.

As of March 31, 2011, Cofina's nominal net debt was about 83.0 million Euro.

#### Newspapers segment: EBITDA margin reaches 21%

(amounts in thousand Euro)	1st Q 2011	1st Q 2010	Var (%) 1st Q11/1st Q10
<b>Consolidated operating income</b>	<b>22,614</b>	<b>24,080</b>	<b>-6.1%</b>
Circulation	11,858	11,612	2.1%
Advertising	9,122	9,426	-3.2%
Alternative marketing products and others	1,634	3,042	-46.3%
<b>Operating expenses (a)</b>	<b>17,855</b>	<b>19,292</b>	<b>-7.4%</b>
<b>Consolidated EBITDA (b)</b>	<b>4,759</b>	<b>4,788</b>	<b>-0.6%</b>
EBITDA margin	21.0%	19.9%	+1.1 p.p.

(a) Operating expenses excluding amortisation

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

In the first quarter of 2011, the consolidated operating income of Cofina's newspapers' segment reached 22.6 million Euro, a decrease of 6.1% in relation to the previous year. The revenue from advertising recorded a decrease above 3%, while alternative marketing products fell approximately 46%.

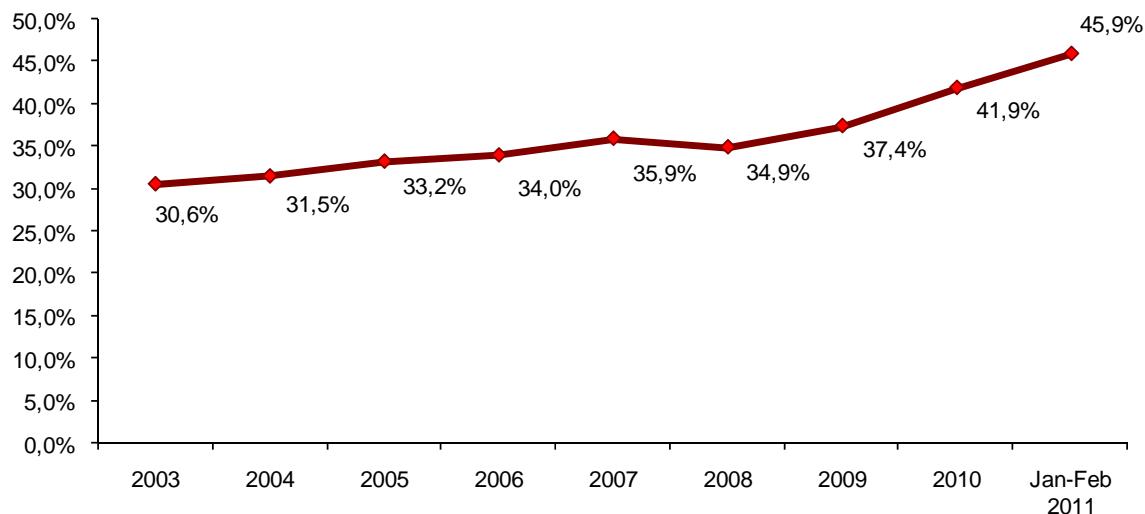
Circulation revenues grew more than 2%, having reached approximately, 11.9 million Euro. In this domain, we should highlight the performance of the daily newspaper "Correio da Manhã", which recorded average sales of more than 127 thousand copies a day, a growth of about 1.4% in relation to 2010 average.

Therefore, the EBITDA achieved in this segment amounted to, approximately, 4.8 million Euro, a slight decrease of 0.6% in relation to prior year homologous period. EBITDA margin reached 21.0%, an increase above 1.1 basis points in relation to the first quarter of 2010.

In terms of daily publications held by Cofina, and in accordance with the latest available data from APCT for 2011, "Correio da Manhã" reinforced, once again, its leadership, reaching a market share in the generalist daily newspapers segment of 45.9%.

Evolution of "Correio da Manhã" market share in the generalist daily newspapers segment

Market share "Correio da Manhã"  
Source: APCT



In terms of sports segment, and during the same period, the daily newspaper "Record" sold, on average, per day, about 61.4 thousand copies, being the leader in its segment. "Jornal de Negócios", daily newspaper in the economics segment, recorded average daily sales of, approximately, 9.8 thousand copies.

### Magazines Segment

Total turnover of this segment, during the same period, reached approximately 6.9 million Euro, thus reflecting a decrease of, approximately, 15% in relation to the homologous period of 2010.

(amounts in thousand Euro)	1st Q 2011	1st Q 2010	Var (%) 1st Q11/1st Q10
<b>Consolidated operating income</b>	<b>6,889</b>	<b>8,075</b>	<b>-14.7%</b>
Circulation	4,061	4,044	0.4%
Advertising	2,332	2,620	-11.0%
Alternative marketing products and others	496	1,411	-64.8%
<b>Operating expenses (a)</b>	<b>7,370</b>	<b>8,218</b>	<b>-10.3%</b>
<b>Consolidated EBITDA (b)</b>	<b>-481</b>	<b>-143</b>	<b>236.4%</b>
EBITDA margin	-7.0%	-1.8%	-5.2 p.p.

(a) Operating expenses excluding amortisation

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

Circulation revenue recorded a slight increase (+0.4%), reaching more than 4 million Euro. Advertising revenue and alternative marketing products recorded falls of 11% and 65%, respectively.

EBITDA of magazines segment recorded in the first quarter of 2011 was negative in 481 thousand Euro.

Oporto, May 12, 2011

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE PERIODS ENDED AS OF 31 MARCH 2011 AND 31 DECEMBER 2010**

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

(Amounts expressed in Euro)

ASSETS	Notes	31.03.2011	31.12.2010
<b>NON CURRENT ASSETS</b>			
Tangible assets		10,186,807	10,755,915
Goodwill	5	94,873,282	94,992,223
Intangible assets		289,391	512,688
Investments in associated companies	4	3,272,902	3,393,399
Investments available for sale	4	8,570	5,000
Deferred tax assets		6,998,988	8,782,149
<b>Total non current assets</b>		<b>115,629,940</b>	<b>118,441,374</b>
<b>CURRENT ASSETS</b>			
Inventories		2,833,959	3,983,702
Customers		11,894,298	12,596,832
State and other public entities		535,097	283,439
Other current debtors		1,460,929	1,574,833
Other current assets		6,717,332	6,181,610
Investments recorded at fair value through profit and loss	7	56,210,498	51,501,598
Cash and cash equivalents	8	24,689,540	25,179,147
<b>Total de activos correntes</b>		<b>104,341,653</b>	<b>101,301,161</b>
<b>TOTAL ASSETS</b>		<b>219,971,593</b>	<b>219,742,535</b>
<hr/>			
<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		(39,235,403)	(44,757,422)
Consolidated net profit/(loss) for the period attributable to the parent company		4,821,651	5,018,193
Equity attributable to equity holders of the parent		<b>12,511,686</b>	<b>7,186,209</b>
Non-controlling interests		673,077	735,909
<b>TOTAL EQUITY</b>		<b>13,184,763</b>	<b>7,922,118</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Other loans	10	19,989,858	19,985,593
Pension liabilities		701,190	701,190
Other non current creditors	9	2,194,011	2,456,506
Provisions		2,095,472	2,547,778
<b>Total non current liabilities</b>		<b>24,980,531</b>	<b>25,691,067</b>
<b>CURRENT LIABILITIES</b>			
Bank loans	10	19,558,081	21,309,474
Other loans - short term	10	124,382,699	123,996,995
Derivatives	11	290,399	930,601
Suppliers		11,216,667	11,523,113
State and other public entities		3,212,245	3,677,939
Other current creditors	9	7,748,392	9,746,715
Other current liabilities		15,397,816	14,944,513
<b>Total current liabilities</b>		<b>181,806,299</b>	<b>186,129,350</b>
<b>TOTAL LIABILITIES</b>		<b>206,786,830</b>	<b>211,820,417</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>219,971,593</b>	<b>219,742,535</b>

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

The Accountant

The Board of Directors

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

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**  
**FOR THE THREE MONTHS PERIODS ENDED AS OF 31 MARCH 2011 AND 31 MARCH 2010**  
(Translation of financial statements originally issued in Portuguese - Note 20)  
(Amounts expressed in Euro)

	<b>Notes</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Sales		15,918,631	15,655,810
Services Rendered		11,454,336	12,045,946
Other income		2,129,659	4,452,894
Cost of sales		(4,430,022)	(4,540,244)
External supplies and services		(10,447,264)	(12,801,398)
Payroll expenses		(9,889,488)	(9,767,986)
Amortisation and depreciation		(937,843)	(959,750)
Provisions and impairment losses		(259,409)	(244,584)
Other expenses		(198,376)	(155,033)
Gains and losses in derivatives	11	(187,805)	-
Gains and losses in associated companies	12	(23,597)	3,906
Gains and losses in other investments	12	4,708,900	(8,232,980)
Financial expenses	12	(1,399,596)	(1,385,709)
Financial income	12	228,921	292,812
Profit before income tax		6,667,047	(5,636,316)
Income tax	6	(1,910,811)	(1,132,057)
Net consolidated profit/(loss) for the period		<b>4,756,236</b>	<b>(6,768,373)</b>

Attributable to:

Shareholders of the parent company	4,821,651	(6,705,106)
Non-controlling interests	(65,415)	(63,267)

Earnings per share

Basic	15	0.05	(0.07)
Diluted	15	0.05	(0.07)

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

The Accountant

The Board of Directors

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIODS ENDED**  
**AS OF 31 MARCH 2011 AND 2010**

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

	Attributable to equity holders of the parent company						Non-controlling interests	Total equity
	Share capital	Share premium account	Legal reserve	Other reserves reservas	Net Profi/(loss)	Total		
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 profit for 2009:								
Transfer to legal reserve and retained earnings	-	-	-	17,091,529	(17,091,529)	-	-	-
Changes in reserves and non-controlling interests:								
Hedging instruments	-	-	-	(500,223)	-	(500,223)	-	(500,223)
Capital entries from non-controlling interests	-	-	-	-	-	-	19,500	19,500
Others	-	-	-	(1,424)	-	(1,424)	(902)	(2,326)
Consolidated net profit for the three months period ended as of 31 March 2010	-	-	-	(6,705,106)	(6,705,106)	(6,705,106)	(63,267)	(6,768,373)
Balance as of 31 March 2010	<b>25,641,459</b>	<b>15,874,835</b>	<b>5,409,144</b>	<b>(43,772,871)</b>	<b>(6,705,106)</b>	<b>(3,552,539)</b>	<b>547,166</b>	<b>(3,005,373)</b>
Balance as of 1 January 2011	25,641,459	15,874,835	5,409,144	(44,757,422)	5,018,193	7,186,209	735,909	7,922,118
Appropriation of consolidated net profit for 2010:								
Transfer to retained earnings	-	-	-	5,018,193	(5,018,193)	-	-	-
Changes in reserves and non-controlling interests:								
Hedging instruments	-	-	-	473,501	-	473,501	-	473,501
Variation in exchange conversion reserves	-	-	-	78,148	-	78,148	-	78,148
Others	-	-	-	(47,823)	-	(47,823)	2,583	(45,240)
Consolidated net profit for the three months period ended as of 31 March 2011	-	-	-	-	4,821,651	4,821,651	(65,415)	4,756,236
Balance as of 31 March 2011	<b>25,641,459</b>	<b>15,874,835</b>	<b>5,409,144</b>	<b>(39,235,403)</b>	<b>4,821,651</b>	<b>12,511,686</b>	<b>673,077</b>	<b>13,184,763</b>

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

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

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD**

**ENDED AS OF 31 MARCH 2011 AND 2010**

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

(Amounts expressed in Euro)

	<b>31.03.2011</b>	<b>31.03.2010</b>
Consolidated net profit/(loss) for the period	4,756,236	(6,768,373)
Exchange conversion differences	78,148	-
Change in fair value of cash-flow hedges	473,501	(500,223)
Total comprehensive income for the period	<u><u>5,307,885</u></u>	<u><u>(7,268,596)</u></u>
Attributable to:		
Shareholders of the parent company	5,373,300	(7,205,329)
Non-controlling interests	<u><u>(65,415)</u></u>	<u><u>(63,267)</u></u>

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

The Accountant

The Board of Directors

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

CONDENSED CONCOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS PERIODS  
 ENDED AS OF 31 MARCH 2011 AND 2010  
 (Translation of financial statements originally issued in Portuguese - Note 20)  
 (Amounts expressed in Euro)

	Notes	31.03.2011	31.03.2010
<b>Operating activities:</b>			
<i>Cash flows from operating activities (1)</i>		<u>3,509,301</u>	<u>3,876,289</u>
<b>Investment activities</b>			
Collections relating to:			
Tangible assets		2,000	-
Interest and similar income		<u>180,685</u>	<u>182,685</u>
Payments relating to:			
Investments	8	(60,000)	(17,000)
Tangible assets		(144,527)	(77,973)
Intangible assets		<u>(1,491)</u>	<u>(206,018)</u>
<i>Cash flows from investment activities</i>		<u>(23,333)</u>	<u>(10,173)</u>
			<u>(105,146)</u>
			<u>258,105</u>
<b>Financing activities</b>			
Collections relating to:			
Loans obtained		-	-
Payments relating to:			
Interest and similar costs		(1,582,977)	(792,617)
Lease contracts reimbursements		(637,635)	(2,224,182)
Supplementary capital		<u>(3,570)</u>	-
<i>Cash flows from financing activities</i>		<u>(2,224,182)</u>	<u>(1,379,437)</u>
Cash and its equivalents at the beginning of the period	8	3,869,673	43,897,575
Variation of cash and its equivalents: (1)+(2)+(3)		<u>1,261,786</u>	<u>2,754,957</u>
Cash and its equivalents at the end of the period	8	<u>5,131,459</u>	<u>46,652,532</u>

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

The Accountant

The Board of Directors

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 31 MARCH 2011**

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

(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 first quarter 2011, the Group developed its activity mainly in Portugal, having also some interests in Brazil through the investment in Destak Brasil and in the subsidiary Adcom Media (Note 4).

The accompanying consolidated financial statements have been prepared under the going concern assumption, although the total equity as of 31 March 2011 is lower than half of its share capital. 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 7). 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 2011, 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 31 March 2011 were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by European Union. The financial statements as of 31 March 2011 were prepared 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 the financial statements for the year ended 31 December 2010.

**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.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 31 MARCH 2011**

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

(Amounts expressed in Euro)

**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 31 March 2011 are as follows:

Designation	Headquarters	Percentage participation held	Activity
<b>Parent company:</b>			
Cofina, SGPS, S.A.	Porto		Holding company
Cofina B.V. ("Cofina BV")	Amsterdam (The 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 magazines publication
Edisport – Sociedade de Publicações, S.A. ("Edisport")	Lisbon	100,00%	Newspapers publication
Edirevistas – Sociedade Editorial, S.A. ("Edirevistas")	Lisbon	99,46%	Magazines 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%	Production and creation of websites to the development of online businesses
Transjornal – Edição de Publicações, S.A. ("Transjornal")	Lisbon	59%	Newspapers publications
Cofina - Eventos e Comunicação S.A. ("Cofina Eventos")	Lisbon	70%	Events organization and promotion
Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media") (a)	São Paulo, Brazil	100%	Communication and advertising services
(a) – Previous associated company, whose control was acquired at the end of the year ended as of 31 December 2010 (Note 5).			

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

The associated companies, their headquarters, percentage participation held and activity developed as of 31 March 2011 are as follows:

Designation	Headquarters	Effective participation held		Activity
		Direct	Indirect	
VASP – Sociedade de Transportes e Distribuições, Lda.	Lisbon	33,33%	-	Publications distribution
Destak Brasil – Empreendimentos e Participações, S.A.	São Paulo, Brazil	23,96%	-	Holding company
Mercados Globais – Publicação de Conteúdos, Lda.	V.N.Gaia	50%	-	Management services and promotion of a financial forum in the internet

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 31 MARCH 2011**

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

(Amounts expressed in Euro)

**Investments in associated companies**

The acquisition cost of the associated companies and their book value as of 31 March 2011 are as follows:

Designation	Acquisition cost	Net accounting value
VASP – Sociedade de Transportes e Distribuições, Lda.	6,234	3,169,903
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..		

As of 31 March 2011 and 31 December 2010 the caption "Investments in associated companies" can be detailed as follows:

	<u>31.03.2011</u>	<u>31.12.2010</u>
Financial investment		
VASP – Sociedade de Transportes e Distribuições, Lda. – equity method	3,169,903	3,193,500
Destak Brasil – Empreendimentos e Participações, S.A.	299,064	299,064
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
	<u>3,474,563</u>	<u>3,564,564</u>
Accumulated impairment losses in investments in associates	(371,064)	(371,064)
Loans to associated companies		
Gross value	193,846	290,746
Accumulated impairment losses	(90,847)	(90,847)
	<u>3,272,902</u>	<u>3,393,399</u>

As of 31 March 2011 and as of 31 December 2010 the Group has available for sale investments corresponding to minority investments. The Group has recorded impairment losses for these investments in previous periods.

**5. GOODWILL**

During the three months period ended as of 31 March 2011, the variation occurred in the caption "Goodwill" is exclusively related with the exchange variation of the goodwill amount computed in the acquisition of Adcom Media in the year ended as of 31 December 2010.

During the three months period ended as of 31 March 2011, there were no movements in goodwill.

**6. CURRENT TAXES**

Income taxes recognized in the statement of profit and loss as of 31 March 2011 and 2010 can be detailed as follows:

	<u>31.03.2011</u>	<u>31.03.2010</u>
Current taxes		
Income tax estimate for the period	298,368	124,787
Utilisation of deferred tax assets	1,612,443	1,007,270
	<u>1,910,811</u>	<u>1,132,057</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 31 MARCH 2011**

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

(Amounts expressed in Euro)

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

The amounts included in the caption "Investments measured at fair value through profit and loss" as of 31 March 2011 and 31 December 2010 relate to shares traded in stock markets and are recorded at their market value as of the statement of financial position date (Note 12).

As of 31 March 2011, 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	3.7	56,203,000
Other listed shares			7,498
			-----
			56,210,498
			=====

**8. CASH AND CASH EQUIVALENTS**

Cash and its equivalents as of 31 December 2010 and as of 31 March 2011 and 2010, and the reconciliation between those amounts and the amounts shown in the statement of financial position as of those dates, are as follows:

	<u>31.03.2011</u>	<u>31.12.2010</u>	<u>31.03.2010</u>
Cash on hand	89,140	90,289	85,704
Bank deposits repayable on demand	8,048,400	7,438,858	6,048,066
Bank deposits convertible within three months	16,552,000	17,650,000	48,067,500
Cash and cash equivalents shown in the statement of financial position	24,689,540	25,179,147	54,201,270
Bank overdrafts	( 19,558,081 )	( 21,309,474 )	( 7,548,738 )
	<u>5,131,459</u>	<u>3,869,673</u>	<u>46,652,532</u>

During the three months periods ended as of 31 March 2011, the payments / collections relating to investments were as follows:

<u>Acquisitions</u>	<u>Transaction amount</u>	<u>Amount paid</u>
Presselivre – Imprensa Livre, S.A.	60,000	60,000
	-----	-----
	60,000	60,000
	=====	=====

During the three months periods ended as of 31 March 2010, the payments / collections relating to investments were as follows:

<u>Aquisições</u>	<u>Transaction amount</u>	<u>Amount paid</u>
Advances related with the acquisition of financial investments	5,000	5,000
Mercados Globais – Publicação de Conteúdos, Lda. – acquired in prior years	72,000	12,000
	-----	-----
	77,000	17,000
	=====	=====

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(Amounts expressed in Euro)

**9. FINANCIAL LEASE CONTRACTS**

As of 31 March 2011 and 31 December 2010, 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>31.03.2011</u>	<u>31.12.2010</u>
Year n+1	1,219,786	1,112,573
Year n+2	570,613	749,853
Year n+3	267,034	455,102
Year n+4	9,776	9,776
Year n+5 and subsequent	26,802	29,202
	<u>2,094,011</u>	<u>2,356,506</u>
Short term	1,125,563	1,497,881
	<u>3,219,574</u>	<u>3,854,387</u>

As of 31 March 2011 and 31 December 2010 the caption "Other creditors – non current" included the amount of 100,000 Euro related to part of the amount payable for the acquisition of the financial investment in Adcom Media (Note 4).

**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 31 March 2011 and 31 December 2010, the caption "Other loans" was made up as follows:

	<u>31.03.2011</u>			
	<u>Book value</u>		<u>Book value</u>	
	<u>Current</u>	<u>Non current</u>	<u>Current</u>	<u>Non current</u>
Bond loans	49,622,594	-	50,000,000	-
Commercial paper	74,760,105	19,989,858	75,000,000	20,000,000
	<u>124,382,699</u>	<u>19,989,858</u>	<u>125,000,000</u>	<u>20,000,000</u>
<u>31.12.2010</u>				
	<u>Book value</u>		<u>Book value</u>	
	<u>Current</u>	<u>Non current</u>	<u>Current</u>	<u>Non current</u>
	49,601,908	-	50,000,000	-
Bond loans	74,395,087	19,985,593	75,000,000	20,000,000
	<u>123,996,995</u>	<u>19,985,593</u>	<u>125,000,000</u>	<u>20,000,000</u>

The non current liabilities caption "Commercial paper" relates to a commercial paper program with guaranteed subscription by the bank responsible for its placement, in the amount of 20,000,000 Euro, until October 2012.

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

**11. DERIVATIVE FINANCIAL INSTRUMENTS**

As of 31 March 2011, 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.

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The movement in these derivative instruments for the three months periods ended as of 31 March 2011 and 2010 can be presented as follows:

	<u>31.03.2011</u>	<u>31.03.2010</u>
Opening balance	930.601	245.439
Increases/(decreases)	(640.202)	680.576
Ending balances	<u>290.399</u>	<u>926.015</u>

During the three months period ended as of 31 March 2011, the amount of 187,805 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 three months periods ended as of 31 March 2011 and 2010 are made up as follows:

	<u>31.03.2011</u>	<u>31.03.2010</u>
<b><u>Financial expenses</u></b>		
Interests	1,204,076	1,113,593
Commissions	195,391	186,265
Other financial expenses	129	85,851
	<u>1,399,596</u>	<u>1,385,709</u>
<b><u>Financial income</u></b>		
Interests obtained	228,921	292,812
	<u>228,921</u>	<u>292,812</u>

The caption "Gains and losses in associated companies" for the three months periods ended as of 31 March 2011 and 2010 mainly refers to the Group's appropriation of its share of the results in associated companies.

The caption "Gains and losses in other investments" as of 31 March 2011 and 2010 can be detailed as follows:

	<u>31.03.2011</u>	<u>31.03.2010</u>
Gains in investments recorded at fair value through profit and loss (Introduction and Note 7)	4,708,900	(8,232,890)

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.

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(Amounts expressed in Euro)

13. RELATED PARTIES

The main balances with related parties as of 31 March 2011 and 2010 and the main transactions with those entities during the periods then ended may be detailed as follows:

31.03.2011			
<b>Transactions</b>	Sales and services rendered	Other income	Purchase of goods and services
Associated companies	14,444,731	1,814,480	23,198
	<u>14,444,731</u>	<u>1,814,480</u>	<u>23,198</u>
<b>Balances</b>			
	Accounts receivable	Accounts payable	Accrued income
Associated companies	149,576	135,102	5,807,134
	<u>149,576</u>	<u>135,102</u>	<u>5,807,134</u>

31.03.2010			
<b>Transactions</b>	Sales and services rendered	Other income	Purchase of goods and services
Associated companies	14,360,009	4,275,887	23,361
	<u>14,360,009</u>	<u>4,275,887</u>	<u>23,361</u>
<b>Balances</b>			
	Accounts receivable	Accounts payable	Accrued income
Associated companies	83,964	88,394	6,518,210
	<u>83,964</u>	<u>88,394</u>	<u>6,518,210</u>

Sales and services rendered to associated companies and other income during the three months periods ended as of 31 March 2011 and 2010 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 31 March 2011, can be presented as follows:

- Altri, SGPS, S.A.
- Alteria, SGPS, S.A.
- Altri - Energias Renováveis, SGPS, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri Sales, S.A.
- Storax – 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.
- Celbi – Celulose da Beira Industrial, S.A.
- Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Celulose do Caima, SGPS, S.A.

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- Cofihold, SGPS, 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.
- Altri Florestal, 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 Furadouro Unipessoal, Lda.

Board of Directors

Cofina, SGPS, S.A. Board of Directors was made up as follows as of 31 March 2011:

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 31 March 2011, 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 31 March 2011, 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 31 March 2011 (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 program structured by Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., amounting to 50,000,000 Euro as of 31 March 2011 (Note 10).

As of 31 March 2011 Cofina Media Group companies had assumed responsibilities for guarantees granted amounting to, approximately, 1,200,000 Euro, mainly related with advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 31,000,000 Euro.

As of 31 March 2011, a dispute with the Portuguese tax authorities ("Direcção Geral de Contribuições e Impostos") was still in progress following a Corporate Income Tax inspection regarding year 2007, with an amount of, approximately, 12 million Euro being challenged by the tax authorities. The consolidated financial statements as of 31 March 2011 2010 and 31 December 2010 do not include any provision regarding this situation, as the Board of Directors, supported by its tax and legal advisors, believes that the outcome of this process will not represent any material impact for the Group.

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

(Amounts expressed in Euro)

**15. EARNINGS PER SHARE**

Earnings per share for the three months periods ended as of 31 March 2011 and 2010 were determined taking into consideration the following amounts:

	<u>31.03.2011</u>	<u>31.03.2010</u>
Net profit / (loss) considered for the computation of basic and diluted earning	4,821,651	(6,705,106)
Weighted average number of shares used to compute the basic earnings per share	102,565,836	102,565,836
Warrants dilution effect	-	-
Weighted average number of shares used to compute the diluted earnings per share	102,565,836	102,565,836
 Earnings per share:		
Basic	0,05	(0,07)
Diluted	0,05	(0,07)

**16. SHARE CAPITAL**

As of 31 March 2011, 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**

In accordance with the origin and nature of the revenues generated by the Group, the following principal segments have been defined:

- Newspapers
- Magazines

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

The information for the three months periods ended as of 31 March 2011 and 2010 is detailed as follows:

	Newspapers	Magazines	Eliminations and consolidation adjustments	Total
<b>31.03.2011</b>				
Net operating income	22,613,763	6,888,863	-	29,502,626
Operating cash-flow - EBITDA (a)	4,759,234	(481,167)	-	4,278,067
Earnings before interest and taxes (EBIT)	3,882,408	(542,184)	-	3,340,224
 <b>31.03.2010</b>				
Net operating income	26,456,819	5,697,831	-	32,154,650
Operating cash-flow - EBITDA (a)	4,797,495	(152,090)	-	4,645,405
Earnings before interest and taxes (EBIT)	3,920,050	(234,395)	-	3,685,655

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

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**18. SUBSEQUENT EVENTS**

On 5 April 2011, Cofina sold in the NYSE Euronext Lisbon 5.900.000 shares of Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. at the price of 3.65 Euro per share.

**19. FINANCIAL STATEMENTS APPROVAL**

The interim financial statements as of 31 March 2011 were approved by the Board of Directors and authorized for issuance in 10 May 2011.

**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) 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.

THE ACCOUNTANT

THE BOARD OF DIRECTORS