



**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 '12 FINANCIAL INFORMATION**  
**(not audited)**

The consolidated financial information of Cofina for the 3rd quarter 2012, 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 2012	3Q 2011	Var (%) 3Q12/3Q11
<b>Operating income</b>	<b>29,547</b>	<b>32,137</b>	<b>-8.1%</b>
Circulation	16,531	17,808	-7.2%
Advertising	9,114	11,223	-18.8%
Alternative marketing products and others	3,902	3,107	25.6%
<b>Operating income by segments</b>	<b>29,547</b>	<b>32,138</b>	<b>-8.1%</b>
Newspapers	23,063	24,446	-5.7%
Magazines	6,484	7,692	-15.7%
<b>Operating expenses (a)</b>	<b>25,168</b>	<b>26,821</b>	<b>-6.2%</b>
<b>Consolidated EBITDA (b)</b>	<b>4,378</b>	<b>5,317</b>	<b>-17.7%</b>
EBITDA margin	14.8%	16.5%	- 1,7 p.p.
Newspapers EBITDA	4,369	5,065	-13.7%
Newspapers EBITDA margin	18.9%	20.7%	- 1,8 p.p.
Magazines EBITDA	9	252	-96.4%
Magazines EBITDA margin	0.1%	3.3%	- 3,1 p.p.
Amortisation and depreciation (-)	798	933	-14.5%
<b>EBIT</b>	<b>3,580</b>	<b>4,384</b>	<b>-18.3%</b>
EBIT margin	12.1%	13.6%	- 1,5 pp
Net financial income	(833)	(2,152)	-
<b>Income before taxes and minority interests</b>	<b>2,748</b>	<b>2,232</b>	<b>23.1%</b>
Income taxes	1,194	1,264	-5.5%
Minority interests	(22)	5	ss
<b>Net consolidated profit / loss (c)</b>	<b>1,576</b>	<b>963</b>	<b>63.7%</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

The third quarter of 2012 maintained the path of the previous quarters: continued to be characterized by a reduction of private consumption, which led to a very significant contraction in the advertising investment.

Therefore, in this context, the total operating income reached approximately 29.5 million Euro in this period, corresponding to a decrease of 8% when compared to the homologous period. This decrease was motivated by the reduction in advertising income (-19%) and circulation income (-7%), having the alternative marketing products income recorded a significant increase (+26%).

EBITDA recorded in this period amounted to approximately 4.4 million Euro, which corresponds to a decrease of 17.7% year on year. EBITDA margin reached 15%. When referring to absolute figures, a 2.6 million Euro decrease was recorded in income in the 3rd quarter of 2012, when compared with the homologous period, whilst EBITDA recorded a contraction of approximately 1 million Euro.

The control and costs rationalization measures that have been adopted by Cofina allowed to continue to accommodate, in EBITDA terms, a significant part of the reductions recorded in income.

Consolidated net income recorded in the end of the third quarter of 2012 amounted to 1.6 million Euro, which represented a growth of 64% when compared to the third quarter of 2011.

### **9 months Financial Statements**

(amounts in thousand Euro)	9M 2012	9M 2011	Var (%) 9M12/9M11
<b>Operating income</b>	<b>85,601</b>	<b>94,357</b>	<b>-9.3%</b>
Circulation	46,231	49,635	-6.9%
Advertising	29,115	36,082	-19.3%
Alternative marketing products and others	10,256	8,640	18.7%
<b>Operating income by segments</b>	<b>85,601</b>	<b>94,357</b>	<b>-9.3%</b>
Newspapers	66,737	71,651	-6.9%
Magazines	18,865	22,706	-16.9%
<b>Operating expenses (a)</b>	<b>74,262</b>	<b>79,987</b>	<b>-7.2%</b>
<b>Consolidated EBITDA (b)</b>	<b>11,339</b>	<b>14,370</b>	<b>-21.1%</b>
EBITDA margin	13.2%	15.2%	- 2,0 p.p.
Newspapers EBITDA	12,149	15,097	-19.5%
Newspapers EBITDA margin	18.2%	21.1%	- 2,9 p.p.
Magazines EBITDA	-810	-727	-
Magazines EBITDA margin	-4.3%	-3.2%	-
Amortisation and depreciation (-)	2,396	2,806	<b>-14.6%</b>
<b>EBIT</b>	<b>8,943</b>	<b>11,564</b>	<b>-22.7%</b>
Margem EBIT	10.4%	12.3%	- 1,8 pp
Net financial income	(3,062)	(2,190)	-
<b>Income before taxes and minority interests</b>	<b>5,881</b>	<b>9,374</b>	<b>-37.3%</b>
Income taxes	3,633	3,998	-9.1%
Minority interests	25	(6)	-516.7%
<b>Net consolidated profit / loss (c)</b>	<b>2,222</b>	<b>5,381</b>	<b>-58.7%</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

In accumulated figures, during the first nine months of 2012, income reached, approximately, 86 million Euro (-9%), EBITDA amounted to 11.3 million Euro (-21%) and net profit obtained amounted to, approximately, 2.2 million Euro.

As of September 30, 2012, the nominal net debt of Cofina amounted to 76.3 million Euro, which means a decrease of 9 million Euro, comparing to the 85.9 million Euro recorded in the homologous period.

### **Newspaper Segment**

(amounts in thousand Euro)	3Q 2012	3Q 2011	Var (%) 3Q12/3Q11
<b>Consolidated operating income</b>	<b>23,063</b>	<b>24,446</b>	<b>-5.7%</b>
Circulation	12,656	13,426	-5.7%
Advertising	7,202	8,615	-16.4%
Alternative marketing products and others	3,205	2,405	33.3%
<b>Operating expenses (a)</b>	<b>18,694</b>	<b>19,381</b>	<b>-3.5%</b>
<b>Consolidated EBITDA (b)</b>	<b>4,369</b>	<b>5,065</b>	<b>-13.7%</b>
EBITDA margin	18.9%	20.7%	-1,8 p.p.

(a) Operating expenses excluding amortisation

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

The newspaper segment of Cofina recorded, in the third quarter of 2012, a total income of 23 million Euro, which represents a decrease of 6% when compared with the homologous period. The advertising income recorded a decrease of approximately 16%, reaching 7.2 million Euro; while circulation income decreased approximately 6%, reaching 12.7 million Euro.

Alternative marketing products income recorded a growth of 33%, reaching approximately 3.2 million Euro.

Therefore, EBITDA reached in the quarter under analysis amounted to approximately 4.4 million Euro, a decrease of nearly 14%, when compared with the homologous period. EBITDA margin amounted to 18.9%.

## Magazines Segment

Magazines segment, traditionally pro-cyclical, deepened the decrease recorded in revenues, namely in advertising income. Therefore, total income of this segment in the quarter under analysis reached approximately 6.5 million Euro, reflecting a decrease of nearly 16%, when compared to the homologous period of 2011.

(amounts in thousand Euro)	3Q 2012	3Q 2011	Var (%) 3Q12/3Q11
<b>Consolidated operating income</b>	<b>6,484</b>	<b>7,692</b>	<b>-15.7%</b>
Circulation	3,875	4,382	-11.6%
Advertising	1,912	2,608	-26.7%
Alternative marketing products and others	697	702	-0.7%
<b>Operating expenses (a)</b>	<b>6,475</b>	<b>7,440</b>	<b>-13.0%</b>
<b>Consolidated EBITDA (b)</b>	<b>9</b>	<b>252</b>	<b>-</b>
EBITDA margin	0.1%	3.3%	- 3,1 p.p.

(a) Operating expenses excluding amortisation

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

Circulation income recorded a decrease of 12%, reaching approximately 3.9 million Euro; advertising income recorded a decrease of 27%, while alternative marketing products income was practically the same (-0,7%), having reached approximately 0.7 million Euro.

During the third quarter of 2012, Cofina deepened its policy of cost reduction in this segment, so that it could ensure its operational sustainability. As a result of the deepening of this strategy, operational costs were reduced by, approximately, 1 million Euro when compared to homologous period.

EBITDA of magazines segment, recorded in the third quarter of 2012, was of 9 thousand Euro.

November 8th, 2012

# CONSOLIDATED FINANCIAL STATEMENTS

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

**CONSOLIDATED BALANCE SHEETS FOR THE PERIODS ENDED 30 SEPTEMBER 2012 AND 31 DECEMBER 2011**

(Translation of financial statements originally issued in Portuguese - Note 18)

(Amounts expressed in Euro)

<b>ASSETS</b>	<b>Notes</b>	<b>30.09.2012</b>	<b>31.12.2011</b>
<b>NON CURRENT ASSETS</b>			
Tangible assets		8,105,484	9,561,732
Goodwill	5	93,480,145	93,699,609
Intangible assets		355,581	537,120
Investments in associated companies	4	3,411,343	3,438,343
Investments held for sale	4	8,570	8,570
Deferred tax assets	6	6,030,471	7,512,008
<b>Total non current assets</b>		<b>111,391,594</b>	<b>114,757,382</b>
<b>CURRENT ASSETS</b>			
Inventories		2,026,322	4,093,352
Customers		8,553,686	9,184,783
State and other public entities		403,673	135,820
Other current debtors		2,126,147	304,429
Other current assets		6,636,882	6,452,603
Investments recorded at fair value through profit and loss		8,583	8,583
Cash and cash equivalents	7	16,485,128	39,167,961
<b>Total current assets</b>		<b>36,240,421</b>	<b>59,347,531</b>
<b>TOTAL ASSETS</b>		<b>147,632,015</b>	<b>174,104,913</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	15	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		(36,807,857)	(40,629,854)
Consolidated net profit/(loss) for the period attributable to the parent		2,222,306	4,812,155
Equity attributable to equity holder of the parent		12,339,887	11,107,739
Non controlling interests		755,315	787,811
<b>TOTAL EQUITY</b>		<b>13,095,202</b>	<b>11,895,550</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Bank loans	9	13,750,000	-
Pension liabilities		443,646	443,646
Other non current creditors	8	641,607	1,273,064
Provisions		5,083,371	5,860,560
<b>Total non current liabilities</b>		<b>19,918,624</b>	<b>7,577,270</b>
<b>CURRENT LIABILITIES</b>			
Bank loans	9	12,651,723	26,964,828
Other loans	9	66,181,880	92,086,702
Derivatives	10	970,045	1,001,831
Suppliers		8,177,122	9,440,522
State and other public entities		2,660,410	4,549,322
Other current creditors	8	8,382,215	8,699,403
Other current liabilities		15,594,794	11,889,485
<b>Total current liabilities</b>		<b>114,618,189</b>	<b>154,632,093</b>
<b>TOTAL LIABILITIES</b>		<b>134,536,813</b>	<b>162,209,363</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>147,632,015</b>	<b>174,104,913</b>

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

The Chartered Accountant

The Board of Directors

**COFINA, S.G.P.S., S.A.****CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES  
FOR THE NINE AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euro)

	Notes	30.09.2012	30.09.2011	3 <sup>rd</sup> quarter 2012	3 <sup>rd</sup> quarter 2011
Sales		45,974,943	49,341,968	16,455,593	17,514,791
Services rendered		29,442,310	35,169,850	9,320,853	10,311,287
Other operating income		10,183,976	9,845,124	3,770,491	4,311,667
Cost of sales		(13,618,580)	(14,670,290)	(4,726,270)	(5,324,855)
External supplies and services		(34,831,684)	(35,636,103)	(11,849,603)	(11,905,053)
Payroll expenses		(24,853,498)	(28,406,380)	(8,293,678)	(9,185,768)
Amortisation and depreciation		(2,396,471)	(2,805,944)	(798,296)	(933,395)
Provisions and impairment losses		(630,015)	(840,075)	(140,180)	(237,960)
Other operating expenses		(328,070)	(434,036)	(158,549)	(166,863)
Gains and losses in derivatives	10	(364,175)	(432,370)	(134,407)	(122,701)
Gains and losses in associated companies	11	166,344	122,230	142,634	105,678
Gains and losses in other investments	11	-	1,619,940	-	(803,598)
Financial expenses	11	(3,804,552)	(4,527,726)	(985,783)	(1,778,530)
Financial income	11	940,202	1,028,158	144,972	446,965
Profit / loss before income tax		5,880,730	9,374,346	2,747,777	2,231,665
Income tax	6	(3,633,251)	(3,998,417)	(1,193,568)	(1,264,284)
Net consolidated profit / (loss) for the period		<b>2,247,479</b>	<b>5,375,929</b>	<b>1,554,209</b>	<b>967,381</b>
Attributable to:					
Shareholders of the parent company		2,222,306	5,381,480	1,576,252	962,508
Non-controlling interests		25,173	(5,551)	(22,043)	4,873
Earnings per share:					
Basic	14	0.02	0.05	0.02	0.01
Diluted	14	0.02	0.05	0.02	0.01

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

The Chartered AccountantThe Board of Directors



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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**

(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euro)

	Attributable to equity holders of the parent						Non controlling	Total
	Share capital	Share premium account	Legal reserve	Other reserves	Net profit / (loss)	Total	interests	equity
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 result for 2010:								
Transfer to retained earnings	-	-	-	5,018,193	(5,018,193)	-	-	-
Dividends distributed	-	-	-	(1,025,658)	-	(1,025,658)	(88,500)	(1,114,158)
Changes in reserves and non-controlling interests:								
Other changes	-	-	-	(47,824)	-	(47,824)	2,502	(45,322)
Total comprehensive income for the period	-	-	-	275,470	5,381,480	5,656,950	(5,551)	5,651,399
Balance as of 30 September 2011	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(40,537,241)</u>	<u>5,381,480</u>	<u>11,769,677</u>	<u>644,360</u>	<u>12,414,037</u>
Balance as of 1 January 2012	25,641,459	15,874,835	5,409,144	(40,629,854)	4,812,155	11,107,739	787,811	11,895,550
Appropriation of consolidated net result for 2011:								
Transfer to retained earnings	-	-	-	4,812,155	(4,812,155)	-	-	-
Dividends distributed	-	-	-	(1,025,658)	-	(1,025,658)	(57,750)	(1,083,408)
Changes in reserves and non-controlling interests:								
Other changes	-	-	-	(448)	-	(448)	81	(367)
Total comprehensive income for the period	-	-	-	35,948	2,222,306	2,258,254	25,173	2,283,427
Balance as of 30 September 2012	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(36,807,857)</u>	<u>2,222,306</u>	<u>12,339,887</u>	<u>755,315</u>	<u>13,095,202</u>

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

The Chartered Accountant

The Board of Directors

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2012 AND 2011**

(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euro)

	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>3<sup>rd</sup> quarter 2012</b>	<b>3<sup>rd</sup> quarter 2011</b>
Profit / (loss) for the period	2,247,479	5,375,929	1,554,209	967,381
Exchange differences arising on translation of foreign operations	86,401	246,593	21,845	212,851
Changes in cash-flows hedges' fair value	(50,453)	28,877	(43,126)	(359,108)
Total comprehensive income for the period	<u>2,283,427</u>	<u>5,651,399</u>	<u>1,532,928</u>	<u>821,124</u>
Attributable to:				
Shareholders of the parent company	2,258,254	5,656,950	1,554,971	816,251
Non-controlling interests	<u>25,173</u>	<u>(5,551)</u>	<u>(22,043)</u>	<u>4,873</u>

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

The Chartered Accountant

The Board of Directors

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2012 AND 2011  
(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euro)

	Notes	30.09.2012	30.09.2011	3 <sup>rd</sup> quarter	3 <sup>rd</sup> quarter
Operating activities					
<i>Cash flow from operating activities (1)</i>		<u>9,708,095</u>	<u>9,467,056</u>	<u>5,811,006</u>	<u>1,881,413</u>
Investment activities					
Collections relating to:					
Investments	7	-	51,627,640	-	11,994,000
Tangible assets		-	25,884	-	6,350
Interest and similar income		1,192,846	887,947	217,257	382,356
Loans granted		197,400	-	-	-
Dividends		-	1,486,400	-	-
Payments relating to:					
Investments	7	(100,000)	(160,000)	-	-
Tangible assets		(643,279)	(1,157,466)	(68,105)	(561,284)
Intangible assets		(291,101)	(397,507)	(89,010)	(773,561)
<i>Cash flow from investment activities (2)</i>		<u>355,866</u>	<u>52,312,898</u>	<u>60,142</u>	<u>11,609,145</u>
Financing activities					
Collections relating to:					
Loans obtained		20,000,000	-	-	-
Payments relating to:					
Interest and similar costs		(4,325,918)	(4,375,616)	(1,540,168)	(936,235)
Lease contracts		(956,132)	(1,111,163)	(347,834)	(252,492)
Dividends		(1,025,658)	(1,025,658)	-	-
Loans obtained		(25,763,698)	(53,000,000)	(3,550,303)	(12,500,000)
Supplementary capital		-	(3,570)	-	-
<i>Cash flow from financing activities (3)</i>		<u>(12,071,406)</u>	<u>(59,516,007)</u>	<u>(5,438,305)</u>	<u>(13,688,727)</u>
Cash and its equivalents at the beginning of the period	7	12,203,133	3,869,673	9,817,299	6,331,789
Changes in exchange rates		53,986	-	(468)	-
Variation of cash and its equivalents: (1)+(2)+(3)		<u>(2,007,445)</u>	<u>2,263,947</u>	<u>432,843</u>	<u>(198,169)</u>
Cash and its equivalents at the end of the period	7	<u>10,249,674</u>	<u>6,133,620</u>	<u>10,249,674</u>	<u>6,133,620</u>

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

The Chartered Accountant

The Board of Directors

1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company"), an open capital company, with headquarters located at Rua General Norton de Matos, 68, r/c, in Porto, has its shares listed in the NYSE Euronext Lisbon 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 in the media sector (written press). The Company's shares are valued at the stock market ("NYSE Euronext Lisbon"), and integrate the PSI-20 Index since 24 September 2012.

The Group owns headings of reference in the respective segments, publishing titles like newspapers "Correio da Manhã", "Record", "Jornal de Negócios", "Destak" and "Metro", as well as the magazines "Sábado", "Automotor", "TV Guia", "Flash!" and "GQ", among others.

During the nine month period ended as of 30 September 2012, the Group developed its activity mainly in Portugal, having also some interests in Brazil through the investment in the associated company Destak Brasil and in the subsidiary Adcom Media (Note 4).

Cofina's consolidated financial statements are expressed in Euro (rounded to the nearest unit). This is the currency used by the Group in its operations and as so, considered the functional currency. Balance sheet captions 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. Income and expenses 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.

The accompanying consolidated financial statements have been prepared under the going concern assumption, although the consolidated total equity as of 30 September 2012 is less than half of its share capital. This is due solely to the Group's exposure to ZON Multimédia - Serviços de Telecomunicações e Multimedia, SGPS, SA ("Zon Multimedia") until July 2011, through the holding of 15,190,000 shares, which were fully disposed of during the year ended December 31, 2011.

The Board of Directors believes that the situation of the consolidated total equity of less than half of its share capital will no longer be applicable as a consequence of the results that will be generated by the operations of the Group during the coming years.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

Annual financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The financial statements as of 30 September 2012 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 consolidated financial statements for the year ended as of 31 December 2011.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During this period there were no changes in accounting policies nor were detected any material errors relating to previous periods.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

4. INVESTMENTSConsolidation perimeter

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and activity developed as of 30 September 2012 are as follows:

Designation	Headquarters	Percentage participation held	Activity
<u>Parent Company:</u>			
Cofina, SGPS, S.A.	Porto		Investment management
Cofina B.V. ("Cofina BV")	Amsterdam (The Netherlands)	100.00%	Investment management
Efe Erre Participações, SGPS, S.A. ("FR")	Ovar	100.00%	Investment management
<u>Cofina Media Group</u>			
Cofina Media, SGPS, S.A. ("Cofina Media")	Lisbon	100.00%	Investment management
Presselivre – Imprensa Livre, S.A. ("Presselivre")	Lisbon	99.44%	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%	Magazines publication
Mediafin, SGPS, S.A. ("Mediafin")	Lisbon	100.00%	Investment management
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 for online business development
Transjornal – Edição de Publicações, S.A. ("Transjornal")	Lisbon	59%	Newspapers publication
Cofina - Eventos e Comunicação, S.A. ("Cofina Eventos")	Lisbon	70%	Events promotion and organization
Adcom Media – Anúncios e Publicidade, S.A. ("Adcom Media") (a)	São Paulo (Brazil)	80%	Communication and advertising services

(a) During the period of nine months ended September 30, 2012, 14.05% of the effective participation in Adcom Media was sold: This transaction had no material impact on the Group's consolidated financial statements.

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

The associated companies, their headquarters, percentage of participation held and activity developed as of 30 September 2012 are as follows:

Designation	Headquarters	Percentage Participation held		Activity
		Direct	Indirect	
VASP – Sociedade de Transportes e Distribuições, Lda.	Lisbon	33.33%	-	Publications distribution
Destak Brasil – Empreendimentos e Participações, S.A.(a)	São Paulo (Brazil)	23.92%	-	Investment management
Mercados Globais – Publicação de Conteúdos, Lda.	V.N.Gaia	50%	-	Management of services and promotion of a financial forum on the internet

(a) During the period of nine months ended September 30, 2012, 0.04% of the effective participation in Destak Brasil Empreendimentos e Participações, S.A. was sold: This transaction had no material impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

The associated company VASP was included in the consolidated financial statements in accordance with the equity method. The other companies are recorded at cost less impairment losses.

Investments in associated companies

The acquisition cost of the associated companies and their book value as of 30 September 2012 are as follows:

Designation	Acquisition cost	Book value	Equity	Net result
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 3,410,843	€ 10,250,786	€ 499,032
Destak Brasil – Editora, S.A. (a)	-	-	R\$ (2,302,381)	R\$ (1,621,215)
Destak Brasil – Empreendimentos e Participações, S.A.	€ 154,535	500	R\$ (643,917)	R\$ (1,745,632)
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	-	(b)	(b)

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

(b) – non available financial information.

As of 30 September 2012 and 31 December 2011 the caption “Investments in associated companies” can be detailed as follows:

	30.09.2012	31.12.2011
Financial investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	3,410,843	3,244,498
Destak Brasil – Empreendimentos e Participações, S.A.	154,535	299,064
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
	<u>3,637,378</u>	<u>3,615,562</u>
Accumulated impairment losses on investments in associates	(226,035)	(371,064)
Loans to associated companies		
Gross amount	-	193,845
	<u>3,411,343</u>	<u>3,438,343</u>

As of 30 September 2012 and 31 December 2011 the Group has available for sale investments corresponding to minority investments, for which the Group has recorded impairment losses in previous periods, showing on those dates a net worth of 8,570 Euros. As of 30 September 2012 and 31 December 2011, the total value of investments for which adjustments of the same value were made amounts to 1,064,044 Euros.

5. GOODWILL

During the nine months period ended as of 30 September 2012 and 2011, the movement in the caption “Goodwill” fully refers to the changes in exchange rates in the nine month period then ended of the computed Goodwill of the subsidiary Adcom Media.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

6. INCOME TAXESDeferred taxes

The movement occurred in deferred tax assets in the nine months period ended as of 30 September 2012 and 2011 was as follows:

	30.09.2012	30.09.2011
Opening balance	7,512,008	8,782,149
Effects in the income statement:		
Increase/(Decrease) in tax losses carried forward	43,102	(121,166)
Prior year tax correction following changes in tax rules	(1,542,829)	(1,542,829)
Effects in equity:		
Fair value of derivate instruments	18,190	(10,412)
Closing balance	6,030,471	7,107,742

Tax expenses

Tax expenses recorded in the income statement for the nine months period ended as of 30 September 2012 and 2011 are detailed as follows:

	30.09.2012	30.09.2011
Current Tax		
Income tax for the period	1,704,754	2,207,986
Excess/(Insufficiency) of prior years income tax	(171,230)	126,436
Additional assessment tax	600,000	-
Deferred taxes	1,499,727	1,663,995
	3,633,251	3,998,417

As of 30 September 2012, 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. To meet this contingency, the Group recorded provisions for future taxes in the amount of 4.1 million Euros (3.5 million Euros for the year ended December 31, 2011 and 600,000 Euros for the nine months period ended September 30, 2012) by the corresponding liability caption "Provisions", which corresponds to the best estimate of the Board, supported by legal and tax counsel of the impacts that may arise from the outcome of the processes currently underway.

7. CASH AND CASH EQUIVALENTS

As of 31 December 2011 and as of 30 September 2012 and 2011, the caption "Cash and cash equivalents" can be detailed as follows:

	30.09.2012	31.12.2011	30.09.2011
Cash	82,270	76,977	112,845
Bank deposits repayable on demand	8,050,858	23,720,922	23,462,360
Bank deposits repayable in less than 3 months	8,352,000	15,370,062	14,902,000
Cash and cash equivalents in accordance with the balance sheet	16,485,128	39,167,961	38,477,205
Bank overdrafts (Note 9)	(6,235,454)	(26,964,828)	(32,343,585)
	10,249,674	12,203,133	6,133,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

During the nine months period ended as of 30 September 2012, the payments relating to investments were as follows:

<u>Acquisitions</u>	<u>Transaction amount</u>	<u>Amount paid</u>
Adcom Media – Anúncios e Publicidade S.A. (*)	300,000	100,000
	<u>300,000</u>	<u>100,000</u>

During the nine months period ended as of 30 September 2011, the payments/collections relating investments were as follows:

<u>Acquisitions</u>	<u>Transaction amount</u>	<u>Amount paid</u>
Presselivre – Imprensa Livre, S.A.	60,000	60,000
Adcom Media – Anúncios e Publicidade S.A. (*)	300,000	100,000
	<u>360,000</u>	<u>160,000</u>

  

<u>Disposals</u>	<u>Transaction amount</u>	<u>Amount received</u>
ZON Multimédia	51,627,640	51,627,640

8. LEASING

As of 30 September 2012 and 31 December 2011, 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 reimbursement plan:

	<u>30.09.2012</u>	<u>31.12.2011</u>
Year n+1	588,164	838,114
Year n+2	23,815	396,404
Year n+3	10,294	9,889
Year n+4	10,294	9,889
Year n+5 and subsequent years	9,040	18,768
	<u>641,607</u>	<u>1,273,064</u>
Short term	1,066,349	1,195,743
	<u>1,707,956</u>	<u>2,468,807</u>



9. BANK AND OTHER LOANS

As of 30 September 2012 and 31 December 2011, the caption "Bank loans" was made up as follows:

30.09.2012				
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bank overdrafts	6,235,454	-	6,235,454	-
Bank loans	6,416,269	13,750,000	6,250,000	13,750,000
	<u>12,651,723</u>	<u>13,750,000</u>	<u>12,485,454</u>	<u>13,750,000</u>

  

31.12.2011				
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bank overdrafts	26,964,828	-	26,964,828	-
	<u>26,964,828</u>	<u>-</u>	<u>26,964,828</u>	<u>-</u>

As of 30 September 2012 and 31 December 2011, the caption "Other loans" was made up as follows:

30.09.2012				
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bond loans	49,756,075	-	50,000,000	-
Commercial paper	16,425,805	-	16,500,000	-
	<u>66,181,880</u>	<u>-</u>	<u>66,500,000</u>	<u>-</u>

  

31.12.2011				
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bond loans	50,026,158	-	50,000,000	-
Commercial paper	42,060,544	-	42,000,000	-
	<u>92,086,702</u>	<u>-</u>	<u>92,000,000</u>	<u>-</u>

Bond loans

As of 30 September 2012 this caption was made up of a loan called "Bonds Cofina - 2007/2015", whose nominal value amounts to 50 million Euro, issued by Cofina SGPS, SA and which book value, valued in accordance with the effective interest rate method, amounts to 49,756,075 Euros. This loan, according to its terms, matures on September 28, 2015. However, according to the initial agreement, the holders of the bonds may request, in their sole initiative, early repayment, without any penalties, of the bonds they hold. In this sense, although the Board of Directors believes that the holders of these bonds will not request early repayment and, consequently, its term will be as initially targeted contractually (28 September 2015), the Company, in light of the accounting standards and since the ability to request this refund is in exclusive possession of the holder and not the issuer of the bonds, classified this loan as current.

The main features of this loan are as follows:

- Issuer – Cofina, SGPS, S.A.;
- Nominal value – 50,000,000 Euros;

- Maturity – September 28, 2015;
- Interest – postponed, corresponding to 6 month Euribor plus a spread of 0.875%

Commercial paper

The liability caption "Commercial paper" relates to a commercial paper program, in the amount of 16,500,000 Euro, with guaranteed subscription by the banks until January 2013, which bears interest at market rates.

Bank loans

The liability caption "Bank loans" corresponds to a loan agreement celebrated in March 2012 which bears interest quarterly at market rates and has its maturity on 15 October 2016.

The reimbursement of the nominal value of the bank loan is as follows:

	<u>30.09.2012</u>
n+1	3,750,000
n+2	4,000,000
n+3	4,750,000
n+4	<u>1,250,000</u>
	13,750,000
Short term	6,250,000
	<u><u>20,000,000</u></u>

10. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 September 2012, this caption is made of interest rate swaps related to the Group's financing loans. As 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.

The movement in these derivatives for the nine months period ended as of 30 September 2012 and 2011 can be presented as follows:

30.09.2012					
	"Market-to-market"	Accrued interest	"Market-to-market" net of accrued interest	Deferred tax assets	Net Value
Opening balance	1,001,831	(104,453)	897,378	237,805	659,573
Increases / (decreases)	(31,786)	N/A	68,643	18,190	50,453
Closing balance	970,045	(4,024)	966,021	255,996	710,025

  

30.09.2011					
	"Market-to-market"	Accrued interest	"Market-to-market" net of accrued interest	Deferred tax assets	Net Value
Opening balance	1,129,176	(198,575)	930,601	246,609	683,992
Increases / (decreases)	(235,688)	N/A	(39,289)	(10,412)	(28,877)
Closing balance	893,488	(2,176)	891,312	236,198	655,114

As of 30 September 2012, the Company had contracted interest rate hedging instruments which fair value, calculated by the discounted cash flow method was as follows:

Company	Funding covered	Start date	Maturity	Index	Notional	Fair value of financial instruments
Cofina,SGPS, S.A.	Bond loan	28/09/2010	29/09/2014	Euribor 6M	20,000,000	(970,045)
					20,000,000	(970,045)

During the nine months period ended as of 30 September 2012 the amount of 364,175 Euro related with accrued interests that results from the difference between the hedged fixed interest rate and the index base engaged was recorded under the caption "Results related with derivative instruments".

11. FINANCIAL RESULTS

The financial income and expenses for the nine months period ended as of 30 September 2012 and 2011 are made up as follows:

	<u>30.09.2012</u>	<u>30.09.2011</u>
<u>Financial expenses</u>		
Interest paid	3,162,074	3,335,310
Commissions	339,145	689,708
Exchange differences	261,853	426,890
Other financial expenses	41,480	75,818
	<u>3,804,552</u>	<u>4,527,726</u>
<u>Financial income</u>		
Interest received	940,202	1,028,158
	<u>940,202</u>	<u>1,028,158</u>

The caption "Gains and losses in associated companies" as of 30 September 2012 and 2011 is mainly due to the Group's appropriation of its share of the results in associate companies.

The caption "Gains and losses in other investments" as of 30 September 2011 can be detailed as follows:

	<u>30.09.2011</u>
Gains in investments measured at fair value through profit and loss - ZON Multimédia	133,540
Dividends - ZON Multimédia	<u>1,486,400</u>
	<u>1,619,940</u>

The caption "Investments recorded at fair value through profit and loss" refers mainly 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, as well as with the gain that resulted from the disposal of shares that occurred in April and July of 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

**12. RELATED PARTIES**

The main balances with related parties as of 30 September 2012 and 2011 and the main transactions with related entities during the period then ended may be detailed as follows:

Transactions	30.09.2012		
	Sales and other income	Services rendered	Acquisition of goods and services
Vasp - Sociedade de Transportes e Distribuições, Lda	49,830,250	-	70,222
Destak Brasil Editora, S.A.	-	2,290,932	-
	<u>49,830,250</u>	<u>2,290,932</u>	<u>70,222</u>
Balances	Accounts receivable	Accounts payable	Sales to invoice
Vasp - Sociedade de Transportes e Distribuições, Lda	108,753	201,775	5,709,580
Destak Brasil Editora, S.A.	833,860	-	-
Destak Brasil – Empreendimentos e Participações, S.A.	-	671,102	-
	<u>2,442,613</u>	<u>872,877</u>	<u>5,709,580</u>
Transactions	30.09.2011		
	Sales and other income	Services rendered	Acquisition of goods and services
Vasp - Sociedade de Transportes e Distribuições, Lda	54,112,463	-	69,972
Destak Brasil Editora, S.A.	-	1,447,834	-
	<u>54,112,463</u>	<u>1,447,834</u>	<u>69,972</u>
Balances	Accounts receivable	Accounts payable	Sales to invoice
Vasp - Sociedade de Transportes e Distribuições, Lda	90,932	40,193	6,072,084
Destak Brasil Editora, S.A.	949,340	-	-
Destak Brasil – Empreendimentos e Participações, S.A.	-	991,803	-
	<u>1,040,272</u>	<u>1,031,996</u>	<u>6,072,084</u>

Sales and services rendered to associated companies during the nine months period ended as of 30 September 2012 and 2011 relate mainly to sales of publications (newspapers and magazines) and alternative marketing products to VASP (Note 4), which handles the corresponding distribution to the points of sale. These transactions are carried out under the normal activity of the Group.

The services rendered to associated companies during the periods ended September 30, 2012 and 2011 correspond to the sale of advertising of the subsidiary Adcom Media (Note 4).

Related parties

Apart from companies included in the consolidation (Note 4), the parties considered to be related companies as of 30 September 2012, 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.
- Captaraiz 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.
- 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.
- 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 composed as follows as of 30 September 2012:

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

**13. RESPONSIBILITIES FOR GUARANTEES PROVIDED**

As of 30 September 2012, Cofina had provided guarantees as follows:

- a) Pledge over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for an authorized overdraft, to a maximum of 8,000,000 Euro, granted by Banco BPI, S.A., which, as of 30 September 2012, was not being used.
- b) 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 16,500,000 Euro as of 30 September 2012 (Note 9);
- c) Pledge over 14,850 shares of Edisport – Sociedade de Publicações, S.A., in favor of Portuguese tax authorities (“Direcção Geral de Contribuições e Impostos”), as a guarantee for the legal process related with the Corporate Income Tax inspection regarding year 2007.

As of 30 September 2012 Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 692,000 Euro, mainly in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 32,500,000 Euro.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

**14. EARNINGS PER SHARE**

Earnings per share for the nine months period ended as of 30 September 2012 and 2011 were determined taking into consideration the following amounts:

	<u>30.09.2012</u>	<u>30.09.2011</u>
Net profit / (loss) considered for the computation of basic and diluted earning	2,222,306	5,381,480
Weighted average number of shares used to compute the basic earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.02	0.05
Diluted	0.02	0.05

**15. SHARE CAPITAL**

As of 30 September 2012, the Company 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.

**16. SEGMENT INFORMATION**

According to the source and nature of the income generated by the Group, the following segments were considered:

- Newspapers
- Magazines

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

The information for the periods ended as of 30 September 2012 and 2011 is detailed as follows:

	Newspapers	Magazines	Eliminations and consolidations adjustments	Total
<b>30.09.2012</b>				
Net operating income	66,736,544	18,864,685		85,601,229
Operating Cash-flow - EBITDA (a)	12,149,245	(809,863)	-	11,339,382
Operating profit	9,804,569	(861,658)	-	8,942,911
<b>30.09.2011</b>				
Net operating income	71,651,056	22,705,886	-	94,356,942
Operating Cash-flow - EBITDA (a)	15,097,079	(727,021)	-	14,370,058
Operating profit	12,474,186	(910,072)	-	11,564,114

(a) - Operating profit + amortisation and depreciation

**17. FINANCIAL STATEMENTS APPROVAL**

The interim financial statements as of 30 September 2012 were approved by the Board of Directors for issuance on 7 November 2012

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2012

(Amounts expressed in Euro)

18. 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 CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS