

COFINA, S.G.P.S., S.A. (PUBLIC COMPANY)

DIRECTORS' REPORT

Consolidated accounts

1st semester 2012

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To the Shareholders

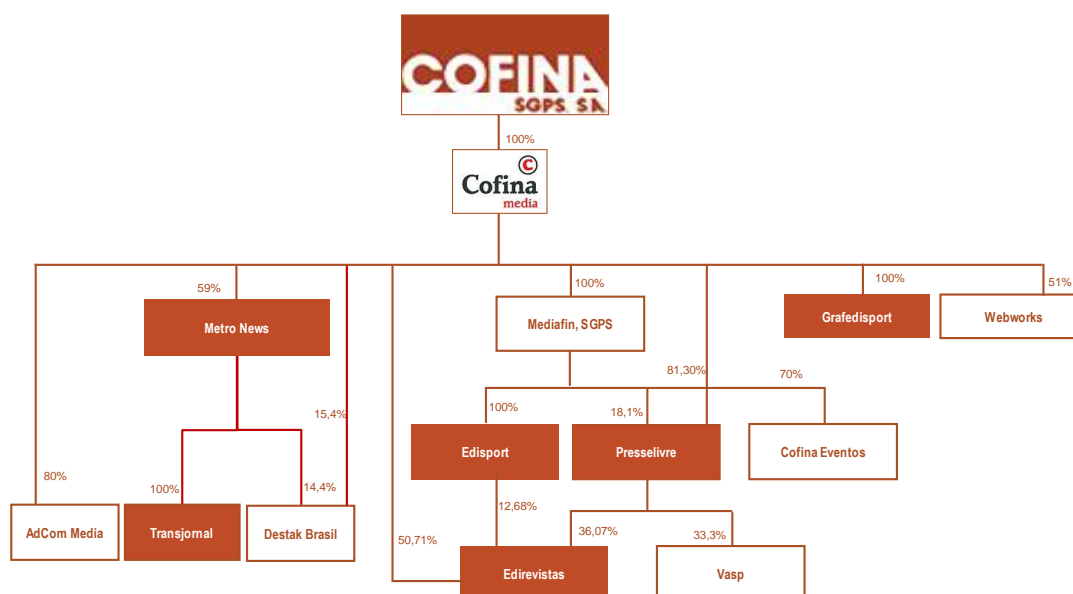
Pursuant to the legal requirements, the Board of Directors of Cofina, S.G.P.S., S.A. (Public Company) hereby presents its Directors' Report for the first semester of 2012.

INTRODUCTION

Cofina Group develops its activity in the Media sector and contents.

The key Group Company in this sector is Cofina Media, S.G.P.S., S.A., which owns headings of reference, leaders in their respective segments. In the Group's publishing portfolio the daily newspaper "Correio da Manhã", the daily sports newspaper "Record", the economic information newspaper "Jornal de Negócios", the free newspapers "Destak" and "Metro", the information magazine "Sábado" as well as other titles, such as "TV Guia", "Flash!", "GQ" and "Automotor" should be highlighted.

Therefore, as of 30 June 2012, the structure of the Cofina Media's Group was as follows:

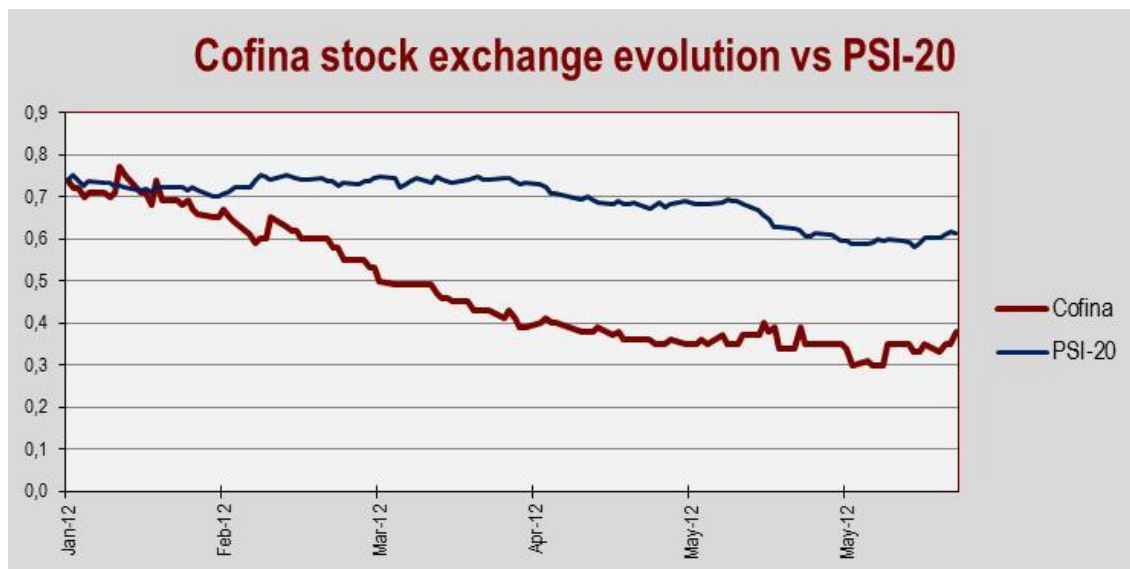


The first semester of 2012 continued to be influenced by a recessive macroeconomic context, with reductions of the available income and negative outlooks about future performance, which was materialized in significant decreases of the advertising investment, which were more intensely felt in the non-daily press segments.

Operating income of the Group suffered a decrease as a result of the contraction of private consumption, with the magazines segment being the most affected by this adverse economic environment. Even so, Cofina was able to maintain and, in some cases, reinforce its leadership at its main media segments.

STOCK EXCHANGE EVOLUTION

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

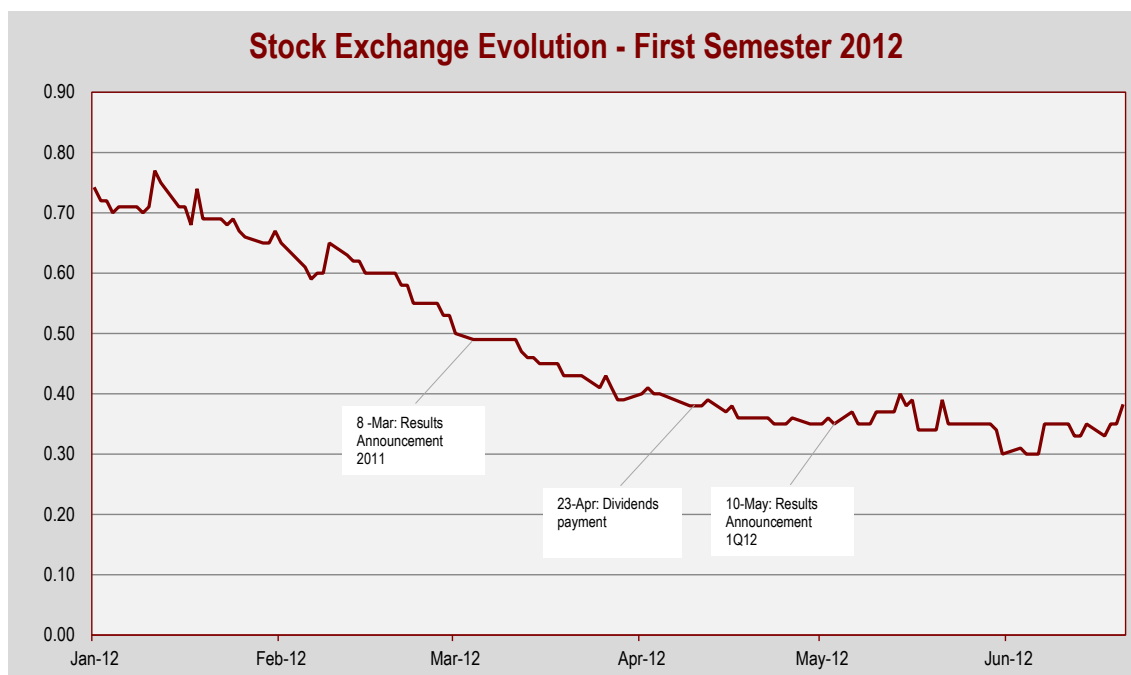


In the first semester of 2012, the quote of Cofina declined about 48% over the closing price of the end of the previous year, while the main Portuguese market stock benchmark, PSI-20, declined 16% in the same period. The shares of the media companies were characterized by a low liquidity and an adverse macroeconomic environment that resulted in a significant reduction in the Company top line, which was anticipated by investors. In the third quarter, more specifically on August 29, 2012, Euronext Lisbon announced that Cofina would be one of the new members of the PSI-20 index from September 24 of 2012 onwards.

In the first semester of 2012, Cofina's shares were traded at a highest quote of 0.77 Euro in January, and at lowest of 0.3 Euro in June. In total, 6,144,444 shares were traded in the first six months of 2012.

Cofina's shares stock exchange evolution

The most significant events that affected Cofina's shares in the first semester of 2012 can be detailed, chronologically, as follows:



- In the announcement relating to the Group's performance in 2011, disclosed on 8 March 2012, Cofina presented a net consolidated result of 4.8 million Euro. Operating income decreased 7.1% amounting to 126.7 million Euro and the EBITDA (earnings before interests, taxes, depreciation and amortization) decreased 14.5% when compared to 2010. As of that date, Cofina's shares closed at 0.49 Euro per share.
- In the announcement disclosed as of 12 April, Cofina informed the market about the decisions of the Annual Assembly in which, among other proposals, a dividend distribution of 0.01 Euro per share, payable from 11 May onwards was approved. As of that date, Cofina's shares closed at 0.38 Euro per share.
- In the announcement relating to the presentation of the first quarter of 2012 financial statements, disclosed on 10 May, Cofina SGPS, S.A. has reached operating income of 26.4 million Euro, with a reduction in EBITDA of 24.8% when compared to the homologous period, and the net consolidated result reached 0.3 million Euro. As of that date, Cofina's shares closed at 0.35 Euro per share.

FINANCIAL REVIEW

The consolidated financial information of Cofina for the 1st semester 2012 and the comparative financial information of 2011 were prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), as adopted by the European Union and in accordance with IAS 34 – Interim Financial Reporting.

Therefore, main data and indicators of Cofina's Group consolidated activity in the first semester of 2012 and 2011 can be presented as follows:

(amounts in thousand Euro)	1S 2012	1S 2011	Var (%) 1S12/1S11
Operating income	56,054	62,219	-9.9%
Circulation	29,700	31,827	-6.7%
Advertising	20,001	24,859	-19.5%
Alternative marketing products and others	6,353	5,533	14.8%
Operating income by segments	56,054	62,219	-9.9%
Newspapers	43,673	47,205	-7.5%
Magazines	12,381	15,014	-17.5%
Operating expenses (a)	49,093	53,166	-7.7%
Consolidated EBITDA (b)	6,961	9,053	-23.1%
EBITDA margin	12.4%	14.6%	- 2.1 p.p.
Newspapers EBITDA	7,780	10,032	-22.4%
Newspapers EBITDA margin	17.8%	21.3%	- 3.4 p.p.
Magazines EBITDA	-819	-979	-
Magazines EBITDA margin	-6.6%	-6.5%	-
Amortisation and depreciation (-)	1,598	1,873	-14.7%
EBIT	5,363	7,180	-25.3%
EBIT margin	9.6%	11.5%	- 2.0 pp
Income before taxes and minority interests	(2,230)	(37)	-
Income before taxes and minority interests	3,133	7,143	-56.1%
Income taxes	2,440	2,734	-10.8%
Minority interests	47	(10)	-570.0%
Net consolidated profit / loss (c)	646	4,419	-

(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 first semester of 2012 was influenced by a recessive macroeconomic context that had already started in 2011, which was strongly felt in a private consumption contraction. Therefore, the advertising investment has recorded significant decreases, with the advertisers postponing and reducing their investment decisions.

Total operating income reached 56 million Euro in the first semester of 2012, a decrease of almost 10% when compared to the homologous period. This decrease was motivated by the income reduction in advertising (-19.5%) and in circulation (-6.7%). Despite this decrease, alternative marketing products income recorded an increase of 14.8% when compared to the first semester of 2011, reaching over 6 million Euro. The main reason for this increase is explained by the alternative marketing campaigns made in daily newspaper "Correio da Manhã".

EBITDA recorded in this period amounted to approximately 7 million Euro, which corresponds to a decrease of 23.1% year on year. EBITDA margin reached 12.4%.

Consolidated net income recorded in this semester amounted to 0.6 million Euro, comparing to 4.4 million Euro last year, in the same semester of 2011.

As of 30 June 2012, nominal net debt of Cofina was approximately 80.2 million Euro.

Newspapers:

(amounts in thousand Euro)	1S 2012	1S 2011	Var (%) 1S12/1S11
Consolidated Operating Income	43,673	47,205	-7.5%
Circulation	22,628	23,846	-5.1%
Advertising	15,770	19,208	-17.9%
Alternative marketing products and others	5,275	4,151	27.1%
Operating expenses (a)	35,893	37,173	-3.4%
Consolidated EBITDA (b)	7,780	10,032	-22.4%
EBITDA margin	17.8%	21.3%	-3.4 p.p.

(a) Operating expenses excluding amortisation

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

During the first semester of 2012, consolidated income of the newspapers segment reached 43.7 million Euro, a decrease of approximately 7.5% when compared to the homologous period of 2011. Advertising income decreased 17.9%, while income related to circulation decreased about 5.1%.

Income related to alternative marketing products increased 27.1%, reaching over 5 million Euro. In this segment we should highlight the performance of the daily newspaper "Correio da Manhã", which had average daily sales of about 125 thousand copies (data provided by APCT, January to April, 2012), being uncontested leader in the segment of generic daily newspapers in Portugal, with a market share over 45%.

EBITDA in this segment amounted to approximately 7.8 million Euro, a decrease of approximately 22% when compared to the homologous period of 2011. EBITDA margin reached 17.8%, an increase of 3.4 percentage points when compared to the homologous period of 2011.

Magazines:

(amounts in thousand Euro)	1S 2012	1S 2011	Var (%) 1S12/1S11
Consolidated Operating Income	12,381	15,014	-17.5%
Circulation	7,072	7,981	-11.4%
Advertising	4,231	5,651	-25.1%
Alternative marketing products and others	1,078	1,382	-22.0%
Operating expenses (a)	13,200	15,993	-17.5%
Consolidated EBITDA (b)	-819	-979	-
EBITDA margin	-6.6%	-6.5%	-0.1 p.p.

(a) Operating expenses excluding amortisation

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

Total revenue of this segment, in this period, reached approximately 12.4 million Euro, reflecting a decrease of about 17.5% when compared to the homologous period of 2011.

Circulation income recorded a decrease (-11.4%) reaching about 7 million Euro. Advertising income and alternative marketing products income recorded decreases of 25.1% and 22%, respectively.

EBITDA of magazines segment recorded in the first semester of 2012 was -819 thousand Euro.

SECOND SEMESTER 2012 OUTLOOK

The second semester outlook has deteriorated, with expectations that the global advertising market will continue to contract. In this context, another difficult semester for the media sector in Portugal is expected. Cofina has developed adaptation mechanisms to the economic context, such as rationalization and cost control, maintaining a prudent and attentive management policy, but not neglecting editorial quality and leadership of its titles, seizing all opportunities to improve its financial performance.

CORPORATE GOVERNANCE

In compliance with the legal requirements in force, the Company is exempted from presenting information regarding Corporate Governance, once this information is only mandatory upon presentation with the Annual Directors' Report.

About this issue, it should be noted however that the Annual Shareholders' Meeting held on 26 May 2011 has elected the Statutory Bodies for the three year mandate 2011/2013.

Therefore, for the Board of Directors the following members were elected for the period 2011/2013:

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

To the Statutory Audit Board the following members were elected:

- João da Silva Natária – President
- Cristina Isabel Linhares Fernandes – Member
- Manuel Tiago Alves Baldaque Marinho Fernandes – Member
- Jacinto da Costa Vilarinho – Substitute Member

Deloitte & Associados, SROC S.A., represented by António Manuel Martins Amaral was elected as Statutory Auditor for the three year period 2011/2013.

LEGAL MATTERS

Own shares

Pursuant to the requirements of article 66 of the Commercial Companies Code (“Código das Sociedades Comerciais”), the Directors inform that as of 30 June 2012 Cofina had no own shares and did not acquire or sell own shares during the semester then ended.

Shares held by Cofina's corporate board members

Pursuant to the requirements of article 447 of the Commercial Companies Code the Directors inform that, as of 30 June 2012, the shares held were as follows:

Paulo Jorge dos Santos Fernandes ^(a)	7,178,996
João Manuel Matos Borges de Oliveira ^(b)	10,264,014
Domingos José Vieira de Matos	7,381,112
Ana Rebelo Menéres de Mendonça ^(c)	15,385,276
Pedro Macedo Pinto de Mendonça	854,500
Pedro Miguel Matos Borges de Oliveira	4,928,291

(a) Paulo Jorge dos Santos Fernandes holds, individually, 1,965,746 shares of Cofina S.G.P.S., S.A.; and it is also attributable to this Board member, 5,213,250 shares of COFINA – SGPS, S.A. held by CAMINHO ABERTO – SGPS, S.A., of which he is manager and shareholder. Thus, in legal terms, are considered attributable to Paulo Jorge dos Santos Fernandes a, a total of 7,178,996 shares, representing 7% of the capital and voting rights of COFINA - SGPS, S.A..

(b) 10,264,014 shares represent the total shares of Cofina S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A., company managed by the Board member, João Manuel Matos Borges de Oliveira, holder of 50% of the capital.

(c) Ana Rebelo Menéres de Mendonça holds, individually, 6,377,840 shares of Cofina S.G.P.S., S.A.; and it is also attributable to this Board member 9,007,436 shares of COFINA – SGPS, S.A. held by PROMENDO – SGPS, S.A., of which she is manager and shareholder, holder of 59.6% of the capital. Thus, in legal terms, are considered attributable to Ana Rebelo Menéres de Mendonça, a total of 15,385,276 shares, representing 15% of the capital and voting rights of COFINA - SGPS, S.A..

As of 30 June 2012 the Statutory Auditor and the members of the Shareholders' Meeting and of the Statutory Audit Board held no shares of the Company.

Participation in the Company's share capital

Pursuant to the requirements of articles 16 and 20 of the Securities Code (“Código dos Valores Mobiliários”) and article 448 of the Commercial Companies Code, the Directors inform that, in accordance with the notifications received by the Company, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 15%, 20%, 33% and 50% of the voting rights, are as follows:

Exceeding 2% of the voting rights	Shares held at 30.06.2012	Direct % of voting rights
Credit Suisse Group AG	5,039,060	4.91%
Pedro Miguel Matos Borges de Oliveira	4,928,291	4.81%

Exceeding 5% of the voting rights	Shares held at 30.06.2012	Direct % of voting rights
Promendo – SGPS, S.A. (a)	9,007,436	8.78%
Domingos José Vieira de Matos	7,381,112	7.20%
Ana Rebelo Menéres de Mendonça (b)	6,377,840	6.22%
CAMINHO ABERTO – SGPS, S.A (c)	5,213,250	5.08%

(a) 9,007,436 shares of COFINA – SGPS, S.A. held by PROMENDO – SGPS, S.A., are attributable to Ana Rebelo Menéres de Mendonça, manager and shareholder of Promendo and, holder of 59.6% of the capital.

(b) it is also attributable to Ana Rebelo Menéres de Mendonça, in addition to the 9,007,436 shares of COFINA - SGPS, S.A. held by the company Promendo - SGPS, SA already mentioned in (a). Thus, in legal terms, are considered attributable to Ana Rebelo Menéres de Mendonça, a total of 15,385,276 shares, representing 15% of the capital and voting rights of COFINA - SGPS, S.A..

(c) 5,213,250 shares of COFINA – SGPS, S.A. held by CAMINHO ABERTO – SGPS, S.A., are attributable to Paulo Jorge dos Santos Fernandes, main manager and shareholder.

Exceeding 10% of the voting rights	Shares held at 30.06.2012	Direct % of voting rights
Caderno Azul – SGPS, S.A. (a)	10,264,014	10.01%

(a) 10,264,014 shares represent the total shares of Cofina S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A., company managed by the Board member, João Manuel Matos Borges de Oliveira, holder of 50% of the capital.

Exceeding 15% of the voting rights	Shares held at 30.06.2012	Direct % of voting rights
Newshold, SGPS, S.A.	15,464,528	15.08%

Cofina was not notified of any participation exceeding 20% of the voting rights.

DECLARATION OF RESPONSIBILITY

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

As required by article 8, nr. 3, of the Securities Code, the Board of Directors declares that the accounts that integrate this report were not subject to a Limited Review.

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

CLOSING REMARKS

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

Oporto, 30 August 2012

The Board of Directors

Paulo Jorge dos Santos Fernandes – President

João Manuel Matos Borges de Oliveira

Pedro Macedo Pinto de Mendonça

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

**Article 447 of the Securities Code and Article 14 nr 7 of the Securities & Exchange Commission
Regulation nr 05/2008**

Disclosure of shares and other securities owned by Directors and members of the Board, as well as by other people with whom they close relate to, under the terms of Article 248 B of the Securities Code, and transactions over these shares that took place on the period under analysis.

Member of the Board of Directors	Shares held as of 31-Dec-2011	Acquisitions	Disposals	Shares held as of 30-Jun-2012
Paulo Jorge dos Santos Fernandes	7,165,746	-	(5,200,000)	1,965,746
Paulo Jorge dos Santos Fernandes (through CAMINHO ABERTO - SGPS, S.A.)	-	5,213,250	-	5,213,250
João Manuel Matos Borges de Oliveira (through CADERNO AZUL - SGPS, S.A.)	10,264,014	-	-	10,264,014
Domingos José Vieira de Matos	7,296,112	85,000	-	7,381,112
Pedro Miguel Matos Borges de Oliveira	4,928,291	-	-	4,928,291
Ana Rebelo de Carvalho Menéres de Mendonça	6,377,840	-	-	6,377,840
Ana Rebelo de Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A.)	9,007,436	-	-	9,007,436
Pedro Macedo Pinto de Mendonça	854,500	-	-	854,500

Paulo Jorge dos Santos Fernandes

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	7,165,746
15/05/2012	Sale	5,200,000	0.400000	NYSE Euronext Lisbon	1,965,746
30/06/2012	-	-	-	-	1,965,746

Paulo Jorge dos Santos Fernandes (through CAMINHO ABERTO - SGPS, S.A.)

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	-
02/05/2012	Acquisition	150	0.357300	NYSE Euronext Lisbon	150
03/05/2012	Acquisition	100	0.360000	NYSE Euronext Lisbon	250
11/05/2012	Acquisition	3,000	0.370000	NYSE Euronext Lisbon	3,250
14/05/2012	Acquisition	7,000	0.370000	NYSE Euronext Lisbon	10,250
15/05/2012	Acquisition	5,203,000	0.399996	NYSE Euronext Lisbon	5,213,250
30/06/2012	-	-	-	-	5,213,250

Pedro Macedo Pinto de Mendonça

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	854,500
30/06/2012	-	-	-	-	854,500

Domingos José Vieira de Matos

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	7,296,112
16/04/2012	Acquisition	5,000	0.370000	NYSE Euronext Lisbon	7,301,112
07/05/2012	Acquisition	30,000	0.370000	NYSE Euronext Lisbon	7,331,112
09/05/2012	Acquisition	20,000	0.350000	NYSE Euronext Lisbon	7,351,112
11/05/2012	Acquisition	30,000	0.370000	NYSE Euronext Lisbon	7,381,112
30/06/2012	-	-	-	-	7,381,112

João Manuel Matos Borges de Oliveira (through CADERNO AZUL - SGPS, S.A.)

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	10,264,014
30/06/2012	-	-	-	-	10,264,014

Pedro Miguel Matos Borges de Oliveira

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	4,928,291
30/06/2012	-	-	-	-	4,928,291

Ana Rebelo de Carvalho Menéres de Mendonça

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	6,377,840
30/06/2012	-	-	-	-	6,377,840

Ana Rebelo de Carvalho Menéres de Mendonça (through PROMENDO - SGPS, S.A.)

Date	Description	Volume	Price (€)	Location	No. shares
31/12/2011	-	-	-	-	9,007,436
30/06/2012	-	-	-	-	9,007,436

Statement under the terms of the Article 245, paragraph 1, c) of the Securities Code

The signatories individually declare that, to their knowledge, the Interim Management Report, the Financial Statements prepared meeting the standards of the applicable International Financial Accounting as adopted by the European Union, and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, and other accounting documents required by law or regulation, give a truthful and appropriate image of the assets and liabilities, financial position and the consolidated and individual results of Cofina, SGPS, S.A. and of the companies included in the consolidation and contains a description of the major risks and uncertainties that they face.

Oporto, 30 August 2012

Paulo Jorge dos Santos Fernandes
President of the Board of Directors

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

Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

Domingos José Vieira de Matos
Member of the Board of Directors

Pedro Miguel Matos Borges de Oliveira
Member of the Board of Directors

Ana Rebelo de Carvalho Menéres de Mendonça
Member of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE PERIODS ENDED 30 JUNE 2012 AND 31 DECEMBER 2011

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

(Amounts expressed in Euro)

ASSETS	Notes	30.06.2012	31.12.2011
NON CURRENT ASSETS			
Tangible assets		8.703.541	9.561.732
Goodwill	5	93.524.181	93.699.609
Intangible assets		430.745	537.120
Investments in associated companies	4	3.268.708	3.438.343
Investments held for sale	4	8.570	8.570
Deferred tax assets	6	5.987.347	7.512.008
Total non current assets		111.923.092	114.757.382
CURRENT ASSETS			
Inventories		2.701.861	4.093.352
Customers		8.303.799	9.184.783
State and other public entities		294.922	135.820
Other current debtors		1.878.492	304.429
Other current assets		6.948.676	6.452.603
Investments recorded at fair value through profit and loss		8.583	8.583
Cash and cash equivalents	7	28.830.171	39.167.961
Total current assets		48.966.504	59.347.531
TOTAL ASSETS		160.889.596	174.104.913
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
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		(36.786.558)	(40.629.854)
Consolidated net profit/(loss) for the period attributable to the parent		646.054	4.812.155
Equity attributable to equity holder of the parent		10.784.934	11.107.739
Non controlling interests		777.358	787.811
TOTAL EQUITY		11.562.292	11.895.550
LIABILITIES			
NON CURRENT LIABILITIES			
Other loans	9	14.500.000	-
Retirement benefit obligations		443.646	443.646
Other non current creditors	8	885.492	1.273.064
Provisions		5.283.371	5.860.560
Total non current liabilities		21.112.509	7.577.270
CURRENT LIABILITIES			
Bank loans	7 and 9	24.685.941	26.964.828
Other loans	9	70.047.126	92.086.702
Derivatives	10	1.043.542	1.001.831
Suppliers		8.083.076	9.440.522
State and other public entities		3.403.237	4.549.322
Other current creditors	8	8.738.022	8.699.403
Other current liabilities		12.213.851	11.889.485
Total current liabilities		128.214.795	154.632.093
TOTAL LIABILITIES		149.327.304	162.209.363
TOTAL EQUITY AND LIABILITIES		160.889.596	174.104.913

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 SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2012 AND 2011**(Translation of financial statements originally issued in Portuguese - Note 18)
(Amounts expressed in Euro)

	Notes	30.06.2012	30.06.2011	2 nd quarter 2012	2 nd quarter 2011
Sales		29.519.350	31.827.177	14.723.323	15.908.546
Services rendered		20.121.457	24.858.563	10.749.785	13.404.227
Other operating income		6.413.485	5.533.457	4.209.667	3.403.798
Cost of sales		(8.892.310)	(9.345.435)	(4.529.762)	(4.915.413)
External supplies and services		(22.982.081)	(23.731.050)	(13.207.504)	(13.283.786)
Payroll expenses		(16.559.820)	(19.220.612)	(7.862.850)	(9.331.124)
Amortisation and depreciation		(1.598.175)	(1.872.549)	(799.025)	(934.706)
Provisions and impairment losses		(489.835)	(602.115)	(229.291)	(342.706)
Other operating expenses		(169.521)	(267.173)	(109.708)	(68.797)
Gains and losses in derivatives	10	(229.768)	(309.669)	(131.849)	(121.864)
Gains and losses in associated companies	11	23.710	16.552	67.420	40.149
Gains and losses in other investments	11	-	2.423.538	-	(2.285.362)
Financial expenses	11	(2.818.769)	(2.749.196)	(1.515.801)	(1.349.600)
Financial income	11	795.230	581.193	410.036	352.272
Profit / loss before income tax		3.132.953	7.142.681	1.774.441	475.634
Income tax	6	(2.439.683)	(2.734.133)	(1.355.606)	(823.322)
Net consolidated profit / (loss) for the period		693.270	4.408.548	418.835	(347.688)
Attributable to:					
Shareholders of the parent company		646.054	4.418.972	333.172	(402.679)
Non-controlling interests		47.216	(10.424)	85.663	54.991
Earnings per share:					
Basic	14	0,01	0,04	-	-
Diluted	14	0,01	0,04	-	-

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 SIX MONTHS PERIODS ENDED 30 JUNE 2012 AND 2011

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

	Attributable to equity holders of the parent							
	Share capital	Share premium account	Legal reserve	Other reserves	Net profit / (loss)	Total	Non controlling interests	Total 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 of six months ended 30 June 2011	-	-	-	421.727	4.418.972	4.840.699	(10.424)	4.830.275
Balance as of 30 June 2011	<u>25.641.459</u>	<u>15.874.835</u>	<u>5.409.144</u>	<u>(40.390.984)</u>	<u>4.418.972</u>	<u>10.953.426</u>	<u>639.487</u>	<u>11.592.913</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	-	-	-	(430)	-	(430)	81	(349)
Total comprehensive income for the period of six months ended 30 June 2012	-	-	-	57.229	646.054	703.283	47.216	750.499
Balance as of 30 June 2012	<u>25.641.459</u>	<u>15.874.835</u>	<u>5.409.144</u>	<u>(36.786.558)</u>	<u>646.054</u>	<u>10.784.934</u>	<u>777.358</u>	<u>11.562.292</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 SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2012 AND 2011

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

	30.06.2012	30.06.2011	2nd quarter 2012	2nd quarter 2011
Profit / (loss) for the period	693.270	4.408.548	418.835	(347.688)
Exchange differences arising on translation of foreign operations	64.556	33.742	93.006	(44.406)
Changes in cash-flows hedges' fair value	(7.327)	387.985	27.208	(85.516)
Total comprehensive income for the period	<u>750.499</u>	<u>4.830.275</u>	<u>539.049</u>	<u>(477.610)</u>
Attributable to:				
Shareholders of the parent company	703.283	4.840.699	453.386	(532.601)
Non-controlling interests	<u>47.216</u>	<u>(10.424)</u>	<u>85.663</u>	<u>54.991</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 SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2012 AND 2011

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

	Notes	30.06.2012	30.06.2011	2 nd quarter 2012	2 nd quarter 2011
Operating activities					
Cash flow from operating activities (1)		<u>3.897.089</u>	<u>7.585.643</u>	<u>3.176.793</u>	<u>4.076.342</u>
Investment activities					
Collections relating to:					
Investments	7	-	39.633.640	-	39.633.640
Tangible assets		-	19.534	-	17.534
Interest and similar income		975.589	505.591	565.050	324.906
Loans granted		197.400	-	-	-
Dividends		-	1.486.400	-	1.486.400
		1.172.989	41.645.165	565.050	41.462.480
Payments relating to:					
Investments	7	(100.000)	(160.000)	(100.000)	(100.000)
Tangible assets		(575.174)	(596.182)	(134.481)	(451.655)
Intangible assets		(202.091)	(185.230)	(125.350)	(183.739)
		(877.265)	(941.412)	(359.831)	(735.394)
Cash flow from investment activities (2)		<u>295.724</u>	<u>40.703.753</u>	<u>205.219</u>	<u>40.727.086</u>
Financing activities					
Collections relating to:					
Loans obtained		20.000.000	-	-	-
Payments relating to:					
Interest and similar costs		(2.785.750)	(3.439.381)	-	(1.856.404)
Lease contracts		(608.298)	(858.671)	(933.575)	(221.036)
Dividends		(1.025.658)	(1.025.658)	(280.689)	(1.025.658)
Loans obtained		(22.213.395)	(40.500.000)	(1.025.658)	(40.500.000)
Supplementary capital		-	(3.570)	-	-
		(26.633.101)	(45.827.280)	(2.239.922)	(43.603.098)
Cash flow from financing activities (3)		<u>(6.633.101)</u>	<u>(45.827.280)</u>	<u>(2.239.922)</u>	<u>(43.603.098)</u>
Cash and its equivalents at the beginning of the period	7	12.203.133	3.869.673	8.620.755	5.131.459
Changes in exchange rates		54.454	-	54.454	-
Variation of cash and its equivalents: (1)+(2)+(3)		<u>(2.440.288)</u>	<u>2.462.116</u>	<u>1.142.090</u>	<u>1.200.330</u>
Cash and its equivalents at the end of the period	7	<u>9.817.299</u>	<u>6.331.789</u>	<u>9.817.299</u>	<u>6.331.789</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"), is a share capital company ("*Sociedade Anónima*"), with headquarters located at Rua General Norton de Matos, 68, r/c, in Porto, and is the Parent company of a group of companies detailed in Note 4, commonly designated as "Cofina Group", and it develops its activity in the media sector, mainly dedicated to written press. Its shares listed in the NYSE Euronext Lisbon Stock Exchange.

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

Cofina Group consolidated financial statements are expressed in Euro (rounded to the nearest unit), as 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. 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 June 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 June 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 JUNE 2012

(Amounts expressed in Euro)

4. INVESTMENTS

Consolidation 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 June 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 six months ended June 30, 2012, 14.05% of the effective participation in Adcom Media was sold. This operation had no material impact on the Group's consolidated financial statements in the period.

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 June 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 six months ended June 30, 2012, 0.04% of the effective participation in Destak Brasil Empreendimentos e Participações, S.A. was sold. This operation had no material impact on the Group's consolidated financial statements in the period.

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 accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

Investments in associated companies

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

Designation	Acquisition cost	Book value	Equity	Net result
VASP – Sociedade de Transportes e Distribuições, Lda.	6,234	3,268,208	9,833,124	81,369
Destak Brasil – Editora, S.A. (a)	-	-	R\$ (877,882)	R\$ (196,717)
Destak Brasil – Empreendimentos e Participações, S.A.	154,535	500	R\$ 812,830	R\$ (288,885)
Mercados Globais – Publicação de Conteúdos, Lda.	72,000	-	(b)	(b)

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

(b) – financial information not available

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

	30.06.2012	31.12.2011
Financial investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	3,268,208	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>3,494,743</u>	<u>3,615,562</u>
Accumulated impairment losses on investments in associated companies	(226,035)	(371,064)
Loans to associated companies	-	193,845
	<u>3,268,708</u>	<u>3,438,343</u>

As of 30 June 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 amount of 8,570 Euros. As of 30 June 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 six months period ended as of 30 June 2012 and 2011, the movement in the caption “Goodwill” fully refers to the changes in exchange rates in the semester then ended of the computed Goodwill of the subsidiary Adcom Media.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

6. INCOME TAXESDeferred taxes

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

	30.06.2012	30.06.2011
Opening balance	7,512,008	8,782,149
Effects in the income statement:		
Increase/(Decrease) in tax losses carried forward	15,526	(105,481)
Increase/(Decrease) in impairments and provisions not accepted for tax purposes	-	-
Prior year tax correction following changes in tax rules	(1,542,829)	(1,542,829)
Other effects	-	-
Effects in equity:		
Fair value of derivate instruments	2,642	(139,886)
Closing balance	<u>5,987,347</u>	<u>6,993,953</u>

Tax expenses

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

	30.06.2012	30.06.2011
Current Tax		
Income tax for the period	480,273	1,084,783
Excess/(Insufficiency) of prior years income tax	(167,892)	1,040
Additional assessment tax	600,000	-
Deferred taxes	1,527,302	1,648,310
	<u>2,439,683</u>	<u>2,734,133</u>

As of 30 June 2012, a dispute with the Portuguese tax authorities ("Autoridade Tributária e Aduaneira") 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 total amount of 4.1 million Euros, 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 June 2012 and 2011, the caption "Cash and cash equivalents" can be detailed as follows:

	30.06.2012	31.12.2011	30.06.2011
Cash	91,667	76,977	107,027
Bank deposits repayable on demand	22,386,504	23,720,922	11,372,790
Bank deposits repayable in less than 3 months	6,352,000	15,370,062	21,482,000
Cash and cash equivalents in accordance with the balance sheet	<u>28,830,171</u>	<u>39,167,961</u>	<u>32,961,817</u>
Bank overdrafts (Note 9)	(19,012,872)	(26,964,828)	(26,630,028)
	<u>9,817,299</u>	<u>12,203,133</u>	<u>6,331,789</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

During the six months period ended as of 30 June 2012, 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
(*) acquired in previous periods	300,000	100,000

During the six months period ended as of 30 June 2011, 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
Adcom Media – Anúncios e Publicidade S.A. (*)	300,000	100,000
	360,000	160,000
<u>Disposals</u>	<u>Transaction amount</u>	<u>Amount received</u>
ZON Multimédia	39,633,640	39,633,640
(*) acquired in previous periods		

8. LEASING

As of 30 June 2012 and 31 December 2011, the amounts payable to tangible 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>30.06.2012</u>	<u>31.12.2011</u>
Year n+1	720,818	838,114
Year n+2	131,918	396,404
Year n+3	23,957	9,889
Year n+4	8,799	9,889
Year n+5 and subsequent years	-	18,768
	885,492	1,273,064
Short term	1,131,597	1,195,743
	<u>2,017,089</u>	<u>2,468,807</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

9. BANK AND OTHER LOANS

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

		30.06.2012			
		Book value		Nominal Value	
		Current	Non Current	Current	Non Current
Bank overdrafts		19,012,872	-	19,002,872	-
Bank loans		5,673,069	14,500,000	5,500,000	14,500,000
		<u>24,685,941</u>	<u>14,500,000</u>	<u>24,502,872</u>	<u>14,500,000</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 June 2012 and 31 December 2011, the caption "Other loans" was made up as follows:

		30.06.2012			
		Book value		Nominal Value	
		Current	Non Current	Current	Non Current
Bond loans		50,067,990	-	50,000,000	-
Commercial paper		19,979,136	-	20,000,000	-
		<u>70,047,126</u>	<u>-</u>	<u>70,000,000</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 June 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, S.A. and which book value, valued in accordance with the effective interest rate method, amounts to 50,026,158 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

- 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 20,000,000 Euro, with guaranteed subscription by the banks until 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:

	30.06.2012
n+1	3,500,000
n+2	4,000,000
n+3	4,500,000
n+4	2,500,000
	<u>14,500,000</u>
Short term	5,500,000
	<u><u>20,000,000</u></u>

10. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 June 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 six months period ended as of 30 June 2012 and 2011 can be presented as follows:

	30.06.2012				
	"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)	41,711	N/A	9,968	2,642	7,326
Closing balance	<u>1,043,542</u>	<u>(136,196)</u>	<u>907,346</u>	<u>240,447</u>	<u>666,899</u>
	30.06.2011				
	"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)	(600,564)	N/A	(527,871)	(139,886)	(387,985)
Closing balance	<u>528,612</u>	<u>(125,882)</u>	<u>402,730</u>	<u>106,723</u>	<u>296,007</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

As of 30 June 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	(954,774)
Cofina,SGPS, S.A.	Bond loan	29/03/2010	28/09/2012	Euribor 6M	10,000,000	(88,768)
					<u>30,000,000</u>	<u>(1,043,542)</u>

During the six month period ended as of 30 June 2012 the amount of 229,768 Euro related with accrued interests that resulted 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 six months period ended as of 30 June 2012 and 2011 are made up as follows:

	<u>30.06.2012</u>	<u>30.06.2011</u>
<u>Financial expenses</u>		
Interest paid	2,372,098	2,227,179
Commissions	209,391	508,880
Other financial expenses	<u>237,280</u>	<u>13,137</u>
	<u><u>2,818,769</u></u>	<u><u>2,749,196</u></u>
<u>Financial income</u>		
Interest received	<u>795,230</u>	<u>581,193</u>
	<u><u>795,230</u></u>	<u><u>581,193</u></u>

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

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

	<u>30.06.2011</u>
Gains in investments measured at fair value through profit and loss - ZON Multimédia	937,138
Dividends - ZON Multimédia	<u>1,486,400</u>
	<u><u>2,423,538</u></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 June of 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

12. RELATED PARTIES

The main balances with related parties as of 30 June 2012 and 2011 and the main transactions with related entities during the periods of six months then ended may be detailed as follows:

Transactions	30.06.2012		
	Sales and other income	Services rendered	Acquisition of goods and services
Vasp - Sociedade de Transportes e Distribuições, Lda	31,468,550	-	39,537
Destak Brasil Editora, S.A.	-	1,537,529	-
	<u>31,468,550</u>	<u>1,537,529</u>	<u>39,537</u>
Balances	Accounts receivable	Accounts payable	Sales to invoice
Vasp - Sociedade de Transportes e Distribuições, Lda	(22,795)	123,358	5,952,996
Destak Brasil Editora, S.A.	<u>772,172</u>	<u>748,586</u>	<u>-</u>
	<u>749,377</u>	<u>871,944</u>	<u>5,952,996</u>
Transactions	30.06.2011		
	Sales and other income	Services rendered	Acquisition of goods and services
Vasp - Sociedade de Transportes e Distribuições, Lda	34,514,753	-	46,876
Destak Brasil Editora, S.A.	-	812,495	-
	<u>34,514,753</u>	<u>812,495</u>	<u>46,876</u>
Balances	Accounts receivable	Accounts payable	Sales to invoice
Vasp - Sociedade de Transportes e Distribuições, Lda	103,107	204,392	5,942,030
Destak Brasil Editora, S.A.	<u>844,867</u>	<u>1,118,981</u>	<u>-</u>
	<u>947,974</u>	<u>1,323,373</u>	<u>5,942,030</u>

Sales and services rendered to associated companies during the period ended as of 30 June 2012 and 2011 mainly relate 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 30 June 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 June 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.
- 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.
- 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 June 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 June 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 June 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 20,000,000 Euro as of 30 June 2012 (Note 9);
- c) Pledge over 14,850 shares of Edisport – Sociedade de Publicações, S.A., in favor of Portuguese tax authorities (“Autoridade Tributária e Aduaneira”), as a guarantee for tax legal processes.

As of 30 June 2012 Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 656,000 Euro, mainly in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 31,000,000 Euro.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSAS OF 30 JUNE 2012

(Amounts expressed in Euro)

14. EARNINGS PER SHARE

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

	<u>30.06.2012</u>	<u>30.06.2011</u>
Net profit / (loss) considered for the computation of basic and diluted earning	646,054	4,418,972
Weighted average number of shares used to compute the basic earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.01	0.04
Diluted	0.01	0.04

15. SHARE CAPITAL

As of 30 June 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 of six months ended as of 30 June 2012 and 2011 is detailed as follows:

	<u>Newspapers</u>	<u>Magazines</u>	<u>Eliminations and consolidations adjustments</u>	<u>Total</u>
30.06.2012				
Net operating income	43,673,146	12,381,146	-	56,054,292
Operating Cash-flow - EBITDA (a)	7,779,863	(819,138)	-	6,960,725
Operating profit	6,216,305	(853,755)	-	5,362,550
	<u>Newspapers</u>	<u>Magazines</u>	<u>Eliminations and consolidations adjustments</u>	<u>Total</u>
30.06.2011				
Net operating income	47,205,097	15,014,100	-	62,219,197
Operating Cash-flow - EBITDA (a)	10,031,912	(979,100)	-	9,052,812
Operating profit	8,281,397	(1,101,134)	-	7,180,263

(a) - Operating profit + amortisation and depreciation

17. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 30 June 2012 were approved by the Board of Directors for issuance on 30 August 2012.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 JUNE 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