



COFINA, SGPS, S.A.
Public Company

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

**1st quarter '14 FINANCIAL INFORMATION
(Non audited)**

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

(amounts in thousand Euro)	1Q 2014	1Q 2013	Var (%) 1Q14/1Q13
Operating income	24,085	24,600	-2,1%
Circulation	13,031	13,914	-6,3%
Advertising	7,326	7,953	-7,9%
Alternative marketing products and others	3,728	2,733	36,4%
Operating income by segments	24,085	24,600	-2,1%
Newspapers	19,523	19,433	0,5%
Magazines	4,562	5,167	-11,7%
Operating expenses (a)	20,894	21,694	-3,7%
Consolidated EBITDA (b)	3,191	2,906	9,8%
EBITDA margin	13,2%	11,8%	+ 1,4p.p.
Newspapers EBITDA	3,429	3,259	5,2%
Newspapers EBITDA margin	17,6%	16,8%	+ 0,8 p.p.
Magazines EBITDA	-238	-353	-
Magazines EBITDA margin	-5,2%	-6,8%	-
Amortisation and depreciation (-)	740	900	-17,8%
EBIT	2,451	2,006	22,2%
EBIT Margin	10,2%	8,2%	- 0,3 pp
Net financial income	(1,172)	(896)	-
Income before taxes and minority interests	1,279	1,110	15,2%
Income taxes	440	864	-49,1%
Minority interests	(26)	(31)	-16,1%
Net consolidated profit / loss (c)	865	277	212,3%

(a) Operating expenses excluding amortisation

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

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

Net profit increases approximately 212%

The first quarter of 2014 was characterized by an increase in EBITDA of approximately 10% and a net profit growth of over 200%.

This fact arises, in exogenous terms, from a feeling of slight improvement in the macroeconomic environment and, in organic terms, from the performance of the TV channel "Correio da Manhã TV", whose operational indicators are included in the newspapers segment.

In the first quarter of 2014, Cofina's total operating income decreased approximately 2.1%, although the newspapers segment, which represents more than 80% of total revenues, has

recorded a growth of 0.5% when compared to the homologous period of 2013. In detail, circulation and advertising revenues decreased 6.3% and 7.9%, respectively, while alternative marketing products and others revenues increased by approximately 36%.

During the first quarter of 2014, Cofina continued its thoughtful cost management policy, adapting its structure to market reality. Therefore, operating expenses excluding amortisation, reached approximately 20.9 million Euro, which represents a reduction of approximately 4%.

In this context, EBITDA was approximately 3.2 million Euro, which represented approximately a 10% *year on year* increase. EBITDA margin reached 13.2%, increasing about 1.4 p.p.

Consolidated net income recorded in the end of the 1st quarter of 2014 was 865 thousand Euro, presenting a growth of approximately 212%.

As of March 31, 2014, Cofina's nominal net debt was 74.3 million Euro.

Newspapers segment

(amounts in thousand Euro)	1Q 2014	1Q 2013	Var (%) 1Q14/1Q13
Consolidated operating income	19,523	19,433	0.5%
Circulation	10,235	10,762	-4.9%
Advertising	5,960	6,473	-7.9%
Alternative marketing products and others	3,328	2,198	51.4%
Operating expenses (a)	16,094	16,174	-0.5%
Consolidated EBITDA (b)	3,429	3,259	5.2%
EBITDA margin	17.6%	16.8%	+0.8 p.p.

(a) Operating expenses excluding amortisation

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

Cofina's newspapers segment recorded, in the first quarter of 2014, a total income of approximately 19.5 million Euro, a slight increase of 0.5% when compared to the same period of previous year. Income from advertising recorded a decrease of approximately 8%, reaching 6 million Euro; while circulation income recorded a decrease of 5%, reaching approximately 10.2 million Euro.

Alternative marketing products income recorded an increase of 52%, reaching approximately 3.3 million Euro. The results of the cable TV channel "Correio da Manhã TV", which are integrated in the newspapers segment, amounted to about 1.5 million Euro in the first quarter of 2014.

Therefore, EBITDA in this segment reached, in the first quarter of 2014, approximately 3.4 million Euro, an increase of approximately 5% when compared to prior year homologous period. EBITDA margin reached 17.6%, increasing about 0.8 p.p.

Magazines segment

Total income of this segment reached approximately 4.6 million Euro, reflecting a decrease of approximately 12% when compared to 2013 homologous period.

(amounts in thousand Euro)	1Q 2014	1Q 2013	Var (%) 1Q14/1Q13
Consolidated operating income	4,562	5,167	-11.7%
Circulation	2,796	3,152	-11.3%
Advertising	1,366	1,480	-7.7%
Alternative marketing products and others	400	535	-25.2%
Operating expenses (a)	4,800	5,520	-13.0%
Consolidated EBITDA (b)	-238	-353	-32.6%
EBITDA margin	-5.2%	-6.8%	-

(a) Operating expenses excluding amortisation

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

Circulation income recorded a decrease of 11%, reaching approximately 2.8 million Euro, while advertising income recorded a decrease by approximately 8%. Alternative marketing products income recorded a decrease of 25%. The cost reduction strategy that has been implemented reduced operating costs by approximately 720 thousand Euro, overcoming the decrease recorded in income, which was by approximately 605 thousand Euro.

Therefore, EBITDA of the magazines segment recorded in the first quarter of 2014 was of -238 thousand Euro.

Perspectives

Following 24 months of decrease in advertising income, it presented in April 2014, for the first time, an increase of approximately 7%.

Porto, May 7, 2014

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE PERIODS ENDED 31 MARCH 2014 AND 31 DECEMBER 2013

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

(Amounts expressed in Euro)

ASSETS	Notes	31.03.2014	31.12.2013
NON CURRENT ASSETS			
Tangible assets		6,780,313	7,177,531
Goodwill	5	91,037,663	90,952,056
Intangible assets		390,156	634,187
Investments in associated companies	4	3,824,645	3,798,159
Investments held for sale	4	8,570	8,570
Investments recorded at fair value through profit and loss		932	271
Other non current debtors		350,000	350,000
Deferred tax assets		4,597,319	4,697,703
Total non current assets		106,989,598	107,618,477
CURRENT ASSETS			
Inventories		1,652,384	2,251,126
Customers		8,707,159	9,410,134
State and other public entities		1,948,307	1,249,509
Other current debtors		275,685	513,568
Other current assets		6,992,813	5,831,472
Cash and cash equivalents	7	17,493,826	10,316,267
Total current assets		37,070,174	29,572,076
TOTAL ASSETS		144,059,772	137,190,553
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital		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		(29,481,418)	(34,335,639)
Consolidated net profit/(loss) for the period attributable to the parent company		865,067	4,681,002
Equity attributable to equity holder of the parent company		18,309,087	17,270,801
Non-controlling interests		745,172	767,940
TOTAL EQUITY		19,054,259	18,038,741
LIABILITIES			
NON CURRENT LIABILITIES			
Bank Loans	9	8,000,000	9,000,000
Other Loans	9	48,580,539	49,041,611
Pension liabilities		459,894	459,894
Other non current creditors	10	35,756	35,756
Provisions		8,463,620	8,502,480
Total non current liabilities		65,539,809	67,039,741
CURRENT LIABILITIES			
Bank Loans	9	11,818,723	7,007,465
Other Loans	9	21,956,049	17,900,832
Derivatives	11	249,335	495,474
Suppliers		6,798,575	8,302,428
State and other public entities		4,266,673	2,546,957
Other current creditors	10	4,833,853	5,360,647
Other current liabilities		9,542,496	10,498,268
Total current liabilities		59,465,704	52,112,071
TOTAL LIABILITIES		125,005,513	119,151,812
TOTAL EQUITY AND LIABILITIES		144,059,772	137,190,553

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 THREE MONTH PERIODS ENDED 31 MARCH 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	Notes	31.03.2014	31.03.2013
Sales		13,031,095	13,913,897
Services rendered		7,325,913	7,952,573
Other operating income		3,727,569	2,733,203
Cost of sales		(3,611,293)	(3,923,050)
External supplies and services		(9,099,445)	(9,260,540)
Payroll expenses		(7,948,016)	(8,276,709)
Amortisation and depreciation		(739,761)	(899,818)
Provisions and impairment losses		(162,901)	(168,074)
Other operating expenses		(71,745)	(65,595)
Financial expenses	12	(1,251,264)	(946,344)
Financial income	12	78,803	50,498
Profit before income tax		1,278,955	1,110,041
Income tax	6	(440,480)	(863,951)
Net consolidated profit / (loss) for the period		838,475	246,090
Attributable to:			
Shareholders of the parent company		865,067	277,026
Non-controlling interests		(26,592)	(30,936)
Earnings per share:			
Basic	15	0.01	0.00
Diluted	15	0.01	0.00

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 CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED AS OF 31 MARCH 2014 AND 2013

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

(Amounts expressed in Euro)

	Attributable to equity holders of the parent company							
	Share capital	Share premium account	Legal reserve	Other reserves	Net profit / (loss)	Total	Non controlling interests	Total equity
Balance as of 1 January 2013	25,641,459	15,874,835	5,409,144	(36,913,812)	3,986,740	13,998,366	739,995	14,738,361
Appropriation of consolidated net result for 2012:								
Transfer to legal reserve and retained earnings	-	-	-	3,986,740	(3,986,740)	-	-	-
Changes in reserves and non-controlling interests:								
Acquisitions and entry of companies	-	-	-	55,927	-	55,927	(55,927)	-
Other changes	-	-	-	(2,714)	-	(2,714)	2,731	17
Total comprehensive income for the period	-	-	-	206,360	277,026	483,386	(30,936)	452,450
Balance as of 31 March 2013	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(32,667,499)</u>	<u>277,026</u>	<u>14,534,965</u>	<u>655,863</u>	<u>15,190,828</u>
Balance as of 1 January 2014	25,641,459	15,874,835	5,409,144	(34,335,638)	4,681,002	17,270,802	767,939	18,038,741
Appropriation of consolidated net result for 2013:								
Transfer to retained earnings	-	-	-	4,681,002	(4,681,002)	-	-	-
Changes in reserves and non-controlling interests:								
Other changes	-	-	-	(2,663)	-	(2,663)	3,824	1,161
Total comprehensive income for the period	-	-	-	175,882	865,067	1,040,949	(26,592)	1,014,357
Balance as of 31 March 2014	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(29,481,418)</u>	<u>865,067</u>	<u>18,309,087</u>	<u>745,172</u>	<u>19,054,259</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 STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2014 AND 2013

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

	<u>31.03.2014</u>	<u>31.03.2013</u>
Profit / (loss) for the period	838,475	246,090
Exchange differences arising on translation of foreign operations	82,942	103,440
Changes in cash-flows hedges' fair value	92,940	102,920
Total comprehensive income for the period	<u>1,014,357</u>	<u>452,450</u>
Attributable to:		
Shareholders of the parent company	1,040,949	483,386
Non-controlling interests	<u>(26,592)</u>	<u>(30,936)</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 THREE MONTH PERIODS ENDED 31 MARCH 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	Notes	31.03.2014	31.03.2013
Operating activities			
<i>Cash flow from operating activities (1)</i>		<u>1,384,134</u>	<u>1,013,563</u>
Investment activities			
Collections relating to:			
Interest and similar income		31,391	80,665
Loans granted		<u>-</u>	<u>-</u>
Payments relating to:			
Investments	7	(47,560)	-
Tangible assets		(104,437)	(1,781,259)
Intangible assets		<u>(16,534)</u>	<u>(263,540)</u>
<i>Cash flow from investment activities (2)</i>		<u>(137,140)</u>	<u>(1,964,134)</u>
Financing activities			
Collections relating to:			
Loans obtained		<u>4,150,000</u>	<u>4,150,000</u>
Payments relating to:			
Interest and similar costs		(2,010,654)	(911,575)
Lease contracts		(159,642)	(313,039)
Loans obtained		<u>(4,000,000)</u>	<u>(350,000)</u>
Supplementary capital		<u>-</u>	<u>(1,574,614)</u>
<i>Cash flow from financing activities (3)</i>		<u>(2,020,296)</u>	<u>(1,574,614)</u>
Cash and its equivalents at the beginning of the period	7	7,446,155	9,002,300
Variation of cash and its equivalents: (1)+(2)+(3)		<u>(773,302)</u>	<u>(2,525,185)</u>
Cash and its equivalents at the end of the period	7	<u>6,672,853</u>	<u>6,477,115</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

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

(Amounts expressed in Euro)

1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company") is a public capital company, with headquarters located at Rua General Norton de Matos, 68, r/c in Porto and has its shares listed in the Lisbon NYSE Euronext Stock Exchange ("NYSE Euronext Lisbon"). 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 Cofina Group owns headings of reference in their respective segments, editing titles like newspapers "Correio da Manhã", "Record", "Jornal de Negócios", "Destak" and "Metro", as well as the magazines "Sábado", "TV Guia", "Flash!" and "GQ", among others.

During the first quarter ended as of 31 March 2014, the Cofina 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 such, 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 on a going concern basis.

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 31 March 2014 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 2013.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

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

(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 31 March 2014 are as follows:

Designation	Headquarters	Percentage participation held	Activity
Parent Company:			
Cofina, SGPS, S.A.	Porto		Investment management
Efe Erre Participações, SGPS, S.A. ("FR")	Porto	100.00%	Investment management
Cofina Media Group			
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")	Lisbon	59.00%	Newspaper 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	100%	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") (a)	Lisbon	100%	Events promotion and organization
Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media")	São Paulo, Brazil	80%	Communication and advertising services

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 31 March 2014 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.	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

Associated company VASP was included in the consolidated financial statements in accordance with the equity method. The remaining companies are recorded at acquisition cost, less impairment losses.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

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

(Amounts expressed in Euro)

Investments in associated companies

The acquisition cost of the associated companies and their book value as of 31 March 2014 are as follows:

Designation	Acquisition Cost	Book value
VASP – Sociedade de Transportes e Distribuições, Lda.	6,234	3,824,145
Destak Brasil – Editora, S.A. (a)	-	-
Destak Brasil – Empreendimentos e Participações, S.A.	299,064	-
Mercados Globais – Publicação de Conteúdos, Lda.	72,000	-

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

As of 31 March 2014 and 31 December 2013 the caption "Investments in associated companies" can be detailed as follows:

	31.03.2014	31.12.2013
Financial Investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	3,824,145	3,797,659
Destak Brasil – Empreendimentos e Participações, S.A.	154,535	154,535
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
	<u>4,050,680</u>	<u>4,024,194</u>
Accumulated impairment losses on investments in associated companies	(226,035)	(226,035)
Loans to associated companies	<u>3,824,645</u>	<u>3,798,159</u>

Investments available for sale

As of 31 March 2014 and 31 December 2013 the Group has investments available for sale corresponding to non-controlling investments in unlisted companies. The Group has recorded impairment losses to face differences to the net realizable amount, presenting this caption, as of those dates, a net book value of 8,570 Euro. As of 31 March 2014 and as of 31 December 2013 the total investments for which adjustments were made in the same value amount to 877,942 Euro.

5. GOODWILL

During the three months periods ended as of 31 March 2014 and 2013, the movement in the caption "Goodwill" fully refers to the changes in exchange rates in the period then ended of the computed Goodwill attributable to the subsidiary Adcom Media.

6. INCOME TAX

As of 31 March 2014 and 2013, the caption "Income Tax" is made up as follows:

	31.03.2014	31.03.2013
Current tax		
Income tax for the period	370,255	(1,054,957)
Provision for taxes	-	400,000
Deferred tax	70,225	1,518,908
	<u>440,480</u>	<u>863,951</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

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

(Amounts expressed in Euro)

As of 31 March 2014, disputes with the Portuguese tax authorities ("Autoridade Tributária e Aduaneira") were still in progress following a Corporate Income Tax inspection with an amount of, approximately, 13 million Euro being challenged by the tax authorities. In order to cope with these disputes, the Group recorded provisions in the amount of 9,815,000 Euro, which correspond to the best estimate made by the Board of Directors, supported by their legal and tax advisers, of the impact that might outcome from the ongoing tax claims. It should be noticed that under this process the Company settled in previous years to the "Administração Tributária e Aduaneira" the amount of 2,000,000 Euro, under the "Regime Excepcional de Regularização de Dívidas" (RERD).

7. CASH AND CASH EQUIVALENTS

As of 31 March 2014 and 2013 and as of 31 December 2013, the caption "Cash and cash equivalents" can be detailed as follows:

	<u>31.03.2014</u>	<u>31.12.2013</u>	<u>31.03.2013</u>
Cash	60,018	57,960	74,201
Bank deposits repayable on demand	14,433,138	7,258,307	7,590,890
Bank deposits repayable in less than 3 months	3,000,670	3,000,000	4,352,000
Cash and cash equivalents in accordance with the balance sheet	17,493,826	10,316,267	12,017,091
Bank overdrafts	(10,820,973)	(2,870,112)	(5,539,976)
Cash and cash equivalents	<u>6,672,853</u>	<u>7,446,155</u>	<u>6,477,115</u>

During the period ended March 31, 2014 the Company made a payment of 47,560 Euro relating to the remaining debt regarding the acquisition of additional 30% stake in the subsidiary Cofina Eventos.

8. SHARE CAPITAL

As of 31 March 2014, the Company's fully subscribed and paid up capital consisted of 102,565,836 shares with a nominal value of 25 cents of a Euro each. As of that date, Cofina and the Group companies did not hold own shares.

9. BANK AND OTHER LOANS

As of 31 March 2014 and 31 December 2013, the caption "Bank loans" was made up as follows:

	<u>31.03.2014</u>			
	<u>Book value</u>		<u>Nominal Value</u>	
	<u>Current</u>	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>
Overdrafts	10,820,973	-	10,820,973	-
Bank loans	997,750	8,000,000	1,000,000	8,000,000
	<u>11,818,723</u>	<u>8,000,000</u>	<u>11,820,973</u>	<u>8,000,000</u>
<u>31.12.2013</u>				
	<u>Book value</u>		<u>Nominal Value</u>	
	<u>Current</u>	<u>Non Current</u>	<u>Current</u>	<u>Non Current</u>
	2,870,112	-	2,870,112	-
Overdrafts	4,137,353	9,000,000	4,000,000	9,000,000
Bank loans	7,007,465	9,000,000	6,870,112	9,000,000

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2014

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

(Amounts expressed in Euro)

As of 31 March 2014 and 31 December 2013, the caption “Other loans” was made up as follows:

	31.03.2014			
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bond loans	-	48,580,539	-	50,000,000
Commercial paper	21,956,049	-	22,000,000	-
	<u>21,956,049</u>	<u>48,580,539</u>	<u>22,000,000</u>	<u>50,000,000</u>

	31.12.2013			
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bond loans	-	49,041,611	-	50,000,000
Commercial paper	17,900,832	-	17,850,000	-
	<u>17,900,832</u>	<u>49,041,611</u>	<u>17,850,000</u>	<u>50,000,000</u>

Bond loans

As of 31 March 2014, the current liability caption “Bond Loans” refers to a bond loan denominated “Obrigações Cofina SGPS – 2013/2019”, amounting to 50,000,000 Euro, issued by Cofina SGPS, S.A. stated in accordance with the effective interest rate method, with a book value of 48,580,539 Euro. This loan, according to its terms, matures on September 28, 2019.

The most relevant characteristics of the bond loan are:

i) **Cofina, SGPS, S.A.:**

- Issuer – Cofina, SGPS, S.A.;
- Nominal value – 50,000,000 Euro;
- Subscription date – 27 September 2013;
- Maturity – 28 September 2019;
- Reimbursement – at par, on interest payment dates, in three equal instalments, as of 28 September 2017, 28 September 2018 and 28 September 2019;
- Interests – postponed, corresponding to 6 month Euribor plus a spread of 3.8%.

Commercial Paper

The liability caption “Commercial Paper” relates to two commercial paper programs, in the maximum amounts of 15,000,000 Euro and 7,000,000 Euro, with guaranteed subscription by the banks. These commercial paper programs mature in July 2014 and September 2016, respectively, and bear interest at market rates.

Regarding the second commercial paper program, with maturity as of September 25, 2016, as it can be terminated by any of the parts, in each annual term date of the program, it was classified as current.

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Bank loans

The liability caption "Bank loans" relates to a bank loan celebrated in March 2012, which bears interests at market rates and that will be reimbursed until 15 October 2016. The reimbursement plan of the nominal amount of this loan is as follows:

	<u>31.03.2014</u>
2015	3,000,000
2016	<u>5,000,000</u>
	<u>8,000,000</u>
Short term portion	1,000,000
	<u>9,000,000</u>

10. LEASING

As of 31 March 2014 and as of 31 December 2013, the amounts payable to fixed asset suppliers in relation to financial lease contracts were classified in the captions "Other non-current creditors" and "Other current creditors" and had the following reimbursement plan:

	<u>31.03.2014</u>	<u>31.12.2013</u>
2015	24,842	24,842
2016	<u>10,914</u>	<u>10,914</u>
	<u>35,756</u>	<u>35,756</u>
Short term	295,046	452,993
	<u>330,802</u>	<u>488,749</u>

11. DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 March 2014, this caption is made of interest rate swaps related to the Group's financing loans. As these derivatives fulfil 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 three months periods ended as of 31 March 2014 and 2013 can be presented as follows:

	<u>31.03.2014</u>				
	"Market-to-market", net of accrued interest				
	"Market-to-market"	Accrued interest	Deferred tax assets	Net amount	
Opening balance	495,474	(128,442)	367,032	89,923	277,111
Increases / (decreases)	(246,139)	N/A	(123,099)	(30,159)	(92,940)
Closing Balance	<u>249,335</u>	<u>(5,402)</u>	<u>243,933</u>	<u>59,764</u>	<u>184,171</u>

	<u>31.03.2013</u>				
	"Market-to-market", net of accrued interest				
	"Market-to-market"	Accrued interest	Deferred tax assets	Net amount	
Opening balance	992,890	(126,878)	866,012	229,493	636,519
Increases / (decreases)	(262,898)	N/A	(140,026)	(37,106)	(102,920)
Closing Balance	<u>729,992</u>	<u>(4,007)</u>	<u>725,986</u>	<u>192,387</u>	<u>533,598</u>

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As of 31 March 2014 the Company had engaged in financial instruments contracts for hedging interest rates whose fair value, calculated by the discounted cash flows method, was as follows:

Company	Funding covered	Starting date	End date	Floating rate	Notional amount	Financial instruments' fair value
Cofina SGPS, S.A.	Bond	9/28/2010	9/29/2014	Euribor 6M	20,000,000	(249,335)
					<u>20,000,000</u>	<u>(249,335)</u>

12. FINANCIAL RESULTS

The financial income and expenses for the three months periods ended as of 31 March 2014 and 2013 are made up as follows:

	<u>31.03.2014</u>	<u>31.03.2013</u>
<u>Financial expenses</u>		
Interest paid	(967,673)	(650,376)
Interests related with derivatives	(126,864)	(118,881)
Commissions	(149,359)	(153,658)
Gains and Losses in associated companies		
Application of the Equity Method	-	(7,434)
Other financial expenses	(7,368)	(15,995)
	<u>(1,251,264)</u>	<u>(946,344)</u>
<u>Financial income</u>		
Interest received	52,317	50,498
Gains and Losses in associated companies		
Application of the Equity Method	26,486	-
	<u>78,803</u>	<u>50,498</u>

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(Amounts expressed in Euro)

13. RELATED PARTIES

The main balances with related parties as of 31 March 2014 and 2013 and the main transactions with related entities during the periods then ended may be detailed as follows:

	31.03.2014		
Transactions	Sales and other operating income	Services rendered	Acquisition of goods and services
VASP – Sociedade de Transportes e Distribuições, Lda.	13,258,834	-	156,949
Destak Brasil Editora, S.A.	-	817,197	-
	13,258,834	817,197	156,949
Balances	Accounts receivable	Accounts payable	Sales to invoice
VASP – Sociedade de Transportes e Distribuições, Lda.	54,059	162,938	4,735,618
Destak Brasil Editora, S.A.	688,965	-	-
Destak Brasil - Empreendimentos e Participações, S.A.	-	495,224	-
	743,024	658,162	4,735,618

	31.03.2013		
Transactions	Sales and other operating income	Services rendered	Acquisition of goods and services
VASP – Sociedade de Transportes e Distribuições, Lda.	14,006,098	-	132,134
Destak Brasil Editora, S.A.	-	812,103	-
	14,006,098	812,103	132,134
Balances	Accounts receivable	Accounts payable	Sales to invoice
VASP – Sociedade de Transportes e Distribuições, Lda.	93,207	88,814	5,389,997
Destak Brasil Editora, S.A.	841,016	-	-
Destak Brasil - Empreendimentos e Participações, S.A.	-	650,907	-
	934,223	739,721	5,389,997

Sales and other operating income rendered to associated companies during the three months periods ended as of 31 March 2014 and 2013 relate to sales of publications (newspapers and magazines) and alternative marketing products to VASP (Note 4), which handles the corresponding distribution to the sales points. These transactions are carried out under the normal activity of the Group.

Services rendered to associated companies during the three months periods ended as of 31 March 2014 and 2013 relate to sales of advertising of the subsidiary Adcom Media (Note 4).

Related parties

Apart from the companies included in consolidation (Note 4), the entities considered to be related companies as of 31 March 2014, can be presented as follows:

- Actium Capital, SGPS, S.A.
- Alteria, SGPS, S.A.
- Altri Florestal, S.A.
- Altri, SGPS, S.A.
- Altri - Energias Renováveis, SGPS, S.A.
- Altri, Participaciones Y Trading, S.L.
- Altri Sales, S.A.
- Caderno Azul, SGPS, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Caima Indústria de Celulose, S.A.

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- 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.
- Jardins de França, S.A.
- Livre Fluxo, SGPS, S.A.
- Malva – Gestão Imobiliária, S.A.
- Pedro Frutícola, Sociedade Frutícola, S.A.
- Prestimo – Prestígio Imobiliário, S.A.
- Promendo, SGPS, S.A.
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Storax Benelux
- Storax Racking Systems, Ltd.
- Torres da Luz – Investimentos imobiliários, S.A.
- Universal Afir – Aços, Máquinas e Ferramentas, S.A.
- Valor Autêntico, SGPS, S.A.
- Viveiros do Furdouro Unipessoal, Lda.

Board of Directors

The Board of Directors was composed as follows as of 31 March 2014:

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

14. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of 31 March 2014, 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 conceded by Banco BPI, S.A., to the maximum amount of 8,000,000 Euro, which, outstanding debt as of 31 March 2014 amounts 2,321,792 Euro;
- b) Pledge with irrevocable power 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 15,000,000 Euro as of 31 March 2014 (Note 9);
- c) Pledge of 25,350 shares of Edisport – Sociedade de Publicações, S.A. in favour of the Portuguese Tax Authority ("Autoridade Tributária") as a guarantee of a tax execution procedure.

As of 31 March 2014 Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 700,000 Euro in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 58,500,000 Euro.

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(Amounts expressed in Euro)

15. EARNINGS PER SHARE

Earnings per share for the three months periods ended as of 31 March 2014 and 2013 were determined taking into consideration the following amounts:

	31.03.2014	31.03.2013
Net profit / (loss) considered for the computation of basic and diluted earnings	865,067	277,026
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	0.00
Diluted	0.01	0.00

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 reported.

The information for the three months periods ended as of 31 March 2014 and 2013 is detailed as follows:

31.03.2014	Newspapers	Magazines	Eliminations and consolidations adjustments	Total
Net operating income	19,522,880	4,561,697	-	24,084,577
Operating Cash-flow - EBITDA (a)	3,428,769	(237,592)	-	3,191,177
Operating profit (EBIT)	2,699,445	(248,029)	-	2,451,416
31.03.2013	Newspapers	Magazines	Eliminations and consolidations adjustments	Total
Net operating income	19,433,137	5,166,536	-	24,599,673
Operating Cash-flow - EBITDA (a)	3,258,710	(353,005)	-	2,905,705
Operating profit (EBIT)	2,369,329	(363,442)	-	2,005,887

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

17. NET PROFIT / (LOSS) APPROPRIATION

Relating to the year ended 31 December 2013, the Board of Directors proposed, in its annual report, that the net individual of Cofina, S.G.P.S., S.A., in the amount of 5,093,237.89 Euro would be transferred to caption "Free reserves", having that proposal been approved in the General Shareholders' Meeting held as of 24 April 2014.

Furthermore, the Board of Directors, proposed the distribution of dividends amounting to 1,025,658.36 Euro relating to the year ended as of 31 December 2013, which corresponds to a dividend of 0.01 Euro per share. This dividend was also approved in the General Shareholders Meeting of 24 April 2014.

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18. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 31 March 2014 were approved by the Board of Directors for issuance on 7 May 2014.

19. EXPLANATION ADDED FOR TRANSLATION

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