



COFINA, SGPS, S.A.
Public Company

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

3rd quarter '14 FINANCIAL INFORMATION
(non audited)

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

Accumulated profit of €4.7 million at the end of September 2014

During the first nine months of 2014, revenues have slightly declined compared with the same period of 2013 mainly motivated by a decrease in circulation revenues (-4.5%) despite the growth in advertising (+5.7%) and revenues from alternative marketing and other (+2.3%) that were not enough to offset the decline in circulation revenues.

EBITDA recorded in the first nine months of 2014 was about 11 million Euros, corresponding to an increase of 13% when compared with the last year's homologous period.

(amounts in thousand Euro)	9M 2014	9M 2013	Var (%) 9M14/9M13
Operating income	78,355	78,592	-0.3%
Circulation	41,123	43,042	-4.5%
Advertising	26,551	25,111	5.7%
Alternative marketing products and others	10,681	10,439	2.3%
Operating income by segments	78,355	78,592	-0.3%
Newspapers	62,827	62,537	0.5%
Magazines	15,528	16,055	-3.3%
Operating expenses (a)	67,357	68,847	-2.2%
Consolidated EBITDA (b)	10,998	9,745	12.9%
EBITDA margin	14.0%	12.4%	+ 1.6 p.p.
Newspapers	10,785	10,601	1.7%
Newspapers EBITDA margin	17.2%	17.0%	+ 0.2 p.p.
Magazines	213	-856	-
Magazines EBITDA margin	1.4%	-5.3%	+ 6.7 p.p.
Amortisation and depreciation (-)	2,221	2,696	-17.6%
EBIT	8,777	7,049	24.5%
EBIT margin	11.2%	9.0%	+ 2.2 pp
Net financial income	(3,168)	(2,069)	-
Income before taxes and non-controlling interests	5,609	4,980	12.6%
Income taxes	851	3,415	-75.1%
Non-controlling interests	55	11	400.0%
Net consolidated profit / loss (c)	4,703	1,554	202.6%

(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 Net Profit for the period was 4.7 million Euro, registering a growth of over 200% when comparing with the net profit obtained in the same period of 2013.

Results for the third quarter of 2014

(amounts in thousand Euro)	3Q 2014	3Q 2013	Var (%) 3Q14/3Q13
Operating income	26,948	27,560	-2.2%
Circulation	14,891	15,340	-2.9%
Advertising	8,356	8,457	-1.2%
Alternative marketing products and others	3,701	3,763	-1.6%
Operating income by segments	26,948	27,560	-2.2%
Newspapers	21,117	21,929	-3.7%
Magazines	5,831	5,631	3.6%
Operating expenses (a)	23,099	23,562	-2.0%
Consolidated EBITDA (b)	3,849	3,998	-3.7%
EBITDA margin	14.3%	14.5%	- 0.2 p.p.
Newspapers EBITDA	3,376	3,906	-13.6%
Newspapers EBITDA margin	16.0%	17.8%	- 1.8 p.p.
Magazines EBITDA	473	92	-
Magazines EBITDA margin	8.1%	1.6%	+ 6.5 p.p.
Amortisation and depreciation (-)	741	896	-17.3%
EBIT	3,108	3,102	0.2%
EBIT margin	11.5%	11.3%	+ 0.3 pp
Net financial income	(840)	(440)	-
Income before taxes and non-controlling interests	2,268	2,662	-14.8%
Income taxes	698	1,558	-55.2%
Non-controlling interests	34	50	-32.0%
Net consolidated profit / loss (c)	1,536	1,054	45.7%

(a) Operating expenses excluding amortisation

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

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

The third quarter of 2014 was characterized by a reduction in revenues, which is related to some conjunctural factors, such as reduction in advertising investment after a second quarter marked by the world cup football, seasonal event, and with strong impacts regarding investments in advertising.

Therefore, total revenues decreased approximately 2.2%, reaching 26.9 million Euro. Circulation revenues fell by about 2.9% (14.9 million Euro), alternative marketing products revenue fell about 1.7% to 3.7 million and total advertising revenues reached 8.4 million Euro, which represents a decrease of 1.2%.

EBITDA recorded in this period reached 3.8 million Euro (-3.7%). Decrease in amortization and depreciation motivated by the end of the depreciation period of printing equipment of about 0.9 million euros to 0.7 million Euro, led to a slight improvement in the operating result (EBIT) to 3.1 million Euro.

The income taxes for the third quarter was positively impacted by refunds of taxes paid in prior years.

The net consolidated profit reached approximately 1.5 million Euro, which represents a growth of about 46% over the net income obtained in the third quarter of 2013.

As of September 30, 2014, the nominal net debt of Cofina reached 68.5 million Euro, which corresponds to a decrease of 4.9 million Euro when compared to the 73.4 million Euro recorded in the end of 2013.

Below, some indicators of the business segments are presented:

Newspaper Segment

(amounts in thousand Euro)	3Q 2014	3Q 2013	Var (%) 3Q14/3Q13
Consolidated operating income	21,117	21,929	-3.7%
Circulation	11,398	11,929	-4.5%
Advertising	6,492	6,828	-4.9%
Alternative marketing products and others	3,227	3,172	1.7%
Operating expenses (a)	17,741	18,023	-1.6%
Consolidated EBITDA (b)	3,376	3,906	-13.6%
EBITDA margin	16.0%	17.8%	-1.8 p.p.

(a) Operating expenses excluding amortisation

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

The newspaper segment of Cofina recorded, in the third quarter of 2014, total revenues of 21.1 million Euro, which represents a decrease of 3.7% when compared with the last year's homologous period. The advertising income recorded a decrease of approximately 4.9%, reaching 6.5 million Euro, while the circulation income dropped approximately 4.5% to 11.4 million Euro. The alternative marketing products income recorded an increase of 1.7%, reaching approximately 3.2 million Euro.

Therefore, the EBITDA of the newspaper segment reached in the period under analysis was about 3.4 million Euro, which represents a decrease of approximately 14% when compared with previous year's homologous period.

Magazines Segment

The magazines segment had a very positive performance in the third quarter of 2014 recording a total of 5.8 million Euro, reflecting an increase of approximately 4% when compared to the homologous period of 2013.

(amounts in thousand Euro)	3Q 2014	3Q 2013	Var (%) 3Q14/3Q13
Consolidated operating income	5,831	5,631	3.6%
Circulation	3,493	3,411	2.4%
Advertising	1,865	1,629	14.5%
Alternative marketing products and others	473	591	-20.0%
Operating expenses (a)	5,358	5,539	-3.3%
Consolidated EBITDA (b)	473	92	414.1%
EBITDA margin	8.1%	1.6%	+ 6.5 p.p.

(a) Operating expenses excluding amortisation

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

Circulation income recorded an increase of 2.4%, reaching approximately 3.5 million Euro, while the advertising revenue increased approximately 15%. The alternative marketing products income recorded a decrease of 20%.

Operating costs recorded a decrease of 3%. Therefore, EBITDA of the magazines segment in the third quarter 2014 reached 0.5 million Euros compared to 92 thousand Euro in the last year's homologous period.

Oporto, October 28, 2014

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

CONSOLIDATED STATEMENTS OF FINANCIAL INFORMATION FOR THE PERIODS ENDED 30 SEPTEMBER 2014 AND 31 DECEMBER 2013

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

(Amounts expressed in Euro)

ASSETS	Notas	30.09.2014	31.12.2013
NON CURRENT ASSETS			
Tangible assets		6,360,170	7,177,531
Goodwill	5	91,069,331	90,952,056
Intangible assets		333,730	634,187
Investments in associated companies	4	5,122,585	3,798,159
Investments held for sale	4	8,570	8,570
Investments recorded at fair value through profit and loss		3,616	271
Other non current debtors		350,000	350,000
Deferred tax assets	6	4,572,100	4,697,703
Total non current assets		107,820,102	107,618,477
CURRENT ASSETS			
Inventories		1,740,591	2,251,126
Customers		8,457,643	9,410,134
State and other public entities		747,973	1,249,509
Other current debtors		236,329	513,568
Other current assets		6,112,403	5,831,472
Cash and cash equivalents	7	11,419,378	10,316,267
Total current assets		28,714,317	29,572,076
TOTAL ASSETS		136,534,419	137,190,553
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	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		(30,286,505)	(34,335,639)
Consolidated net profit/(loss) for the period attributable to the parent company		4,703,263	4,681,002
Equity attributable to equity holder of the parent company		21,342,196	17,270,801
Non-controlling interests		790,440	767,940
TOTAL EQUITY		22,132,636	18,038,741
LIABILITIES			
NON CURRENT LIABILITIES			
Bank loans	9	6,000,000	9,000,000
Other loans	9	48,699,523	49,041,611
Pension liabilities		459,894	459,894
Other non current creditors	10	29,326	35,756
Provisions		8,357,490	8,502,480
Total non current liabilities		63,546,233	67,039,741
CURRENT LIABILITIES			
Bank loans	7 e 9	10,077,031	7,007,465
Other loans	9	14,036,427	17,900,832
Derivatives	11	-	495,474
Suppliers		7,050,126	8,302,428
State and other public entities		4,249,015	2,546,957
Other current creditors	10	5,093,346	5,360,647
Other current liabilities		10,349,605	10,498,268
Total current liabilities		50,855,550	52,112,071
TOTAL LIABILITIES		114,401,783	119,151,812
TOTAL EQUITY AND LIABILITIES		136,534,419	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 NINE AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	Notes	30.09.2014	30.09.2013	3rd quarter 2014	3rd quarter 2013
Sales		41,122,706	43,042,239	14,890,808	15,340,007
Services rendered		26,551,216	25,111,382	8,356,604	8,457,458
Other operating income		10,681,225	10,438,701	3,700,789	3,762,557
Cost of sales		(11,109,608)	(11,749,946)	(3,880,089)	(4,052,810)
External supplies and services		(31,496,232)	(31,871,742)	(11,054,058)	(11,240,374)
Payroll expenses		(23,909,343)	(24,647,305)	(7,855,254)	(8,106,076)
Amortization and Depreciation		(2,220,877)	(2,696,260)	(740,720)	(896,657)
Provisions and impairment losses		(546,528)	(463,036)	(199,077)	(184,031)
Other operating expenses		(295,263)	(115,234)	(111,005)	21,633
Financial expenses	12	(3,687,647)	(2,537,608)	(1,145,520)	(655,749)
Financial income	12	519,394	468,966	305,427	216,391
Profit / (loss) before income tax		5,609,043	4,980,157	2,267,905	2,662,349
Income tax	6	(850,353)	(3,415,436)	(697,431)	(1,558,588)
Net consolidated profit / (loss) for the period		4,758,690	1,564,721	1,570,474	1,103,761
Attributable to:					
Shareholders of the parent company		4,703,263	1,553,943	1,536,390	1,053,633
Non-controlling interests		55,427	10,778	34,084	50,128
Earnings per share:					
Basic	15	0.05	0.02	0.01	0.01
Diluted	15	0.05	0.02	0.01	0.01

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 NINE MONTHS PERIODS ENDED 30 SEPTEMBER 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 retained earnings	-	-	-	3,986,740	(3,986,740)	-	-	-
Dividends distributed	-	-	-	(1,025,658)	-	(1,025,658)	(39,375)	(1,065,033)
Changes in reserves and non-controlling interests:								
Business combinations	-	-	-	(264,073)	-	(264,073)	(55,927)	(320,000)
Other changes	-	-	-	(31,519)	-	(31,519)	2,732	(28,787)
Total comprehensive income for the period of nine months ending at 30 September 2013	-	-	-	(7,723)	1,553,943	1,546,220	10,778	1,556,998
Balance as of 30 September 2013	25,641,459	15,874,835	5,409,144	(34,256,045)	1,553,943	14,223,336	658,203	14,881,539
Balance as of 1 January 2014	25,641,459	15,874,835	5,409,144	(34,335,639)	4,681,002	17,270,801	767,940	18,038,741
Appropriation of consolidated net result for 2013:								
Transfer to retained earnings	-	-	-	4,681,002	(4,681,002)	-	-	-
Dividends distributed	-	-	-	(1,025,658)	-	(1,025,658)	(36,750)	(1,062,408)
Changes in reserves and non-controlling interests:								
Other changes	-	-	-	(3,826)	-	(3,826)	3,823	(3)
Total comprehensive income for the period of nine months ending at 30 September 2014	-	-	-	397,616	4,703,263	5,100,879	55,427	5,156,306
Balance as of 30 September 2014	25,641,459	15,874,835	5,409,144	(30,286,505)	4,703,263	21,342,196	790,440	22,132,636

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

The Chartered Accountant

The Board of Directors

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	Notes	30.09.2014	30.09.2013	3rd quarter 2014	3rd quarter 2013
Profit / (loss) for the period		4,758,690	1,564,721	1,570,474	1,103,761
Other comprehensive income:					
Items that won't be reclassified to net income:		-	-	-	-
Items that will be reclassified to net income:					
Exchange differences arising on translation of foreign operations		120,507	(282,468)	(89,890)	(115,171)
Changes in cash-flows hedges' fair value		277,109	274,745	91,674	73,881
		397,616	(7,723)	1,784	(41,290)
Total comprehensive income for the period		5,156,306	1,556,998	1,572,258	1,062,471
Attributable to:					
Shareholders of the parent company		5,100,879	1,546,220	1,538,174	1,012,343
Non-controlling interests		55,427	10,778	34,084	50,128

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The Chartered Accountant

The Board of Directors

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

CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE AND THREE MONTHS PERIODS ENDED 30 SEPTEMBER 2014 AND 2013
(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	Notes	30.09.2014		30.09.2013		3 rd quarter of 2014		3 rd quarter of 2013	
Operating activities									
Cash flow from operating activities (1)		12,597,934		6,980,890		5,647,549		2,277,372	
Investment activities									
Collections relating to:									
Fixed assets		-		379,797		-		379,797	
Interest and similar income		200,609		152,025		86,306		12,545	
Loans granted		-		-		-		-	
Dividends		420,000		100,000		86,306		-	
Payments relating to:									
Investments	7	(1,472,560)		(255,000)		(1,425,000)		(15,000)	
Fixed assets		(1,177,824)		(2,863,462)		(394,204)		(301,889)	
Intangible Assets		(179,196)		(475,746)		(52,483)		(155,614)	
Cash flow from investment activities (2)		(2,208,971)		(2,962,386)		(1,785,381)		(80,161)	
Financing activities									
Collections relating to:									
Loans obtained		5,000,000		5,000,000		-		5,000,000	
Payments relating to:									
Interest and similar costs		(4,062,928)		(3,932,698)		(1,689,229)		(2,366,916)	
Lease contracts		(447,325)		(760,138)		(135,279)		(174,460)	
Dividends		(1,025,658)		(1,025,658)		-		-	
Loans obtained		(12,850,000)		(7,750,000)		(100,000)		(2,350,000)	
Supplementary capital		-		(13,468,494)		(1,924,508)		-	
Cash flow from financing activities (3)		(13,385,911)		(8,468,494)		(1,924,508)		108,624	
Cash and its equivalents at the beginning of the period	7	7,446,155		9,002,300		2,512,416		2,246,475	
Changes in exchange rates		1,841		-		972		-	
Variation of cash and its equivalents: (1)+(2)+(3)		(2,996,948)		(4,449,990)		1,937,660		2,305,835	
Cash and its equivalents at the end of the period	7	4,451,048		4,552,310		4,451,048		4,552,310	

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

The Chartered Accountant

The Board of Directors

(Translation of financial statements 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 is the Parent company of a group of companies detailed in Note 4, commonly designated as "Cofina Group" which develop their activity in the media sector, mainly dedicated to written press. Its shares are 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", "TV Guia", "Flash!" and "GQ", among others.

During the nine month periods ended as of 30 September 2014, the Group developed its activity mainly in Portugal, having also some interests in Brazil through the investment in Destak Brasil and in the subsidiary Adcom Media (Note 4).

Cofina Group consolidated financial statements are expressed in Euro (rounded to the nearest unit). This is the currency used by the Group in its operations and as so, considered the functional currency. The operations of the foreign group companies whose functional currency is not the Euro are translated to Euro using the exchange rates in force at the balance sheet date. 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.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

Annual financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The financial statements as of 30 September 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2014

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

(Amounts expressed in Euro)

4. INVESTMENTSConsolidation perimeter

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and activity developed as of 30 September 2014 are as follows:

Designation	Headquarters	Percentage participation held	Activity
<u>Parent Company:</u>			
Cofina, SGPS, S.A.	Porto		Investment management
<u>Cofina Media Group</u>			
Cofina Media, SGPS, S.A. ("Cofina Media")	Lisbon	100%	Investment management
Presselivre – Imprensa Livre, S.A. ("Presselivre")	Lisbon	99.44%	Newspapers and magazine publication
Edisport – Sociedade de Publicações, S.A. ("Edisport")	Lisbon	100%	Newspapers publication
Edirevistas – Sociedade Editorial, S.A. ("Edirevistas")	Lisbon	99.46%	Magazines publication
Mediafin, SGPS, S.A. ("Mediafin")	Lisbon	100%	Investment management
Metronews – Publicações, S.A. ("Metronews")	Lisbon	59%	Newspapers publication
Grafedisport – Imprensa e Artes Gráficas, S.A. ("Grafedisport")	Queluz	100%	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")	Lisbon	100%	Events promotion and organization
Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media")	São Paulo, Brazil	80%	Communication and advertising services
Efe Erre Participações, SGPS, S.A. ("FR")	Porto	100%	Investment management

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

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

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 SEPTEMBER 2014

(Translation of financial statements 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 30 September 2014 are as follows:

Designation	Acquisition cost	Book value	Equity	Net result
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 3,697,085	€ 9,831,253	€ 658,428
Destak Brasil – Editora, S.A. (a)	-	-	R\$ (400,835)	R\$ (794,998)
Destak Brasil – Empreendimentos e Participações, S.A.	€ 299,064	€ 500	R\$ 1,046,496	R\$ (920,264)
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	-	(b)	(b)

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

(b) – financial information not available.

As of 30 September 2014 and 31 December 2013 the caption “Investments in associated companies” can be detailed as follows:

	30.09.2014	31.12.2013
Financial Investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	3,697,085	3,797,659
Advances on account of financial investments	1,425,000	-
Destak Brasil – Empreendimentos e Participações, S.A.	154,535	154,535
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
	<u>5,348,620</u>	<u>4,024,194</u>
Accumulated impairment losses on investments in associated companies	(226,035)	(226,035)
	<u>5,122,585</u>	<u>3,798,159</u>

As of September 30, 2014, the caption “Advances on account of financial investments” refers to advances for the acquisition of the remaining participations on Metronews and Transjornal.

Investments available for sale

As of 30 September 2014 and 31 December 2013 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 amount of 8,570 Euro. As of 30 September 2014 and 31 December 2013, the total value of investments for which impairments of the same amount were recorded amounts to 877,942 Euro.

5. GOODWILL

During the nine months periods ended as of 30 September 2014 and 2013, the movement in the caption “Goodwill” fully refers to the changes in exchange rates in the nine months periods then ended of the Goodwill of the subsidiary Adcom Media.

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6. INCOME TAXESDeferred taxes

The movement occurred in deferred tax assets in the nine months periods ended as of 30 September 2014 and 2013 was as follows:

	<u>Deferred tax assets</u>	
	<u>30.09.2014</u>	<u>30.09.2013</u>
Opening balance	4,697,703	5,588,538
Effects in the income statement:		
Increase/(Decrease) in tax losses carried forward	2,545,654	14,257
Aumento/(Redução) de provisões e perdas por imparidade de activos		-
Prior year tax correction following changes in tax rules	(2,581,334)	(1,542,829)
Effects in equity:		
Fair value of derivative instruments	(89,923)	(99,058)
Closing balance	<u>4,572,100</u>	<u>3,960,908</u>

Tax expenses

Tax expenses recorded in the income statements for the nine months periods ended as of 30 September 2014 and 2013 are detailed as follows:

	<u>30.09.2014</u>	<u>30.09.2013</u>
Current Tax		
Income tax for the period	2,055,331	838,719
Excess/(Insufficiency) of prior years income tax	(135,234)	42,145
Provision for tax claims	-	1,006,000
Income tax restitution	(1,105,424)	-
Deferred taxes	35,680	1,528,572
	<u>850,353</u>	<u>3,415,436</u>

As of 30 September 2014, disputes with the Portuguese tax authorities ("Autoridade Tributária e Aduaneira" or "AT") were still in progress following a Corporate Income Tax inspection with an original amount of, approximately, 13 million Euro being challenged by the tax authorities. Under the adhesion of the Group to the Tax and Social Security Debts' Regularization Exceptional Regime, approved by the Decree-Law n.º 151-A/2013, of October 31 ("RERD"), the Group paid voluntarily, during the year ended as of December 31, 2013, an amount of 2,000,000 Euro, with the corresponding exemption of default and penalty interests and other costs of the tax process. Under that same regime the Group requested AT the offset of part of the amounts challenged related with that inspection with credits that the Group had over the AT, having obtained, in the first semester of 2014, the approval of the requirement in the amount of, approximately, 5,700,000 Euro. Consequently, the amount of the unresolved contingency, as of 30 September 2014, is, approximately 5,300,000 Euro.

In order to cope with these disputes (including interests and fines), the Group recorded provisions, in past years, in the amount of 7,595,000 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.

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7. CASH AND CASH EQUIVALENTS

As of 30 September 2014, as of 31 December 2013, and as of 30 of September of 2013, the caption "Cash and cash equivalents" can be detailed as follows:

	<u>30.09.2014</u>	<u>31.12.2013</u>	<u>30.09.2013</u>
Cash	53,186	57,960	77,524
Bank deposits repayable on demand	11,366,192	7,258,307	5,095,063
Bank deposits repayable in less than 3 months	-	3,000,000	3,001,000
Cash and cash equivalents in accordance with the balance sheet	<u>11,419,378</u>	<u>10,316,267</u>	<u>8,173,587</u>
Bank overdrafts (Note 9)	(6,968,330)	(2,870,112)	(3,621,277)
Cash and cash equivalents	<u><u>4,451,048</u></u>	<u><u>7,446,155</u></u>	<u><u>4,552,310</u></u>

During the nine months period ended as of 30 September 2014, payments relating to investments were as follows:

<u>Acquisitions</u>	<u>Transaction amount</u>	<u>Amount paid</u>
Cofina - Eventos e Comunicação S.A. (*)	317,560	47,560
Advances on account of financial investments	<u>1,425,000</u>	<u>1,425,000</u>
	<u><u>1,742,560</u></u>	<u><u>1,472,560</u></u>

(*) acquisition of an additional investment of 30% in share capital

During the nine months period ended as of 30 September 2013, 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. (*)	<u>320,000</u>	<u>255,000</u>
	<u><u>320,000</u></u>	<u><u>255,000</u></u>

(*) acquired in previous periods

8. SHARE CAPITAL

As of 30 September 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.

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9. BANK AND OTHER LOANS

As of 30 September 2014 and 31 December 2013, the caption "Bank loans" was made up as follows:

		30.09.2014			
		Book value		Nominal Value	
		Current	Non Current	Current	Non Current
Bank overdrafts (Note 7)		6,968,330	-	6,968,330	-
Bank loans		3,108,701	6,000,000	3,000,000	6,000,000
		<u>10,077,031</u>	<u>6,000,000</u>	<u>9,968,330</u>	<u>6,000,000</u>

		31.12.2013			
		Book value		Nominal Value	
		Current	Non Current	Current	Non Current
Bank overdrafts (Note 7)		2,870,112	-	2,870,112	-
Bank loans		4,137,353	9,000,000	4,000,000	9,000,000
		<u>7,007,465</u>	<u>9,000,000</u>	<u>6,870,112</u>	<u>9,000,000</u>

As of 30 September 2014 and 31 December 2013, the caption "Other loans" was made up as follows:

		30.09.2014			
		Book value		Nominal Value	
		Current	Non Current	Current	Non Current
Bond loans		-	48,699,523	-	50,000,000
Commercial paper		14,036,427	-	14,000,000	-
		<u>14,036,427</u>	<u>48,699,523</u>	<u>14,000,000</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 30 September 2014, this caption refers to a bond loan named "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 48,699,523 Euro. This loan, according to its terms, matures on September 28, 2019.

The main features of this loan are as follows:

- Issuer – Cofina, SGPS, S.A.;
- Nominal value – 50,000,000 Euro;
- Subscription date - 27 September 2013;
- Maturity – 28 September 2019;

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- Reimbursement – at par, on interest payment dates, in three equal installments, as of 28 September 2017, 28 September 2018 and 28 September 2019;
- Interest – 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 September 2016 and January 2015, respectively, and bear interest at market rates.

Regarding the first 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.

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>30.09.2014</u>
2015	1,000,000
2016	<u>5,000,000</u>
	6,000,000
Short term	3,000,000
	<u><u>9,000,000</u></u>

10. LEASING

As of 30 September 2014 and 31 December 2013, the amounts payable to fixed asset suppliers related to financial lease contracts were classified in the captions “Other non-current creditors” and “Other current creditors” and had the following reimbursement plan:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Year n+1	29,326	24,482
Year n+2	-	10,914
	<u>29,326</u>	<u>35,396</u>
Short term	102,318	452,993
	<u><u>131,644</u></u>	<u><u>488,389</u></u>

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11. DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 September 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 nine months periods ended as of 30 September 2014 and 2013 can be presented as follows:

30.09.2014					
	"Market-to-market"	Accrued interest	Market-to-market net of accrued interest	Deferred tax assets	Net Value
Opening balance	495,474	(128,442)	367,032	89,923	277,109
Increases / (decreases)	(495,474)	N/A	(367,032)	(89,923)	(277,109)
Closing balance	-	-	-	-	-

30.09.2013					
	"Market-to-market"	Accrued interest	Market-to-market net of accrued interest	Deferred tax assets	Net Value
Opening balance	992,890	(126,878)	866,012	229,493	636,519
Increases / (decreases)	(500,680)	N/A	(373,802)	(99,057)	(274,745)
Closing balance	492,210	-	492,210	130,437	361,773

As of 30 September 2014 the derivative financial instruments contracts held by the Group are matured.

12. FINANCIAL RESULTS

The financial income and expenses for the nine months periods ended as of 30 September 2014 and 2013 are made up as follows:

	30.09.2014	30.09.2013
<u>Financial expenses</u>		
Interest paid	2,799,727	1,687,741
Interests related with derivatives	371,314	374,534
Commissions	486,584	424,731
Other financial expenses	30,022	50,602
	<u>3,687,647</u>	<u>2,537,608</u>
<u>Financial income</u>		
Interest received	199,968	90,797
Gains and losses in associated companies		
Equity Method	319,426	378,169
	<u>519,394</u>	<u>468,966</u>

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13. RELATED PARTIES

The main balances with related parties at September 30, 2014 and 2013 and the main transactions with these entities during the periods then ended, are detailed as follows:

30.09.2014			
	Sales and other income	Services rendered	Acquisition of goods and services
Transactions			
VASP – Sociedade de Transportes e Distribuições, Lda.	42,908,462	-	397,320
Destak Brasil Editora, S.A.	-	2,964,197	-
	<u>42,908,462</u>	<u>2,964,197</u>	<u>397,320</u>
Balances	<u>Accounts receivable</u>	<u>Accounts payable</u>	<u>Sales to invoice</u>
VASP – Sociedade de Transportes e Distribuições, Lda.	145,798	54,760	4,838,072
Destak Brasil Editora, S.A.	453,649	-	-
Destak Brasil - Empreendimentos e Participações, S.A.	-	473,148	-
	<u>599,447</u>	<u>527,908</u>	<u>4,838,072</u>
30.09.2013			
	Sales and other income	Services rendered	Acquisition of goods and services
Transactions			
VASP – Sociedade de Transportes e Distribuições, Lda.	44,502,883	-	474,064
Destak Brasil Editora, S.A.	-	2,652,181	-
	<u>44,502,883</u>	<u>2,652,181</u>	<u>474,064</u>
Balances	<u>Accounts receivable</u>	<u>Accounts payable</u>	<u>Sales to invoice</u>
VASP – Sociedade de Transportes e Distribuições, Lda.	53,599	189,113	5,205,000
Destak Brasil Editora, S.A.	1,212,008	-	-
Destak Brasil - Empreendimentos e Participações, S.A.	-	529,100	-
	<u>1,265,606</u>	<u>718,213</u>	<u>5,205,000</u>

Sales and services rendered to associated companies during the nine months periods ended as of 30 September 2014 and 2013 relate mainly to sales of publications (newspapers and magazines) and alternative marketing products to VASP (Note 4), which handles the corresponding distribution to the points of sale. These transactions are carried out under the normal activity of the Group.

The services rendered to associated companies during the nine months periods ended as of 30 September, 2014 and 2013 correspond to the sale of advertising of the subsidiary Adcom Media (Note 4).

Related entities

Apart from companies included in the consolidation (Note 4), the entities considered related to September 30, 2014 can be presented as follows:

- Altri, SGPS, S.A.
- Alteria, SGPS, S.A.
- Altri - Energias Renováveis, SGPS, S.A.

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- 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.
- Actium Capital, SGPS, S.A.
- Captaraiz Unipessoal, Lda.
- Celbi – Celulose da Beira Industrial, S.A.
- Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Celulose do Caima, SGPS, S.A.
- Cofihold, SGPS, S.A.
- Elege Valor, SGPS, S.A.
- Ramada – Aços, S.A.
- F. Ramada Investimentos, SGPS, S.A.
- Storage Solutions, 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.
- 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, S.A.
- Valor Autêntico, SGPS, S.A.
- Viveiros do Furadouro Unipessoal, Lda.

Board of Directors:

The Board of Directors of Cofina, SGPS, SA on September 30, 2014 was composed as follows:

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. RESPONSIBILTIES FOR GUARANTEES PROVIDED

As of 30 September 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, to a maximum of 8,000,000 Euro, granted by Banco BPI, S.A., which outstanding debt, as of 30 September 2014, amounts to 4,309,347 Euro.
- 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 2,000,000 Euro as of 30 September 2014 (Note 9);

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- c) Pledge of 25,350 shares of Edisport – Sociedade de Publicações, S.A., in favor of Portuguese tax authorities (“Autoridade Tributária e Aduaneira”), as a guarantee for tax claims.

As of 30 September 2014 Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 498,000 Euro, mainly in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 63,500,000 Euro.

15. EARNINGS PER SHARE

Earnings per share for the nine months periods ended as of 30 September 2014 and 2013 were determined taking into consideration the following amounts:

	30.09.2014	30.09.2013
Net profit considered to compute basic and diluted earnings	4,703,263	1,553,943
Weighted average number of shares used to compute basic earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0,05	0,02
Diluted	0,05	0,02

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 nine months periods ended as of 30 September 2014 and 2013 is detailed as follows:

	Newspapers	Magazines	Eliminations and consolidations adjustments	Tota
30.09.2014				
Net operating income	62,827,208	15,527,939	-	78,355,147
Operating Cash-flow - EBITDA (a)	10,785,160	213,013	-	10,998,173
Operating profit	8,593,965	183,331	-	8,777,296

	Newspapers	Magazines	Eliminations and consolidations adjustments	Tota
30.09.2013				
Net operating income	62,537,412	16,054,910	-	78,592,322
Operating Cash-flow - EBITDA (a)	10,601,043	(855,984)	-	9,745,059
Operating profit	7,935,824	(887,025)	-	7,048,799

(a) – Earnings before interest, taxes, depreciation and amortization

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 profit of Cofina, S.G.P.S., S.A., in the amount of 5,093,237.89 Euro would be transferred to caption “Other 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, 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.

18. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of September 30, 2014 were approved by the Board of Directors and authorized for issue on 28 October of 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) 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