



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 '15 FINANCIAL INFORMATION
(not audited)**

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and with accordance with the International Accounting Standard 34 – Interim Financial Reporting, 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.

The consolidated financial information of Cofina for the 3rd quarter of 2015, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), can be presented as follows:

| (amounts in thousand Euro) | 3Q 2015 | 3Q 2014 | Var (%) 3Q15/3Q14 |
|--|---------------|---------------|----------------------|
| Operating income | 25,368 | 26,948 | -5.9% |
| Circulation | 14,741 | 14,891 | -1.0% |
| Advertising | 7,772 | 8,356 | -7.0% |
| Alternative marketing products and others | 2,855 | 3,701 | -22.9% |
| Operating income by segments | 25,368 | 26,948 | -5.9% |
| Newspapers | 20,279 | 21,117 | -4.0% |
| Magazines | 5,089 | 5,831 | -12.7% |
| Operating expenses (a) | 21,478 | 23,099 | -7.0% |
| Consolidated EBITDA (b) | 3,890 | 3,849 | 1.1% |
| EBITDA margin | 15.3% | 14.3% | +1.1 p.p. |
| Newspapers EBITDA | 3,711 | 3,376 | 9.9% |
| Newspapers EBITDA margin | 18.3% | 16.0% | +2.3 p.p. |
| Magazines EBITDA | 179 | 473 | - |
| Magazines EBITDA margin | 3.5% | 8.1% | -4.6 p.p. |
| Amortisation and depreciation (-) | 721 | 741 | -2.7% |
| EBIT | 3,169 | 3,108 | 2.0% |
| EBIT margin | 12.5% | 11.5% | +1.0 pp |
| Net financial income | (740) | (840) | - |
| Income before taxes and non-controlling interests | 2,429 | 2,268 | 7.1% |
| Income taxes | 914 | 698 | 30.9% |
| Non-controlling interests | - | 34 | -100.0% |
| Net consolidated profit / loss (c) | 1,515 | 1,536 | -1.4% |

(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 2015 was characterized by a decrease of revenue, with special focus on the decline in advertising revenue, which was less than the decrease of costs. In absolute terms, revenues decreased by 1.58 million Euro, while costs were reduced by approximately 1.61 million Euro. Thus, in the third quarter of 2015, EBITDA registered an increase of 1.1%, reaching 3.9 million Euro.

Advertising revenue reached 7.8 million Euro which represents a decrease of 7%. Circulation revenue recorded a slight decline (-1%), to 14.7 million Euro. Revenue from alternative marketing products and other amounted to 2.9 million Euro recording a decrease of 23%.

Profit before tax registered a growth of 7%, reaching 2.4 million Euro. Net profit reached 1.5 million Euro.

Newspapers Segment

| (amounts in thousand Euro) | 3Q 2015 | 3Q 2014 | Var (%) 3Q15/3Q14 |
|---|---------------|---------------|----------------------|
| Consolidated operating income | 20,279 | 21,117 | -4.0% |
| Circulation | 11,743 | 11,398 | 3.0% |
| Advertising | 6,185 | 6,492 | -4.7% |
| Alternative marketing products and others | 2,351 | 3,227 | -27.1% |
| Operating expenses (a) | 16,568 | 17,741 | -6.6% |
| Consolidated EBITDA (b) | 3,711 | 3,376 | 9.9% |
| EBITDA margin | 18.3% | 16.0% | +2.3 p.p. |

(a) Operating expenses excluding amortisation

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

The newspapers segment of Cofina recorded, in the third quarter of 2015, total revenues of 20.3 million Euro, which represents a decrease of 4% when compared with the last year's homologous period. The advertising income recorded a decrease of 5% reaching 6.2 million Euro and revenue related to alternative marketing products and others recorded a decrease of 27%, reaching approximately 2.4 million Euro.

Circulation revenue increased 3% reaching 11.7 million Euro.

The implemented policies of control and rationalization of costs led to a cost decrease of 1.2 million Euro (-6.6%) reaching 16.6 million Euro.

Therefore, the newspapers segment EBITDA reached in the quarter under analysis amounted to approximately 3.7 million Euro, which represents an increase of approximately 10%, when compared with the last year's homologous period. EBITDA margin amounted to 18.3% which represents an increase of 2.3 percentage points when compared with the third quarter of 2014.

Magazines Segment

Total income from this segment reached approximately 5.1 million Euro reflecting a decrease of 13% when compared with the homologous period of 2014.

| (amounts in thousand Euro) | 3Q 2015 | 3Q 2014 | Var (%) 3Q15/3Q14 |
|---|--------------|--------------|----------------------|
| Consolidated operating income | 5,089 | 5,831 | -12.7% |
| Circulation | 2,998 | 3,493 | -14.2% |
| Advertising | 1,587 | 1,865 | -14.9% |
| Alternative marketing products and others | 504 | 473 | 6.6% |
| Operating expenses (a) | 4,910 | 5,358 | -8.4% |
| Consolidated EBITDA (b) | 179 | 473 | - |
| EBITDA margin | 3.5% | 8.1% | -4.6 p.p. |

(a) Operating expenses excluding amortisation

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

Circulation income recorded a decrease of 14%, having reached approximately 3 million Euro, whilst the advertising revenue decreased 15% to 1.6 million Euro. Revenue related to alternative marketing products reached approximately 0.5 million Euro, having increased 6.6%.

Therefore, EBITDA recorded in the magazines segment, in the third quarter of 2015, was 179 thousand Euro, compared to an EBITDA of 473 thousand Euro recorded in the third quarter of 2014.

Accumulated results as of September 2015

| (amounts in thousand Euro) | 9M 2015 | 9M 2014 | Var (%) 9M15/9M14 |
|--|---------------|---------------|----------------------|
| Operating Income | 75,365 | 78,355 | -3.8% |
| Circulation | 40,637 | 41,123 | -1.2% |
| Advertising | 24,126 | 26,551 | -9.1% |
| Alternative marketing products and others | 10,602 | 10,681 | -0.7% |
| Operating income by segments | 75,365 | 78,355 | -3.8% |
| Newspapers | 60,601 | 62,827 | -3.5% |
| Magazines | 14,764 | 15,528 | -4.9% |
| Operating expenses (a) | 64,619 | 67,357 | -4.1% |
| Consolidated EBITDA (b) | 10,746 | 10,998 | -2.3% |
| EBITDA margin | 14.3% | 14.0% | +0.2 p.p. |
| Newspapers EBITDA | 10,982 | 10,785 | 1.8% |
| Newspapers EBITDA margin | 18.1% | 17.2% | +1.0 p.p. |
| Magazines EBITDA | -236 | 213 | - |
| Magazines EBITDA margin | -1.6% | 1.4% | -3.0 p.p. |
| Amortizações Correntes (-) | 2,163 | 2,221 | -2.6% |
| EBIT | 8,583 | 8,777 | -2.2% |
| EBIT margin | 11.4% | 11.2% | +0.2 pp |
| Net financial income | (2,756) | (3,168) | -13.0% |
| Income before taxes and non-controlling interests | 5,827 | 5,609 | 3.9% |
| Income taxes | 2,009 | 851 | 136.1% |
| Non-controlling interests | - | 55 | - |
| Net consolidated profit / loss (c) | 3,818 | 4,703 | -18.8% |

(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 accumulated profit for the first 9 months of 2015 was characterized by a decrease of revenue, with special focus on the decline in advertising revenue. Thus, in the period under analysis, EBITDA decreased 2% reaching 10.7 million Euro.

Net profit reached 3.8 million Euro.

As of September 30th, 2015 the nominal net debt of Cofina amounted 64.2 million Euro which corresponds to a decrease of 2.4 million Euro in relation to the net debt recorded on June 30th, 2015.

Oporto, October 30th, 2015

The Board of Directors

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

CONSOLIDATED STATEMENTS OF FINANCIAL INFORMATION FOR THE PERIODS ENDED

SEPTEMBER 30, 2015 AND DECEMBER 31, 2014

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

| ASSETS | Notes | 30.09.2015 | 31.12.2014 |
|--|---------|--------------------|--------------------|
| NON CURRENT ASSETS | | | |
| Tangible assets | | 4.908.502 | 5.883.466 |
| Goodwill | 5 | 88.730.854 | 89.316.685 |
| Intangible assets | | 231.045 | 489.077 |
| Investments in associated companies | 4 | 2.902.006 | 3.860.407 |
| Investments held for sale | 4 | 9.080 | 29.498 |
| Investments recorded at fair value through profit and loss | | 13.574 | 5.482 |
| Other non current debtors | | 350.000 | 350.000 |
| Deferred tax assets | 6 | 1.482.641 | 2.578.268 |
| Total non current assets | | 98.627.702 | 102.512.883 |
| CURRENT ASSETS | | | |
| Inventories | | 1.456.399 | 1.872.891 |
| Customers | | 8.551.437 | 9.088.161 |
| State and other public entities | | 1.071.419 | 945.464 |
| Other current debtors | | 1.638.746 | 312.548 |
| Other current assets | | 9.284.758 | 7.115.217 |
| Cash and cash equivalents | 7 | 3.784.999 | 12.658.992 |
| Total current assets | | 25.787.758 | 31.993.273 |
| TOTAL ASSETS | | 124.415.460 | 134.506.156 |
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| 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 | | (29.425.374) | (32.913.647) |
| Consolidated net profit/(loss) for the period attributable to the parent company | | 3.817.683 | 6.173.887 |
| Equity attributable to equity holder of the parent company | | 21.317.747 | 20.185.678 |
| Non controlling interests | | - | 90.981 |
| TOTAL EQUITY | | 21.317.747 | 20.276.659 |
| LIABILITIES | | | |
| NON CURRENT LIABILITIES | | | |
| Other loans | 9 | 48.965.501 | 49.274.676 |
| Other non current creditors | 10 | 45.080 | 45.080 |
| Provisions | | 10.695.265 | 10.320.480 |
| Total non current liabilities | | 59.705.846 | 59.640.236 |
| CURRENT LIABILITIES | | | |
| Bank loans | 7 and 9 | - | 4.732.462 |
| Other loans | 9 | 17.922.295 | 23.496.752 |
| Suppliers | | 9.670.799 | 9.158.181 |
| State and other public entities | | 3.671.466 | 3.065.338 |
| Other current creditors | 10 | 4.195.206 | 5.346.958 |
| Other current liabilities | | 7.932.101 | 8.789.570 |
| Total current liabilities | | 43.391.867 | 54.589.261 |
| TOTAL LIABILITIES | | 103.097.713 | 114.229.497 |
| TOTAL EQUITY AND LIABILITIES | | 124.415.460 | 134.506.156 |

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 SEPTEMBER 30, 2015 AND 2014

(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

| | <u>Notes</u> | <u>30.09.2015</u> | <u>30.09.2014</u> | <u>3rd quarter 2015</u> | <u>3rd quarter 2014</u> |
|---|--------------|-------------------|-------------------|-------------------------|-------------------------|
| Sales | | 40.636.708 | 41.122.706 | 14.740.619 | 14.890.808 |
| Services rendered | | 24.125.836 | 26.551.216 | 7.771.827 | 8.356.604 |
| Other operating income | | 10.602.537 | 10.681.225 | 2.855.123 | 3.700.789 |
| Cost of sales | | (9.772.580) | (11.109.608) | (3.399.587) | (3.880.089) |
| External supplies and services | | (29.775.923) | (31.496.232) | (9.391.932) | (11.054.058) |
| Payroll expenses | | (24.475.772) | (23.909.343) | (8.446.719) | (7.855.254) |
| Amortisation and depreciation | | (2.163.063) | (2.220.877) | (720.754) | (740.720) |
| Provisions and impairment losses | | (356.531) | (546.528) | (162.241) | (199.077) |
| Other operating expenses | | (238.435) | (295.263) | (77.657) | (111.005) |
| Financial expenses | 11 | (2.757.661) | (3.687.647) | (739.241) | (1.145.520) |
| Financial income | 11 | 2.101 | 519.394 | - | 305.427 |
| Profit / loss before income tax | | 5.827.217 | 5.609.043 | 2.429.438 | 2.267.905 |
| Income tax | 6 | (2.009.534) | (850.353) | (914.535) | (697.431) |
| Net consolidated profit / (loss) for the period | | 3.817.683 | 4.758.690 | 1.514.903 | 1.570.474 |
| Attributable to: | | | | | |
| Shareholders of the parent company | | 3.817.683 | 4.703.263 | 1.514.903 | 1.536.390 |
| Non-controlling interests | | - | 55.427 | - | 34.084 |
| Earnings per share: | | | | | |
| Basic | 12 | 0,04 | 0,05 | 0,01 | 0,01 |
| Diluted | 12 | 0,04 | 0,05 | 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 SEPTEMBER 30, 2015 AND 2014

(Translation of financial statements originally issued in Portuguese - Note 17)
 (Amounts expressed in Euro)

| | Attributable to equity holders of the parent company | | | | | | Non controlling interests | Total equity |
|--|--|-----------------------|------------------|---------------------|---------------------|-------------------|---------------------------|-------------------|
| | Share capital | Share premium account | Legal reserve | Other reserves | Net profit / (loss) | Total | | |
| 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 month's 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 |
| Balance as of 1 January 2015 | 25.641.459 | 15.874.835 | 5.409.144 | (32.913.647) | 6.173.887 | 20.185.678 | 90.981 | 20.276.659 |
| Appropriation of consolidated net result for 2014: | | | | | | | | |
| Transfer to retained earnings | - | - | - | 6.173.887 | (6.173.887) | - | - | - |
| Dividends distributed | - | - | - | (2.051.317) | - | (2.051.317) | | (2.051.317) |
| Changes in reserves and non-controlling interests: | | | | | | | | |
| Other changes | - | - | - | 142.591 | - | 142.591 | (90.981) | 51.610 |
| Total comprehensive income for the period | | | | | | | | |
| of nine month's ending at 30 September 2015 | - | - | - | (776.888) | 3.817.683 | 3.040.795 | - | 3.040.795 |
| Balance as of 30 September 2015 | 25.641.459 | 15.874.835 | 5.409.144 | (29.425.374) | 3.817.683 | 21.317.747 | - | 21.317.747 |

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 SEPTEMBER 30, 2015 AND 2014**

(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

| | <u>30.09.2015</u> | <u>30.09.2014</u> | <u>3rd quarter 2015</u> | <u>3rd quarter 2014</u> |
|---|--------------------------|--------------------------|------------------------------------|------------------------------------|
| Profit / (loss) for the period | 3.817.683 | 4.758.690 | 1.514.903 | 1.570.474 |
| Other comprehensive income: | | | | |
| Items that will not be reclassified to net income | - | - | - | - |
| Items that will be reclassified to net income | | | | |
| Exchange differences arising on translation of foreign operations | (776.888) | 120.507 | (583.292) | (89.890) |
| Changes in cash-flows hedges' fair value | - | 277.109 | - | 91.674 |
| | <u>(776.888)</u> | <u>397.616</u> | <u>(583.292)</u> | <u>1.784</u> |
| Total comprehensive income for the period | <u>3.040.795</u> | <u>5.156.306</u> | <u>931.611</u> | <u>1.572.258</u> |
| Attributable to: | | | | |
| Shareholders of the parent company | 3.040.795 | 5.100.879 | 931.611 | 1.538.174 |
| Non-controlling interests | - | 55.427 | - | 34.084 |
| | <u>3.040.795</u> | <u>5.156.306</u> | <u>931.611</u> | <u>1.572.258</u> |

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

The Chartered Accountant

The Board of Directors

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE AND THREE MONTHS PERIODS ENDED SEPTEMBER 30, 2015 AND 2014

(Translation of financial statements originally issued in Portuguese - Note 17)
(Amounts expressed in Euro)

| | Notes | 30.09.2015 | 30.09.2014 | 3rd quarter 2015 | 3rd quarter 2014 |
|---|-------|---------------------|---------------------|---------------------|---------------------|
| Operating activities | | | | | |
| <i>Cash flow from operating activities (1)</i> | | <u>8.534.865</u> | <u>12.597.934</u> | <u>5.069.356</u> | <u>5.647.549</u> |
| Investment activities | | | | | |
| Collections relating to: | | | | | |
| Tangible assets | | 650 | - | - | - |
| Interest and similar income | | 11.381 | 200.609 | (10.547) | 86.306 |
| Financial investments | 7 | 765.900 | - | - | - |
| Dividends | 7 | 234.100 | 1.012.031 | 420.000 | 620.609 |
| Payments relating to: | | | | | |
| Financial investments | 7 | (1.575.000) | (1.472.560) | - | (1.425.000) |
| Tangible assets | | (956.014) | (1.177.824) | (596.363) | (394.204) |
| Intangible assets | | (182.866) | (2.713.880) | (179.196) | (2.829.580) |
| <i>Cash flow from investment activities (2)</i> | | <u>(1.701.849)</u> | <u>(2.208.971)</u> | <u>(23.979)</u> | <u>(620.342)</u> |
| Financing activities | | | | | |
| Collections relating to: | | | | | |
| Loans obtained | | <u>9.550.000</u> | <u>9.550.000</u> | <u>5.000.000</u> | <u>2.550.000</u> |
| Payments relating to: | | | | | |
| Interest and similar costs | | (3.446.587) | (4.062.928) | (1.994.601) | (1.689.229) |
| Lease contracts amortisation | | (26.012) | (447.325) | (8.670) | (135.279) |
| Dividends | | (2.051.317) | (1.025.658) | - | - |
| Loans obtained | | (15.000.000) | (20.523.916) | (12.850.000) | (18.385.911) |
| <i>Cash flow from financing activities (3)</i> | | <u>(10.973.916)</u> | <u>(13.385.911)</u> | <u>(11.000.000)</u> | <u>(13.003.271)</u> |
| Cash and its equivalents at the beginning of the period | 7 | 7.926.530 | 7.446.155 | 9.799.803 | 2.512.416 |
| Changes in exchange rates | | (631) | 1.841 | - | 972 |
| Variation of cash and its equivalents: (1)+(2)+(3) | | <u>(4.140.900)</u> | <u>(2.996.948)</u> | <u>(6.014.804)</u> | <u>1.937.660</u> |
| Cash and its equivalents at the end of the period | 7 | <u>3.784.999</u> | <u>4.451.048</u> | <u>3.784.999</u> | <u>4.451.048</u> |

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 17)

(Amounts expressed in Euro)

1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company"), is a public company, with head-office located at Rua General Norton de Matos, 68, r/c, in Oporto, 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 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" and "Flash!" among others.

During the nine month period ended as of September 30, 2015, 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 converted 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 2015 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 2014.

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 SEPTEMBER 30, 2015

(Translation of financial statements originally issued in Portuguese - Note 17)

(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 September 30, 2015 are as follows:

| Designation | Headquarters | Percentage of participation held | Activity |
|--|-------------------|----------------------------------|---|
| <u>Parent Company:</u> | | | |
| Cofina, SGPS, S.A. | Oporto | | Investment management |
| <u>Cofina Media Group</u> | | | |
| Cofina Media, S.A. ("Cofina Media") (a) | Lisbon | 100% | Newspapers and magazine publication, emission of TV broadcast, production and creation of websites for online business development and events promotion and organization. |
| Grafedisport – Impressão e Artes Gráficas, S.A. ("Grafedisport") | Lisbon | 100% | Newspapers print |
| Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media") | São Paulo, Brazil | 100% | Communication and advertising services |

a) During the nine months period ended September 30, 2015, a merger by incorporation took place between the incorporating company Cofina Media, S.A. and the merged companies Metronews – Publicações, S.A., Transjornal – Edição de Publicações, S.A. and Gratuitgadget – SGPS, Lda., having Cofina Media incorporated, with accounting effects as of 1 January 2015, all operating activities of these companies as well as the assets and liabilities of the merged companies at their book value. This merger did not produce any impact on the accompanying consolidated financial statements. Additionally, during that period, Cofina Group acquired stocks representing 0.10% of Cofina Media, S.A. equity, now owning 100% of the share capital and voting rights of the company.

During the nine months period ended September 30, 2015, the Group liquidated the subsidiary BUZ Participações Ltda. Since September 30, 2015, the company is no longer part of the consolidated perimeter.

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 September 30, 2015 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 | 29.90% | - | 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 companies VASP and Destak Brasil were included in the consolidated financial statements in accordance with the equity method. The company Mercados Globais is recorded at cost less accumulated impairment losses.

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

Investments in associated companies

The acquisition cost of the associated companies and their book value as of September 30, 2015 are as follows:

| Designation | Acquisition cost | Book value | Equity | Net result |
|---|------------------|-------------|-----------------|-----------------|
| VASP – Sociedade de Transportes e Distribuições, Lda. | € 6,234 | € 2,902,006 | € 8,706,052 | € 249,586 |
| Destak Brasil – Empreendimentos e Participações, S.A. | € 299,064 | € (335,720) | R\$ (5,031,099) | R\$ (5,761,846) |
| Mercados Globais – Publicação de Conteúdos, Lda. | € 72,000 | - | (a) | (a) |

(a) – Financial information not available.

As of September 30, 2015 and December 31, 2014 the caption "Investments in associated companies" can be detailed as follows:

| | <u>30.09.2015</u> | <u>31.12.2014</u> |
|--|-------------------|-------------------|
| Financial Investment | | |
| VASP – Sociedade de Transportes e Distribuições, Lda. | 2,902,006 | 3,792,565 |
| Destak Brasil – Empreendimentos e Participações, S.A. | - | 67,842 |
| Mercados Globais - Publicação de Conteúdos, Lda. | 72,000 | 72,000 |
| | <u>2,974,006</u> | <u>3,932,407</u> |
| Impairment losses on investments in associated companies | (72,000) | (72,000) |
| | <u>2,902,006</u> | <u>3,860,407</u> |

Investments available for sale

As of September 30, 2015 and December 31, 2014 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 9,080 Euro and 29,498 Euro, respectively. As of September 30, 2015 and December 31, 2014, the total value of investments for which impairments of the same amount were recorded amounts to 244,439 Euro.

5. GOODWILL

During the nine months period ended as of September 30, 2015 and 2014, the movement in the caption "Goodwill" fully refers to the effect of the exchange rates' change in the Goodwill of the subsidiary Adcom Media.

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

6. INCOME TAXESDeferred taxes

The movement occurred in deferred tax assets in the nine months periods ended as of September 30, 2015 and 2014 was as follows:

| | Deferred tax assets | |
|---|---------------------|------------------|
| | 30.09.2015 | 30.09.2014 |
| Opening balance | 2,578,268 | 4,697,703 |
| Effects in the income statement: | | |
| Increase/(Decrease) in tax losses carried forward | (949,564) | 2,545,654 |
| Correction to the taxable income of prior years due to changes in tax legislation | - | (2,581,334) |
| Concession/(Use) of tax credits | (146,063) | - |
| Effects in equity: | | |
| Fair value of derivate instruments | - | (89,923) |
| Closing balance | <u>1,482,641</u> | <u>4,572,100</u> |

Tax expenses

Tax expenses recorded in the income statements for the period ended as of September 30, 2015 and 2014 are detailed as follows:

| | 30.09.2015 | 30.09.2014 |
|--|------------------|----------------|
| Current Tax | | |
| Income tax for the period | 1,045,073 | 2,055,331 |
| Insufficiency/(Excess) of prior years income tax | (131,166) | (135,234) |
| Restitution of income tax unduly collected in previous years | - | (1,105,424) |
| Concession/(Use) of tax credits | 146,063 | - |
| Others | - | - |
| Deferred taxes | 949,564 | 35,680 |
| | <u>2,009,534</u> | <u>850,353</u> |

As of September 30, 2015, 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, 20,200,000 Euro being challenged by the tax authorities. Under the adherence of the Group to the Tax and Social Security Debts' Regularization Exceptional Regime, approved by the Decree-Law no. 151-A/2013, of October 31 ("RERD"), the Group paid voluntarily, during the year ended as of 31 December 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 to the Tax Authorities the offset of part of the amounts challenged related with that inspection with credits that the Group had over the Tax Authorities (regarding Income Tax administrative and judicial appeals), having obtained, in the year ended as of December 31, 2014, the approval of the requirement in the amount of, approximately, 5,700,000 Euro. Consequently, the amount of the unresolved contingency, as of September 30, 2015, is, approximately 12,500,000 Euro.

In order to cope with these disputes, the Group recorded provisions, which correspond to the best estimate made by the Board of Directors, supported by their legal and tax advisors, of the impact that might outcome from the ongoing tax claims.

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

7. CASH AND CASH EQUIVALENTS

As of September 30, 2015 and December 31, 2014, the caption "Cash and cash equivalents" can be detailed as follows:

| | <u>30.09.2015</u> | <u>31.12.2014</u> |
|--|-------------------|-------------------|
| Cash | 62,149 | 59,202 |
| Bank deposits repayable on demand | 3,722,850 | 9,299,790 |
| Bank deposits repayable in less than 3 months | - | 3,300,000 |
| Cash and cash equivalents in accordance with the balance sheet | 3,784,999 | 12,658,992 |
| Bank overdrafts (Note 9) | - | (4,732,462) |
| Cash and cash equivalents | 3,784,999 | 7,926,530 |

During the nine months period ended as of September 30, 2015, payments relating to investments were as follows:

| <u>Acquisitions</u> | <u>% acquired</u> | <u>Transaction amount</u> | <u>Amount paid</u> |
|---|-------------------|---------------------------|--------------------|
| Adcom Media - Anúncios e Publicidade S.A. | 20,00% | 2.287.344 | 1.108.483 |
| Metronews - Publicações, S.A. | 41,00% | 942.237 | 456.623 |
| BUZ Participações Ltda. | 100,00% | 16.637 | 8.062 |
| Gratuitgadget - SGPS, Lda. | 100,00% | 3.781 | 1.832 |
| Destak Brasil - Empreendimentos e Participações, S.A. | 5,98% | 1 | - |
| | | <u>3.250.000</u> | <u>1.575.000</u> |

During the nine months period ended as of September 30, 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>1.742.560</u> | <u>1.472.560</u> |

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

During the nine months period ended as of September 30, 2015, the associated company VASP decreased its share capital in the amount of 2,297,700 Euro, distributing an additional amount of 702,300 Euro as dividends to its shareholders. As the Group holds a participation of 33% on this company, the Group received 765,900 Euro relating to the capital reduction and 234,100 Euro relating to dividends (420,000 Euro in the nine month period ended as of September 30, 2014).

8. SHARE CAPITAL

As of September 30, 2015, the Company's fully subscribed and paid up capital consisted of 102,565,836 shares without nominal value. As of that date, Cofina and the Group companies did not hold own shares.

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

9. BANK AND OTHER LOANS

As of 31 December 2014 the caption "Bank loans" was made up exclusively of bank overdrafts (Note 7).

As of September 30, 2015 and December 31, 2014, the caption "Other loans" was made up as follows:

| | 30.09.2015 | | | |
|------------------|-------------------|-------------------|-------------------|-------------------|
| | Book value | | Nominal Value | |
| | Current | Non Current | Current | Non Current |
| Bond loans | - | 48,965,501 | - | 50,000,000 |
| Commercial paper | 17,922,295 | - | 18,000,000 | - |
| | <u>17,922,295</u> | <u>48,965,501</u> | <u>18,000,000</u> | <u>50,000,000</u> |

| | 31.12.2014 | | | |
|------------------|-------------------|-------------------|-------------------|-------------------|
| | Book value | | Nominal Value | |
| | Current | Non Current | Current | Non Current |
| Bond loans | - | 49,274,676 | - | 50,000,000 |
| Commercial paper | 23,496,752 | - | 23,500,000 | - |
| | <u>23,496,752</u> | <u>49,274,676</u> | <u>23,500,000</u> | <u>50,000,000</u> |

Bond loans

As of September 30, 2015, the non-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 49,965,501 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 – September 27, 2013;
- Maturity – September 28, 2019;
- Reimbursement – at par, on interest payment dates, in three equal instalments, as of September 28, 2017, September 2018 and September 2019;
- Interest – postponed, corresponding to 6-month Euribor plus a spread of 3.8%.

Commercial paper

The liability caption "Commercial paper" relates to three commercial paper programs, in the maximum amounts of 15,000,000 Euro, 12,000,000 Euro, and 7,000,000 Euro, with guaranteed subscription by the banks and bear interests at market rates. These commercial paper programs mature in January 2016, September 2016 and April 2020, respectively.

Regarding these programs, as they can be terminated by any of the parts, in each annual/semiannual term date of the program, they were classified as current.

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

10. LEASING

As of September 30, 2015 and December 31, 2014, 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:

| | 30.09.2015 | 31.12.2014 |
|------------|--------------|--------------|
| Year n+1 | 30,844 | 30,844 |
| Year n+2 | 14,236 | 14,236 |
| | <hr/> 45,080 | <hr/> 45,080 |
| Short term | 14,247 | 42,742 |
| | <hr/> 59,327 | <hr/> 87,822 |

11. FINANCIAL RESULTS

The financial income and expenses for the nine months period ended as of September 30, 2015 and 2014 are made up as follows:

| | 30.09.2015 | 30.09.2014 |
|--|-----------------|-----------------|
| Financial expenses | | |
| Interest paid | 2,001,739 | 2,799,727 |
| Interests related with derivatives | - | 371,314 |
| Bank commissions | 320,032 | 486,584 |
| Other financial expenses | 49,993 | 30,022 |
| Gains and losses in associated companies | | |
| Application of the Equity Method | 385,897 | - |
| | <hr/> 2,757,661 | <hr/> 3,687,647 |
| Financial income | | |
| Interest received | 2,101 | 199,968 |
| Gains and losses in associated companies | | |
| Application of the Equity Method | - | 319,426 |
| | <hr/> 2,101 | <hr/> 519,394 |

The amount reported as of September 30, 2014 as "Interests related with derivatives" regards to interests resulting of hedging interest-rate swap contracts associated to the Group loans that expired as of September 2014. As of September 30, 2015, there were no derivatives in force.

12. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of September 30, 2015, Cofina had provided guarantees as follows:

a) Pledge of 112,268,150 shares of Cofina Media, S.A. in favour of the Portuguese Tax Authority ("Autoridade Tributária") as a guarantee for the ongoing income tax enforcement claims.

As of September 30, 2015, the Cofina Media group companies assumed responsibilities for guarantees granted amounting to 719,563 Euro, mainly in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 68,500,000 Euro.

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

13. EARNINGS PER SHARE

Earnings per share for the nine months period ended as of September 30, 2015 and 2014 were determined taking into consideration the following amounts:

| | 30.09.2015 | 30.09.2014 |
|---|-------------|-------------|
| Net profit taken into consideration to calculate basic and diluted earnings per share | 3,817,683 | 4,703,263 |
| Weighted average number of shares used to calculate basic earnings per share | 102,565,836 | 102,565,836 |
| Earnings per share: | | |
| Basic | 0.04 | 0.05 |
| Diluted | 0.04 | 0.05 |

14. 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 September 30, 2015 and 2014 is detailed as follows:

| 30.09.2015 | Newspapers | Magazines | Eliminations and consolidations adjustments | Total |
|----------------------------------|-------------------|------------------|--|--------------|
| | | | | |
| Net operating income | 60,601,000 | 14,764,081 | - | 75,365,081 |
| Operating Cash-flow - EBITDA (a) | 10,982,000 | (236,160) | - | 10,745,840 |
| Operating profit | 8,818,937 | (236,160) | - | 8,582,777 |

| 30.09.2014 | Newspapers | Magazines | Eliminations and consolidations adjustments | Total |
|----------------------------------|-------------------|------------------|--|--------------|
| | | | | |
| 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 |

(a) - Operating profit + amortisation and depreciation

15. NET PROFIT / (LOSS) APPROPRIATION

Relating to the year ended 31 December 2014, 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 5,167,564.86 Euro would be distributed as dividends in the total amount of 2,051,316.72 Euro, and the remaining (3,116,248.14 Euro) transferred to "Other reserves", having that proposal been approved in the General Shareholders' Meeting held as of 14 April 2015.

16. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of September 30, 2015 were approved by the Board of Directors and authorized for issue on October 30, 2015.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2015

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euro)

17. EXPLANATION ADDED FOR TRANSLATION

These consolidated statements are a translation of financial statements originally issued in the International Accounting Standard 34 – Interim Financial Reporting, some of which may not confirm or be required to be accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS