

# REPORT AND ACCOUNTS

30 June 2015

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(This is a translation of a document originally issued in Portuguese.  
In the event of discrepancies, the Portuguese language version prevails – Note 17)

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# DIRECTORS' REPORT

30 June 2015



# REPORT AND ACCOUNTS 1H2015

## I. Directors' Report

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### To the Shareholders

Pursuant to the legal requirements, the Board of Directors of Cofina, S.G.P.S., S.A. (Open Capital Company) hereby presents its Report and Accounts for the first semester of 2015.

### INTRODUCTION

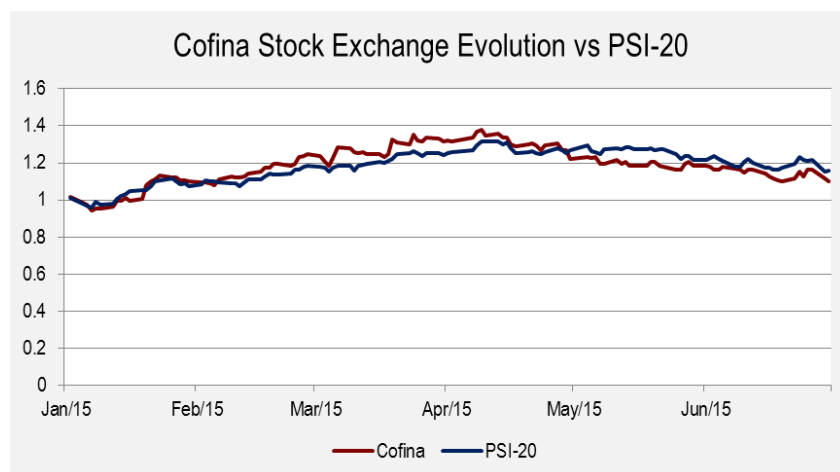
The Media segment, in Portugal, continued to demonstrate some signs of recovery, although still tenuous.

In the first semester of 2015, the Group's revenue decreased when compared with the homologous period of 2014 due to the realization, in past year of FIFA World Cup, although Cofina has kept its market leadership in the main media segments.

### STOCK EXCHANGE EVOLUTION

(Note: PSI 20 was considered as an index with the same initial market value as the stocks, under analysis, in order to enable a better comparison of the quotations variations.)

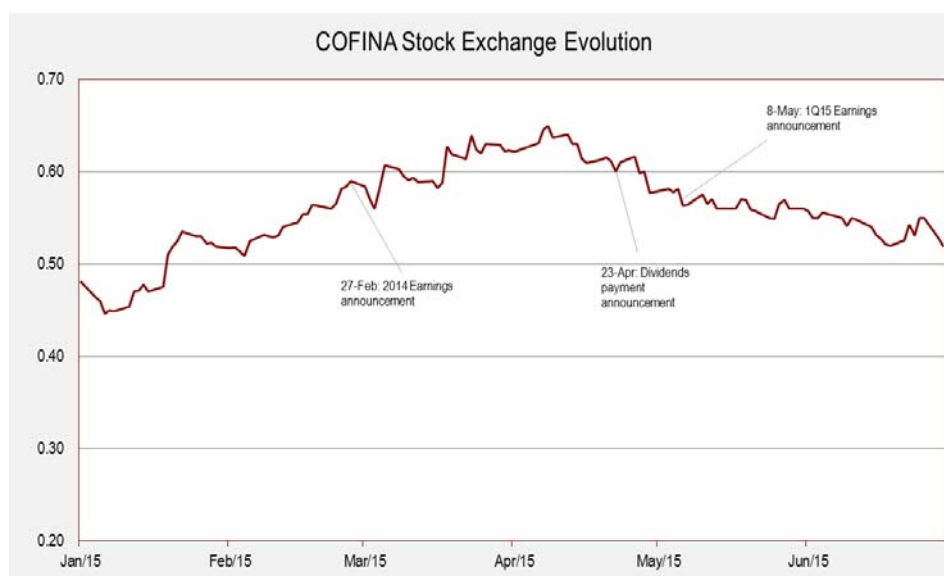
In the first half of 2015, PSI-20 Index increased its value approximately 15.7% compared to 2014 year's end. Cofina's shares increased about 10.2% over the same period, presenting a better performance than the PSI-20 Stock Index in part of the semester.



As of 30 June 2015, Cofina stock closing price was 0.52 Euros per share corresponding to a market capitalization, at that date, of 53 million Euros.

In the first half of 2015, Cofina's shares were traded at the highest price of 0.65 Euros and at the lowest price of 0.446 Euros. In total, 18,385,940 shares were traded in the first six months of 2015, which represents 18% of the issued share capital.

The most significant events that affected Cofina's shares in the first semester of 2015 can be detailed as follows:



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### I. Directors' Report

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- In the announcement relating to the Group's performance in 2014, disclosed on 27 February, Cofina presented a net consolidated profit of 6.2 million Euros. Operating income decreased 1.5% amounting to 106.1 million Euros and EBITDA (earnings before interests, taxes, depreciation and amortization) kept stable on 16.2 million Euros.
- In the announcement disclosed as of 23 April, Cofina informed the market that the dividends for the year 2014, corresponding to 0.02 Euros per share, would be paid from 11 May onwards.
- On 8 May 2015, in the announcement relating to the presentation of 2015 first quarter financial statements, Cofina SGPS, S.A. presented operating income of 23.4 million Euros, having EBITDA decreased by 2.2% when compared with the homologous period and net consolidated profit stood at 1 million Euros.

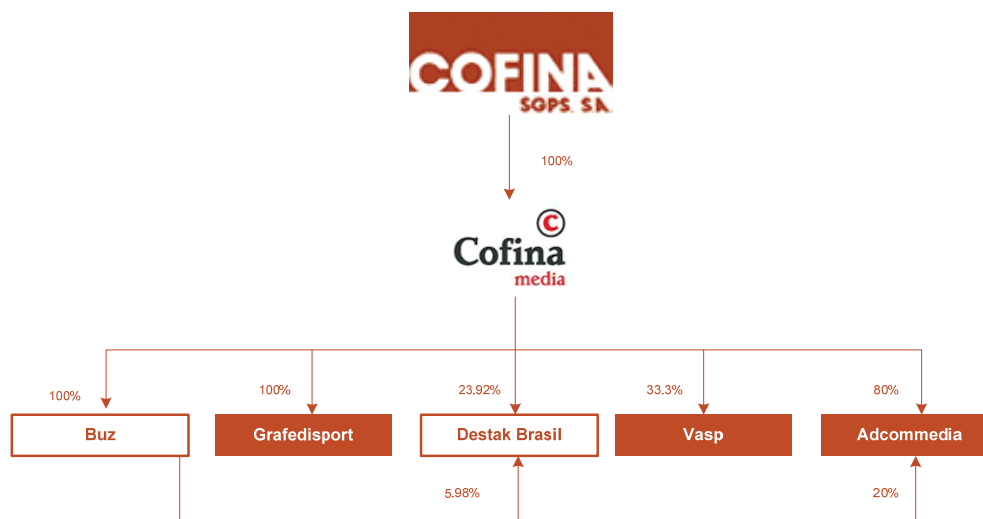
### GROUP'S ACTIVITY

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

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

During the six months period ended 30 June 2015, a merger process 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.

Cofina Group's complete structure of participations as of 30 June 2015 is as follows:



According to the data provided by APCT ("Associação Portuguesa para o Controlo de Tiragem e Circulação") for the first four months of 2015, "Correio da Manhã" is the most sold newspaper in Portugal, with an average of more than 103 thousand copies sold daily. According to the data provided by this certifying entity, "Correio da Manhã" has a market share of 53.1% (regarding the daily paid generic newspapers segment). "Correio da Manhã" has been strengthening its leadership, year after year, despite the generalized decrease on paid circulation in all the segments publications.

# REPORT AND ACCOUNTS 1H2015

## I. Directors' Report

### FINANCIAL REVIEW

The consolidated financial information of Cofina for the 1st semester 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)	1H 2015	1H 2014	Var (%) 1H15/1H14
<b>Operating income</b>	<b>49,997</b>	<b>51,407</b>	<b>-2.7%</b>
Circulation	25,896	26,232	-1.3%
Advertising	16,354	18,195	-10.1%
Alternative marketing products and others	7,747	6,980	11.0%
<b>Operating income by segments</b>	<b>49,997</b>	<b>51,407</b>	<b>-2.7%</b>
Newspapers	40,322	41,710	-3.3%
Magazines	9,675	9,697	-0.2%
<b>Operating expenses (a)</b>	<b>43,141</b>	<b>44,258</b>	<b>-2.5%</b>
<b>Consolidated EBITDA (b)</b>	<b>6,856</b>	<b>7,149</b>	<b>-4.1%</b>
EBITDA margin	13.7%	13.9%	-0.2 p.p.
Newspapers EBITDA	7,271	7,409	-1.9%
Newspapers EBITDA margin	18.0%	17.8%	+0.2 p.p.
Magazines EBITDA	-415	-260	-
Magazines EBITDA margin	-4.3%	-2.7%	-
Amortisation and depreciation (-)	1,442	1,480	-2.6%
<b>EBIT</b>	<b>5,414</b>	<b>5,669</b>	<b>-4.5%</b>
EBIT margin	10.8%	11.0%	-0.2 p.p.
Net financial income	(2,016)	(2,328)	-13.4%
<b>Income before taxes and non-controlling interests</b>	<b>3,398</b>	<b>3,341</b>	<b>1.7%</b>
Income taxes	1,095	153	615.7%
Non-controlling interests	-	21	-
<b>Net consolidated profit / loss (c)</b>	<b>2,303</b>	<b>3,167</b>	<b>-27.3%</b>

(a) Operating expenses excluding amortisation

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

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

The first semester of 2015 was characterized by a decrease of the advertising of 10% when compared with the homologous period of 2014 and by a slight decrease of circulation revenue. The revenue from alternative marketing products and others presented an increase of 11%. Therefore, the total revenue registered a decrease of 2.7%, reaching the million Euros.

The revenue related with Correio da Manhã TV, registered under "Alternative marketing products and others", reached 3.2 million Euros representing a growth of 7% when compared with the first semester of 2014.

EBITDA reached 6.9 million Euros representing a decrease of 4.1% compared with the homologous period of 2014.

Income before taxes registered a growth of 1.7%, reaching 3.4 million Euros. Net profit reached 2.3 million Euros.

As of June 30, 2015, the nominal net debt of Cofina amounted 66.6 million Euros, which corresponds to a decrease of 1 million Euros in relation to the net debt registered on March 31, 2015.

The main indicators of the main business segments are as follows:



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## I. Directors' Report

### Newspapers Segment:

(amounts in thousand Euro)	1H 2015	1H 2014	Var (%) 1H15/1H14
<b>Consolidated operating income</b>	<b>40,322</b>	<b>41,710</b>	<b>-3.3%</b>
Circulation	20,681	20,500	0.9%
Advertising	13,371	15,071	-11.3%
Alternative marketing products and others	6,270	6,139	2.1%
<b>Operating expenses (a)</b>	<b>33,051</b>	<b>34,301</b>	<b>-3.6%</b>
<b>Consolidated EBITDA (b)</b>	<b>7,271</b>	<b>7,409</b>	<b>-1.9%</b>
EBITDA margin	18.0%	17.8%	+0.3 p.p.

(a) Operating expenses excluding amortisation

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

The newspapers segment of Cofina recorded, in the first semester of 2015, a total income of 40 million Euros, which represents a decrease of 3.3% when compared with the homologous period. The advertising income recorded a decrease of about 11% reaching 13.4 million Euros; whilst the circulation income increased 0.9%, having reached 20.7 million Euros. The alternative marketing products income recorded an increase of 2.1%, reaching approximately 6.3 million Euros.

Therefore, EBITDA of the newspapers segment reached in the period under analysis amounted to approximately 7.3 million Euros, a decrease of approximately 2%, when compared with the homologous period. EBITDA margin amounted to 18%, slightly more robust than the one registered on the first half of 2014.

### Magazines Segment:

(amounts in thousand Euro)	1H 2015	1H 2014	Var (%) 1H15/1H14
<b>Consolidated operating income</b>	<b>9,675</b>	<b>9,697</b>	<b>-0.2%</b>
Circulation	5,215	5,732	-9.0%
Advertising	2,983	3,124	-4.5%
Alternative marketing products and others	1,477	841	75.6%
<b>Operating expenses (a)</b>	<b>10,090</b>	<b>9,957</b>	<b>1.3%</b>
<b>Consolidated EBITDA (b)</b>	<b>-415</b>	<b>-260</b>	<b>-</b>
EBITDA margin	-4.3%	-2.7%	-

(a) Operating expenses excluding amortisation

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

The revenue performance was due to the good performance of the alternative marketing products and others, which grew 76% when compared with the homologous period of 2014, reaching 1.5 million Euros. The circulation income recorded a decrease of 9%, having reached approximately 5.2 million Euros, whilst the advertising revenue decreased about 4.5%.

The operational costs increased by approximately 1.3%, reflecting the costs of the alternative marketing products. Accordingly, EBITDA recorded in the magazines segment, in the first half of 2015, was negative 415 thousand Euros, compared to a negative EBITDA of 260 thousand Euros recorded in the same period of 2014.

## OUTLOOK

## REPORT AND ACCOUNTS 1H2015

### I. Directors' Report

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The trend verified in the first half of 2015 should not differ significantly from the expected performance for the second half of the year.

Nevertheless, considering the fact that FIFA World Cup took place on the second quarter of 2014 – sporting event with a significant impact on advertisement investment – it is expected that the comparison factor on the second half of 2015 will be more favourable than the one recorded in the first semester.

The company will remain heavily focused on the reduction and rationalization of its cost structure.

#### CORPORATE GOVERNANCE

In compliance with the legal requirements in force, the Company is exempted from presenting information regarding Corporate Governance, once this information is only mandatory upon presentation with the Annual Directors' Report. The Annual Report about Corporate Governance is an integral part of Cofina Annual Financial Statements for year 2014 and it is available on our website ([www.cofina.pt](http://www.cofina.pt)).

It should be noted, however, that as of 1 April 2015 it was communicated to the market the passing of a Board of Directors member, Pedro Macedo Pinto de Mendonça. After that date, the functions of this non-executive director are being assured by the remaining Board of Directors' members.

### LEGAL MATTERS

#### Own shares

Pursuant to the requirements of article 66 of the Commercial Companies Code ("Código das Sociedades Comerciais"), the Directors inform that as of 30 June 2015 Cofina had no own shares and did not acquire or sell own shares during the semester then ended.

#### Shares held by Cofina's corporate board members

Pursuant to the requirements of article 447 of the Commercial Companies Code ("Código das Sociedades Comerciais"), the Directors inform that, as of 30 June 2015, the shares held were as follows:

Paulo Jorge dos Santos Fernandes <sup>(a)</sup>	13,386,332
João Manuel Matos Borges de Oliveira <sup>(b)</sup>	15,400,000
Domingos José Vieira de Matos <sup>(c)</sup>	12,395,257
Pedro Miguel Matos Borges de Oliveira	7,719,360
Ana Rebelo de Carvalho Menéres de Mendonça <sup>(d)</sup>	20,488,760

<sup>(a)</sup> – 13,386,332 shares represent the total shares of COFINA – SGPS, S.A. held by ACTIUM CAPITAL – SGPS, S.A. from which the Board Member Paulo Jorge dos Santos Fernandes is also director and dominant shareholder.

<sup>(b)</sup> – 15,400,000 shares represent the total shares of Cofina held by INDIAZ – SGPS, S.A., of which the Director João Manuel Matos Borges de Oliveira is also director.

<sup>(c)</sup> – 12,395,257 shares represent the total shares of Cofina held by LIVRE FLUXO – SGPS, S.A., of which the Director Domingos José Vieira de Matos is also director and dominant shareholder.

<sup>(d)</sup> – 20,488,760 shares represent the total shares of Cofina held by PROMENDO – SGPS, S.A., of which the Director Ana Rebelo de Carvalho Menéres de Mendonça is director and dominant shareholder.

As of 30 June 2015 the Statutory Auditor and the members of the Shareholders' Meeting and of the Statutory Audit Board held no shares of the Company.

# REPORT AND ACCOUNTS 1H2015

## I. Directors' Report

### Company's share capital participations

Pursuant to the requirements of articles 16 and 20 of the Securities Code ("Código dos Valores Mobiliários") and article 448 of the Commercial Companies Code, the Company informs that, in accordance with the notifications received, the companies and/or individuals that hold qualified holdings exceeding 2%, 5%, 10%, 15%, 20%, 33% and 50% of the voting rights accordingly to the last received notifications until 30 June 2015, are as follows:

Santander Asset Management	Shares held as of 30 June 2015	% of vote rights
Through Santander's Acções Portugal Fund	2,069,459	2.02%
Through Santander's PPA Fund	107,964	0.11%
<b>Total attributable</b>	<b>2,177,423</b>	<b>2.12%</b>

Credit Suisse Group AG	Shares held as of 30 June 2015	% of vote rights
Directly	5,039,060	4.91%
<b>Total attributable</b>	<b>5,039,060</b>	<b>4.91%</b>

Pedro Miguel Matos Borges de Oliveira	Shares held as of 30 June 2015	% of vote rights
Directly	7,719,360	7.53%
<b>Total attributable</b>	<b>7,719,360</b>	<b>7.53%</b>

Domingos José Vieira de Matos	Shares held as of 30 June 2015	% of vote rights
Through Livrefluxo - SGPS, S.A. (of which he is also director and dominant shareholder)	12,395,257	12.09%
<b>Total attributable</b>	<b>12,395,257</b>	<b>12.09%</b>

Paulo Jorge dos Santos Fernandes	Shares held as of 30 June 2015	% of vote rights
Through Actium Capital - SGPS, S.A. (of which he is also director and dominant shareholder)	13,386,332	13.05%
<b>Total attributable</b>	<b>13,386,332</b>	<b>13.05%</b>

João Manuel Matos Borges de Oliveira	Shares held as of 30 June 2015	% of vote rights
Through INDAZ, S.A. (of which he is director)	15,400,000	15.01%
<b>Total attributable</b>	<b>15,400,000</b>	<b>15.01%</b>

Ana Rebelo Carvalho Meneses de Mendonça	Shares held as of 30 June 2015	% of vote rights
Through PROMENDO - SGPS, S.A. (of which she is also director and dominant shareholder)	20,488,760	19.98%
<b>Total attributable</b>	<b>20,488,760</b>	<b>19.98%</b>

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

### CLOSING REMARKS

The Board of Directors concludes by expressing a vote of gratitude to all of the Group's Stakeholders, for the trust demonstrated in our organization. We would like to thank the External Auditor for the cooperation provided in the period and the Statutory Audit Board for the continued monitoring of our operation.

Oporto, 30 July 2015

### The Board of Directors

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Paulo Jorge dos Santos Fernandes – President

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João Manuel Matos Borges de Oliveira

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Domingos José Vieira de Matos

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Pedro Miguel Matos Borges de Oliveira

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Ana Rebelo de Carvalho Menéres de Mendonça

# APPENDIX TO THE DIRECTORS' REPORT

30 June 2015



#### STATEMENT UNDER ARTICLE 246, 1, C) OF THE SECURITIES CODE

The signatories individually declare that, to their knowledge, the Financial Statements prepared meet the standards of the applicable International Financial Accounting ("IFRS") as adopted by the European Union, for Interim Financial Reporting, give a truthful and appropriate image of the assets and liabilities, financial position and the consolidate results of Cofina, S.G.P.S., S.A. and of the companies included in the consolidation, and that the Interim Management Report describes the evolution of business, the performance and the financial position of Cofina, S.G.P.S., S.A. and companies of the companies included in the consolidation, and contains a description of the major risks and uncertainties that they face.

#### DECLARATION OF RESPONSIBILITY

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

As required by the article 8, no. 3, of the Securities Code, the Board of Directors of Cofina, S.G.P.S., S.A. declares that the accounts that integrate this report were not subject to a Limited Review.

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



### Article 447 of the Commercial Companies Code and Article 14, paragraph 7, of Portuguese Securities Regulator (CMVM) Regulation no. 5/2008

Disclosure of shares and other securities held by members of the Board of Directors and Officers, as well as people closely related under the Article 248 B of the Securities Code and transactions over these shares that took place on the period under analysis:

Member of the Board of Directors	Shares held as of			Shares held as of
	31 Dec 2014	Aquisitions	Disposals	30 June 2015
Paulo Jorge dos Santos Fernandes (allocation through ACTIUM CAPITAL - SGPS, S.A.)	13,386,332	-	-	13,386,332
João Manuel Matos Borges de Oliveira (allocation through INDAG, S.A.)	15,400,000	-	-	15,400,000
Domingos José Vieira de Matos (allocation through LIVREFLUXO - SGPS, S.A.)	12,395,257	-	-	12,395,257
Pedro Miguel Matos Borges de Oliveira	7,719,360	-	-	7,719,360
Anabela Rebelo Mendonça (allocation through PROMENDO - SGPS, S.A.)	20,488,760	-	-	20,488,760



# CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2015



# REPORT ACCOUNTS 1H2015

## III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

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

#### CONSOLIDATED STATEMENTS OF FINANCIAL INFORMATION FOR THE PERIODS ENDED 30 JUNE 2015 AND 31 DECEMBER 2014

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

(Amounts expressed in Euro)

<b>ASSETS</b>	<b>Notes</b>	<b>30.06.2015</b>	<b>31.12.2014</b>
<b>NON CURRENT ASSETS</b>			
Tangible assets		5,046,452	5,883,466
Goodwill	5	89,167,077	89,316,685
Intangible assets		304,639	489,077
Investments in associated companies	4	2,769,496	3,860,407
Investments held for sale	4	28,215	29,498
Investments recorded at fair value through profit and loss		10,504	5,482
Other non current debtors		350,000	350,000
Deferred tax assets	6	2,062,507	2,578,268
<b>Total non current assets</b>		<b>99,738,890</b>	<b>102,512,883</b>
<b>CURRENT ASSETS</b>			
Inventories		1,655,523	1,872,891
Customers		9,330,885	9,088,161
State and other public entities		1,279,674	945,464
Other current debtors		1,451,380	312,548
Other current assets		10,265,153	7,115,217
Cash and cash equivalents	7	9,799,803	12,658,992
<b>Total current assets</b>		<b>33,782,418</b>	<b>31,993,273</b>
<b>TOTAL ASSETS</b>		<b>133,521,308</b>	<b>134,506,156</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
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		(28,833,967)	(32,913,647)
Consolidated net profit/(loss) for the period attributable to the parent company		2,302,780	6,173,887
Equity attributable to equity holder of the parent company		<b>20,394,251</b>	<b>20,185,678</b>
Non controlling interests		-	90,981
<b>TOTAL EQUITY</b>		<b>20,394,251</b>	<b>20,276,659</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Other loans	9	49,385,911	49,274,676
Other non current creditors		45,080	45,080
Provisions		10,585,548	10,320,480
<b>Total non current liabilities</b>		<b>60,016,539</b>	<b>59,640,236</b>
<b>CURRENT LIABILITIES</b>			
Bank loans	7 e 9	-	4,732,462
Other loans	9	26,411,291	23,496,752
Suppliers		11,470,882	9,158,181
State and other public entities		3,600,344	3,065,338
Other current creditors	10	4,127,225	5,346,958
Other current liabilities		7,500,776	8,789,570
<b>Total current liabilities</b>		<b>53,110,518</b>	<b>54,589,261</b>
<b>TOTAL LIABILITIES</b>		<b>113,127,057</b>	<b>114,229,497</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>133,521,308</b>	<b>134,506,156</b>

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

The Chartered Accountant

The Board of Directors

# REPORT ACCOUNTS 1H2015

## III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

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

#### CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2015 AND 2014

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

	Notes	30.06.2015	30.06.2014	2 <sup>nd</sup> quarter 2015	2 <sup>nd</sup> quarter 2014
Sales		25,896,089	26,231,898	13,220,794	13,200,803
Services rendered		16,354,009	18,194,612	9,168,382	10,868,699
Other operating income		7,747,414	6,980,436	4,183,357	3,252,867
Cost of sales		(6,372,993)	(7,229,519)	(3,180,883)	(3,618,226)
External supplies and services		(20,383,991)	(20,442,174)	(11,207,057)	(11,342,729)
Payroll expenses		(16,029,053)	(16,054,089)	(8,187,405)	(8,106,073)
Amortisation and depreciation		(1,442,309)	(1,480,157)	(721,147)	(740,396)
Provisions and impairment losses		(194,290)	(347,451)	(159,631)	(184,550)
Other operating expenses		(160,778)	(184,258)	(101,081)	(112,513)
Financial expenses	11	(2,018,420)	(2,542,127)	(1,171,106)	(1,290,863)
Financial income	11	2,101	213,967	1	135,164
Profit / loss before income tax		3,397,779	3,341,138	1,844,224	2,062,183
Income tax	6	(1,094,999)	(152,922)	(550,418)	287,558
Net consolidated profit / (loss) for the period		<b>2,302,780</b>	<b>3,188,216</b>	<b>1,293,806</b>	<b>2,349,741</b>
Attributable to:					
Shareholders of the parent company		2,302,780	3,166,873	1,294,885	2,301,806
Non-controlling interests		-	21,343	(1,079)	47,935
Earnings per share:					
Basic	13	0.02	0.03	0.01	0.02
Diluted	13	0.02	0.03	0.01	0.02

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

The Chartered Accountant

The Board of Directors

# REPORT ACCOUNTS 1H2015

## III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

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

#### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 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	-	-	-	(677)	-	(677)	3,824	3,147
Total comprehensive income for the period	-	-	-	395,832	3,166,873	3,562,705	21,343	3,584,048
of six month's ending at 30 June 2014	-	-	-	395,832	3,166,873	3,562,705	21,343	3,584,048
Balance as of 30 June 2014	25,641,459	15,874,835	5,409,144	(30,285,140)	3,166,873	19,807,171	756,357	20,563,528
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	-	-	-	150,706	-	150,706	(90,981)	59,725
Total comprehensive income for the period	-	-	-	(193,596)	2,302,780	2,109,184	-	2,109,184
of six month's ending at 30 June 2015	-	-	-	(193,596)	2,302,780	2,109,184	-	2,109,184
Balance as of 30 June 2015	25,641,459	15,874,835	5,409,144	(28,833,967)	2,302,780	20,394,251	-	20,394,251

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

The Chartered Accountant

The Board of Directors

# REPORT ACCOUNTS 1H2015

## III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

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

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2015 AND 2014

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

	<u>30.06.2015</u>	<u>30.06.2014</u>	<u>2<sup>nd</sup> quarter 2015</u>	<u>2<sup>nd</sup> quarter 2014</u>
Profit / (loss) for the period	2,302,780	3,188,216	1,293,806	2,349,741
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	(193,596)	210,397	(2,363)	127,455
Changes in cash-flow s hedges' fair value	-	185,435	0	92,495
	<u>(193,596)</u>	<u>395,832</u>	<u>(2,363)</u>	<u>219,950</u>
Total comprehensive income for the period	<u>2,109,184</u>	<u>3,584,048</u>	<u>1,291,443</u>	<u>2,569,691</u>
Attributable to:				
Shareholders of the parent company	2,109,184	3,562,705	1,292,522	2,521,756
Non-controlling interests	-	21,343	(1,079)	47,935

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

The Chartered Accountant

The Board of Directors

# REPORT ACCOUNTS 1H2015

## III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

### COPINA, S.G.P.S., S.A.

#### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2015 AND 2014 (Translation of financial statements originally issued in Portuguese - Note 17) (Amounts expressed in Euro)

	Notes	30.06.2015	30.06.2014	2 <sup>nd</sup> quarter 2015	2 <sup>nd</sup> quarter 2014
Operating activities					
Cash flow from operating activities (1)		<u>3,465,509</u>	<u>6,950,385</u>	<u>3,397,156</u>	<u>5,566,251</u>
Investment activities					
Collections relating to:					
Tangible assets		650	-	650	-
Interest and similar income		21,928	114,303	10,357	82,912
Financial investments	7	765,900	-	765,900	-
Dividends	7	234,100	420,000	-	420,000
Payments relating to:					
Financial investments	7	(1,575,000)	(47,560)	-	-
Tangible assets		(359,651)	(783,620)	(307,089)	(679,183)
Intangible assets		<u>(158,887)</u>	<u>(126,713)</u>	<u>(87,950)</u>	<u>(110,179)</u>
Cash flow from investment activities (2)		<u>(1,070,960)</u>	<u>(423,590)</u>	<u>381,868</u>	<u>(286,450)</u>
Financing activities					
Collections relating to:					
Loans obtained		7,000,000	5,000,000	(5,150,000)	850,000
Payments relating to:					
Interest and similar costs		(1,451,986)	(2,373,699)	(310,988)	(363,045)
Lease contracts amortisation		(17,342)	(312,046)	(13,416)	(152,404)
Dividends		(2,051,317)	(1,025,658)	(2,051,317)	(1,025,658)
Loans obtained		(4,000,000)	(12,750,000)	7,500,000	(8,750,000)
Cash flow from financing activities (3)		<u>(520,645)</u>	<u>(11,461,403)</u>	<u>(25,721)</u>	<u>(9,441,107)</u>
Cash and its equivalents at the beginning of the period	7	7,926,530	7,446,155	6,047,131	6,672,853
Changes in exchange rates		(631)	869	(631)	869
Variation of cash and its equivalents: (1)+(2)+(3)		<u>1,873,904</u>	<u>(4,934,608)</u>	<u>3,753,303</u>	<u>(4,161,306)</u>
Cash and its equivalents at the end of the period	7	<u>9,799,803</u>	<u>2,512,416</u>	<u>9,799,803</u>	<u>2,512,416</u>

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

The Chartered Accountant

The Board of Directors



## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company"), is a open capital 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 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" and "Flash!" among others.

During the semester ended as of 30 June 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 June 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.

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 4. INVESTMENTS

##### Consolidation perimeter

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and activity developed as of 30 June 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
BUZ Participações Ltda	São Paulo, Brazil	100%	Investment management

- a) During the six months period ended 30 June 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.

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

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

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### Investments in associated companies

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

Designation	Acquisition cost	Book value	Equity	Net result
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 2,769,496	€ 8,308,489	€ (147,977)
Destak Brasil – Empreendimentos e Participações, S.A.	€ 299,064	€ (225,003)	R\$ (2,622,770)	R\$ (3,353,533)
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	-	(a)	(a)

(a) – Financial information not available.

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

	30.06.2015	31.12.2014
<b>Financial Investment</b>		
VASP – Sociedade de Transportes e Distribuições, Lda.	2,769,496	3,792,565
Destak Brasil – Empreendimentos e Participações, S.A.	-	67,842
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
	<u>2,841,496</u>	<u>3,932,407</u>
<b>Impairment losses on investments in associated companies</b>	(72,000)	(72,000)
	<u>2,769,496</u>	<u>3,860,407</u>

#### Investments available for sale

As of 30 June 2015 and 31 December 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 28,215 Euro and 29,498 Euro, respectively. As of 30 June 2015 and 31 December 2014, the total value of investments for which impairments of the same amount were recorded amounts to 244,439 Euro.

#### 5. GOODWILL

During the six months period ended as of 30 June 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.

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 6. INCOME TAXES

##### Deferred taxes

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

	Deferred tax assets	
	30.06.2015	30.06.2014
Opening balance	2,578,268	4,697,703
Effects in the income statement:		
Increase/(Decrease) in tax losses carried forward	(515,761)	2,317,794
Prior year tax correction following changes in tax rules	-	(2,581,334)
Effects in equity:		
Fair value of derivate instruments	-	(60,174)
Closing balance	2,062,507	4,373,989

##### Tax expenses

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

	30.06.2015	30.06.2014
Current Tax		
Income tax for the period	710,404	761,565
Excess/(Insufficiency) of prior years income tax	(131,166)	(135,234)
Restitution of income tax unduly collected in previous years	-	(736,949)
Deferred taxes	515,761	263,540
	1,094,999	152,922

As of 30 June 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 n.º 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 31 December 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 June 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.

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 7. CASH AND CASH EQUIVALENTS

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

	30.06.2015	31.12.2014
Cash	61,253	59,202
Bank deposits repayable on demand	9,738,550	9,299,790
Bank deposits repayable in less than 3 months	-	3,300,000
Cash and cash equivalents in accordance with the balance sheet	9,799,803	12,658,992
Bank overdrafts (Note 9)	-	(4,732,462)
Cash and cash equivalents	9,799,803	7,926,530

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

<u>Acquisitions</u>	<u>aquired %</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	-
		3,250,000	1,575,000

During the six months period ended as of 30 June 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
	317,560	47,560

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

During the six months period ended as of 30 June 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 six months period ended as of 30 June 2014).

#### 8. SHARE CAPITAL

As of 30 June 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.

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 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 30 June 2015 and 31 December 2014, the caption "Other loans" was made up as follows:

	30.06.2015			
	Book value		Nominal Value	
	Current	Non Current	Current	Non Current
Bond loans	-	49,385,911	-	50,000,000
Commercial paper	26,411,291	-	26,450,000	-
	<u>26,411,291</u>	<u>49,385,911</u>	<u>26,450,000</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 30 June 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 49,385,911 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;
- Reimbursement – at par, on interest payment dates, in three equal instalments, 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 four commercial paper programs, in the maximum amounts of 15,000,000 Euro, 12,000,000 Euro, 5,000,000 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, July 2019 and April 2020, respectively.

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

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 10. LEASING

As of 30 June 2015 and 31 December 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:

	30.06.2015	31.12.2014
Year n+1	30,844	30,844
Year n+2	14,236	14,236
	<u>45,080</u>	<u>45,080</u>
Short term	21,371	42,742
	<u>66,451</u>	<u>87,822</u>

#### 11. FINANCIAL RESULTS

The financial income and expenses for the six months periods ended as of 30 June 2015 and 2014 are made up as follows:

	30.06.2015	30.06.2014
<u>Financial expenses</u>		
Interest paid	(1,277,888)	(1,961,444)
Interests related with derivatives	-	(249,766)
Commissions	(320,032)	(316,389)
Other financial expenses	(11,799)	(14,528)
Gains and losses in associated companies		
Application of the Equity Method	(408,701)	-
	<u>(2,018,420)</u>	<u>(2,542,127)</u>
<u>Financial income</u>		
Interest received	2,101	141,520
Gains and losses in associated companies		
Application of the Equity Method	-	72,447
	<u>2,101</u>	<u>213,967</u>

The amount reported as of 30 June 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 30 June 2015, there were no derivatives in force.

#### 12. RESPONSIBILITIES FOR GUARANTEES PROVIDED

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

- 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 30 June 2015 Cofina Media group companies had 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.

## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 13. EARNINGS PER SHARE

Earnings per share for the six months periods ended as of 30 June 2015 and 2014 were determined taking into consideration the following amounts:

	30.06.2015	30.06.2014
Net profit taken into consideration to calculate basic and diluted earnings per share	2,302,780	3,166,873
Weighted average number of shares used to calculate basic earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.02	0.03
Diluted	0.02	0.03

#### 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 six months periods ended as of 30 June 2015 and 2014 is detailed as follows:

	New spapers	Magazines	Eliminations and consolidations adjustments	Total
<b>30.06.2015</b>				
Net operating income	40,322,236	9,675,276	-	49,997,512
Operating Cash-flow - EBITDA (a)	7,271,462	(415,055)	-	6,856,407
Operating profit	5,829,153	(415,055)	-	5,414,098

	New spapers	Magazines	Eliminations and consolidations adjustments	Total
<b>30.06.2014</b>				
Net operating income	41,709,957	9,696,989	-	51,406,946
Operating Cash-flow - EBITDA (a)	7,409,355	(259,900)	-	7,149,455
Operating profit	5,948,986	(279,688)	-	5,669,298

(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 June 30, 2015 were approved by the Board of Directors and authorized for issue on July, 30 2015.



## REPORT ACCOUNTS 1H2015

### III. Consolidated Financial Statements and Notes to the Consolidated Financial Statements

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

#### 17. 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

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Paulo Jorge dos Santos Fernandes

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João Manuel Matos Borges de Oliveira

---

Domingos José Vieira de Matos

---

Pedro Miguel Matos Borges de Oliveira

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Ana Rebelo de Carvalho Menéres de Mendonça



COFINA, SGPS, S.A.  
Rua do General Norton de Matos, 68 - R/C  
4050 – 424 Porto PORTUGAL  
Tel: + 351 22 834 65 00

[www.cofina.pt](http://www.cofina.pt)

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