



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 Euros

1st half '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 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
Operating income	49,997	51,407	-2.7%
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%
Operating income by segments	49,997	51,407	-2.7%
Newspapers	40,322	41,710	-3.3%
Magazines	9,675	9,697	-0.2%
Operating expenses (a)	43,141	44,258	-2.5%
Consolidated EBITDA (b)	6,856	7,149	-4.1%
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%
EBIT	5,414	5,669	-4.5%
EBIT margin	10.8%	11.0%	-0.2 p.p.
Net financial income	(2,016)	(2,328)	-13.4%
Income before taxes and non-controlling interests	3,398	3,341	1.7%
Income taxes	1,095	153	615.7%
Non-controlling interests	-	21	-
Net consolidated profit / loss (c)	2,303	3,167	-27.3%

(a) Operating expenses excluding amortisation

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

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

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, total revenue registered a decrease of 2.7%, reaching 50 million Euros.

The revenue related with Correio da Manhã TV, recorded 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 30th, 2015, the nominal net debt of Cofina amounted to 66.6 million Euros, which corresponds to a decrease of 1 million Euros in relation to the net debt registered on March 31th, 2015.

Results of the second quarter of 2015

(amounts in thousand Euro)	2Q 2015	2Q 2014	Var (%) 2Q15/2Q14
Operating income	26,572	27,322	-2.7%
Circulation	13,221	13,201	0.2%
Advertising	9,168	10,869	-15.7%
Alternative marketing products and others	4,183	3,252	28.6%
Operating income by segments	26,572	27,322	-2.7%
Newspapers	21,163	22,187	-4.6%
Magazines	5,409	5,135	5.3%
Operating expenses (a)	22,836	23,364	-2.3%
Consolidated EBITDA (b)	3,736	3,958	-5.6%
EBITDA margin	14.1%	14.5%	-0.4 p.p.
Newspapers EBITDA	3,810	3,980	-4.3%
Newspapers EBITDA margin	18.0%	17.9%	+0.1 p.p.
Magazines EBITDA	-74	-22	-
Magazines EBITDA margin	-1.4%	-0.4%	-
Amortisation and depreciation (-)	721	740	-2.6%
EBIT	3,015	3,218	-6.3%
EBIT margin	11.3%	11.8%	-0.5 pp
Net financial income	(1,171)	(1,156)	-
Income before taxes and non-controlling interests	1,844	2,062	-10.6%
Income taxes	550	(287)	-291.6%
Non-controlling interests	(1)	48	-102.1%
Net consolidated profit / loss (c)	1,295	2,301	-43.7%

(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 second quarter of 2015 compares with the second quarter of 2014, period in which the FIFA World Cup took place, a sporting event with significant impact on advertising revenue. Therefore the advertising revenue in the period under analysis reached 9.2 million Euros, which represents a decrease of 16%.

The circulation revenue registered a slight increase (0.2%) reaching 13.2 million Euros. The revenue of alternative marketing products and others in this period was 4.2 million Euros, representing a growth of 29%.

EBITDA for the quarter was 3.7 million Euros (-5.6%) and the net profit was 1.3 million Euros.

Newspapers' Segment

(amounts in thousand Euro)	2Q 2015	2Q 2014	Var (%) 2Q15/2Q14
Consolidated operating income	21,163	22,187	-4.6%
Circulation	10,470	10,265	2.0%
Advertising	7,567	9,111	-16.9%
Alternative marketing products and others	3,126	2,811	11.2%
Operating expenses (a)	17,353	18,207	-4.7%
Consolidated EBITDA (b)	3,810	3,980	-4.3%
EBITDA margin	18.0%	17.9%	+0.1 p.p.

(a) Operating expenses excluding amortisation

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

The newspapers' segment of Cofina recorded, in the second quarter of 2015, a total income of 21 million Euros, which represents a decrease of 4.6% when compared with the homologous period of 2014. The advertising income recorded a decrease of approximately 17%, to 7.6 million Euros; whilst the circulation income increased 2%, having reached 10.5 million Euros. The alternative marketing products revenue recorded an increase of 11%, reaching 3.1 million Euros.

Therefore, the newspapers segment's EBITDA in the quarter under analysis amounted to approximately 3.8 million Euros, a decrease of approximately 4%, when compared with the homologous period. EBITDA margin amounted to 18%, slightly more robust than the one registered on the second quarter of 2014.

Magazines' Segment

The total income of this segment reached approximately 5.4 million Euros, reflecting an increase of approximately 5% when compared to the homologous period of 2014.

(amounts in thousand Euro)	2Q 2015	2Q 2014	Var (%) 2Q15/2Q14
Consolidated operating income	5,409	5,135	5.3%
Circulation	2,751	2,936	-6.3%
Advertising	1,601	1,758	-8.9%
Alternative marketing products and others	1,057	441	139.7%
Operating expenses (a)	5,483	5,157	6.3%
Consolidated EBITDA (b)	-74	-22	-
EBITDA margin	-1.4%	-0.4%	-

(a) Operating expenses excluding amortisation

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



The revenue increase registered was due to the good performance of the alternative marketing products and others, which grew 140% compared with the same period of 2014, reaching 1 million Euros. The circulation income recorded a decrease of 6%, having reached approximately 2.8 million Euros, whilst the advertising revenue decreased 9%.

The operational costs were increased by approximately 6%, reflecting the costs of the alternative marketing products. Accordingly, EBITDA recorded in the magazines' segment, in the second quarter of 2015, was negative amounting to 74 thousand Euros, which compares to a negative EBITDA of 22 thousand Euros recorded in the same period of 2014.

Oporto, July 30th 2015

The Board of Directors

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

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

(Amounts expressed in Euro)

ASSETS	30.06.2015	31.12.2014
NON CURRENT ASSETS		
Tangible assets	5,046,452	5,883,466
Goodwill	89,167,077	89,316,685
Intangible assets	304,639	489,077
Investments in associated companies	2,769,496	3,860,407
Investments held for sale	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	2,062,507	2,578,268
Total non current assets	99,738,890	102,512,883
CURRENT ASSETS		
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	9,799,803	12,658,992
Total current assets	33,782,418	31,993,273
TOTAL ASSETS	133,521,308	134,506,156
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share capital	25,641,459	25,641,459
Share premium account	15,874,835	15,874,835
Legal reserve	5,409,144	5,409,144
Other reserves	(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	20,394,251	20,185,678
Non controlling interests	-	90,981
TOTAL EQUITY	20,394,251	20,276,659
LIABILITIES		
NON CURRENT LIABILITIES		
Other loans	49,385,911	49,274,676
Other non current creditors	45,080	45,080
Provisions	10,585,548	10,320,480
Total non current liabilities	60,016,539	59,640,236
CURRENT LIABILITIES		
Bank loans	-	4,732,462
Other loans	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	4,127,225	5,346,958
Other current liabilities	7,500,776	8,789,570
Total current liabilities	53,110,518	54,589,261
TOTAL LIABILITIES	113,127,057	114,229,497
TOTAL EQUITY AND LIABILITIES	133,521,308	134,506,156

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

(Amounts expressed in Euro)

	30.06.2015	30.06.2014	2 nd quarter 2015	2 nd 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	(2,018,420)	(2,542,127)	(1,171,106)	(1,290,863)
Financial income	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	(1,094,999)	(152,922)	(550,418)	287,558
Net consolidated profit / (loss) for the per	2,302,780	3,188,216	1,293,806	2,349,741
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	0.02	0.03	0.01	0.02
Diluted	0.02	0.03	0.01	0.02