



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'16 FINANCIAL INFORMATION
(unaudited)**

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards, as adopted by the European Union, 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 first nine months of 2016, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), can be presented as follows:

(amounts in thousand Euro)	9M 2016	9M 2015	Var (%) 9M16/9M15
Operating income	74,040	75,365	-1.8%
Circulation	39,320	40,637	-3.2%
Advertising	23,211	24,126	-3.8%
Alternative marketing products and others	11,509	10,602	8.6%
Operating income by segments	74,040	75,365	-1.8%
Newspapers	61,142	60,601	0.9%
Magazines	12,898	14,764	-12.6%
Operating expenses (a)	64,080	64,619	-0.8%
Consolidated EBITDA (b)	9,960	10,746	-7.3%
EBITDA margin	13.5%	14.3%	-0.8 p.p.
Newspapers EBITDA	10,545	10,982	-4.0%
Newspapers EBITDA margin	17.2%	18.1%	-0.9 p.p.
Magazines EBITDA	-585	-236	ss
Magazines EBITDA margin	-4.5%	-1.6%	ss
Amortisation and depreciation (-)	1,897	2,163	-12.3%
EBIT	8,063	8,583	-6.1%
EBIT Margin	10.9%	11.4%	-0.5 p.p.
Net financial income	(2,486)	(2,756)	-9.8%
Income before taxes and minority interests	5,577	5,827	-4.3%
Income taxes	2,036	2,009	1.3%
Income after taxes	3,541	3,818	-7.3%
Non-controlling interests	(20)	-	ss
Net consolidated profit / loss (c)	3,561	3,818	-6.7%

(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 first nine months of 2016 were characterized by a decrease of advertising revenue of about 3.8% compared to the same period in 2015 and by a decrease of circulation revenue of about 3.2%. The revenue from alternative marketing products and others has increased 8.6%. Thus, total revenue recorded a decrease of 1.8%, reaching about 74 million Euro.

“Alternative marketing products and others” includes the revenue associated to the presence fee of the CMTV channel on MEO and NOS cable platforms.

EBITDA reached approximately 10 million Euro, representing a decrease of 7.3% compared to the same period of 2015.

Net profit reached 3.6 million Euro, corresponding to a decrease of 6.7%.

As of September 2016, the nominal net debt of Cofina amounted to 56.5 million Euro, which corresponds to a decrease of 2.1 million Euro in comparison with the net debt recorded in June 2016.

Newspapers segment

(amounts in thousand Euro)	9M 2016	9M 2015	Var (%) 9M16/9M15
Consolidated operating income	61,142	60,601	0.9%
Circulation	31,898	32,424	-1.6%
Advertising	19,160	19,556	-2.0%
Alternative marketing products and others	10,084	8,621	17.0%
Operating expenses (a)	50,597	49,619	2.0%
Consolidated EBITDA (b)	10,545	10,982	-4.0%
EBITDA margin	17.2%	18.1%	-0.9 p.p.

(a) Operating expenses excluding amortisation

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

The Cofina's newspapers segment recorded, in the period between January and September of 2016, total revenue of about 61.1 million Euro, representing an increase of 1% over the same period last year.

Revenue from advertising decreased 2%, reaching approximately 19.2 million Euro; while circulation income fell about 1.6% to 31.9 million Euro.

Revenues associated with alternative marketing products and others grew 17%, reaching 10 million Euro.

Therefore, the newspapers segment EBITDA reached in the period between January and September of 2016 amounted to 10.5 million Euro, representing a decrease of about 4% in relation to the prior year.

In terms of products, the evolution of ratings recorded in the CMTV channel should be highlighted: nine months after being available in the two largest cable television platforms (NOS and MEO) CMTV has an average share (in the first nine months of 2016) of 1.9%.

Magazines Segment

The total income of this segment reached approximately 12.9 million Euro, reflecting a decrease of 12.6% when compared to the same period of last year.

(amounts in thousand Euro)	9M 2016	9M 2015	Var (%) 9M16/9M15
Consolidated operating income	12,898	14,764	-12.6%
Circulation	7,422	8,213	-9.6%
Advertising	4,051	4,570	-11.4%
Alternative marketing products and others	1,425	1,981	-28.1%
Operating expenses (a)	13,483	15,000	-10.1%
Consolidated EBITDA (b)	-585	-236	ss
EBITDA margin	-4.5%	-1.6%	ss

(a) Operating expenses excluding amortisation

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

All items of revenue showed a negative performance. Cost control efforts did not avoid the worsening of the negative EBITDA, which amounted to -585 thousand Euro.

Oporto, November 3rd 2016

The Board of Directors

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(Translation of financial statements originally issued in Portuguese – Note 16)

(Amounts expressed in Euro)

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2016 AND 31 DECEMBER 2015

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

ASSETS	Notes	30.09.2016	31.12.2015
NON CURRENT ASSETS			
Tangible assets		3,259,896	4,466,425
Goodwill	5	89,086,392	88,789,577
Intangible assets		164,227	191,706
Investments in associated companies	4	3,228,340	3,141,284
Investments held for sale	4	72,288	9,080
Investments recorded at fair value through profit and loss		29,900	16,933
Other non current debtors		350,000	350,000
Other non current assets		398,169	1,592,676
Deferred tax assets		255,716	1,573,715
Total non current assets		96,844,928	100,131,396
CURRENT ASSETS			
Inventories		1,735,634	1,991,290
Customers		9,069,326	9,712,319
State and other public entities		1,745,977	905,275
Other current debtors		793,434	392,502
Other current assets		7,350,883	7,920,681
Cash and cash equivalents	7	6,233,712	8,193,580
Total current assets		26,928,966	29,115,647
TOTAL ASSETS		123,773,894	129,247,043
<hr/>			
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
Exchange conversion reserve		(771,832)	(1,234,642)
Other reserves		(24,663,549)	(28,186,288)
Consolidated net profit/(loss) for the period attributable to the parent company		3,561,016	5,061,226
Equity attributable to equityholder of the parent company		25,051,073	22,565,734
Non-controlling interests		5,207	-
TOTAL EQUITY		25,056,280	22,565,734
LIABILITIES			
NON CURRENT LIABILITIES			
Other loans	9	32,807,730	49,521,018
Other non current creditors		15,090	15,090
Provisions		13,034,922	12,485,094
Total non current liabilities		45,857,742	62,021,202
CURRENT LIABILITIES			
Other loans	9	29,141,106	17,989,994
Suppliers		7,486,746	12,467,270
State and other public entities		3,283,240	3,292,142
Other current creditors		4,680,115	2,490,579
Other current liabilities		8,268,665	8,420,122
Total current liabilities		52,859,872	44,660,107
TOTAL LIABILITIES		98,717,614	106,681,309
TOTAL EQUITY AND LIABILITIES		123,773,894	129,247,043

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

The Chartered Accountant

The Board of Directors

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Consolidated Financial Statements and Notes

(Translation of financial statements originally issued in Portuguese – Note 16)

(Amounts expressed in Euro)

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

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES
FOR THE NINE AND THREE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2016 AND 2015
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	30.09.2016	30.09.2015	3 rd quarter 2016	3 rd quarter 2015
Sales		39,319,984	40,636,708	13,990,987	14,740,619
Services rendered		23,210,992	24,125,836	8,063,842	7,771,827
Other operating income		11,509,026	10,602,537	3,514,030	2,855,123
Cost of sales		(9,483,066)	(9,772,580)	(3,218,090)	(3,399,587)
External supplies and services		(29,590,737)	(29,775,923)	(10,207,599)	(9,391,932)
Payroll expenses		(24,306,610)	(24,475,772)	(8,325,013)	(8,446,719)
Amortisation and depreciation		(1,897,466)	(2,163,063)	(632,455)	(720,754)
Provisions and impairment losses		(460,842)	(356,531)	(216,206)	(162,241)
Other operating expenses		(238,920)	(238,435)	(83,424)	(77,657)
Financial expenses	10	(2,492,185)	(2,757,661)	(897,538)	(739,241)
Financial income	10	6,410	2,101	57	-
Profit / (loss) before income tax		<u>5,576,586</u>	<u>5,827,217</u>	<u>1,988,591</u>	<u>2,429,438</u>
Income tax	6	(2,035,363)	(2,009,534)	(787,521)	(914,535)
Net consolidated profit / (loss) for the period		<u>3,541,223</u>	<u>3,817,683</u>	<u>1,201,070</u>	<u>1,514,903</u>
Attributable to:					
Shareholders of the parent company		3,561,016	3,817,683	1,220,863	1,514,903
Non-controlling interests		(19,793)	-	(19,793)	-
Earnings per share:					
Basic	12	0.03	0.04	0.01	0.01
Diluted	12	0.03	0.04	0.01	0.01

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The Chartered Accountant

The Board of Directors

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(Translation of financial statements originally issued in Portuguese – Note 16)

(Amounts expressed in Euro)

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2016 AND 2015
 (Translation of financial statements originally issued in Portuguese - Note 16)
 (Amounts expressed in Euro)

	Attributable to equity holders of the parent company								
	Share capital	Share premium account	Legal reserve	Exchange conversion reserves	Other reserves	Net profit / (loss)	Total	Non controlling interests	Total equity
Balance as of 1 January 2015	25,641,459	15,874,835	5,409,144	(550,415)	(32,363,232)	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 nine months period ended 30 September 2015				(776,888)		2,817,683	3,040,795	-	3,040,795
Balance as of 30 September 2015	25,641,459	15,874,835	5,409,144	(1,327,303)	(28,098,071)	3,817,683	21,317,747	-	21,317,747
Balance as of 1 January 2016	25,641,459	15,874,835	5,409,144	(1,234,642)	(28,186,288)	5,061,226	22,565,734	-	22,565,734
Appropriation of consolidated net result for 2015:									
Transfer to retained earnings	-	-	-	-	5,061,226	(5,061,226)	-	-	-
Dividends distributed	-	-	-	-	(1,538,487)	-	(1,538,487)	-	(1,538,487)
Changes in reserves and non-controlling interests:									
Perimeter variation	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	25,000	25,000
Total comprehensive income									
for the nine months period ended 30 September 2016	-	-	-	462,810	-	3,561,016	4,023,826	(19,793)	4,004,033
Balance as of 30 September 2016	25,641,459	15,874,835	5,409,144	(771,832)	(24,663,549)	3,561,016	25,051,073	5,207	25,056,280

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(Amounts expressed in Euro)

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE AND THREE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2016 AND 2015
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	<u>30.09.2016</u>	<u>30.09.2015</u>	<u>3rd quarter 2016</u>	<u>3rd quarter 2015</u>
Profit / (loss) for the period	3,541,223	3,817,683	1,201,070	1,514,903
Other comprehensive income:				
Items that will be reclassified to net income:				
Exchange differences on translation of foreign operations	462,810	(776,888)	(27,875)	(583,292)
Total comprehensive income for the period	4,004,033	3,040,795	1,173,195	931,611
Attributable to:				
Shareholders of the parent company	4,023,826	3,040,795	1,192,988	931,611
Non-controlling interests	(19,793)	-	(19,793)	-

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

The Chartered Accountant

The Board of Directors

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(Translation of financial statements originally issued in Portuguese – Note 16)

(Amounts expressed in Euro)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH-FLOWS
FOR THE NINE AND THREE MONTHS PERIODS ENDED AS OF 30 SEPTEMBER 2016 AND 2015
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

Notes	30.09.2016	30.09.2015	3 rd quarter 2016	3 rd quarter 2015
Operating activities:				
<i>Cash flow from operating activities (1)</i>	<u>8,113,057</u>	<u>8,534,865</u>	<u>3,341,705</u>	<u>5,069,356</u>
Investment activities:				
Collections relating to:				
Tangible assets	1,275	650	-	-
Interest and similar income	998	11,381	14	(10,547)
Capital installments	25,000	-	25,000	-
Financial Investments	2,450	765,900	2,450	-
Dividends	200,000	229,723	234,100	(10,547)
Payments relating to:				
Financial Investments	(252,450)	(1,575,000)	-	-
Tangible assets	(558,845)	(956,014)	(187,377)	(596,363)
Intangible assets	(265,293)	(182,866)	(20,097)	(23,979)
Loans conceded	(100,000)	(1,176,588)	(2,713,880)	(207,474)
<i>Cash flow from investment activities (2)</i>	<u>(946,865)</u>	<u>(1,701,849)</u>	<u>(180,010)</u>	<u>(630,889)</u>
Financing activities				
Collections relating to:				
Loans obtained	6,750,000	6,750,000	9,550,000	9,550,000
Payments relating to:				
Interest and similar costs	(2,275,233)	(3,446,587)	(956,243)	(1,994,601)
Amortisation of leasing contracts	(46,060)	(26,012)	(15,353)	(8,670)
Dividends	(1,538,487)	(2,051,317)	-	-
Loans obtained	(12,015,649)	(15,875,429)	(15,000,000)	(10,515,365)
<i>Cash flow from financing activities (2)</i>	<u>(9,125,429)</u>	<u>(10,973,916)</u>	<u>(57,275)</u>	<u>(11,000,000)</u>
Cash and its equivalents at the beginning of the period	7	8,193,580	7,926,530	3,129,923
Changes in exchange rates		(631)	(631)	(631)
Variation of cash and its equivalents: (1)+(2)+(3)		(1,959,237)	(4,140,900)	3,104,420
Cash and its equivalents at the end of the period	7	<u>6,233,712</u>	<u>3,784,999</u>	<u>6,233,712</u>
				<u>3,784,999</u>

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

The Chartered Accountant

The Board of Directors

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Consolidated Financial Statements and Notes

(Translation of financial statements originally issued in Portuguese – Note 16)

(Amounts expressed in Euro)

1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company") is an open capital company, with its head-office located at Rua General Norton de Matos, 68, r/c in Porto and has its shares listed in the Euronext Lisbon Stock Exchange ("Euronext Lisbon"). Cofina is the Parent company of a group of companies detailed in Note 4, commonly designated as Cofina Group, and its main activity is the management of investments in the Media sector.

Cofina Group owns headings of reference in their respective segments, editing titles like newspapers "Correio da Manhã", "Record", "Jornal de Negócios" and "Destak", as well as the magazines "Sábado", "TV Guia" and "Flash!", among others. Additionally, since the year 2013, Cofina Group has incorporated in its portfolio the cable television channel "CMTV".

During the nine months' period ended as of 30 September 2016, Cofina Group developed its activity mainly in Portugal, having also some interests in Brazil, through the investment in the associated company Destak Brasil and in the subsidiary Adcom Media (Note 4).

Cofina's consolidated financial statements are expressed in Euro (rounded to the nearest unit). This is the currency used by the Group in its operations and as such considered the functional currency. The operations of the foreign group companies whose functional currency is not the Euro are translated to Euro using the exchange rates in force at the balance sheet date. Income and expenses and cash flows are converted to Euro using the average exchange rate for the period. The exchange rate differences originated are recorded in equity captions.

The accompanying consolidated financial statements have been prepared under the going concern assumption.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

Annual consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The consolidated financial statements as of 30 September 2016 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 2015.

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.

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(Translation of financial statements originally issued in Portuguese – Note 16)

(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 30 September 2016 are as follows:

Designation	Headquarters	Percentage participation held	Activity
<u>Parent company:</u>			
Cofina, SGPS, S.A.	Porto		Investment management
<u>Cofina Media Group:</u>			
Cofina Media, S.A. ("Cofina Media")	Lisbon	100.00%	Newspapers and magazine publication, television broadcast, production and creation of websites for online business development, events promotion and organization.
Grafedisport – Impressão e Artes Gráficas, S.A. ("Grafedisport")	Queluz	100.00%	Newspapers printing
Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media")	São Paulo, Brazil	100.00%	Communication and advertising services
A Nossa Apostila – Jogos e Apostas On-line, S.A. ("A Nossa Apostila") (a)	Lisbon	90.00%	Gambling and on-line betting

(a) Company incorporated in the nine months' period ended as of 30 September 2016.

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

Investments in associated companies

The associated companies, their headquarters, percentage of participation held and activity developed as of 30 September 2016 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	50.00%	-	Management of services and promotion of a financial forum on the internet

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 acquisition cost, less impairment losses.

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(Amounts expressed in Euro)

During the year ended as of 31 December 2015, Cofina Group liquidated its subsidiary Buzz Participações Ltda. Therefore, that company, as at that date, left the consolidation perimeter.

The acquisition cost of the associated companies and their book value as of 30 September 2016 are as follows:

Designation	Acquisition Cost	Book value
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 3,028,340
Destak Brasil – Empreendimentos e Participações, S.A.	€ 299,064	€ (435,934)
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	-

As of 30 September 2016 and 31 December 2015, the caption "Investments in associated companies" can be detailed as follows:

	30.09.2016	31.12.2015
Financial Investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	3,028,340	3,041,284
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
	3,100,340	3,113,284
Accumulated impairment losses on investments in associated companies	(72,000)	(72,000)
	3,028,340	3,041,284
Loans granted		
Destak Brasil Empreendimentos	200,000	100,000
	3,228,340	3,141,284

Investments available for sale

As of 30 September 2016 and 31 December 2015, the Group has investments available for sale corresponding to non-controlling investments in unlisted companies. The Group has recorded impairment losses to face differences to their net realizable amount, presenting this caption, as of those dates, a net book value of 72,288 Euro and 9,080 Euro, respectively. As of 30 September 2016 and 31 December 2015, the total investments for which adjustments were made in the same value amount to 454,100 Euro and 244,439 Euro, respectively.

5. GOODWILL

During the nine months' periods ended as of 30 September 2016 and 2015, the movement in the caption "Goodwill" fully refers to the exchange rates' change in the goodwill of the subsidiary Adcom Media.

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Consolidated Financial Statements and Notes

(Translation of financial statements originally issued in Portuguese – Note 16)

(Amounts expressed in Euro)

6. INCOME TAX

As of 30 September 2016 and 2015, the caption "Income Tax" is made up as follows:

	30.09.2016	30.09.2015
Current tax		
Income tax for the period	526,530	1,045,073
Excess/(Insufficiency) of prior years income tax	187,266	(131,166)
Concession / Use of tax credits	-	146,063
Deferred tax	1,321,567	949,564
	<hr/> <u>2,035,363</u>	<hr/> <u>2,009,534</u>

As of 30 September 2016, 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 request in the amount of, approximately, 5,700,000 Euro. Consequently, the unresolved contingency, as of 30 September 2016, amounts to, 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.

7. CASH AND CASH EQUIVALENTS

As of 30 September 2016 and 2015 and 31 December 2015, the caption "Cash and cash equivalents" can be detailed as follows:

	30.09.2016	31.12.2015	30.09.2015
Cash	68,532	66,058	62,149
Bank deposits repayable on demand	6,165,180	8,127,522	3,722,850
Cash and cash equivalents	<hr/> <u>6,233,712</u>	<hr/> <u>8,193,580</u>	<hr/> <u>3,784,999</u>

8. SHARE CAPITAL

As of 30 September 2016, 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.

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Consolidated Financial Statements and Notes

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(Amounts expressed in Euro)

9. BANK AND OTHER LOANS

As of 30 September 2016 and 31 December 2015, the caption "Other loans" was made up as follows:

	30.09.2016			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,403,865	32,807,730	16,666,667	33,333,333
Commercial paper	12,737,241	-	12,750,000	-
	<u>29,141,106</u>	<u>32,807,730</u>	<u>29,416,667</u>	<u>33,333,333</u>

	31.12.2015			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	-	49,521,018	-	50,000,000
Commercial paper	17,989,994	-	18,000,000	-
	<u>17,989,994</u>	<u>49,521,018</u>	<u>18,000,000</u>	<u>50,000,000</u>

Bond loans

As of 30 September 2016, the 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 49,211,595 Euro. This loan, according to its terms, matures on September 28, 2019.

The main features of this bond loan are as follows:

i) Cofina, SGPS, S.A.:

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

Commercial paper

The liability caption "Commercial Paper" relates to three commercial paper programs, in the maximum amounts of 15,000,000 Euro, 5,000,000 Euro and 7,000,000 Euro, with guaranteed subscription by the banks, which bear interest at market rates. These commercial paper programs mature in July 2019, November 2018 and April 2020, respectively.

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

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10. FINANCIAL RESULTS

The financial income and expenses for the nine months' periods ended as of 30 September 2016 and 2015 are made up as follows:

	30.09.2016	30.09.2015
<u>Financial expenses</u>		
Interest paid	(1,520,372)	(2,001,739)
Commissions	(420,864)	(320,032)
Other financial expenses	(13,178)	(49,993)
<u>Gains and Losses in associated companies</u>		
Application of the Equity Method	(537,771)	(385,897)
	<u>(2,492,185)</u>	<u>(2,757,661)</u>
<u>Financial income</u>		
Interest received	6,410	2,101
	<u>6,410</u>	<u>2,101</u>

11. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of 30 September 2016, 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 e Aduaneira") as a guarantee of the ongoing income tax claims.

As of 30 September 2016, Cofina Media Group companies had assumed responsibilities for guarantees granted amounting to 578,553 Euro mainly related to its advertising activities (329,109 Euro) and ongoing tax proceedings (249,791 Euro).

Additionally, as of 30 September 2016, the Group had also given promissory notes to guarantee credit facilities amounting to 71,500,000 Euro.

12. EARNINGS PER SHARE

Earnings per share for the nine months' periods ended as of 30 September 2016 and 2015 were determined taking into consideration the following amounts:

	30.09.2016	30.09.2015
Net profit / (loss) considered for the computation of basic and diluted earnings	3,561,016	3,817,683
Weighted average number for shares used to compute the basic earnings per share	102,565,836	102,565,836
Weighted average number for shares used to compute the diluted earnings per share	<u>102,565,836</u>	<u>102,565,836</u>
Earnings per share:		
Basic	0.03	0.04
Diluted	0.03	0.04

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13. SEGMENT INFORMATION

According to the source and nature of the income generated by the Group, the following segments were considered:

- Newspapers;
- Magazines.

Since the Group mainly operates in the domestic market geographic segments are not reported.

The information for the nine months' periods ended as of 30 September 2016 and 2015 is detailed as follows:

30.09.2016			Eliminations and consolidations adjustments	Total
	Newspapers	Magazines		
Net operating income	61,142,002	12,898,000	-	74,040,002
Operating cash-flow - EBIT DA (a)	10,544,827	(585,000)	-	9,959,827
Operating profit (EBIT)	8,647,361	(585,000)	-	8,062,361

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

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

14. NET PROFIT / (LOSS) APPROPRIATION

Relating to the year ended as of 31 December 2015, the Board of Directors proposed, in its annual report, that from the individual net profit of Cofina, S.G.P.S., S.A., in the amount of 6,472,693.96 Euro, 1,538,487.54 Euro, which corresponds to a dividend of 0.015 Euro per share, would be distributed as dividends and the remaining in the amount of 4,934,206.42 Euro would be transferred to the caption "Other reserves", having that proposal been approved in the General Shareholders' Meeting held on of 21 April 2016.

15. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 30 September 2016 were approved by the Board of Directors for issuance on 3 November 2016.

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16. EXPLANATION ADDED FOR TRANSLATION

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

The Chartered Accountant

The Board of Directors