



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

ANNUAL FINANCIAL INFORMATION – FY15
(Unaudited)

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

(amounts in thousand of Euro)	2015	2014	Var (%) 2015/2014
Consolidated operating revenue	100,676	106,077	-5.1%
Circulation	52,848	54,422	-2.9%
Advertising	33,802	36,710	-7.9%
Alternative marketing products and others	14,026	14,945	-6.1%
Operating income by segment	100,676	106,077	-5.1%
Newspapers	81,345	84,574	-3.8%
Magazines	19,331	21,503	-10.1%
Operating Expenses (a)	85,636	89,834	-4.7%
Consolidated EBITDA (b)	15,040	16,243	-7.4%
EBITDA Margin	14.9%	15.3%	-0.4 p.p.
Newspapers EBITDA	15,273	15,430	-1.0%
Newspapers EBITDA Margin	18.8%	18.2%	+0.5 p.p.
Magazines EBITDA	-233	813	-
Magazines EBITDA Margin	-1.2%	3.8%	-5.0 p.p.
Amortisation and depreciation (-)	2,892	2,927	-1.2%
EBIT	12,148	13,316	-8.8%
EBIT Margin	12.1%	12.6%	-0.4 p.p.
Net financial income / (loss)	(3,771)	(3,424)	10.1%
Income before taxes and non-controlling interests	8,377	9,892	-15.3%
Income taxes (-)	3,316	3,644	-9.0%
Non-controlling interests (-)	-	74	-
Net consolidated profit / (loss) (c)	5,061	6,174	-18.0%

(a) Operating expenses excluding amortisation

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

(c) Net Profit / (Loss) attributable to the parent company shareholders

2015 was characterized by a decrease in total revenue compared to the previous year (-5%), with the reduction experienced in all of its components: circulation revenue (-3%), advertising revenue (-8%) and alternative marketing products and others revenue (-6%).

EBITDA recorded in this period was about 15 million Euros, which represents a decrease of about 7%, compared to the previous year.

The consolidated net profit reached 5 million Euros, resulting in a decrease of 18%, compared with 2014.

As of 31 December 2015, the nominal net debt of Cofina was 59.8 million Euros, which represents a decrease of 5.8 million Euros in relation to the previous year.

Free cash flow to equity generated by Cofina in 2015 reached about 7.8 million Euros, resulting in a free cash flow yield (concerning the market capitalization as of 31 December 2015) of about 17%.

Some indicators of the main business segments are as follows:

Newspapers Segment

(amounts in thousand of Euro)	2015	2014	Var (%) 2015/2014
Consolidated operating income	81,345	84,574	-3.8%
Circulation	42,350	42,421	-0.2%
Advertising	27,284	29,618	-7.9%
Alternative marketing products and others	11,711	12,535	-6.6%
Operating expenses (a)	66,072	69,144	-4.4%
Consolidated EBITDA (b)	15,273	15,430	-1.0%
EBITDA Margin	18.8%	18.2%	+0.6 p.p.

(a) Operating expenses excluding amortisation

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

In 2015, Cofina's newspapers' segment recorded total revenues of about 81.3 million Euros, a decrease of about 4% compared with the previous year.

Circulation revenues mostly remained unchanged, in 42.4 million Euros. Advertising revenues recorded a decrease of 7.9%, reaching about 23.7 million Euros. Alternative marketing products recorded a decrease of 7%, to 11.7 million Euros.

Thus, the newspaper segment's EBITDA amounted to 15.3 million Euros, a decrease of 1% in comparison to the previous year. EBITDA margin reached 18.8%.

The newspapers' segment includes the results of the television channel "Correio da Manhã TV", which has recorded a remarkable performance. In December 2015, Cofina signed an agreement with NOS for the transmission of the channel in its platform, starting in January 2016. As from this date, "Correio da Manhã TV" began being broadcasted in the two largest national TV cable platforms, NOS and MEO. Thus, since February 2016, "Correio da Manhã TV" assumed the leadership in the information channel's segment and has, inclusively, a higher market share than RTP2 channel, which is distributed in TDT platform.

Magazines Segment

In 2015, total revenues in this segment amounted to 19.3 million Euros, reflecting a decrease of about 10%, compared to 2014.

(amounts in thousand of Euro)	2015	2014	Var (%) 2015/2014
Consolidated operating income	19,331	21,503	-10.1%
Circulation	10,498	12,001	-12.5%
Advertising	6,518	7,092	-8.1%
Alternative marketing products and others	2,315	2,410	-3.9%
Operating expenses (a)	19,564	20,690	-5.4%
Consolidated EBITDA (b)	-233	813	-
EBITDA Margin	-1.2%	3.8%	-5.0 p.p.

(a) Operating expenses excluding amortisation

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

Circulation revenue fell 12.5% to 10.5 million Euros, while advertising decreased 8%. Similarly, revenues associated with alternative marketing products decreased about 4%.

The magazines segment's EBITDA recorded in 2015 amounted to -233 thousand Euros.

Income Statement 2015

(Amounts expressed in Euros)

	<u>31.12.2015</u>	<u>31.12.2014</u>
Sales	52,848,231	54,421,864
Services rendered	33,802,815	36,709,582
Other income	14,024,615	14,946,028
Cost of sales	(12,757,681)	(14,762,440)
External supplies and services	(41,162,891)	(41,147,108)
Payroll expenses	(31,493,522)	(31,646,404)
Amortisation and depreciation	(2,892,150)	(2,926,813)
Provisions and impairment losses	57,094	(1,964,402)
Other expenses	(278,905)	(313,924)
Financial expenses	(4,203,629)	(4,443,297)
Financial income	<u>433,212</u>	<u>1,019,254</u>
Profit before income tax	8,377,189	9,892,340
Income Tax	<u>(3,315,963)</u>	<u>(3,643,963)</u>
Net profit for the year	5,061,226	6,248,377
Attributable to:		
Shareholder's of the Parent Company	5,061,226	6,173,887
Non-controlling interests	-	74,490



Balance Sheet 2015

ASSETS	31.12.2015	31.12.2014
NON CURRENT ASSETS		
Tangible fixed assets	4,466,425	5,883,466
Goodwill	88,789,577	89,316,685
Intangible assets	191,706	489,077
Investments in associated companies	3,141,284	3,860,407
Investments available for sale	9,080	29,498
Investments measured at fair value through profit and loss	16,933	5,482
Other non current debtors	350,000	350,000
Deferred tax assets	1,573,715	2,578,268
Total non current assets	98,538,720	102,512,883
CURRENT ASSETS		
Inventories	1,991,290	1,872,891
Customers	9,712,319	9,088,161
State and other public entities	905,275	945,464
Other current debtors	392,502	312,548
Other current assets	9,513,357	7,115,217
Cash and cash equivalents	8,193,580	12,658,992
Total current assets	30,708,323	31,993,273
TOTAL ASSETS	129,247,043	134,506,156
EQUITY AND LIABILITIES		
SHAREHOLDER'S FUNDS		
Share capital	25,641,459	25,641,459
Share premium	15,874,835	15,874,835
Legal reserve	5,409,144	5,409,144
Other reserves	(29,420,930)	(32,913,647)
Consolidated net profit for the year attributable to equity holder of the parent company	5,061,226	6,173,887
Equity attributable to equity holder of the parent company	22,565,734	20,185,678
Non-controlling interests	-	90,981
TOTAL EQUITY	22,565,734	20,276,659
LIABILITIES		
NON CURRENT LIABILITIES		
Other long-term loans	49,521,018	49,274,676
Other non current creditors	15,090	45,080
Provisions	12,485,094	10,320,480
Total non current liabilities	62,021,202	59,640,236
CURRENT LIABILITIES		
Bank loans	-	4,732,462
Other short-term loans	17,989,994	23,496,752
Suppliers	12,467,270	9,158,181
State and other public entities	3,292,142	3,065,338
Other current creditors	2,490,579	5,346,958
Other current liabilities	8,420,122	8,789,570
Total current liabilities	44,660,107	54,589,261
TOTAL LIABILITIES	106,681,309	114,229,497
TOTAL EQUITY AND LIABILITIES	129,247,043	134,506,156

Porto, February 25, 2016