



**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

**1st half '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 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 1<sup>st</sup> semester 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)	1H 2016	1H 2015	Var (%) 1H16/1H15
<b>Operating income</b>	<b>48,471</b>	<b>49,997</b>	<b>-3.1%</b>
Circulation	25,329	25,896	-2.2%
Advertising	15,147	16,354	-7.4%
Alternative marketing products and others	7,995	7,747	3.2%
<b>Operating income by segments</b>	<b>48,471</b>	<b>49,997</b>	<b>-3.1%</b>
Newspapers	39,905	40,322	-1.0%
Magazines	8,566	9,675	-11.5%
<b>Operating expenses (a)</b>	<b>42,030</b>	<b>43,141</b>	<b>-2.6%</b>
<b>Consolidated EBITDA (b)</b>	<b>6,441</b>	<b>6,856</b>	<b>-6.1%</b>
EBITDA margin	13.3%	13.7%	- 0.4 p.p.
Newspapers EBITDA	7,016	7,271	-3.5%
Newspapers EBITDA margin	17.6%	18.0%	- 0.4 p.p.
Magazines EBITDA	-575	-415	-
Magazines EBITDA margin	-6.7%	-4.3%	-
Amortisation and depreciation (-)	1,265	1,442	-12.3%
<b>EBIT</b>	<b>5,176</b>	<b>5,414</b>	<b>-4.4%</b>
EBIT margin	10.7%	10.8%	-0.1 p.p.
Net financial income	(1,588)	(2,016)	-21.2%
<b>Income before taxes and non-controlling interests</b>	<b>3,588</b>	<b>3,398</b>	<b>5.6%</b>
Income taxes	1,248	1,095	14.0%
<b>Net consolidated profit / loss (c)</b>	<b>2,340</b>	<b>2,303</b>	<b>1.6%</b>

(a) Operating expenses excluding amortisation

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

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

The first semester of 2016 was characterized by a decrease of advertising of about 7% compared to the same period of 2015 and by a slight decrease of circulation revenue of about 2%. The revenue from alternative marketing products and others have increased 3%. Thus, the total revenue recorded a decrease of 3.1%, reaching about 48.5 million Euro.

The item "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 6.4 million Euro, representing a decrease of about 6.1% compared to the same period of 2015.

Income before taxes recorded an increase of 5.6%, amounting to 3.6 million Euro. Net profit reached 2.3 million Euro, corresponding to an increase of 1.6%.

### Free cash flow yield exceeding 12% in the second quarter of 2016

As of June 30, 2016, the nominal net debt of Cofina amounted to 58.6 million Euro, which corresponds to a decrease of about 2 million Euro in relation to the net debt recorded in March 31, 2016.

It should be noted that Cofina paid in May about 1.5 million Euro of dividends. Therefore, the free cash flow to equity generated during the second quarter of 2016 amounted to 3.5 million Euro, which translates (in relation to market capitalization of June 30<sup>th</sup>, 2016) into a free cash flow yield exceeding 12%.

### Results of the second quarter of 2016: profit grows 3%

(amounts in thousand Euro)	2Q 2016	2Q 2015	Var (%) 2Q16/2Q15
<b>Operating income</b>	<b>25,887</b>	<b>26,572</b>	<b>-2.6%</b>
Circulation	12,684	13,221	-4.1%
Advertising	8,736	9,168	-4.7%
Alternative marketing products and others	4,467	4,183	6.8%
<b>Operating income by segments</b>	<b>25,887</b>	<b>26,572</b>	<b>-2.6%</b>
Newspapers	21,449	21,163	1.4%
Magazines	4,438	5,409	-18.0%
<b>Operating expenses (a)</b>	<b>22,329</b>	<b>22,836</b>	<b>-2.2%</b>
<b>Consolidated EBITDA (b)</b>	<b>3,558</b>	<b>3,736</b>	<b>-4.8%</b>
EBITDA margin	13.6%	14.1%	- 0.5 p.p.
Newspapers EBITDA	3,760	3,810	-1.3%
Newspapers EBITDA margin	17.5%	18.0%	- 0.5 p.p.
Magazines EBITDA	-202	-74	-
Magazines EBITDA margin	-4.6%	-1.4%	-
Amortisation and depreciation (-)	633	721	-12.2%
<b>EBIT</b>	<b>2,926</b>	<b>3,015</b>	<b>-3.0%</b>
EBIT margin	11.3%	11.3%	0.0 p.p.
Net financial income	(872)	(1,171)	-25.5%
<b>Income before taxes and non-controlling interests</b>	<b>2,054</b>	<b>1,844</b>	<b>11.4%</b>
Income taxes	716	550	30.2%
<b>Net consolidated profit / loss (c)</b>	<b>1,338</b>	<b>1,294</b>	<b>3.4%</b>

(a) Operating expenses excluding amortisation

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

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

On a quarterly basis, the second quarter of 2016 followed the same trend verified in the half year, with a decrease in advertising and circulation revenue and an increase in revenue associated to alternative marketing products and others.

Thus, circulation revenue decreased by 4.1%, ending at 12.7 million Euro and advertising revenue also decreased about 4.7% to 8.7 million Euro. Revenue from alternative marketing products and others amounted to 4.5 million Euro, a growth of about 7%.

The EBITDA for the three months' period was 3.6 million Euro (-4.8%)

The improvement in the financial results, mainly driven by lower interest rates, led to a 3.4% growth of the net profit, which amounted to 1.3 million Euro.

### Newspapers Segment

(amounts in thousand Euro)	2Q 2016	2Q 2015	Var (%) 2Q16/2Q15
<b>Consolidated operating income</b>	<b>21,449</b>	<b>21,163</b>	<b>1.4%</b>
Circulation	10,273	10,470	-1.9%
Advertising	7,309	7,567	-3.4%
Alternative marketing products and others	3,866	3,126	23.7%
<b>Operating expenses (a)</b>	<b>17,688</b>	<b>17,353</b>	<b>1.9%</b>
<b>Consolidated EBITDA (b)</b>	<b>3,760</b>	<b>3,810</b>	<b>-1.3%</b>
EBITDA margin	17.5%	18.1%	- 0.5 p.p.

(a) Operating expenses excluding amortisation

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

The Cofina's newspapers segment recorded, in the second quarter of 2016, total revenue of about 21.4 million Euro, an increase of 1% over the same period last year. Circulation income fell about 2% to 10.3 million Euro; while revenue from advertising decreased 3%, reaching approximately 7.3 million Euro.

Revenues associated with alternative marketing grew by about 24% to 3.9 million Euro.

Therefore, the newspapers segment EBITDA achieved in the second quarter amounted to 3.8 million Euro, representing a decrease of about 1% over the same period of last year.

In terms of products, it should be highlighted the evolution of ratings recorded in the *Correio da Manhã* TV channel which, six months after being available in the two largest cable television platforms (NOS and MEO), has an average share (in the first half of 2016) of 1.9%.

### Magazines Segment

The total income of this segment reached approximately 4.4 million Euro, reflecting a decrease of about 18% when compared to the same period last year.

(amounts in thousand Euro)	2Q 2016	2Q 2015	Var (%) 2Q16/2Q15
<b>Consolidated operating income</b>	<b>4,439</b>	<b>5,409</b>	<b>-17.9%</b>
Circulation	2,411	2,751	-12.4%
Advertising	1,427	1,601	-10.9%
Alternative marketing products and others	601	1,057	-43.1%
<b>Operating expenses (a)</b>	<b>4,641</b>	<b>5,483</b>	<b>-15.4%</b>
<b>Consolidated EBITDA (b)</b>	<b>-202</b>	<b>-74</b>	<b>-</b>
EBITDA margin	-4.6%	-1.4%	-

(a) Operating expenses excluding amortisation

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

All items of revenue showed a negative performance. Cost control efforts did not avoid the worsening of the negative EBITDA, which amounted to -202 thousand Euro. It should be noted, however, that this segment has a strong seasonal component, which is visible in a historic peak in the last quarter of the year.

Oporto, July 28<sup>th</sup> 2016

The Board of Directors



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

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES  
FOR THE SIX MONTHS PERIOD ENDED AS OF 30 JUNE 2016 AND 2015  
(Amounts expressed in Euro)

	<u>30.06.2016</u>	<u>30.06.2015</u>
Sales	25,328,997	25,896,089
Services rendered	15,147,150	16,354,009
Other operating income	7,994,996	7,747,414
Cost of sales	(6,264,976)	(6,372,993)
External supplies and services	(19,383,138)	(20,383,991)
Payroll expenses	(15,981,597)	(16,029,053)
Amortisation and depreciation	(1,265,011)	(1,442,309)
Provisions and impairment losses	(244,636)	(194,290)
Other operating expenses	(155,496)	(160,778)
Financial expenses	(1,594,647)	(2,018,420)
Financial income	6,353	2,101
Profit / (loss) before income tax	<u>3,587,995</u>	<u>3,397,779</u>
Income tax	(1,247,842)	(1,094,999)
Net consolidated profit / (loss) for the period	<u>2,340,153</u>	<u>2,302,780</u>
Attributable to:		
Shareholders of the parent company	2,340,153	2,302,780
Non-controlling interests	-	-
Earnings per share:		
Basic	0.02	0.02
Diluted	0.02	0.02



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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2016 AND 31 DECEMBER 2015  
(Amounts expressed in Euro)

ASSETS	30.06.2016	31.12.2015
<b>NON CURRENT ASSETS</b>		
Tangible assets	3,705,643	4,466,425
Goodwill	89,102,496	88,789,577
Intangible assets	183,986	191,706
Investments in associated companies	3,096,344	3,141,284
Investments held for sale	136,530	9,080
Investments recorded at fair value through profit and loss	25,098	16,933
Other non current debtors	350,000	350,000
Other non current assets	796,338	1,592,676
Deferred tax assets	926,723	1,573,715
<b>Total non current assets</b>	<b>98,323,158</b>	<b>100,131,396</b>
<b>CURRENT ASSETS</b>		
Inventories	1,597,501	1,991,290
Customers	8,742,059	9,712,319
State and other public entities	891,852	905,275
Other current debtors	1,611,293	392,502
Other current assets	7,616,671	7,920,681
Cash and cash equivalents	3,129,923	8,193,580
<b>Total current assets</b>	<b>23,589,299</b>	<b>29,115,647</b>
<b>TOTAL ASSETS</b>	<b>121,912,457</b>	<b>129,247,043</b>

**EQUITY AND LIABILITIES**

<b>SHAREHOLDERS' FUNDS</b>		
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
Exchange conversion reserve	(743,957)	(1,234,642)
Other reserves	(24,663,549)	(28,186,288)
Consolidated net profit/(loss) for the period attributable to the parent company	2,340,153	5,061,226
<b>Equity attributable to equity holder of the parent company</b>	<b>23,858,085</b>	<b>22,565,734</b>
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<b>23,858,085</b>	<b>22,565,734</b>
<b>LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>		
Other loans	49,619,376	49,521,018
Other non current creditors	15,090	15,090
Provisions	12,611,459	12,485,094
<b>Total non current liabilities</b>	<b>62,245,925</b>	<b>62,021,202</b>
<b>CURRENT LIABILITIES</b>		
Other loans	11,711,666	17,989,994
Suppliers	9,140,357	12,467,270
State and other public entities	3,479,094	3,292,142
Other current creditors	4,182,726	2,490,579
Other current liabilities	7,294,604	8,420,122
<b>Total current liabilities</b>	<b>35,808,447</b>	<b>44,660,107</b>
<b>TOTAL LIABILITIES</b>	<b>98,054,372</b>	<b>106,681,309</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>121,912,457</b>	<b>129,247,043</b>