



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



COFINA, SGPS, S.A.

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

(Amounts expressed in Euro)

ASSETS	30.09.2016	31.12.2015
NON CURRENT ASSETS		
Tangible fixed assets	3,259,896	4,466,425
Goodwill	89,086,392	88,789,577
Intangible assets	164,227	191,706
Investments in associated companies	3,228,340	3,141,284
Investments available for sale	72,288	9,080
Investments measured 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	6,233,712	8,193,580
Total current assets	26,928,966	29,115,647
TOTAL ASSETS	123,773,894	129,247,043
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
Exchange conversion reserve	(771,832)	(1,234,642)
Other reserves	(24,663,549)	(28,186,288)
Consolidated net profit for the year attributable to equity holder of the parent company	3,561,016	5,061,226
Equity attributable to equity holder 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 long-term loans	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 short-term loans	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



COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES
FOR THE NINE AND THREE MONTHS PERIOD ENDED AS OF 30 SEPTEMBER 2016 AND 2015

(Amounts expressed in Euro)

	<u>30.09.2016</u>	<u>30.09.2015</u>	<u>3rd Quarter 2016</u>	<u>3rd Quarter 2015</u>
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 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 expenses	(238,920)	(238,435)	(83,424)	(77,657)
Financial expenses	(2,492,185)	(2,757,661)	(897,538)	(739,241)
Financial income	6,410	2,101	57	-
Profit before income tax	5,576,586	5,827,217	1,988,591	2,429,438
Income Tax	(2,035,363)	(2,009,534)	(787,521)	(914,535)
Net profit for the year	3,541,223	3,817,683	1,201,070	1,514,903
Attributable to:				
Shareholder's 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	0.03	0.04	0.01	0.01
Diluted	0.03	0.03	0.01	0.01