



COFINA, SGPS, S.A.
Public Company

Head Office: Rua do General Norton de Matos, 68, r/c – Oporto
Fiscal Number 502 293 225
Share Capital: 25,641,459 Euro

**Financial Information – 3rd Quarter of 2017
(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 in 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 third quarter of 2017, prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS), can be presented as follows:

(Thousand Euro)	3Q17	3Q16	Var (%)
Operational Revenues	23,111	25,569	-9.6%
Circulation	12,249	13,991	-12.5%
Advertising	7,322	8,064	-9.2%
Alternative marketing products and others	3,540	3,514	0.7%
Operational Revenues by Segment	23,111	25,569	-9.6%
Newspapers	19,713	21,237	-7.2%
Magazines	3,398	4,332	-21.6%
Operational Costs (a)	19,540	22,050	-11.4%
Consolidated EBITDA (b)	3,571	3,519	1.5%
EBITDA Margin	15.5%	13.8%	
Newspapers	3,572	3,529	1.2%
Newspapers EBITDA Margin	18.1%	16.6%	
Magazines	-1	-10	-90.0%
Magazines EBITDA Margin	0.0%	-0.2%	
Restructuring Costs	-450	0	
Consolidated EBITDA after restructuring	3,121	3,519	-11.3%
Amortization and Depreciation (-)	461	632	-27.1%
EBIT	2,660	2,887	-7.9%
EBIT Margin	11.5%	11.3%	
Net Financial income / (loss)	-1,134	-898	26.3%
Income before taxes	1,526	1,989	-23.3%
Income taxes (-)	695	788	-11.8%
Net Consolidated Profit / (loss) (c)	831	1,201	-30.8%

(a) Operational Costs excluding amortization

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

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

The current period was characterized by the reinforcement of Cofina's restructuring process. Hence, excluding the non-recurring costs associated to this process during the quarter under analysis (450 thousand Euro), Cofina's EBITDA in the third quarter of 2017 recorded an increase of 1.5% comparing with the same period of the previous year, reaching approximately 3.6 million Euro.

This restructuring process consists on the optimization of the portfolio's resources, the reorganization of the newsroom and the investment in business areas with strong potential of growth, namely digital and online gaming. Thus, in September, Cofina stopped editing the fashion magazine Vogue and, in the same month, started the operation of the website Nossa Apostila (<https://www.nossaaposta.pt/>), an online gaming platform, of which Cofina owns 40%.

The financial indicators of A Nossa Apostila online gaming platform, although still very recent, show an upward positive trend.

It should be noted that A Nossa Apostila is consolidated under the Equity Method, thus does not have any impact in the operational revenues neither in the consolidated EBITDA of the Group.

In terms of revenues, during the third quarter of 2017, it was recorded a decrease of 10% comparing with the total revenues recorded in the third quarter of 2016, reaching around 23 million Euro: circulation revenues (-12.5%), advertising revenues (-9.2%) and alternative marketing and other revenues (+0.7%). It should also be highlighted that divestment in unprofitable titles had a negative impact in revenues evolution.

Consolidated net profit reached 0.8 million Euro, which reflects a decrease of approximately 31%.

As of September 30, 2017, Cofina's nominal net debt amounted to 53.3 million Euro, which represents a decrease of 2.7 million Euro comparing to the net debt of 56 million Euro recorded in the end of June 2017.

We now present some key financial figures of the main business segment, excluding the restructuring costs:

Newspapers' segment

(Thousand Euro)	3Q17	3Q16	Var (%)
Operational Revenues	19,713	21,237	-7.2%
Circulation	10,227	11,293	-9.4%
Advertising	6,411	6,593	-2.8%
Alternative marketing products and others	3,075	3,351	-8.2%
Operational expenses (a)	16,141	17,708	-8.8%
EBITDA (b)	3,572	3,529	1.2%
EBITDA margin	18.1%	16.6%	

(a) Operational expenses excluding amortization

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

Cofina's newspapers' segment recorded, in the third quarter of 2017, total revenues of approximately 19.7 million Euro, a decrease of 7% comparing to the same period of the previous year. Revenues from circulation recorded a decrease of approximately 9% to 10.2 million Euro. The advertisement revenues recorded a decrease of 2.8%, reaching around 6.4 million Euro. Alternative marketing products revenues recorded a decrease of 8%, reaching 3.1 million Euro.

Expenses, excluding the restructuring costs, recorded a decrease of 9%. Hence, newspapers EBITDA reached approximately 3.6 million Euro, which corresponds to a raise of 1.2% comparatively to the same period of the previous year. EBITDA margin reached 18.1%, having recorded an improvement of 1.5 percentage points.

The newspapers' segment includes the results of the "Correio da Manhã TV" channel, which has consistently beaten audience records. Thus, during the first nine months of 2017, CMTV recorded a 2.4% share, being the channel with the highest audience in the cable and the fourth largest Portuguese channel behind the Free to Air, being only present in 85% of the market (since it is not present on Vodafone and Nowo platforms).

Magazine's Segment

During the third quarter of 2017, total revenues of this segment reached approximately 3.4 million Euro, reflecting a decrease of approximately 22% when compared to the same period of the previous year.

(Thousand Euro)	3Q17	3Q16	Var (%)
Operational Revenues	3,398	4,332	-21.6%
Circulation	2,022	2,698	-25.1%
Advertising	911	1,471	-38.1%
Alternative marketing products and others	465	163	185.3%
Operational expenses (a)	3,399	4,342	-21.7%
EBITDA (b)	-1	-10	90.0%
EBITDA margin	0.0%	-0.2%	

(a) Operational expenses excluding amortization

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

Circulation revenues recorded a decrease of 25%, reaching approximately 2.0 million Euro, while advertisement revenues decrease around 38%. The revenues associated to alternative marketing product recorded a sharp increase.

As referred, following the restructuring process of the Group's portfolio, it was not renewed the contract with Condé Nast. Hence, since September, the fashion magazine Vogue stopped being published by Cofina.

The operational rationalization measures allowed the magazines' segment to achieve, in the third quarter of 2017, the operational break-even, with a negative EBITDA of only one thousand Euro.

Accumulated figures for the first nine months of 2017

During the first nine months of 2017, the total revenues reached approximately 67 million Euro, reflecting a decrease of 9% when compared with the same period of the previous year. EBITDA before the restructuring costs reached 9.2 million Euro.

It should be noted that, during 2017, Cofina has already incurred in restructuring costs that amount to approximately 2.5 million Euro.

The consolidated net profit in the end of September 2017 is approximately 1.5 million Euro.

(Thousand Euro)	Sep 17	Sep 16	Var (%)
Operational Revenues	67,102	74,040	-9.4%
Circulation	35,059	39,320	-10.8%
Advertising	21,776	23,211	-6.2%
Alternative marketing products and others	10,267	11,509	-10.8%
Operational Revenues by Segment	67,102	74,040	-9.4%
Newspapers	56,830	61,142	-7.1%
Magazines	10,272	12,898	-20.4%
Operational Costs (a)	57,908	64,080	-9.6%
Consolidated EBITDA (b)	9,194	9,960	-7.7%
EBITDA Margin	13.7%	13.5%	
Newspapers	9,858	10,545	-6.5%
Newspapers EBITDA Margin	17.3%	17.2%	
Magazines	-664	-585	-13.5%
Magazines EBITDA Margin	-6.5%	-4.5%	
Restructuring Costs	-2,450	0	
Consolidated EBITDA after restructuring	6,744	9,960	-32.3%
Amortization and Depreciation (-)	1,384	1,897	-27.0%
EBIT	5,360	8,063	-33.5%
EBIT Margin	8.0%	10.9%	
Net Financial income / (loss)	-2,616	-2,486	5.2%
Income before taxes	2,744	5,577	-50.8%
Income taxes (-)	1,195	2,036	-41.3%
Net Consolidated Profit / (loss) (c)	1,549	3,541	-56.3%

(a) Operational Costs excluding amortization

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

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

COFINA, SGPS, S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts expressed in Euro)

ACTIVO	30.09.2017	31.12.2016
NON CURRENT ASSETS		
Tangible assets	2,344,132	3,169,478
Goodwill	84,777,180	84,777,180
Intangible assets	-	130,544
Investments in associated companies	3,404,656	3,266,782
Investments held for sale	9,080	9,080
Other non current assets	42,362	32,383
Deferred tax assets	547,120	547,120
Total non current assets	91,124,530	91,932,567
CURRENT ASSETS		
Inventories	1,404,127	1,808,928
Customers	8,210,592	10,223,150
State and other public entities	1,694,810	894,477
Other current debtors	77,312	264,777
Other current assets	5,187,627	7,181,278
Cash and cash equivalents	9,842,880	9,403,739
Total current assets	26,417,348	29,776,349
TOTAL ASSETS	117,541,878	121,708,916
<hr/> EQUITY AND LIABILITIES <hr/>		
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
Exchange conversion reserve	(691,254)	(594,244)
Other reserves	(20,336,706)	(24,663,549)
Consolidated net profit/(loss) for the period attributable to the parent company	1,549,120	4,333,011
Equity attributable to equity holder of the parent company	27,446,598	26,000,656
Non-controlling interests	-	-
TOTAL EQUITY	27,446,598	26,000,656
LIABILITIES		
NON CURRENT LIABILITIES		
Other loans	16,139,606	33,158,397
Other non current creditors	156,949	33,929
Provisions	7,816,996	7,790,467
Total non current liabilities	24,113,551	40,982,793
CURRENT LIABILITIES		
Bank loans	2,837,192	-
Other loans	43,767,457	33,546,302
Suppliers	6,198,429	8,773,388
State and other public entities	4,467,950	3,107,294
Other current creditors	1,252,681	1,420,964
Other current liabilities	7,458,019	7,877,519
Total current liabilities	65,981,729	54,725,467
TOTAL LIABILITIES	90,095,280	95,708,260
TOTAL EQUITY AND LIABILITIES	117,541,877	121,708,916

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE

(Amounts expressed in Euro)

	9M 17	9M 16	Variation	3T 2017	3T 2016	Variation
Sales	35,059,356	39,319,984	-11%	12,249,746	13,990,987	-12%
Services rendered	21,775,941	23,210,992	-6%	7,321,463	8,063,842	-9%
Other operating income	10,266,652	11,509,026	-11%	3,539,417	3,514,030	1%
Cost of sales	(7,616,161)	(9,483,066)	-20%	(2,640,105)	(3,218,090)	-18%
External supplies and services	(28,672,365)	(29,590,737)	-3%	(10,016,636)	(10,207,599)	-2%
Payroll expenses	(23,540,599)	(24,306,610)	-3%	(7,005,921)	(8,325,013)	-16%
Amortisation and depreciation	(1,384,522)	(1,897,466)	-27%	(461,496)	(632,455)	-27%
Provisions and impairment losses	(374,290)	(460,842)	-19%	(271,368)	(216,206)	26%
Other operating expenses	(154,249)	(238,920)	-35%	(55,733)	(83,424)	-33%
Gains/ (losses) related with associated companies	(674,112)	(537,771)	25%	(494,050)	(225,916)	119%
Financial expenses	(1,987,748)	(1,954,414)	2%	(660,860)	(671,622)	-2%
Financial income	46,077	6,410	619%	21,144	57	36994%
Profit before income tax	2,743,980	5,576,586	-51%	1,525,600	1,988,591	-23%
Income tax	(1,194,860)	(2,035,363)	-41%	(694,107)	(787,521)	-12%
Net consolidated profit / (loss) for the p	1,549,120	3,541,223	-56%	831,493	1,201,070	-31%
Attributable to:						
Shareholders of the parent company	1,549,120	3,561,016	-56%	831,493	1,220,863	-31%
Non-controlling interests	-	(19,793)	-100%	-	(19,793)	0%

Oporto, November 3, 2017

The Board of Directors