



**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 – 1<sup>st</sup> Quarter of 2018  
(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 prevails.*

The consolidated financial information of Cofina for the first quarter of 2018, prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS), can be presented as follows:

(thousand Euro)	1Q 2018	1Q 2017	Var (%)
<b>Operational Revenues</b>	<b>21,012</b>	<b>20,554</b>	<b>2.2%</b>
Circulation	10,392	11,106	-6.4%
Advertising	5,791	6,384	-9.3%
Alternative marketing products and others	4,829	3,064	57.6%
<b>Operational Revenues by Segment</b>	<b>21,012</b>	<b>20,554</b>	<b>2.2%</b>
Newspapers	18,254	17,330	5.3%
Magazines	2,758	3,224	-14.5%
<b>Operational Costs (a)</b>	<b>18,606</b>	<b>18,217</b>	<b>2.1%</b>
<b>Consolidated EBITDA (b)</b>	<b>2,406</b>	<b>2,337</b>	<b>3.0%</b>
EBITDA Margin	11.5%	11.4%	
Amortization and Depreciation (-)	420	462	-9.1%
<b>EBIT</b>	<b>1,986</b>	<b>1,875</b>	<b>5.9%</b>
EBIT Margin	9.5%	9.1%	
Net Financial income / (loss)	-734	-991	-25.9%
<b>Income before taxes</b>	<b>1,252</b>	<b>884</b>	<b>41.6%</b>
Income taxes (-)	504	236	
<b>Net Consolidated Profit / (loss) ( c)</b>	<b>748</b>	<b>648</b>	<b>15.4%</b>

(a) Operational Costs excluding amortization

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

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

### Increase in revenues, EBITDA and consolidated net profit

The first quarter of 2018 was characterized by an increase of operational revenues, essentially motivated by the contribution of CMTV, which resulted into a growth in EBITDA.

Hence, the quarter in analysis, recorded total revenues around 21 million Euro, an increase of 2.2% when compared to the level of total revenues recorded in the first quarter of 2017. In terms of captions, circulation and advertising revenues recorded a decrease of 6.4% and 9.3%, respectively. On the other hand, alternative marketing products and other revenues, where the fees regarding CMTV presence in cable platforms are included, recorded an increase of 58%, reaching approximately 4.8 million Euro.

Regarding “Correio da Manhã TV” channel, it should be highlighted its performance in terms of audience which has systematically beaten records. Therefore, during the first quarter of 2018,



CMTV recorded an average share of 3.15%, being the channel with the highest audience in the cable and the fourth largest Portuguese channel, behind the three main Free to Air channels.

On the other hand, the comparation between quarters is affected by the discontinuity of the magazine "Vogue", which occurred in 2017.

Operational costs reached 18.6 million Euro, having recorded an increase of about 2.1%. The increase of costs was essentially due to the reinforcement of Cofina's investment in growing business areas, such as TV.

Hence, EBITDA reached 2.4 million Euro, which corresponds to an increase of 3% when compared to the same period of 2017. EBITDA margin reached 11.5%.

Cofina will continue to invest in growth business areas which may enhance potential synergies within the existing businesses. Hence, it is important to refer that, in March 2018, the online gaming platform [www.nossaaposta.pt](http://www.nossaaposta.pt), 40% owned by Cofina, obtained the licence to explore the sports odd-bets, where the player bets against the explorer entity.

The above-mentioned licence is valid for three years, expiring in March 2021 if not extended, according to the terms and conditions of the Online Gaming Regulation ("Regulamento do Jogo Online" (RJO)).

It should be noted that *A Nossa Apostila* is consolidated under the equity method, thus does not have any impact in Cofina's operational revenues neither in consolidated EBITDA.

Consolidated net profit reached 748 thousand Euro, an increase of 15% in relation to the first quarter of 2017.

As of 31 March 2018, Cofina's nominal net debt was 50.0 million Euro, in line with the nominal net debt recorded at the end of 2017.

Oporto, May 11, 2018

# **CONSOLIDATED FINANCIAL STATEMENTS AND NOTES**

# FINANCIAL INFORMATION 1Q2018

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(montantes expressos em Euros)

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2018 AND 31 DECEMBER 2017

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

(Amounts expressed in Euro)

ASSETS	Notes	31.03.2018	31.12.2017
<b>NON CURRENT ASSETS</b>			
Tangible assets		2,431,591	2,610,984
Goodwill	5	84,777,180	84,777,180
Intangible assets		46,362	146,564
Investments in associated companies	4	2,990,547	2,938,310
Investments held for sale	4	5,510	5,510
Other non current assets		43,988	42,707
Deferred tax assets		386,176	386,176
<b>Total non current assets</b>		<u>90,681,354</u>	<u>90,907,431</u>
<b>CURRENT ASSETS</b>			
Inventories		1,062,402	1,298,454
Customers		8,459,917	8,926,388
State and other public entities		567,616	3,562
Other current debtors		681,611	203,106
Other current assets		6,343,209	6,885,509
Cash and cash equivalents	7	2,825,336	5,164,622
<b>Total current assets</b>		<u>19,940,089</u>	<u>22,481,641</u>
<b>TOTAL ASSETS</b>		<u>110,621,443</u>	<u>113,389,072</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
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		(706,905)	(757,263)
Other reserves		(15,264,302)	(20,330,538)
Consolidated net profit/(loss) for the period attributable to the parent company		748,215	5,067,102
Equity attributable to equity holder of the parent company		<u>31,702,446</u>	<u>30,904,739</u>
Non-controlling interests		-	-
<b>TOTAL EQUITY</b>		<u>31,702,446</u>	<u>30,904,739</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Empréstimos bancários	9	16,666,667	16,666,667
Other loans		74,395	74,395
Other non current creditors		5,875,109	5,809,206
Provisions		<u>22,616,171</u>	<u>22,550,268</u>
<b>Total non current liabilities</b>			
<b>CURRENT LIABILITIES</b>			
Bank loans	7 e 9	6	1,715,159
Other loans	9	35,841,348	36,005,449
Suppliers		7,859,996	9,636,900
State and other public entities		3,783,488	2,847,353
Other current creditors		2,010,902	1,314,502
Other current liabilities		6,807,085	8,414,702
<b>Total current liabilities</b>		<u>56,302,826</u>	<u>59,934,065</u>
<b>TOTAL LIABILITIES</b>		<u>78,918,997</u>	<u>82,484,333</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>110,621,443</u>	<u>113,389,072</u>

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

The Chartered Accountant

The Board of Directors

# FINANCIAL INFORMATION 1Q2018

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(montantes expressos em Euros)

### CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018 AND 2017

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

	<b>Notes</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Sales	13	10,392,247	11,106,365
Services rendered	13	5,791,557	6,383,896
Other operating income	13	4,828,347	3,063,594
Cost of sales		(2,247,115)	(2,593,146)
External supplies and services		(9,731,280)	(8,150,735)
Payroll expenses		(6,483,963)	(7,414,673)
Amortisation and depreciation		(419,679)	(461,517)
Provisions and impairment losses		(66,839)	(31,824)
Other operating expenses		(77,296)	(26,943)
Financial expenses	10	(278,666)	(375,541)
Financial income	10	(463,004)	(634,728)
Profit before income tax	10	7,693	19,017
		<hr/> 1,252,001	<hr/> 883,766
Income tax			
Net consolidated profit / (loss) for the period		(503,787)	(235,526)
		<hr/> 748,215	<hr/> 648,239
Attributable to:			
Shareholders of the parent company		748,215	648,239
Non-controlling interests		-	-
Earnings per share:			
Basic	12	0.01	0.01
Diluted	12	0.01	0.01

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The Board of Directors

# FINANCIAL INFORMATION 1Q2018

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTH PERIODS ENDED AS OF 31 MARCH 2018 AND 2017  
(Translation of financial statements originally issued in Portuguese - Note 16)  
(Amounts expressed in Euro)

	Attributable to equity holders of the parent company							Non controlling interests	Total equity
	Share capital	Share premium account	Legal reserve	Exchange conversion rate	Other reserves	Net profit / (loss)	Total		
Balance as of 1 January 2017	25,641,459	15,874,835	5,409,144	(594,244)	(24,663,549)	4,333,011	26,000,656	-	26,000,656
Appropriation of consolidated net result for 2016:									
Transfer to legal reserve and retained earnings	-	-	-	-	4,333,011	(4,333,011)	-	-	-
Changes in reserves and non-controlling interests:									
Other changes	-	-	-	-	486	-	486	-	486
Total comprehensive income for the period				16,436	-	648,239	664,675	-	664,675
Balance as of 31 March 2017	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(577,808)</u>	<u>(20,330,052)</u>	<u>648,239</u>	<u>26,665,817</u>	-	<u>26,665,817</u>
Balance as of 1 January 2018	25,641,459	15,874,835	5,409,144	(757,263)	(20,330,538)	5,067,102	30,904,739	-	30,904,739
Appropriation of consolidated net result for 2016:									
Transfer to legal reserve and retained earnings	-	-	-	-	5,067,102	(5,067,102)	-	-	-
Changes in reserves and non-controlling interests:									
Other changes	-	-	-	-	(866)	-	(866)	-	(866)
Total comprehensive income for the period				50,358	-	748,215	798,573	-	798,573
Balance as of 31 March 2018	<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>(706,905)</u>	<u>(15,264,302)</u>	<u>748,215</u>	<u>31,702,446</u>	-	<u>31,702,446</u>

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The Chartered Accountant

The Board of Directors

# FINANCIAL INFORMATION 1Q2018

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 AND 2017  
(Translation of financial statements originally issued in Portuguese - Note 16)  
(Amounts expressed in Euro)

	<u>31.03.2018</u>	<u>31.03.2017</u>
Profit / (loss) for the period	748,215	648,239
Other comprehensive income:		
Items that will be reclassified to net income:		
Exchange differences on translation of foreign operations	50,358	16,436
Total comprehensive income for the period	<u>798,573</u>	<u>664,675</u>
Attributable to:		
Shareholders of the parent company	798,573	664,675
Non-controlling interests	<u>-</u>	<u>-</u>

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

The Chartered Accountant

The Board of Directors

# FINANCIAL INFORMATION 1Q2018

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH-FLOWS**  
**FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2018 AND 2017**  
(Translation of financial statements originally issued in Portuguese - Note 16)  
(Amounts expressed in Euro)

	Notes	31.03.2018	31.03.2017
<b>Operating activities:</b>			
<i>Cash flow from operating activities (1)</i>		<u>365,798</u>	<u>639,955</u>
<b>Investment activities:</b>			
Collections relating to:			
Interest and similar income		292	5,049
Loans conceded		50,000	-
Dividends		<u>81,175</u>	<u>131,467</u>
Payments relating to:			
Investments	7	(230,000)	(100,000)
Tangible assets		(86,385)	(32,340)
Intangible assets		(85,934)	(82,422)
Loans conceded		<u>(70,000)</u>	<u>(472,319)</u>
<i>Cash flow from investment activities (2)</i>		<u>(340,852)</u>	<u>(484,713)</u>
<b>Financing activities</b>			
Collections relating to:			
Loans obtained		-	28,722
Payments relating to:			
Interest and similar costs		(625,265)	(954,425)
Amortisation of leasing contracts		(20,391)	(15,353)
Loans obtained		<u>(2,808)</u>	<u>(648,465)</u>
<i>Cash flow from financing activities (3)</i>		<u>(648,465)</u>	<u>(1,944,190)</u>
Cash and its equivalents at the beginning of the period	7	3,449,463	9,403,739
Effect of currency exchange differences		(609)	52
Variation of cash and its equivalents: (1)+(2)+(3)		<u>(623,518)</u>	<u>(1,788,949)</u>
Cash and its equivalents at the end of the period	7	<u>2,825,336</u>	<u>7,614,842</u>

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

The Chartered Accountant

The Board of Directors

# FINANCIAL INFORMATION 1Q2018

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(montantes expressos em Euros)

### 1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company") is a public capital company, with headquarters located at Rua General Norton de Matos, 68, r/c in Porto and has its shares listed in the Lisbon Euronext 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 (written press).

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

During the first quarter ended as of 31 March 2018, the 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 on a going concern basis.

### 2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

Annual financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements as of 31 March 2018 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 2017.

### 3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During the period ended March 31, 2018 there were no changes in accounting policies nor were detected any material errors relating to previous periods.

## FINANCIAL INFORMATION 1Q2018

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
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#### 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 31 March 2018 and 2017 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")	Lisboa	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%	Newspaper print
Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media")	São Paulo, Brazil	100.00%	Communication and advertising services

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

The associated companies, their headquarters, percentage of participation held and activity developed as of 31 March 2018 are as follows:

Designation	Headquarters	Percentage participation held		Activity
		Direct	Indirect	
VASP – Sociedade de Transportes e Distribuições, Lda.	Lisboa	33.33%	-	Publications distribution
Destak Brasil – Empreendimentos e Participações, S.A.	São Paulo, Brazil	29.90%	-	Investment management
A Nossa Apostila – Jogos e Apostas On-line, S.A. ("A Nossa Apostila").	Lisboa	40%	-	Online gambling and betting activity
Mercados Globais – Publicação de Conteúdos, Lda.	V.N.Gaia	50%	-	Management of services and promotion of a financial forum on the internet

Associated companies VASP, Destak Brasil and A Nossa Apostila 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.

## FINANCIAL INFORMATION 1Q2018

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
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#### Investments in associated companies

The acquisition cost of the associated companies and their book value as of 31 March 2018 are as follows:

Designation	Acquisition Cost	Book Value
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 2,847,281
Destak Brasil – Empreendimentos e Participações, S.A.	€ 299,065	€ (2,295,584)
A Nossa Apostila – Jogos e Apostas On-line, S.A.	€ 450,000	€ 123,266
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	-

As of 31 March 2018 and 31 December 2017 the caption "Investments in associated companies" can be detailed as follows:

	31.03.2018	31.12.2017
Financial Investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	2,847,281	2,842,209
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
A Nossa Apostila - Jogos e Apostas Online, S.A.	123,266	96,101
	3,042,547	3,010,310
Accumulated impairment losses on investments in associated companies	(72,000)	(72,000)
	2,970,547	2,938,310
Loans granted		
Destak Brasil Empreendimentos	20,000	-
	2,990,547	2,938,310

#### Investments available for sale

As of 31 March 2018 and 31 December 2017 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 the net realizable amount, presenting this caption, as of those dates, a net book value of 5,510 Euro. As of 31 March 2018 and as of 31 December 2017 the total investments for which impairment losses were recorded amount to 171,754 Euro.

## 5. GOODWILL

During the quarters ended 31 March 2018 and 2017 there were no changes in the caption "Goodwill".

## FINANCIAL INFORMATION 1Q2018

### Consolidated financial statements and notes

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#### 6. INCOME TAX

The income taxes recognized in the income statement as of 31 March 2018 and 2017 refer only to the income tax estimate for the year.

As of 31 March 2018, 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, 17,900,000 Euro being challenged by the tax authorities. This amount results from two corrections performed by the tax authorities: one related with the non-acceptance of a capital loss generated by a disposal of a subsidiary; and another related with the non-acceptance of deductibility of part of the dividends distributed by a subsidiary.

Under the Tax and Social Security Debts' Regularization Exceptional Regime, approved by the Decree-Law 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 requirement in the amount of, approximately, 5,700,000 Euro.

Under the State Indebtedness Reduction Special Plan, approved by the Decree-Law 67/2016, of November 3 ("PERES"), the Group paid voluntarily, during the year ended as of 31 December 2016, an amount of 3,614,561 Euro, with the corresponding exemption of default and penalty interests and other costs of the tax process.

Consequently, the amount of the unresolved contingency/tax assessment, as of 31 March 2018, amounts to, approximately, 13,500,000 Euro, from which 3 million Euro refers to the correction of the capital loss above referred and the remaining amount (10.5 million Euro) is related to the dividends correction.

The Board of Directors, supported by its legal and tax advisors, and under the process of its tax contingencies revaluation, evaluated as probable a: (i) favourable decision in the case of the dividends and (ii) an unfavourable decision in the case of the capital loss, reason why a provision in the amount of, approximately, 3,000,000 Euro was allocated to that component of the process.

Nevertheless, the Group is still in litigation with the Portuguese tax authorities regarding these two situations.

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 result from the ongoing tax claims.

## FINANCIAL INFORMATION 1Q2018

### Consolidated financial statements and notes

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#### 7. CASH AND CASH EQUIVALENTS

As of 31 March 2018, 31 December 2017 and 31 March 2017, the caption "Cash and cash equivalents" can be detailed as follows:

	31.03.2018	31.12.2017	31.03.2017
Cash	72,274	317,593	71,666
Bank deposits repayable on demand	2,753,062	4,847,029	7,590,594
Bank deposits repayable in less than 3 months	2,825,336	5,164,622	7,662,260
Bank overdraft (Note 9)	(6)	(1,715,159)	(47,418)
Cash and cash equivalents	2,825,330	3,449,463	7,614,842

Payments related to financial investments in the period ended March 31, 2018 refer to supplementary capital granted to the associated company A Nossa Apostila.

#### 8. SHARE CAPITAL

As of 31 March 2018, 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.

#### 9. BANK AND OTHER LOANS

The caption "Bank loans" as of 31 March 2018 and 31 December 2017 included 6 Euro and 1,715,159 Euro, respectively, related to bank overdrafts (Note 7).

As of 31 March 2018 and 31 December 2017, the caption "Other loans" was made up as follows:

	31.03.2018			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,269,920	16,666,667	16,666,667	16,666,667
Commercial paper	19,571,428	-	19,500,000	-
	35,841,348	16,666,667	36,166,667	16,666,667

  

	31.12.2017			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,505,927	16,666,667	16,666,667	16,666,667
Commercial paper	19,499,522	-	19,500,000	-
	36,005,449	16,666,667	36,166,667	16,666,667

## FINANCIAL INFORMATION 1Q2018

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

As of 31 March 2018, the non-current liability caption "Bond Loans" refers to a bond loan denominated "Obrigações Cofina SGPS – 2013/2019", amounting to 33,333,334 Euro, issued by Cofina SGPS, S.A. recorded in accordance with the effective interest rate method, with a book value of 32,936,587 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, September 2018 and 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, 15,000,000 Euro and 7,000,000 Euro, with guaranteed subscription by the banks, which bear interest at market rates. These commercial paper programs mature in September 2021, July 2019 and April 2020, respectively.

## 10. FINANCIAL RESULTS

Financial results for the three months' periods ended as of 31 March 2018 and 2017 are made up as follows:

	31.03.2018	31.03.2017
<u>Financial expenses</u>		
Interest paid	352,641	504,052
Commissions	109,890	130,203
Other financial expenses	473	473
<u>Gains and Losses in associated companies</u>		
Application of the Equity Method	278,666	375,541
	741,670	1,010,269
<u>Financial income</u>		
Interest received	7,693	19,017
	7,693	19,017

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### Consolidated financial statements and notes

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(montantes expressos em Euros)

#### 11. GUARANTEES

As of 31 March 2018, Cofina had provided guarantees as follows:

a) Pledge of 20,000,000 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 31 March 2018, Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 216,429 Euro related to its advertising activities and ongoing tax and civil proceedings.

Additionally, as of 31 March 2018, the Group had also given promissory notes to guarantee credit facilities amounting to 63,500,000 Euro.

#### 12. EARNINGS PER SHARE

Earnings per share for the three months' periods ended as of 31 March 2018 and 2017 were determined taking into consideration the following amounts:

	31.03.2018	31.03.2017
Net profit / (loss) considered for the computation of basic and diluted earnings	748,215	648,239
Weighted average number for shares used to compute the basic earnings per share	102,565,836	102,565,836
Earnings per share		
Basic	0.01	0.01
Diluted	0.01	0.01

#### 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 three months' periods ended as of 31 March 2018 and 2017 is detailed as follows:

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	Newspapers	Magazines	Consolidation adjustments and elimination	Total
<b>31.03.2018</b>				
Net operating income	18,253,949	2,758,202	-	21,012,151
Operating cash-flow - EBITDA	2,677,783	(272,125)	-	2,405,658
Operating profit (EBIT)	2,258,104	(272,125)	-	1,985,979
<b>31.03.2017</b>				
Net operating income	17,329,583	3,224,272	-	20,553,855
Operating cash-flow - EBITDA	2,874,888	(538,353)	-	2,336,535
Operating profit (EBIT)	2,413,371	(538,353)	-	1,875,018

### 14. NET PROFIT APPROPRIATION

Regarding the 2017 financial year, the Board of Directors proposed in its annual report that the individual net profit of Cofina, SGPS, S.A. amounting to 2,818,954.40 Euro would be transferred to Free Reserves. That proposal was approved in the Annual Shareholders' General Meeting held on May 4, 2018.

### 15. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 31 March 2018 were approved by the Board of Directors for issuance on May 11, 2018.

### 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.



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