



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 – 2nd 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 second 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)	2Q 2018	2Q 2017	Var (%) 2Q18/2Q17
Operational Revenues	23,892	23,437	1.9%
Circulation	10,842	11,704	-7.4%
Advertising	7,801	8,070	-3.3%
Alternative marketing products and others	5,249	3,663	43.3%
Operational Costs (a)	19,307	20,151	-4.2%
Consolidated EBITDA (b)	4,585	3,286	39.5%
EBITDA Margin	19.2%	14.0%	+5.2 p.p.
Restructuring Costs	0	-2,000	
Consolidated EBITDA after restructuring	4,585	1,286	256.5%
Current amortisation (-)	419	461	-9.1%
EBIT	4,166	825	
EBIT Margin	17.4%	3.5%	-
Net financial income / (loss)	(944)	(491)	92.3%
Income before taxes and minority interests	3,222	334	
Income taxes (IRC)	1,327	264	
Net Consolidated Profit / (loss) (c)	1,895	70	

(a) Operational Costs excluding amortisation

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

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

2Q 2018: EBITDA increases 40% and net profit amounts to 1.9 million Euro

The second quarter of 2018 was characterised by: (1) the outstanding performance of the TV segment (CMTV); (2) the results of the restructuring process, which are materializing in the growth of the press segment profitability.

Hence, in consolidated terms, the quarter under analysis recorded total revenues around 24 million Euro, a 1.9% increase over the level of revenues recorded in the second quarter of 2017. In terms of captions, circulation and advertising revenues recorded a decrease of 7.4% and 3.3%, respectively. Alternative marketing products and other revenues, where the fees of the presence of CMTV in cable platforms are included, recorded an increase of 43%, reaching 5.2 million Euro.

The performance of the channel “*Correio da Manhã TV*” (CMTV), which has systematically beaten audience records, is having an important contribution for Cofina results. Hence, CMTV recorded an average share of 3.4% during the first half of 2018. Moreover, the share recorded in the month of June was 4.04%. CMTV is the channel with the highest audience in the cable and the fourth largest Portuguese channel, behind three of the four main Free to Air channels existing in Portugal.



Operational costs reached 19.3 million Euro, having recorded a decrease of about 4%.

Therefore, EBITDA amounted to 4.6 million Euro, which corresponds to an increase of 40% over the same period of 2017. Also, in the same period of the previous year, the Group recorded non-recurring costs of 2 million Euro, related to restructuring costs. Considering EBITDA of the second quarter of 2017 after the restructuring costs, the increase recorded in the EBITDA of the second quarter of 2018 is approximately 257%.

EBITDA margin amounted to 19.2%, which corresponds to a 5.2 percentage points increase.

Consolidated net profit reached to 1.9 million Euro.

It should be noted that the investment in “A Nossa Aposta” (www.nossaaposta.pt), online gaming platform 40% owned by Cofina, that obtained the licence to explore the sports odd-bets during the first quarter of 2017, is consolidated under the equity method, thus does not have any impact in Cofina’s operational revenues neither in consolidated EBITDA.

In terms of future perspectives, the evolution of CMTV editorial and financial performance, associated to intrinsic seasonality factors of the media sector (fourth quarter stronger in terms of advertisement), allows us to forecast an annual EBITDA for the channel of around 3 million Euro, an amount significantly higher than the one recorded in the previous year.

Focusing on the semester, the consolidated performance can be detailed as follows:

(thousand Euro)	1H 2018	1H 2017	Var (%) 1H18/1H17
Operational Revenues	44,904	43,991	2.1%
Circulation	21,234	22,810	-6.9%
Advertising	13,592	14,454	-6.0%
Alternative marketing products and others	10,078	6,727	49.8%
Operational Costs (a)	37,913	38,368	-1.2%
Consolidated EBITDA (b)	6,991	5,623	24.3%
EBITDA Margin	15.6%	12.8%	+2.8 p.p.
Restructuring Costs	0	-2,000	
Consolidated EBITDA after restructuring	6,991	3,623	93.0%
Current amortisation (-)	839	923	-9.1%
EBIT	6,152	2,700	127.9%
EBIT Margin	13.7%	6.1%	+7.6 pp
Net financial income / (loss)	(1,678)	(1,482)	13.2%
Income before taxes and minority interests	4,474	1,218	267.3%
Income taxes (IRC)	1,831	500	266.2%
Net Consolidated Profit / (loss) (c)	2,643	718	268.1%

(a) Operational Costs excluding amortisation

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

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

1H 2018: net profit reaches 2.6 million Euro

During the first half of 2018, operational revenues recorded a 2.1% increase, while the costs decreased 1.2%. EBITDA amounted to around 7 million Euro, which corresponds to a 24% increase (excluding the non-recurring restructuring costs incurred in the same period of the previous year).

The net profit amounted to 2.6 million Euro.

As of 30 June 2018, Cofina's nominal net debt was 47.3 million Euro, which corresponds to a decrease of 2.7 million Euro comparatively to the nominal net debt recorded at the end of March 2018.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2018 AND 31 DECEMBER 2017

(Amounts expressed in Euro)

ASSETS	30.06.2018	31.12.2017
NON CURRENT ASSETS		
Tangible assets	2,199,955	2,610,984
Goodwill	84,777,180	84,777,180
Intangible assets	-	146,564
Investments in associated companies	2,844,208	2,938,310
Investments held for sale	5,510	5,510
Other non current assets	46,194	42,707
Deferred tax assets	386,176	386,176
Total non current assets	90,259,223	90,907,431
CURRENT ASSETS		
Inventories	1,697,719	1,298,454
Customers	8,930,360	8,926,388
State and other public entities	219,723	3,562
Other current debtors	1,798,217	203,106
Other current assets	5,210,569	6,885,509
Cash and cash equivalents	11,186,076	5,164,622
Total current assets	29,042,665	22,481,641
TOTAL ASSETS	119,301,887	113,389,072
EQUITY AND LIABILITIES		
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	(885,562)	(757,263)
Other reserves	(15,182,261)	(20,330,538)
Consolidated net profit/(loss) for the period attributable to the parent company	2,643,644	5,067,102
Equity attributable to equity holder of the parent company	33,501,259	30,904,739
Non-controlling interests	-	-
TOTAL EQUITY	33,501,259	30,904,739
LIABILITIES		
NON CURRENT LIABILITIES		
Other loans	16,666,667	16,666,667
Other non current creditors	74,395	74,395
Provisions	6,109,174	5,809,206
Total non current liabilities	22,850,236	22,550,268
CURRENT LIABILITIES		
Bank loans	5,688,740	1,715,159
Other loans	36,132,990	36,005,449
Suppliers	8,160,764	9,636,900
State and other public entities	4,573,524	2,847,353
Other current creditors	2,040,261	1,314,502
Other current liabilities	6,354,114	8,414,702
Total current liabilities	62,950,393	59,934,065
TOTAL LIABILITIES	85,800,629	82,484,333
TOTAL EQUITY AND LIABILITIES	119,301,887	113,389,072

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CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE PERIODS OF THREE AND SIX MONTHS ENDED AT 30 JUNE 2018 AND 30 JUNE 2017

(Amounts expressed in Euro)

	30.06.2018	30.06.2017	2Q2018	2Q2017
Sales	21,233,752	22,809,610	10,841,505	11,703,245
Services rendered	13,592,288	14,454,477	7,800,731	8,070,581
Other operating income	10,078,014	6,727,235	5,249,667	3,663,641
Cost of sales	(4,788,126)	(4,976,056)	(2,541,011)	(2,382,910)
External supplies and services	(19,454,856)	(18,655,729)	(9,723,576)	(10,504,994)
Payroll expenses	(13,425,392)	(16,534,678)	(6,941,429)	(9,120,005)
Amortisation and depreciation	(838,389)	(923,026)	(418,710)	(461,509)
Provisions and impairment losses	(167,284)	(102,922)	(100,446)	(71,098)
Other operating expenses	(77,320)	(98,514)	(23)	(71,571)
Gains/(losses) related with associated companies	(729,070)	(180,062)	(450,404)	195,479
Financial expenses	(960,300)	(1,326,888)	(497,296)	(692,160)
Financial income	10,979	24,933	3,286	5,916
Profit before income tax	4,474,296	1,218,380	3,222,295	334,614
Income tax	(1,830,653)	(500,753)	(1,326,866)	(265,227)
Net consolidated profit for the period	2,643,644	717,627	1,895,429	69,388
Attributable to:				
Shareholders of the parent company	2,643,644	717,627	1,895,429	69,388
Non-controlling interests	-	-	-	-

Oporto, July 26, 2018