



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 – first nine months 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 version prevails.

The consolidated financial information of Cofina for the first nine months 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)	9M 2018	9M 2017	Var (%) 9M18/9M17
Operational Revenues	67,217	67,102	0.2%
Circulation	32,902	35,059	-6.2%
Advertising	20,499	21,776	-5.9%
Alternative marketing products and others	13,816	10,267	34.6%
Operational Costs (a)	56,507	57,908	-2.4%
Consolidated EBITDA (b)	10,710	9,194	16.5%
EBITDA margin	15.9%	13.7%	+2.2 p.p.
Restructuring costs	0	-2,450	
Consolidated EBITDA after restructuring	10,710	6,744	58.8%
Current amortisation (-)	1,257	1,384	-9.2%
EBIT	9,453	5,360	76.4%
EBIT margin	14.1%	8.0%	+6.1 pp
Net Financial income / (loss)	(2,667)	(2,616)	1.9%
Income before taxes and minority interests	6,786	2,744	147.3%
Income taxes	3,094	1,195	158.9%
Net Consolidated Profit / (Loss) (c)	3,692	1,549	138.3%

(a) Operational costs excluding amortisation

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

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

9M 2018: net profit reaches 3.7 million Euro, increasing more than 138%

During the first nine months of 2018, operational revenues recorded an increase of 0.2%, while operational costs decrease 2.4%. EBITDA achieved approximately 10.7 million Euro, which corresponds to a 17% increase (excluding the non-recurring restructuring costs incurred in the same period of the previous year).

It should be noted that in September 2017 the monthly fashion magazine “Vogue” ceased to be part of Cofina’s portfolio. Hence, comparing the evolution of revenues recorded during the first nine months of 2018 with the revenues recorded during the first nine months of 2017, excluding this magazine, total revenues would have recorded a 2% increase.

Consolidated net profit amounted to 3.7 million Euro.

As of September 30, 2018, Cofina’s nominal net debt was 43.9 million Euro, which corresponds to a decrease of 3.4 million Euro comparatively to the nominal net debt recorded in the end of June 2018.

3Q 2018: Net profit records an increase of 26% amounting to 1 million Euro

The consolidated performance of the third quarter can be described as follows:

(thousand Euro)	3Q 2018	3Q 2017	Var (%) 3Q18/3Q17
Operational Revenues	22,313	23,111	-3.5%
Circulation	11,668	12,249	-4.7%
Advertising	6,907	7,322	-5.7%
Alternative marketing products and others	3,738	3,540	5.6%
Operational Costs (a)	18,594	19,540	-4.8%
Consolidated EBITDA (b)	3,719	3,571	4.1%
EBITDA margin	16.7%	15.5%	+1.2 p.p.
Restructuring costs	0	-450	
Consolidated EBITDA after restructuring	3,719	3,121	19.2%
Current amortisation (-)	418	461	-9.3%
EBIT	3,301	2,660	24.1%
EBIT margin	14.8%	11.5%	+3.3 p.p.
Net Financial income / (loss)	(989)	(1,134)	-12.8%
Income before taxes and minority interests	2,312	1,526	51.5%
Income taxes	1,263	695	81.7%
Net Consolidated Profit / (Loss) (c)	1,049	831	26.2%

(a) Operational costs excluding amortisation

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

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

The third quarter of 2018 was characterized by the maintenance of the good performance of the television channel (CMTV), grounded on a flexible costs structure which is adapted to the market challenges.

Hence, in aggregated terms, the quarter under analysis recorded total revenues of 22.3 million Euro, a decrease of 3.5% over the level of revenues recorded in third quarter of 2017. In terms of captions, circulation and advertising revenues recorded decreases of 4.7% and 5.7%, respectively. On the other hand, alternative marketing products and other revenues, where the fees of CMTV's presence in the cable platforms are included, recorded a 5.6% increase, reaching 3.7 million Euro.

The performance of "Correio da Manhã TV" (CMTV) channel, which has systematically beaten audience records, has been representing an important contribution for Cofina's results. CMTV recorded an average share of 3.5% during the first nine months of 2018. CMTV is the channel with the highest audience in the cable and the fourth largest Portuguese channel, behind the three main Free to Air channels in Portugal.



Operational costs reached 18.6 million Euro, having recorded a 5% decrease.

Therefore, EBITDA reached 3.7 million Euro, which corresponds to a 4% increase over the same period of 2017. It should be noted that in the same period of the previous year there were non-recurring costs of 450 thousand Euro related to restructuring costs. Considering the EBITDA of the third quarter of 2017 after the inclusion of these costs, the increase recorded in the EBITDA of the third quarter of 2018 is around 19%.

EBITDA margin achieved 16.7%, which corresponds to a 1.2 p.p. increase.

Consolidated net profit amounted to 1 million Euro.

It should be noted that the investment in “A Nossa Aposta” (www.nossaaposta.pt), online gaming platform which is 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.

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

(Translation of financial statements originally issued in Portuguese)

(Amounts expressed in Euro)

ASSETS	30.09.2018	31.12.2017
NON CURRENT ASSETS		
Tangible assets	2,206,443	2,610,984
Goodwill	84,777,180	84,777,180
Intangible assets	77,184	146,564
Investments in associated companies	3,153,693	2,938,310
Investments held for sale	5,510	5,510
Other non current assets	49,099	42,707
Deferred tax assets	386,176	386,176
Total non current assets	90,655,285	90,907,431
CURRENT ASSETS		
Inventories	1,443,223	1,298,454
Customers	7,944,496	8,926,388
State and other public entities	1,386,986	3,562
Other current debtors	1,427,145	203,106
Other current assets	4,742,264	6,885,509
Cash and cash equivalents	3,149,964	5,164,622
Total current assets	20,094,078	22,481,641
TOTAL ASSETS	110,749,363	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	(918,002)	(757,263)
Other reserves	(15,182,261)	(20,330,538)
Consolidated net profit/(loss) for the period attributable to the parent company	3,692,224	5,067,102
Equity attributable to equity holder of the parent company	34,517,399	30,904,739
Non-controlling interests	-	-
TOTAL EQUITY	34,517,399	30,904,739
LIABILITIES		
NON CURRENT LIABILITIES		
Other loans	-	16,666,667
Other non current creditors	74,395	74,395
Provisions	6,472,831	5,809,206
Total non current liabilities	6,547,226	22,550,268
CURRENT LIABILITIES		
Bank loans	1,371,276	1,715,159
Other loans	45,432,066	36,005,449
Suppliers	6,591,046	9,636,900
State and other public entities	5,047,901	2,847,353
Other current creditors	2,965,841	1,314,502
Other current liabilities	8,276,608	8,414,702
Total current liabilities	69,684,738	59,934,065
TOTAL LIABILITIES	76,231,964	82,484,333
TOTAL EQUITY AND LIABILITIES	110,749,363	113,389,072

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2018 AND 2017

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

	<u>30.09.2018</u>	<u>30.09.2017</u>
Sales	32,902,696	35,059,356
Services rendered	20,498,702	21,775,941
Other operating income	13,815,609	10,266,652
Cost of sales	(7,342,585)	(7,616,161)
External supplies and services	(28,366,074)	(28,672,365)
Payroll expenses	(20,379,500)	(23,540,599)
Amortisation and depreciation	(1,257,135)	(1,384,522)
Provisions and impairment losses	(257,019)	(374,290)
Other operating expenses	(161,149)	(154,249)
Gains/Losses in associated companies	(1,233,242)	(674,112)
Financial expenses	(1,454,211)	(1,987,748)
Financial income	20,444	46,077
Profit before income tax	<u>6,786,537</u>	<u>2,743,980</u>
Income tax	(3,094,313)	(1,194,860)
Net consolidated profit / (loss) for the period	<u>3,692,224</u>	<u>1,549,120</u>

Oporto, October 31, 2018

The Board of Directors