COFINA, SGPS, S.A.

Share Capital: 25,641,459 Euro

Head Office: Rua General Norton de Matos, n.º 68, Porto

Fiscal number 502 293 225

COFINA, S.G.P.S., S.A.

(OPEN CAPITAL COMPANY)

Directors' Report

CONSOLIDATED ACCOUNTS

31 December 2008

INDEX

To the Shareholders

Pursuant to the legal requirements, the Board of Directors of Cofina, S.G.P.S., S.A. (Open Capital Company) hereby presents its Directors' Report for the year 2008.

INTRODUCTION

As in recent periods, 2008 was dominated by a strong competition in the media market, with the several players trying to increase its market share in circulation as well as in advertising revenue. This task has not been simple, as a result of the adverse economic environment. However, Cofina Media, the subsidiary which includes the Group's operating companies, kept presenting a performance worthy of reference, mainly in the advertising market, maintaining and strengthening the leadership of its major publications.

MACROECONOMIC BACKGROUND

International Background

The year of 2008 was an historic year, regarding the economic and financial crisis, at a global scale, the harshest one in the recent decades. Global growth slowed sharply - to 3.75% - following an unusually high average growth period of 5% in the years of 2004 to 2007. This slowdown affected, particularly, the developed economies, although the emergent economies are suffering as a result of the financial crisis and from the side effects of high prices of commodities.

In Europe, as in the United States, governments and central banks have adopted important measures to restore financial stability, but failed to ensure that many economies have entered into recession.

In the Euro Zone, the real estate and financial crisis slowed down the domestic demand, at a time when external demand had also slowed, leading to a sharp decline in growth of Gross Domestic Product (GDP) of 2.7%, in 2007, to 0.9%, in 2008. In some countries, the impacts will be more pronounced and / or longer, depending on exposure to crisis' inducing factors and other particular problems affecting each State.

Inflation has overcome the 3% barrier, for the first time in the last 15 years, due to the fast increase in energy prices. This inhibited the European Central Bank (ECB) of using freely the reference interest rate as a stimulus to the economy, reducing it from 4%, at the end of 2007, to only 2.5%, at the end of 2008. The economy slowdown raised unemployment to 7.5%, and it is expected a further deterioration in 2009, which, combined with the weakening of domestic demand, should ease inflationary pressures.

In the U.S., despite the tax stimulus and the dollar depreciation in the first half of 2008, the depth and extent of the real estate and financial crisis had a strong impact on employment and consumption, which led economy to recession at the end of year. The expansion rhythm of the U.S. economy, which has successively weakened, did not exceed 1.2% in 2008. In this context, the Federal Reserve eased monetary policy substantially, lowering the interest rates from 4.25%, at the end of 2007, to 0% / 0.25%, at the end of 2008, and is considering the possibility of injecting liquidity in the financial system at unprecedented amounts. Despite the decreases in inflation recorded at the end of the year, the Federal Reserve believes that the risk of deflation is controlled, having the homologous inflation in 2008 exceeded 3%, due to pressure from energy factors prices, with particular relevance to oil.

Relating to financial markets, the financial crisis was felt in all developed markets and throughout the entire year of 2008. The European stock exchange markets, which doubled their value between 2003 and 2007, decreased about 50% in 2008, with more than half of this value being lost in the fourth quarter. We should highlight the decreases in São Paulo (-53%), Frankfurt (-52%), New York (-47%) and London (-45%) stock exchanges. In Portugal, PSI 20 followed the international trend and closed the year with losses exceeding 50%.

National Background

During the year of 2008, Portugal faced a slowdown in its economy, interrupting the recovery of the two previous years, recording again one of the lowest growth rates when compared to the euro area and the European Union. These events occur in a context of a serious crisis in international financial markets and a sharp global economic downturn. Consequently, Portugal presented a growth of gross domestic product close to zero, avoiding recession.

The Portuguese economy presented also an increase of the external deficit, as a result of the slowdown in external demand and rising energy and raw material prices. Furthermore, the savings rate, both institutional and private, presented again a decline to address these difficulties.

The inflation rate, measured by the annual average variation of the Harmonized Index of Consumer Prices, set up in 2.6%, reflecting mainly the price evolution of energy goods. It should be noted that the inflation differential, compared to the euro area, was negative, in part associated with the evolution of indirect taxes.

In the labor market, which reacts with some time lag, there was a reduction of unemployment rate (7.8% in 2008 vs. 8.1% in 2007), but the fall in productivity had already begun.

As a result of an open and fully integrated economy, as the Portuguese one, the dissemination of disturbances in the financial system and the slowdown of world economic activity had adverse effects. On one hand, due to the high uncertainty concerning financial market stabilization, it led to delays of consumption and investment decisions; on the other hand, the turbulence in financial markets led to the increase in interest rates of the credit bank and contributed to a greater restriction of the financing conditions for the non-financial private sector.

Future prospects

The last months of 2008 were one of the periods of greatest instability of financial markets in the last decades, accompanied by an unusual synchronization of the strong cooling of economic activity in most countries, with particular focus on world trade. The adjustment in production plans and the review of business strategies must increase further during the first months of 2009, with negative impacts on employment, putting at stake a short term improvement of the economic context. The action of automatic stabilizers, like the downturn in raw materials price, the aggressive reduction of interest rates and the measures of direct intervention in weak economic sectors should contribute to an economic recovery and for stabilization of the behavior of financial markets in long term, but are not risk free and with significant and unusual challenges on public upturn by the private sector.

A background of weak economic growth, spreading and worsening, is conductive to competition intensification and, eventually, to geopolitical tensions, regarding the need for greater government intervention in the economy. Under these circumstances, foreign trade, exchange rate policy and development aid can resume the status of the economic and political world order.

It is expected that the economy's performance in 2009 will be characterized by strong restrictions on the financing of consumption and investment and by a general slowdown in exports. A matter of greater social concern will be the rise in unemployment, but that may also cause an increase of the savings rate for precaution. Involved in a crisis environment, there will public stimulus to growth, aiming to reverse the present economic situation.

Concerning GDP evolution, there is an expectation of an annual decline between 1 to 2 percent, but the activity recovery should be felt from the third quarter of 2009 on, although slower than in the U.S.

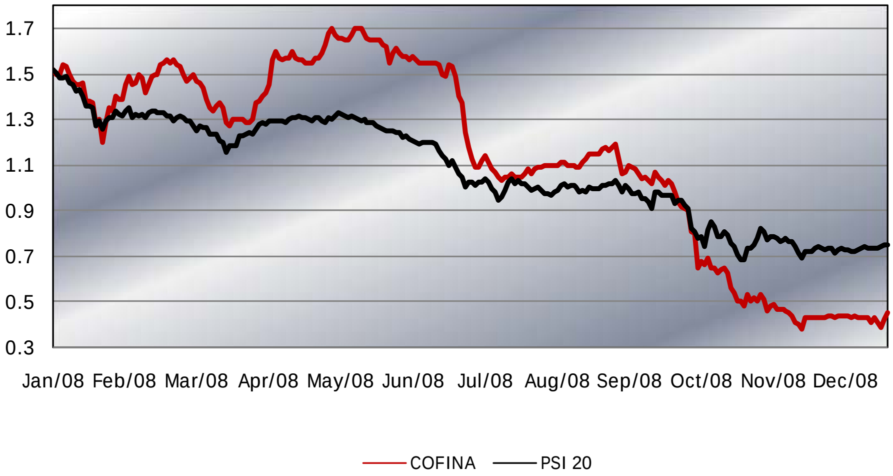
The most likely scenario for Portugal will be a recession, consistent with the average performance expected for the euro area. The main risk stems from the ability of the financial system to maintain the level of founds collection abroad to fill the shortfall of domestic savings, in order to soften the inevitable transition to a more balanced regime in terms of financing of domestic consumption and investment. As well as in the euro area, inflationary pressures should be moderate throughout 2009, reflecting simultaneously the lower energy prices and a broad context of slack production, reflected in the maintenance of relatively high rates of unemployment.

STOCK EXCHANGE EVOLUTION

(Note: in order to enable a better comparison of the stock fluctuations, the PSI 20 index has been considered as being equal in value to the opening price of Cofina's shares.)

The year of 2008 will be in the history of Portuguese stock exchange as the darkest period ever. The PSI 20, the main index, dropped, in 2008, 51%, this being the worst performance of a set of 20 global indices accompanied by Euronext.

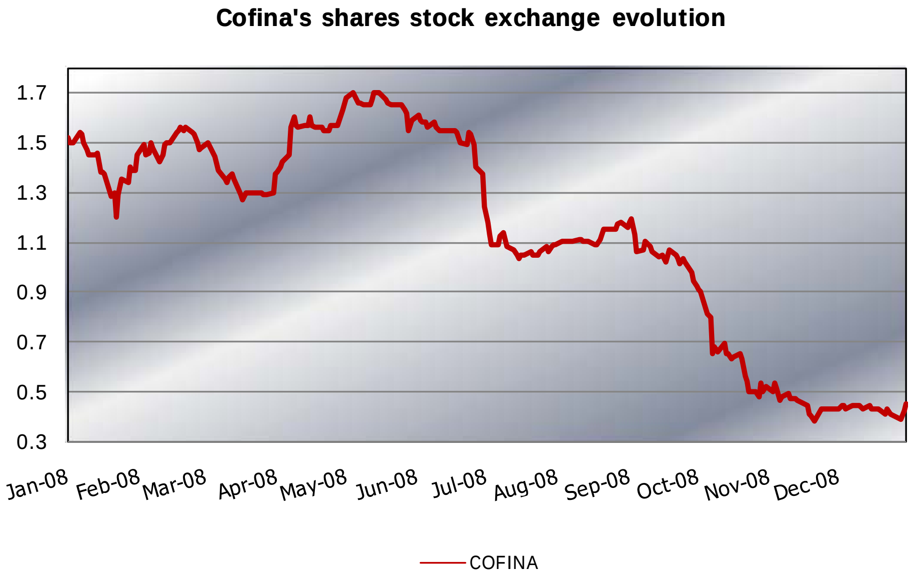
Stock exchange evolution



As a result of the instability that was felt in the media market throughout the year, Cofina saw its shares move down, closing the year with a market value of 0.545 Euro per share, having started the year 2008 in 1.56 Euro per share. During the year, there were transacted about 33 million shares, representing 36% of the Company's Share. Cofina's shares reached a peak between 05 and 16 May 2008, quoting as of that date at 1.52 Euro per share. The minimum share price during the period amounted to 0.38 Euro per share, recorded on 21 November.

Cofina’s share price evolution

The most significant variations and major occurrences during the year 2008 that affected the share price evolution were as follows:



- 13 March 2008 – announcement of the Group’s performance for the year 2007, presenting a consolidated net profit of 10 million Euro. Operating income increased 2.5%, amounting to 134.6 million Euro. As of that date, Cofina’s shares closed at 1.37 Euro per share.
- 27 May 2008 – announcement to the market of the reduction of the Millennium BCP participation in Cofina, SGPS, S.A. to 3,498,224 shares. As of that date, Cofina’s shares closed at 1.63 Euro per share.
- 28 May 2008 – announcement of the financial performance of the first quarter of 2008. The net loss for the period amounted to -11 million. EBITDA increased 1% in the same period, the shares’ price as of that date amounted to 1.62 Euro per share.
- 6 June 2008 – information to the Securities Market Commission (“Comissão do Mercado de Valores Mobiliários” – CMVM) concerning the payment of a dividend of 0.035 Euro per share for the year 2007 starting the 25th June 2008. As of that date, the price of shares was at 1.56 Euro per share.
- 28 August 2008 – announcement of the financial performance of the first half of 2008. The EBITDA amounted to 8 million Euro (representing a growth of 4% compared to the same period in 2007). The net loss was 46 million, being affected, mainly, by the recording of the investment held in ZON Multimédia at its market value. As of that date, Cofina’s shares closed at 1.17 Euro per share.

- 6 November 2008 - announcement of the financial performance of the third quarter of 2008. The net loss for the period amounted to -50 million. EBITDA increased 4%, in the same period, and the shares' price as of that date amounted to 0.46 Euro per share.

- 5 December 2008 - announcement to the market of the off-market acquisition, by Caderno Azul SGPS, S.A. of 4,666,660 shares of Cofina SGPS, S.A., amounting to 4.55% of Cofina SGPS, S.A. voting rights. Due to this operation, Caderno Azul SGPS, S.A. holds 9,246,660 shares, representing 9.02% of the share capital and voting rights. As of that date, Cofina's shares closed at 0.43 Euro per share.

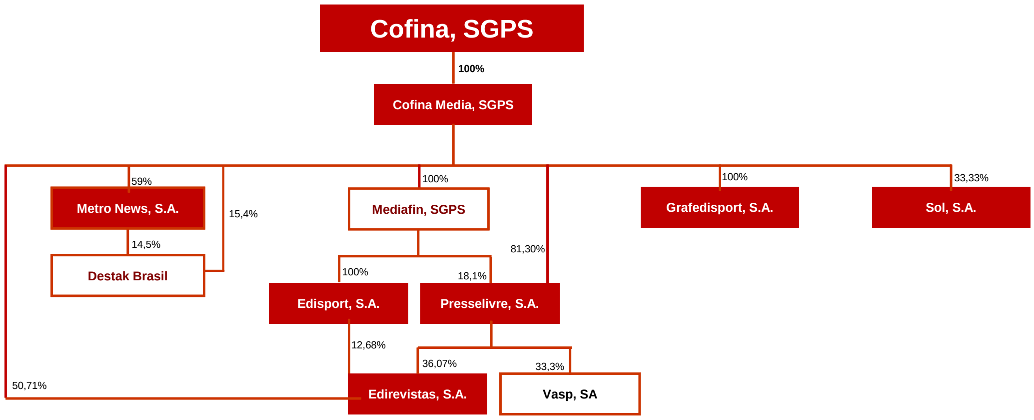
- 5 December 2008 – announcement to the market that Cofihold SGPS, SA sold off market 21,000,000 shares of Cofina, representing 20.47% of the voting rights and share capital at a price of 0.43 Euro per share. As a result of this operation, Cofihold has no longer any participation on Cofina's share capital. On the same date, it was also announced that Domingos José Vieira de Matos, Pedro Miguel Matos Borges de Oliveira and Paulo Jorge dos Santos Fernandes acquired 3,500,000 shares, 2,333,340 shares and 3,500,000 shares, respectively, at the price of 0.43 Euro per share. As a result of this operation, Domingos José Vieira de Matos, Pedro Miguel Matos Borges de Oliveira and Paulo Jorge dos Santos Fernandes hold 6,969,716 shares, 4,333,340 shares and 6,715,746 shares, respectively, representing 6.8%, 4.22% and 6.55% respectively of the share capital and voting rights of Cofina. As of that date, Cofina's shares closed at 0.43 Euro per share.

GROUP’S ACTIVITY

Cofina Group currently develops its activity focusing in the media segment.

The key company is Cofina Media, S.G.P.S., S.A., owner of leader titles in the respective segments. The Group’s portfolio includes leading headings such as the daily newspaper “Correio da Manhã”, the daily sports newspaper “Record”, the free distribution newspapers “Destak” and “Meia Hora”, the news magazine “Sábado” as well as other titles such as “Jornal de Negócios”, “Máxima”, “TV Guia”, “Flash!”, “Vogue”, “GQ”, “Rotas e Destinos”, “PC Guia” and “Automotor”.

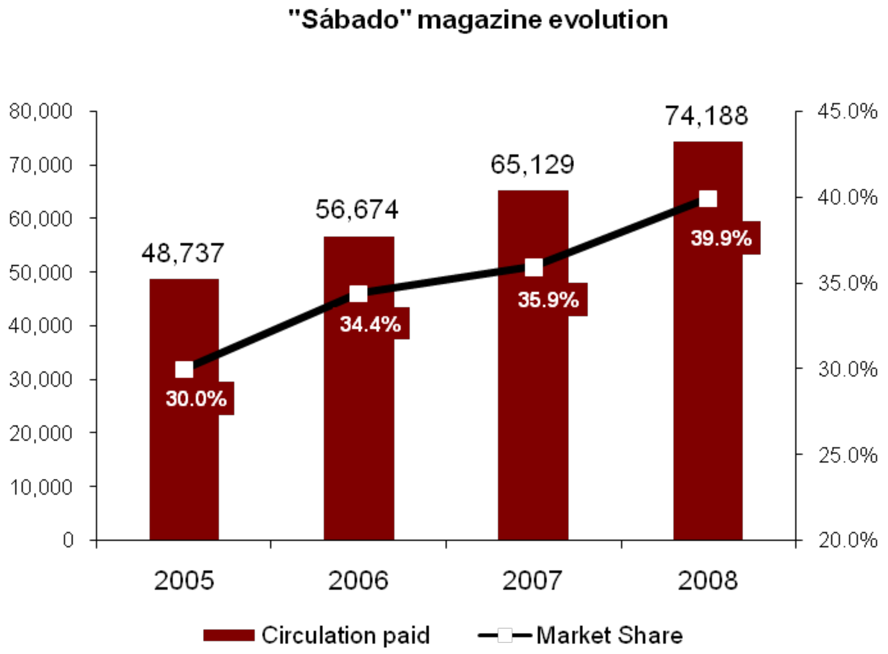
Thus, on 31 December 2008, the Group’s structure was as follows:



The year 2008 was characterized by pressure on the traditional press, threatened by free distribution newspapers and access to online newspapers. However, this is an area where the Group does not present relevant vulnerabilities: on one hand, it has a consistent basis of readers on the printed newspaper segment, on paper; on the other hand, its presence in areas that may be benefited, allows it to easily replace the circulation revenue from circulation, which may eventually be lost, for advertising income.

The year of 2008 was also characterized by a difficult international macroeconomic situation, which led to serious impacts on domestic demand and on the recovery level of the Portuguese economy. In the media segments, in which Cofina is present – daily newspapers and magazines – there was a contraction of the advertising investment, with particular focus during the 4th quarter. However, the circulation presented a level of growth greater than the decline recorded in the advertising revenue, with circulation revenue overcoming than advertising revenue. Still, Cofina managed to keep the market leadership in its main products, in particular the daily newspaper "Correio da Manhã" and gaining market share in other titles, from which it should be highlighted the weekly information magazine "Sábado".

It is relevant to highlight the performance of the magazine "Sábado", which has been, consistently, rising above the market and above its competitors. Currently, "Sábado" has a market share of 40%, compared to 36% in 2007, having increased by more than 14% its position in the paid circulation compared with the previous year.



According to data from "Bareme Imprensa - Marktest", the number of readers of "Sábado" reached 305 thousand, which represents a 32% growth when compared to the previous year, being the unique magazine in this segment to record a year on year increase.

FINANCIAL REVIEW

Cofina consolidated financial information for 2008, prepared in accordance with recognition and measurement principles of the International Financial Reporting Standards may be presented as follows:

(amounts in thousand Euro)	2008	2007	Var (%)
Operating income	**144,033**	**134,635**	**7.0%**
Circulation	61,801	58,842	5.0%
Advertising	60,203	61,860	-2.7%
Alternative marketing products and others	22,029	13,933	58.1%
Operating income by segments	**144,033**	**134,635**	**7.0%**
Newspapers	102,899	94,807	8.5%
Magazines	41,134	39,828	3.3%
Operating expenses (a)	**123,695**	**114,086**	**8.4%**
Consolidated EBITDA (b)	**20,338**	**20,549**	**-1.0%**
EBITDA margin	14.1%	15.3%	- 1.1 p.p.
Consolidated EBIT	**16,759**	**16,935**	**-1.0%**
EBIT margin	11.6%	12.6%	-0.9 p.p.

(a) Operating expenses excluding amortisations

(b) EBITDA = operating net profit + depreciation and amortisation

In 2008, operating revenue amounted to, approximately, 144 million Euro, representing a 7% growth in comparison with the homologous period.

The Group's operating cash-flow (EBITDA) reached 20.3 million Euro, having decreased 1% year on year. Thus, the Group presented an EBITDA margin of 14.1%, compared with the 2007 margin of 15.3%, which reflects a decrease of 1.1 percentage points.

As of 31 December 2008, Cofina's nominal net debt amounted to 108.1 million Euro.

The attached consolidated financial statements as of 31 December 2008 present negative equity. This is due solely to the Group's exposure to ZON Multimédia - Serviços de Telecomunicações e Multimedia, SGPS, S.A. ("Zon Multimedia"), through the holding of 15,190,000 shares valued at market value, which, regarding its share price on 31 December 2008 (3.71 Euro per share) has led to the recording of a loss net of dividends received amounting to, approximately, 78.9 million Euro, in accordance with the applicable accounting standards.

It is the Board of Directors belief that the price of Zon Multimédia as of 31 December 2008 does not reflect the fair value of this title, which can be demonstrated for example by the recommendations of national and foreign financial analysts pointing to an average price-target (using the 14 last recommendations of the major investment institutions dated between 11 October 2008 and 6 April 2009) of 6.2 Euro.

Additionally, the Board of Directors expects that, by the end of 2009, the consolidated equity will no longer be applicable as a consequence of (i) on one hand, the results that will be generated by the Group's operations during the financial year of 2009 and (ii) on the other hand, the recovery of Zon's share price, for which there are already some recovery signs as of the date of this report (on 27 April 2009, the price of this share was 4.091 Euro).

In more detail, the Group's performance may be presented as follows:

(amounts in thousand Euro)	2008	2007	Var (%)
Consolidated operating income	**144,033**	**134,635**	**7.0%**
Circulation	61,801	58,842	5.0%
Advertising	60,203	61,860	-2.7%
Alternative marketing products and others	22,029	13,933	58.1%
Operating income by segments	**144,033**	**134,635**	**7.0%**
Newspapers	102,899	94,807	8.5%
Magazines	41,134	39,828	3.3%
Operating expanses (a)	**123,695**	**114,086**	**8.4%**
Consolidated EBITDA (b)	**20,338**	**20,549**	**-1.0%**
EBITDA margin	14.1%	15.3%	- 1.1 p.p.
Newspapers	18,158	18,354	-1.1%
Newspapers EBITDA margin	17.6%	19.4%	- 1.7 p.p.
Magazines	2,180	2,195	-0.7%
Magazines EBITDA margin	5.3%	5.5%	- 0,2 p.p.
Amortisation and depreciation (-)	3,579	3,614	-1.0%
EBIT	**16,759**	**16,935**	**-1.0%**
EBIT margin	11.6%	12.6%	-0.9 p.p.
Financial loss	(89,516)	(13,051)	-
Income before taxes and minority interests	**-72,757**	**3,884**	**-**
Income taxes	(560)	6,250	-109.0%
Minority interests	44	(13)	-
Net consolidated profit/loss (c)	**-73,273**	**10,121**	**-**

(a) Operating expenses excluding amortisations

(b) EBITDA = operating net profit + depreciation and amortisation

(c) Net profit attributable to shareholders of parent company

The operating income obtained in 2008 presented a rise of about 7%, highlighting the growth of 58% recorded in income from alternative marketing products. The advertising revenue presented a decrease of 2.7%, as result of the economic crisis that was felt and intensified during the second half of 2008.

The increase in revenue was lower than the increase in operating expenses, leading to a decrease of about 1% in EBITDA, which reached 20.3 million Euro. The EBITDA margin decreased 1.1 percentage points from 15.3% in 2007 to 14.1% in 2008.

The Group's operating net profit (EBIT) amounted to 16.7 million Euro, which represents a small reduction around 1% comparing to the same period of 2007.

The net consolidated loss recorded in 2008 amounted to -73.3 million Euro, having been affected, mainly, by the recording of ZON Multimédia shares at their market value.

Thus, investments measured at fair value through results, are recorded at their market value, in accordance with its share price as of 31 December 2008. The total impact of this valuation, amounting to, approximately, 78.9 million Euro, was totally recognized in the income statement under the financial results caption.

Newspapers segment:

(amounts in thousand Euro)	2008	2007	Var (%)
Consolidated operating income	**102,899**	**94,807**	**8.5%**
Circulation	44,324	42,678	3.9%
Advertising	44,836	43,992	1.9%
Alternative marketing products and others	13,739	8,137	68.8%
Operating expenses (a)	**84,741**	**76,453**	**10.8%**
Consolidated EBITDA (b)	**18,158**	**18,354**	**-1.1%**
EBITDA margin	17.6%	19.4%	-1.7 p.p.

(a) Operating expenses excluding amortisations
(b) EBITDA = operating net profit + depreciation and amortisation

In 2008 the newspapers' segment operating revenues recorded an 8.5% growth when compared with 2007, reaching 102.9 million Euro. Circulation revenue amounted to 44.3 million Euro (+3.9%), whilst advertising revenues grew, approximately 2%, having reached 44.8 million Euro. Alternative marketing revenue increased 69% to 13.7 million Euro.

During 2008, EBITDA reached 18.2 million Euro, decreasing 1.1% in comparison with the previous year. EBITDA margin amounted to 17.6% in 2008 (19.4% in 2007). The increase of operating expenses was due to the increase of alternative marketing campaigns and to restructuring costs.

The quarterly performance of the newspapers' segment during 2008 is presented in the following table:

(amounts in thousand Euro)	1Q08	2Q08	3Q08	4Q08
Consolidated operating income	**23,903**	**28,969**	**25,572**	**24,455**
Circulation	10,556	10,757	11,993	11,018
Advertising	10,685	13,230	10,504	10,417
Alternative marketing products and others	2,662	4,982	3,075	3,020
Operating expenses (a)	**19,186**	**24,211**	**21,322**	**20,022**
Consolidated EBITDA (b)	**4,717**	**4,758**	**4,250**	**4,433**
EBITDA margin	19.7%	16.4%	16.6%	18.1%

(a) Operating expenses excluding amortisations
(b) EBITDA = operating net profit + depreciation and amortisation

In 2008, the daily newspaper "Correio da Manhã" reinforced its leadership, in terms of paid circulation and number of readers. Thus, in 2008, the average daily paid circulation of "Correio da Manhã" reached 118 thousand copies, meaning that it was read by more than 945 thousand readers. The evolution of paid circulation and number of readers between 2003 and 2008 was as follows:

Annual average circulation	2003	2004	2005	2006	2007	2008
CM	**110,750**	**115,943**	**113,792**	**111,951**	**115,334**	**118,336**
Diário de Notícias	47,131	39,094	35,542	36,537	36,226	40,017
Jornal de Notícias	102,527	112,150	95,231	95,441	91,812	101,234
Público	54,306	51,194	48,986	44,197	41,760	41,908
24 Horas	47,575	49,738	48,819	41,417	35,786	37,311

Source: APCT

Annual average number of readers	2003	2004	2005	2006	2007	2008
CM	**830,667**	**838,667**	**844,000**	**772,333**	**995,667**	**945,333**
Diário de Notícias	368,000	319,333	314,667	265,000	318,667	302,667
Jornal de Notícias	995,667	941,667	1,001,000	949,000	986,333	917,000
Público	430,000	436,667	426,333	371,667	390,000	363,000
24 Horas	246,667	251,333	254,667	247,000	268,000	221,667

Source: APCT

In the sports' segment, "Record" sports daily newspaper presented an average paid circulation of 71.8 thousand copies which represents a decrease of 3.5% in comparison with the previous year.

The free daily newspaper "Destak", in accordance with the data from "Bareme Imprensa – Marktest", was read by 640 thousand readers. At the end of 2008, "Destak" was the second free daily newspaper most read in Portugal.

Magazines segment

(amounts in thousand Euro)	2008	2007	Var (%)
Consolidated operating income	**41,134**	**39,828**	**3.3%**
Circulation	17,477	16,164	8.1%
Advertising	15,367	17,868	-14.0%
Alternative marketing products and others	8,290	5,796	43.0%
Operating expenses (a)	**38,954**	**37,633**	**3.5%**
Consolidated EBITDA (b)	**2,180**	**2,195**	**-0.7%**
EBITDA margin	5.3%	5.5%	- 0.2 p.p.

(a) Operating expenses excluding amortisations

(b) EBITDA = operating net profit + depreciation and amortisation

The operating revenue in the magazines segment grew 3.3%, reaching more than 41 million Euro. The circulation revenue and the alternative marketing income grew 8.1% and 43%, respectively, while advertising revenue reduced 14% to 15.4 million Euro.

In 2008, magazines segment's EBITDA reached 2.2 million Euro, which represents a 0.7% year on year decrease.

In quarterly terms, EBITDA and EBITDA margin achieved, in the fourth quarter, the best performance of the year: 754 thousand Euro and 8.3%, respectively.

(amounts in thousand Euro)	1Q08	2Q08	3Q08	4Q08
Consolidated operating income	**10,052**	**12,260**	**9,772**	**9,050**
Circulation	4,250	4,288	4,654	4,285
Advertising	3,630	4,440	3,459	3,838
Alternative marketing products and others	2,172	3,532	1,659	927
Operating expenses (a)	**9,856**	**11,771**	**9,031**	**8,296**
Consolidated EBITDA (b)	**196**	**489**	**741**	**754**
EBITDA margin	1.9%	4.0%	7.6%	8.3%

(a) Operating expenses excluding amortisations

(b) EBITDA = operating net profit + depreciation and amortisation

In what concerns paid circulation and number of readers, we would like to highlight the performance of the weekly magazine "Sábado". The average paid circulation of this weekly news magazine, according to the data of APCT, was superior to 74 thousand copies per week, up 14% year on year, having reached a market share of 40%.

2009 OUTLOOK

Due to the uncertainties and difficulties that are expected in 2009, both to national and world economy, and the trend of shrinking in the advertising market, the Group will maintain a careful and prudent management, although continuing the efforts to strengthen the leadership of its publications and take advantage of any opportunities that may arise to boost their results.

The year of 2009 is expected to be characterized by pressure on traditional media, threatened by the access to online newspapers. However, this is an area where the Group does not present relevant vulnerabilities: on one hand, it has a consistent basis of readers on the printed newspapers segment, in paper segment; on the other hand, its presence in areas that may be benefited, allows it to easily replace the circulation revenue, which may eventually be lost, for advertising income.

The Group is convinced of its abilities and expects, for the year of 2009, to continue the positive performance that has consecutively been presenting. The Group remains confident it can maintain its leadership position in most relevant publications, aiming to proceed a strategy of consolidation of its publications and growth of their latest releases, to enable them to maintain the recognized position that Group Cofina achieved in the media sector.

PROPOSAL OF THE BOARD OF DIRECTORS FOR APPROPRIATION OF THE NON CONSOLIDATED NET LOSS FOR THE YEAR

Cofina, S.G.P.S., S.A., as holding company for the Group, achieved a non-consolidated net loss of 63.303.443 Euro which, in accordance with legislation and the Company's articles of association, the Board of Directors proposes to the Shareholders' General Meeting to be appropriated as follows:

Retained earnings	(60.303.443)
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CORPORATE GOVERNANCE

In compliance with the guidelines included in Stock Exchange Regulation (Regulamento da CMVM) 1/2007, of November 21, with the changes introduced by Regulation 5/2008 of October 15 and the subjacent legislation, this section serves to summarise the fundamental aspects of the management of the Company, regarding the Board of Directors, considering the need for transparency with respect to this matter and the need for communication with the investors and others, to which the information is addressed.

This section is organized in accordance with the instructions included in the Regulation 05/2008, being the Board of Directors' belief that the majority of the items included in the Stock Exchange Recommendations for Governance of Listed
Companies have been complied with.

General Shareholders' Meeting held on 28 May 2008 elected the following corporate bodies for the period 2008/2010:

Board of Directors

- Paulo Jorge dos Santos Fernandes – President
- João Manuel Matos Borges de Oliveira – Member
- Pedro Macedo Pinto de Mendonça – Member
- Carlos Manuel Matos Borges de Oliveira – Member
- Domingos José Vieira de Matos – Member

Statutory Audit Board

- João da Silva Natária – President
- Manuel Tiago Alves Baldaque de Marinho Fernandes – Member
- Cristina Isabel Linhares Fernandes – Member
- Joaquim Augusto Soares da Silva – Substitute

Sole Statutory Auditor

- Deloitte & Associados, SROC S.A., represented by Dr. António Manuel Martins Amaral

Remuneration Committee

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- João Natária da Silva – Member
- Fernando Eugénio Cerqueira Magro Ferreira – Member

0. Statement of compliance

0.1 Indication of where are available to the public the text of the codes of corporate governance to which the issuer is subject

This report was prepared in accordance with the Stock Exchange Regulation (Regulamento da CMVM) 1/2007 of November 21, as with the changes introduced by Regulation 5 / 2008 of 15 October and with the Code of Corporate Governance. The regulation is available for consultation on the website of the CMVM on the Internet at: www.cmvm.pt

0.2 Indication of the recommendations contained in the CMVM Code of Corporate Governance adopted and not adopted

Cofina, S.G.P.S., S.A. complies with the majority of recommendations of the Securities Market Commission (Comissão do Mercado de Valores Mobiliários – CMVM) relating to Corporate Governance, except for the following (in accordance with the numeration set in the attachment of the Regulation 5/2008 and in the Code of Corporate Governance):

CMVM recommendations	Complies	Does not comply	Not applicable
I. SHAREHOLDERS' GENERAL MEETINGS			
I.1. Board of the Shareholders' General Meeting			
I.1.1 The Chairman of the Board of the Shareholders' General Meeting shall be given adequate human and logistical resources, taking into consideration the financial position of the Company.	√		
I.1.2 The remuneration of the Chairman of the Board of the Shareholders' General Meeting shall be disclosed in the annual Corporate Governance Report.	√		
I.2. Participation at the Meeting			
I.2.1 The requirement to deposit or block shares before Shareholders' General Meetings, contained in the Articles of Association, shall not exceed five working days.	√		
I.2.2 Should the Shareholders' General Meeting be suspended, the Company shall not require share blocking during the full period until the meeting is resumed, but shall apply the same period as for the first session.	√		
I.3. Voting and Exercising Voting Rights			
I.3.1 Companies should not impose any statutory restriction on postal voting.	√		
I.3.2 The statutory advance deadline for receiving voting ballots by post shall not exceed three working days.		√	
I.3.3 The Company's Articles of Association shall respect the one share-one vote principle.	√		
I.4. Quorum and Resolutions			
I.4.1 Companies shall not set a constitutive or deliberative quorum that exceeds the minimum required by Portuguese Company Law.	√		
I.5. Attendance Lists, Minutes and Information on Resolutions Adopted			
I.5.1 The minutes of the Shareholders' General Meetings shall be made available to shareholders on the Company's website within a five day period, irrespective of the fact that such information may not be legally classified as material information. The lists of attendees, agendas items and resolutions adopted shall be kept in a historic file on the Company's website, covering meetings held for at least the last three years.	√		
I.6. Measures Relating to Changes in Control			
I.6.1 Measures aimed at preventing the success of takeover bids, shall respect the interests of the both the Company and its shareholders.	√		
I.6.2 In accordance with the principle established in the previous sub-paragraph, any Company that has Articles of Association with clauses that restrict or limit the number of votes that may be held or exercised by a single shareholder, either individually or acting in concert with other shareholders, shall also require that, at least once every five years, the continuation of such clauses must be ratified at a Shareholders' General Meeting, at which the quorum shall not exceed the legal minimum and all votes cast shall count, without applying any restriction.	√		
I.6.3 Defensive measures that automatically lead to a serious erosion in the value of the Company's assets should not be adopted, when there has been a change in control or a change in the Company's management, as this prevents the free transmission of shares and the ability of shareholders to effectively evaluate those responsible for managing the Company.	√		
II. MANAGEMENT AND AUDIT BOARDS			
II.1. General Points **II.1.1. Structure and Duties**			
II.1.1.1 In the Corporate Governance Report, the Board of Directors shall assess the governance model adopted by the Company, by identifying any restrictions that are holding back performance and by proposing actions to be taken that are judged to be appropriate to resolve them.	√		
II.1.1.2 Companies shall set up internal control systems to efficiently detect risks relating to the Company's activity, in order to protect its assets and keep its corporate governance transparent.	√		
II.1.1.3 The Board of Directors and Statutory Audit Board shall establish internal regulations, which shall be disclosed on the Company's website.		√	

CMVM recommendations	Complies	Does not comply	Not applicable
II.1.2. Incompatibility and Independence			
II.1.2.1 The Board of Directors shall include a sufficient number of non-executive members to ensure that there is the capacity to effectively supervise, audit and assess the activity of the executive members.		√	
II.1.2.2 Non-executive members shall include an adequate number of independent members, taking into account the size of the Company and its shareholder structure, but this shall never be less than one quarter of the total number of Board members.			√
II.1.3. Eligibility Criteria for Appointment			
II.1.3.1 Depending on the governance model adopted, the Chairman of the Statutory Audit Board, or of the Board Audit Committee or of the Financial Matters Committee shall be independent and possess the necessary skills to perform their duties.	√		
II.1.4. Policy on the Reporting of Irregularities			
II.1.4.1The Company shall adopt a policy of reporting any irregularities that have allegedly occurred, which includes the following information: i) the means through which any irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should this be requested by the reporter.		√	
II.1.4.2 General guidelines from this policy should be disclosed in the Corporate Governance Report.		√	
II.1.5. Remuneration			
II.1.5.1 The remuneration of the members of the Board of Directors shall be structured to be aligned with the interests of the shareholders. In this sense: i) The remuneration of Directors carrying out executive duties should include a variable component based on performance linked to a performance assessment that shall be carried out periodically by the governance body or committee appointed for this purpose; ii) the variable component shall be consistent with the maximisation of the long-term performance of the Company, and shall be dependent on sustainability of the variables adopted to measure performance; iii) non-executive members of the Board of Directors shall only receive fixed remuneration, unless the legal requirements dictate otherwise.	√		
II.1.5.2 The Remuneration Committee and the Board of Directors shall present to the Shareholders' Annual General Meeting a statement of the remuneration policy applied to the Statutory Governing Bodies (including the Board of Directors and Statutory Audit Board), as well as to other persons discharging managerial responsibilities ('Dirigentes') as defined in Article 248º-B, Clause 3 of the Portuguese Securities Code. The information to shareholders shall include the criteria and main indicators proposed to be used in assessing performance and determining the variable component, independently of whether this is in the form of bonuses paid in shares, share options, annual bonuses or other awards.		√	
II.1.5.3 At least one representative of the Shareholders' Remuneration Committee shall be present at the Shareholders' Annual General Meeting ('AGM').	√		
II.1.5.4 A proposal shall be submitted to the Shareholders' General Meeting to approve plans to grant shares and/or share options or award compensation based on variations in share prices, to members of the Statutory Governing Bodies (including the Board of Directors and Statutory Audit Board), as well as to other persons discharging managerial responsibilities ('Dirigentes') as defined in Article 248º-B, Clause 3 of the Portuguese Securities Code. The proposal shall include all information necessary for a comprehensive assessment of the plan. The proposal shall be presented together with the regulation that governs the plan or if this has not yet been prepared, the general conditions that will be applied. Similarly, the main characteristics of any retirement benefit plan that benefits the Statutory Governing Bodies (including the Board of Directors and Statutory Audit Board), as well as other persons discharging managerial responsibilities ('Dirigentes') as defined in Article 248º-B, Clause 3 of the Portuguese Securities Code, shall also be approved at a Shareholders' General Meeting.			√
II.1.5.5 The remuneration of the members of the Statutory Governing Bodies (including the Board of Directors and Statutory Audit Board) shall be individually disclosed on an annual basis. Fixed and variable components must be disclosed separately, when applicable, as well as any other remuneration received from other companies within the same Group or from companies controlled by shareholders with qualifying share holdings.		√	
II.2. Board of Directors			
II.2.1 Within the limits established by Portuguese Company Law for each management and audit governance structure, and unless the Company is restricted by its size, the Board of Directors shall delegate the day-to-day running of the Company and the powers and terms of the delegation should be set out in the Corporate Governance Report.		√	
II.2.2 The Board of Directors shall ensure that the Company acts in accordance with its objectives, and should not delegate its own responsibilities, including: i) definition of the Company's strategy and general policies; ii) definition of the corporate structure of the Group; and iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.	√		
II.2.3 Should the Chairman of the Board of Directors have an executive role, the Board of Directors shall set up efficient mechanisms to co-ordinate the work of the nonexecutive members, to ensure that they may take decisions in an independent and informed manner, and shall also explain these mechanisms to the shareholders in the Corporate Governance Report.			√
II.2.4 The Annual Management Report shall include a description of the activity carried out by the non-executive Board Members and shall, in particular, report any restrictions that they encountered.			√
II.2.5. The governing body responsible for management (Board of Directors) should promote the rotation of the Board member responsible for for financial matters (CFO) at least at the end of every two mandates.		√	
II.3. Chief Executive Officer ('CEO'), Executive Committee and Executive Board of Directors			
II.3.1 When Directors, who carry out executive duties are requested by other Board Members to supply information, they shall provide answers in a timely manner with information that adequately responds to the request made.	√		
II.3.2 The Chairman of the Executive Committee shall send the notices convening meetings and minutes of the respective meetings to the Chairman of the Board of Directors and, when applicable, to the Chairman of the Statutory Audit Board or the Audit Committee.			√
II.3.3 The Chairman of the Executive Board of Directors shall send the notices convening meetings and minutes of the respective meetings to the Chairman of the General and Supervisory Board and to the Chairman of the Financial Matters Committee.			√

CMVM recommendations	Complies	Does not comply	Not applicable
II.4. General and Supervisory Board, Financial Matters Committee, Audit Committee and Statutory Audit Board			
II.4.1 In addition to fulfilling its supervisory and verification roles, the General and Supervisory Board shall fulfil a role of advisor, as well as monitor and continually assess the management of the Company by the Executive Board of Directors. Amongst the other matters on which the General and Supervisory Board should opine are the following: i) definition of the strategy sand general policies of the Company; ii) the corporate structure of the Group; and iii) decisions that are considered to be strategic due to the amounts, risks and special circumstances involved.			√
II.4.2 The annual reports on the activity of the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Statutory Audit Board shall be disclosed on the Company's website together with the financial statements.	√		
II.4.3 The annual reports on the activity of the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Statutory Audit Board shall include a description of the supervisory and verification work completed and shall, in particular, report any restrictions that they encountered.	√		
II.4.4 The Financial Matters Committee, the Audit Committee or the Statutory Audit Board (depending on the governance model adopted) shall represent the Company, for all purposes, in the relationship with the external auditor. This shall include proposing who will provide this service, their respective remuneration, and ensuring that the Company provides adequate conditions to allow them to deliver their service, as well as acting as the point of contact with the Company and being the first recipient of their reports.	√		
II.4.5 The Financial Matters Committee, the Audit Committee or the Statutory Audit Board (depending on the governance model adopted), shall assess the external auditor on an annual basis and propose to the Shareholders' General Meeting that the external auditor should be discharged, should justifiable grounds exist.	√		
II.5. Specialised Committees			
II.5.1 Unless the Company is restricted by its size, the Board of Directors and the General and Supervisory Committee, depending on the governance model adopted, shall set up the necessary Committees in order to: i) ensure that a robust and independent assessment of the performance of the Executive Directors is carried out, as well as of its own overall performance and including the performance of all existing Committees; and ii) consider the governance system adopted, assess its efficiency and propose to the relevant bodies measures to make improvements.	√		
II.5.2 Members of the Shareholders' Remuneration Committee or alike, shall be independent from the Members of the Board of Directors.	√		
II.5.3 All Committees shall draw up minutes of the meetings they hold.	√		
III. INFORMATION AND AUDITING			
III.1. General Disclosure Requirements			
III.1.2 Companies shall ensure that permanent contact is maintained with the market, upholding the principle of equal treatment for all shareholders and avoiding any asymmetry in the access to information by investors. To achieve this, the Company shall set up an Investor Relations Office.	√		
III.1.3 The following information disclosed on the Company's Internet website, shall be available in English: a) The Company, its listed company status, registered office and the remaining information set out in Article 171 of Portuguese Company Law; b) Articles of Association; c) Identification of the members of the Statutory Governing Bodies and of the Representative for Relations with the Market; d) Investor Relations Office — its functions and contact details; e) Financial Statements; f) Half-Yearly Calendar of Company Events; g) Proposals presented to Shareholders' General Meetings; and h) Notices convening Shareholders' General Meetings.	√		

0.3 *Not adopted or not applicable recommendations*

Recommendations I.3.2, II.1.1.3, II.1.2.1, II.1.4.1, II.1.4.2, II.1.5.2, II.1.5.5, II.2.1 and II.2.5 are not fully adopted by Cofina, as explained below, and recommendations II.1.2.2, II.1.5.4, II.2.3, II.2.4, II.3.2, II.3.3 and II.4.1 are not applicable to the Company, as explained below.

Not adopted recommendations

- Recommendation I.3.2: The statutory advance deadline for receiving voting ballots by post shall is five working days. The Board of Directors believes that the difference to the Portuguese Company Law (3 working days) is not relevant.

- Recommendation II.1.1.3: The Board of Directors and Statutory Audit Board did not establish internal regulations formally approved due to the Companies' small dimension and due to the fact that all the directors perform executive functions in the Group's subsidiaries.

- Recommendation II.1.2.1: The Board of Directors, elected by the Shareholders' General Meeting, does not include any member that may be independent nor has non-executive members.

- Recommendations II.1.4.1 and II.1.4.2: Taking into consideration the proximity of the members of the Board of Directors in relation to the current activities of the several group companies and its workers, there is no formal model of communication of internal irregularities. Each time any irregularity is detected, it is promptly communicated to the Board members that make sure that the adequate and fair procedure is adopted to deal with the irregularities. At evaluation of ethical issues skills level and the structure of governance, such functions are performed directly by the Board of Directors, which maintains a constant debate on this issue.

- Recommendation II.1.5.2: Cofina, S.G.P.S., S.A. believes that the disclosure of the parameters for calculating the variable component of the Board members' remuneration of members does not bring relevant information to shareholders, being disclosed in the Directors' Report general information about directors' fixed and variable remuneration.

- Recommendation II.1.5.5: In this section Cofina, S.G.P.S., S.A. discloses information relating the fixed and variable remuneration of its Board of Directors and believes that disclosure of the individual remuneration of each director does not provide relevant information for the shareholders.

- Recommendation II.2.1: The Board of Directors elected by the Shareholders General Meeting has no non-executive members.

- Recommendation II.2.5: In general, Cofina SGPS, S.A. directors, acting in such condition, focus their activity primarily on managing the Group's investments and the definition of strategic development lines. The daily management of operating companies is held by each company’s Board of Directors, which incorporates some of the Cofina SGPS, S.A. directors, but also other directors with skills and functions specifically defined. Although there was no rotation on the Board member responsible for financial matters (CFO), that has been assured by the delegation of powers on, the responsibles of the operating companies.

Not applicable recommendations

- Recommendations II.1.2.2, II.2.3 and II.2.4: The Board of Directors has no non-executive members, so these recommendations are not applicable.

- Recommendation II.1.5.4: There are no plans or incentive systems related to stock option plans for the members of the Board of Directors or the employees;

- Recommendation II.2.2: There are no non-executive directors at Cofina S.G.P.S., S.A., so this recommendation is not applicable.

- Recommendation II.3.2: There is no Executive Committee so this recommendation is not applicable. Management’s decisions are taken by the Board of Directors under the normal course of its functions, and so such a committee is considered to be unnecessary for the Company’s operations and for the investors’ interests’ protection.

- Recommendation II.3.3: Cofina does not have General and Supervisory Board or Financial Matters Committee, so this recommendation is not applicable.

- Recommendation II.4.1: Cofina does not have General and Supervisory Board, so this recommendation is not applicable.

0.4 Measuring the governance bodies’ independence

The governance bodies’ members, except for the Board of Directors, are considered independent, being its independence measured at the time of their designation by their own expressed declaration.

I. *Shareholders' General Meeting*

I.1 Board of the Shareholders' General Meeting

The Shareholders' General Meeting, is made up of all the shareholders with voting rights, who are responsible for approving changes in the articles of association, making a general assessment of the Management and monitoring the Company, approving the Directors' Report and financial statements for the year, electing the members of the corporate bodies of its competence and, in general, considering all the matters submitted to it by the Board of Directors.

The current members of the Board of the Shareholders' General Meeting have been elected for the period 2008/2010 in the General Shareholders' Meeting that took place in 28 May 2008:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- Fernando Eugénio Cerqueira Magro Ferreira – Secretary

The President of the Shareholders' General Meeting has the manpower and logistical support that are appropriate to his needs and to the fulfillment of his duties, including the support and collaboration provided by the secretariat company and the Secretary of the Company. His remuneration for the year ended 31 December 2008 amounted to 5,000 Euro.

I.2 Participation at the Meeting

Prior to each General Shareholders' Meeting, in compliance with the legally required periods of notice, Cofina publishes extensively the dates on which meetings are to take place, complementing this with inclusion of the notice calling the meeting in its institutional site (www.cofina.pt).

Shareholders may vote if they hold at least one share registered or deposited in their name in the centralised securities system. Registration and deposit referred to must be shown to have been made at least five working days before the date of the General Shareholders' Meeting, not being accepted block shares preceding this period.

In case of suspension of the session, the shares previously blocked remain blocked to be resumed when the session is given continuity to the previously interrupted session.

I.3 Voting and Exercising Voting Rights

The General Shareholders' Meeting is made up of all the shareholders with the right to vote, with one vote for each share held.

The vote by mail can be made under the following terms:
- the vote by correspondence should be exercised through a written declaration, with a signature recognized by a public notary or an attorney and accompanied by a document supporting the registration of shares on behalf of the shareholder and respective immobilization, until the term of the day of the General Shareholders' Meeting;
- the declaration of intent to exercise the vote by and the supporting document of the quality of shareholder must be delivered in the Company's headquarters, until 5 p.m. of the fifth working day prior to the day assigned for the meeting, with identification of the remittent, directed to the Chairman of the General Shareholders' Meeting";
- there must be a declaration of vote for each point of the Order of the Day for which the vote by correspondence is admitted and each declaration of vote will have to be sent in a closed and sealed envelope, inside the mentioned letter, which can only be opened by the Chairman of the General Shareholders' Meeting at the moment of the counting of the votes, for what each envelope will have to indicate in its exterior the point of the Order of the Day that it respects to;
- the votes by correspondence will be valid as negative votes in relation to the proposals of deliberation presented after to the emission of the vote;
- the presence of the shareholder in the General Meeting, or its representative, will be understood as revocation of its vote by correspondence.

The model for the mail vote is available in the Company's headquarters with the time in advance legally predicted and indicated in the convocation of the General Shareholders' Meeting.

At this time, there is no provision for voting by electronic means.

Individual persons who are shareholders with the right to vote may be represented by another shareholder, spouse, ascendant or descendant, or any member of the Board of Directors. Legal entities which are shareholders of the Company are represented by the person designated for that purpose. Such representation must be communicated to the President of the Board of the General Shareholders' Meeting, by letter delivered to the Company's head office up to 5 p.m. on the fifth day preceding that of the meeting. There is no a specific model provided for representation in the Shareholders' General Meeting.

Shareholders that do not have a sufficient number of shares to vote may do so by grouping together so as to have the number of shares needed to vote, only one of the members of the group being designated to represent the group at the Shareholders' General Meeting.

I.4 Quorum and Resolutions

Cofina's articles do not contemplate any constituent or deliberative quorum higher than considered in the law.

I.5 Attendance Lists, Minutes and Information on Resolutions Adopted

The minutes of the Shareholders' General Meeting are available to shareholders on the website of Cofina, where it is maintained an historical archive of the main information of those meetings.

I.6 Measures Relating to Changes in Control

Cofina did not adopt any clause or defensive measure to prevent the free transfer of shares representing its capital and free assessment, by the Shareholders, of the Board of Directors performance.

The Company is not aware of any para-social arrangement in what it concerns to the exercise of social rights or to the transferability of the shares nor is there, to the best of its knowledge, any agreement that aims to secure or frustrate the success of public bids.

II. Management and audit boards

II.1 General Matters

II.1.1 Structure and Duties

General Shareholders' Meeting held 28 May 2008 elected the following corporate bodies for the period 2008/2010:

Statutory Audit Board
- João da Silva Natária – President
- Manuel Tiago Alves Baldaque de Marinho Fernandes - Member
- Cristina Isabel Linhares Fernandes – Member
- Joaquim Augusto Soares da Silva – Substitute

Sole Statutory Auditor
- Deloitte & Associados, SROC S.A., represented by António Manuel Martins Amaral

The Board of Directors, elected by the Shareholders' General Meeting, is currently made up of 4 members who are responsible for carrying out all the management functions, to implement the operations inherent in its corporate objectives, acting in the best interests of the Company, its shareholders and employees. As of 31 December 2008, this body was composed as follows:

- Paulo Jorge dos Santos Fernandes – President
- João Manuel Matos Borges de Oliveira – Member
- Pedro Macedo Pinto de Mendonça – Member
- Domingos José Vieira de Matos – Member

The current members of the Board of Directors were elected by the Shareholders' General Meeting held on 28 May 2008, having been elected for the 2008/2010 period.

All current members of the Board of Cofina, SGPS, SA perform executive functions.

It was reported on 02 January 2009 to CMVM the death of the board member Carlos Manuel Matos Borges de Oliveira. Since then, his functions are being provided by the other members of the Board.

The Board of Directors considers that the Group is exposed to the normal risks associated with its operations, specially the operating units. Therefore, the main risks considered by the Group are: Credit Risk, Interest Rate Risk and Exchange Rate Risk.

Credit Risk

Like any activity involving a commercial component, the Group's exposure to credit risk is attributable mainly to the accounts receivable resulting from the Group's operating activity. The first approach is performed through the daily management of the credit rating attributed to each client prior to its acceptance and, subsidiarily, through the adequacy of the allowed payment periods. Credit risk evaluation is done on a regular basis, through the analysis of the current economic conjuncture conditions, in particular the credit situation of each company and, when necessary, adopting corrective measures.

Interest Rate Risk

Considering the Group's debt, possible variations on the interest rate may have an undesired impact on the net profit. Therefore, the Group adopts a balanced position between the cost of the debt and its exposure to the interest rate variability. When the reasonable risk is exceeded, the Group engages into interest rate swaps in order to reduce its exposure to risk and to restrict the potential volatility of results.

Exchange Rate Risk

In the event of transactions with nonresident entities fixed in non Euro currencies, exchange rate fluctuations may have a relevant impact on the Group's performance. Thus, whenever the Group considers important to reduce the volatility of its results, the position is covered through derivative instruments.

II.1.2 Incompatibility and Independence

The Board of Directors, elected by the Shareholders' General Meeting, does not include any member that may be independent nor has non-executive members.

II.1.3 Eligibility Criteria for Appointment

Regarding the Statutory Audit Board, as a college body that it is, the measure of independence is made to all those that compose it, given the application of paragraph 6 of article nr. 414 (of the Portuguese Commercial Code – "Código das Sociedades Comerciais") considering independence in accordance with the definition that is given under paragraph 5 of article 414 and incompatibility as defined in paragraph 1 in 414-A both from CSC. The three members of the Statutory Audit Board meet the rules of incompatibility and independence identified above.

Regarding to the competence for the exercise of functions, it is considered that all members have appropriate skills to carry out their tasks and the President is adequately supported by the other members of the Statutory Audit Board.

II.1.4 Policy on the Reporting of Irregularities

Taking into consideration the proximity of the members of the Board of Directors in relation to the current activities of the several group companies and its workers, there is no formal model of communication of internal irregularities. Each time any irregularity is detected, it is promptly communicated to the Board members that make sure that the adequate and fair procedure is adopted to deal with the irregularities. At evaluation of ethical issues skills level and the structure of governance, such functions are performed directly by the Board of Directors that maintains a constant debate on this issue.

II.1.5 Remuneration

The Board of Directors members receive no remuneration from the Company, being remunerated directly by the other Cofina Group companies in which they exercise board functions. Remuneration of the members of the Board of Directors is not directly dependent upon the short-term evolution of the price of the Company's shares. There is no defined policy regarding compensation attributable to the Board members in case of dismissal or early release of their labour contracts.

The variable remuneration arises from the performance of the group companies, and the criteria for its attribution are previously settled and according to the maximization of the company long-term performance.

There are no:

- plans or incentive systems related to stock option plans for the members of the Board of Directors;
- indemnities paid or due to former Board members related to the suspension of duties during the year;
- complementary pension or early retirement regimes for the Board members;
- non-monetary benefits considered as remuneration.

Remuneration for the year 2008 of the members of Cofina's Board of Directors for the exercise of their functions in Group companies were as follows:

Fixed remuneration	345,212
Variable remuneration	105,000

	450,212
	=====

The remuneration of the members of the Supervisory Board of Cofina as a whole during 2008, for the exercise of their functions, amounted to 23,760 Euro.

Shareholders’ General Meeting president received, during the year ended on 31 December 2008 approximately 5,000 Euro.

Fees paid to the Group’s auditors and other entities belonging to the same network by the Company and its subsidiaries amounted to, approximately, 318 thousand Euro, distributed as follows:

- Statutory audit fees	55%
- Other assurance services	25%
- Tax consultancy services	20%

In requesting projects, before awarding the services, the Board of Directors ensures that services are not contracted that, under the terms of European Commission Recommendation C (2002) 1873 of 16 May 2002, can put in question the independence of the auditors and their respective network. In addition, independence is usually safeguarded by the fact that the other services are rendered by different professionals from those performing financial audit services.

II.2 Board of Directors

In accordance with Cofina's articles of association, the Board of Directors is made up of three, five, seven or nine members, shareholders or not, elected by the General Shareholders' Meeting for a three year period.

The Board of Directors, elected by the General Shareholder's Meeting, develops its tasks on a collective basis with the functions of management and coordination of the Group companies and is currently made up of a president and three members, all with executive functions.

As Cofina is an open capital company, its Management and employees pay great attention to the compliance with the duties of confidentiality in its relations with third parties, safeguarding Cofina's position in situations of conflict of interest.

In terms of internal control, Cofina's operating companies have management control responsibles, which work at all levels of the subsidiary companies and prepare monthly reports for each Board of Directors.

There are no specific conditions that limit the exercise of voting rights by the Company's shareholders, or any para-social agreements that the Company is aware of.

The distribution of functions among the several members of the Board of Directors may be presented as follows:

João Borges de Oliveira *Chief Financial Officer*	Paulo Fernandes *Chairman*	Pedro Pinto Mendonça Domingos Matos *Members*

Generically, Cofina's directors focus their activities in managing the Group's investments and defining its strategic development. The daily management of each operating company is responsibility of each Board of Directors, which includes some of Cofina's directors but also some other members with defined functions.

Thus, taking into consideration the activities developed by the Board Members, both in Cofina SGPS and in the several group companies, the functional organization chart can be presented as follows:

Cofina SGPS, S.A.

Board of Directors:

Paulo Fernandes
João Borges de Oliveira
Pedro Pinto Mendonça
Domingos Matos

Cofina Media SGPS, S.A.

Board of Directors:

Paulo Fernandes
João Borges de Oliveira
Pedro Pinto Mendonça
Laurentina Martins
Luís Santana

The professional qualification of the current members of the Board of Directors, its professional activity and the detail of other companies where they also carry out management functions are as follows:

Paulo Jorge dos Santos Fernandes

Was one of the founders of Cofina and has been directly involved in the Group's management since its incorporation. Graduated from Porto University with a degree in Electronic Engineering also has an MBA from the University of Lisbon.
Develops activities in the media and industrial operations, as well as in the strategic definition of the Group. Paulo Fernandes is one of the Company's shareholders and director since 1990.

In addition to the companies where currently carries duties as a Board member, his professional experience includes:
1982/1984 Deputy Production Director of CORTAL
1986/1989 General Director of CORTAL

1989/1994	President of the Board of CORTAL
1995	Board member of CRISAL - CRISTAIS DE ALCOBAÇA, SA
1997	Board member of Group Vista Alegre, SA
1997	Chairman of the Board of ATLANTIS - Cristais de Alcobaça, SA
2000/2001	Board member of SIC
2001	Board member of V.A.A.

Throughout his career, also played roles in several associations:

1989/1994	President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
1989/1990	President of the General Assembly Assoc. Industr. Águeda
1991/1993	Member of the Advisory Board Assoc. Ind. Portuense

As of 31 December 2008, the companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofihold, S.G.P.S., S.A. (a)
- Cofina Media, S.G.P.S., S.A.
- CPK – Companhia Produtora de Papel Kraftsack, S.A. (a)
- Edisport – Soc. de Publicações, S.A.
- Efe Erre Participações, S.G.P.S., S.A.
- F. Ramada Investimentos, S.G.P.S., S.A.
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- F. Ramada Serviços de Gestão, Lda. (a)
- F. Ramada, Aços e Indústrias, S.A. (a)
- Invescaima, S.G.P.S., S.A. (a)
- Mediafin – S.G.P.S., S.A.
- Presselivre – Imprensa Livre, S.A.
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Ródão Power, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)

(a) – Companies that, as of 31 December 2008 cannot be considered to be part of Cofina, S.G.P.S., S.A. Group.

João Manuel Matos Borges de Oliveira

Was one of the founders of Cofina, and has been involved in the Group's management since its incorporation. Graduated from the Porto University with a degree in Chemical Engineering. Holds an MBA from INSEAD. Develops activities in the media and industrial operations, as well as in the strategic definition of the Group. João Borges Oliveira is one of the Company's shareholders and director since 1990.

João Borges Oliveira has also performed the following duties:
1982/1983 Deputy Production Director of Cortal
1984/1985 Production Manager of Cortal
1987/1989 Marketing Manager of Cortal
1989/1994 General Director of Cortal
1989/1995 Vice President of the Board of Cortal
1989/1994 Board member of Seldex
1996/2000 Non-executive Board member of Atlantis, SA
1997/2000 Non-executive Board member of Vista Alegre, SA
1998/1999 Board member of Efacec Capital, SGPS, SA

As of 31 December 2008, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofihold, S.G.P.S., S.A. (a)
- Cofina Media, S.G.P.S., S.A.
- Edisport – Soc. de Publicações, S.A.
- Efe Erre Participações, S.G.P.S., S.A.
- F. Ramada Investimentos, S.G.P.S., S.A.
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- F. Ramada Serviços de Gestão, Lda. (a)
- F. Ramada, Aços e Indústrias, S.A. (a)
- Invescaima, S.G.P.S., S.A. (a)
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Presselivre – Imprensa Livre, S.A.
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Storax Racking Systems, Ltd. (a)

a) – Companies that, as of 31 December 2008 cannot be considered to be part of Cofina, S.G.P.S., S.A. Group.

Pedro Macedo Pinto de Mendonça

Attended the Faculty of Medicine of Porto for two years, and holds a degree in Mechanics from the Ecole Superiore de L'Etat in Brussels. Pedro Mendonça is one of the Company's shareholders and director since 1990.

His professional experience includes:

1959	Director of Supply of Empresa de Metalurgia Artística Lisboa
1965	Production Manager of Empresa de Metalurgia Artística
1970	Board member and Commercial Director of Seldex
1986	Founding Partner of Euroseel
1986/1990	Board member of Euroseel
1986	Chairman of the Board of Seldex
1989	Board member of Cortal

As of 31 December 2008, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celtejo – Empresa de Celulose do Tejo, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofina Media, S.G.P.S., S.A.
- Cofihold, S.G.P.S., S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A.
- F. Ramada Investimentos, S.G.P.S., S.A.
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- F. Ramada Serviços de Gestão, Lda. (a)
- F. Ramada, Aços e Indústrias, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Universal Afir – Aços, Máquinas e Ferramentas, S.A. (a)

a) – Companies that, as of 31 December 2008 cannot be considered to be part of Cofina, S.G.P.S., S.A. Group.

Domingos José Vieira de Matos

Holds a degree in Economics from the Faculty of Economy of the University of Porto and initiated carrier in management in 1978. Member of the Board of Directors of Cofina, S.G.P.S., S.A. since 1990, being also a shareholder thereof.

His professional experience includes:
1978/1994 Board member of CORTAL, SA
1983 Founding Partner of PROMEDE – Produtos Médicos, SA
1998/2000 Board member of ELECTRO CERÂMICAS, SA

As of 31 December 2008, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Caima – Indústria de Celulose, S.A. (a)
- Celbi – Celulose da Beira Industrial, S.A. (a)
- Celulose do Caima, S.G.P.S., S.A. (a)
- Cofihold, S.G.P.S., S.A. (a)
- Efe Erre Participações, S.G.P.S., S.A.
- F. Ramada Investimentos, S.G.P.S., S.A.
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- F. Ramada Serviços de Gestão, Lda. (a)
- F. Ramada, Aços e Indústrias, S.A. (a)
- Jardins de França – Empreendimentos Imobiliários, S.A. (a)
- Prestimo – Prestígio Imobiliário, S.A. (a)
- Silvicaima – Sociedade Silvícola Caima, S.A. (a)
- Universal Afir – Aços, Máquinas e Ferramentas, S.A. (a)

a) – Companies that, as of 31 December 2008 cannot be considered to be part of Cofina, S.G.P.S., S.A. Group

The Board of Directors has broad powers to manage and represent the Company and carry out all operations relating to its corporate objects, namely:

- Acquire, sell and encumber moveable assets, namely vehicles and, within the legal limits, immovable assets;
- Acquire participations in other companies;
- Sell participations in other companies;
- Rent moveable and immovable assets from and to third parties;
- Issue mandates and powers of attorney for specific acts or categories of acts, defining the extent of the mandates;
- Actively and passively represent the Company in law and otherwise, propose and have legal actions followed, confess and desist from legal actions, as well as to commit themselves to arbitrators;
- Decide share capital increases until 35 million Euro limit, with the previous agreement of the Sole Statutory Auditor.

There is no limit to the maximum number of duties that the Board members can accumulate in administrative bodies of other companies. The members of Cofina's Board of Directors endeavour to be part of the administration of the most significant group companies, so as to enable their activities to be more closely attended.

The Board of Directors meets regularly, and its decisions are only valid if a majority of its members is present. In 2008 the Board of Directors met 12 times, the corresponding minutes of the meetings being recorded in the Board of Directors' Meetings Minute Book.

II.3 Chief Executive Officer ('CEO'), Executive Committee and Executive Board of Directors

There is no Executive Committee with management powers, thus this recommendation is not applicable. Management's decisions are taken by the Board of Directors under the normal course of its functions, and so such a committee is considered to be unnecessary for the Company's operations and for the investors' interests' protection.

II.4 General and Supervisory Board, Financial Matters Committee, Audit Committee and Statutory Audit Board

Statutory Audit Board, appointed by the General Shareholders' Meeting, is composed of three members and one or two substitutes, responsible for the superintendence of the society and the appointment of the Sole Statutory Auditor. As of 31 December 2008 the Board consisted of the following members:

- João da Silva Natária – President
- Manuel Tiago Alves Baldaque de Marinho Fernandes - Member
- Cristina Isabel Linhares Fernandes – Member
- Joaquim Augusto Soares da Silva – Substitute

In exercising its powers and performance of their duties, the Statutory Audit Board proposes to the General Shareholders' Meeting the Sole Statutory Auditor, monitors its independence, particularly in what it concerns to the render of additional services and the scope of their services and the audit services related with the financial statements of the Company. The Statutory Audit Board meets wherever necessary with the external auditor in accordance with its mission.

In 2008 the Statutory Audit Board met 4 times, the corresponding minutes of the meetings being recorded in the Statutory Audit Board's Meetings Minute Book.

It must also represent the Company for all purposes, next to the External Auditor, in particular, being its responsibility to propose the provider of these services, their remuneration and ensure they are secured within the company, the appropriate provision of services.

The annual reports on the activities undertaken by the Statutory Audit Board are subject to disclosure on the website of the company, together with the financial statements.

II.5 Specialised Committees

In accordance with the Company's articles of association, the members of the corporate bodies will be entitled to the remunerations fixed by a committee composed of three members, one of which will be the president and will have a quality vote, elected by the General Shareholders' Meeting. The remuneration may be previously settled or include a percentage that can never exceed five per cent of the net profit for the year.

Cofina, S.G.P.S., S.A. has set a Remuneration Committee composed as follows:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – President
- João Natária da Silva – Member
- Fernando Eugénio Cerqueira Magro Ferreira – Member

No member of this Commission is a member of the board of the Society as well as none of their spouses or relatives in a straight line to the 3rd degree, inclusive. It is practice of the Compensation Committee to be represented in the General Shareholders' Meeting.

Since the Board of Directors' members are not remunerated by Cofina S.G.P.S., S.A. but directly by the subsidiaries where they bear functions, the current scope of this committee is the definition of the benefits attributed to the key directors of the affiliated companies.

II.7 Rules for appointment and replacement of administration and supervision bodies members

The members of the various governance bodies of the Company are elected by the General Shareholders' Meeting for a three years term.

III. Information and audit

III.1 Information general duties

III.1.2 Investor support office

The Company has established a representative for the relations with the market – Laurentina da Silva Martins, advisor to the Board of Directors.

Whenever necessary the representative for the relations with the market ensures that all the relevant information is provided, regarding significant occurrences, facts relating to significant occurrences, disclosure of quarterly results and answers to possible requests for clarification of publicly available financial information by investors or the public in general.

The contact for investors to obtain information is as follows:

Avenida João Crisóstomo, nº 72 - 5º
1069-043 Lisboa
Tel: + 351 21 315 6165
Fax: + 351 21 315 61 46
Email: cofina@cofina.pt

Cofina provides financial information relating to its non consolidated and consolidated operations, as well as that of its participated companies, through its official internet page (www.cofina.pt). This site is also used by the Company to provide information on press releases, as well as any relevant facts occurring in the life of the Company. This page also includes the Company's documents of accounts for the last few years.

In its institutional relationship with the regulatory entities, Cofina encourages and gives preference, whenever possible, to the use of electronic mail to provide and receive information.

Dividend policy

The dividends distribution proposal made by the Board of Directors has the aim to provide the shareholders with adequate compensation on invested capital, and at the same time, provide the Group's needs regarding its continuous growth and investment. Therefore, the evolution of gross dividends paid in recent years is as follows:

Year	Distributed dividends	Dividends per share (Euro) (a)
2000	1,246,997	0.025
2001	1,500,000	0.030
2002	1,750,000	0.035
2003	2,051,317	0.040
2004	2,564,146	0.050
2005 (b)	2,564,146	0.050
2006	3,589,804	0.035
2007	3,589,804	0.035

(a) - When the dividends for 2000 were paid the Company's share capital was made up of 50,000,000 shares. In 2003 the number of shares increased to 51,282,918. In December 2006 the number of shares increased to 102,565,836 shares.

(b) - Although not visible, the paid dividend duplicated between 2004 and 2005, as a result of industrial and media operations demerger, since Altri, S.G.P.S., S.A. also paid a dividend of 0.05 Euro per share.

Transactions carried out between the Company and members of its corporate boards

During 2008 no transactions were carried out between the Company and the members of its corporate boards (direction or superintendence), holders of qualified participations or subsidiaries of the Group that were not performed under normal market conditions for similar transactions, and always performed under the Company's normal course of business of managing its participations.

LEGAL MATTERS

Treasury stock

Pursuant to the requirements of article 66 of the Commercial Companies’ Code (Código das Sociedades Comerciais), the Directors inform that as of 31 December 2008 Cofina had no treasury stock and did not acquire or sell any treasury stock during the year.

Shares held by the governing bodies of Cofina

Pursuant to the requirements of article 447 of the Commercial Companies’ Code, the Directors inform that, as of 31 December 2008, they held the following shares:

Paulo Jorge dos Santos Fernandes	6,715,746
Pedro Macedo Pinto de Mendonça	854,500
Domingos José Vieira de Matos	6,969,716
João Manuel Matos Borges de Oliveira (a)	9,246,660

(a) – 9.246.6690 shares represent the total shares of Cofina S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A., company owned by the Board member, João Manuel Matos Borges de Oliveira.

As of 31 December 2008, the Sole Statutory Auditor, the members of the Statutory Audit Board and the members of the Board of the General Shareholders’ Meeting held no shares of the Company.

Participation in the Company’s share capital

Pursuant to the requirements of articles 16 and 20 of the Stock Exchange Code (Código de Valores Mobiliários) and article 448 of the Commercial Companies Code, the Directors inform that, in accordance with the notifications received, the companies and/or individuals that hold qualified participations exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights, are as follows:

Exceeding 2% of the voting rights	Shares held at 31.12.2008	Direct % of the voting rights
Pedro Miguel Matos Borges de Oliveira	4,333,340	4.22%
Banco BPI, S.A. (b)	3,200,000	3.12%
CAIXAGEST - Técnicas de Gestão de Fundos, S.A.	2,064,307	2.01%

(a) – the 3,200,000 shares are held by the Pension Fund of Banco BPI. This participation is attributable to Banco BPI under Article 20 of the Stock Exchange.

Exceeding 5% of the voting rights	Shares held at 31.12.2008	Direct % of the voting rights
Caderno Azul, SGPS, S.A. (a)	9,246,660	9.02%
Promendo - SGPS, S.A. (b)	7,000,000	6.82%
Domingos José Vieira de Matos	6,969,716	6.80%
Paulo Jorge dos Santos Fernandes	6,715,746	6.55%
Ana Rebelo Mendonça Fernandes (c)	6,337,840	6.22%
UBS AG, Zurique	6,040,000	5.89%
Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.	5,147,981	5.02%

(a) – 9,246,660 shares represent the total shares of Cofina S.G.P.S., S.A. held by Caderno Azul – S.G.P.S., S.A., company owned by the Board member, João Manuel Matos Borges de Oliveira.

(b) – the 7,000,000 shares of COFINA – SGPS, S.A. held by PROMENDO – SGPS, S.A., are attributable to Ana Rebelo Mendonça Fernandes, manager and shareholder of Promendo and, holder of 59.6% of the capital.

(c) – it is also, attributable to Ana Rebelo Fernandes Mendonça, in addition to the 7,000,000 shares of COFINA - SGPS, S.A. held by the company Promendo - SGPS, SA mentioned in (b) also 1,222,000 shares of COFINA - SGPS, S.A. held by the company Promendo – Promoções Empresariais SA, of which she is manager and shareholder, holder of 68% of their capital. Thus, in legal terms, are considered attributable to Ana Rebelo Fernandes Mendonça, a total of 14,599,840 shares, representing 14.23% of the capital and voting rights of COFINA - SGPS, S.A..

Cofina was not informed of any participation exceeding 20% of the voting rights.

DECLARATION OF RESPONSABILITY

The members of the Board of Directors of Cofina, S.G.P.S., S.A. declare that they assume responsibility for this information and confirm that the items included herein are true and that, to the best of their knowledge, there are no omissions.

As required by article 21 of Decree-Law 411/91 of 17 October, the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

CLOSING REMARKS

The Board of Directors concludes by expressing its gratitude to the Personnel of the Cofina Group for their dedication and effort, and also wishes to express its thanks to the other Corporate Boards and to the Financial Institutions that co-operated with the Group.

Porto, 28 April 2009

The Board of Directors

Paulo Jorge dos Santos Fernandes – President

João Manuel Matos Borges de Oliveira

Pedro Macedo Pinto de Mendonça

Domingos José Vieira de Matos

Statement under the terms of Article 245, paragraph 1, c) of the Securities Code

The signatories individually declare that, to their knowledge, the Board of Directors' Report, the non consolidated Financial Statements, prepared in accordance with generally accepted accounting principles in Portugal, and the Consolidated Financial Statements, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as the other accounting documents required by law or regulation, present a fairly and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Cofina, SGPS, S.A. ("Cofina") as of 31 December 2008 and that the Board of Director's Report describes fairly the business evolution, performance and position of Cofina and of the companies included in the consolidation, containing a description of the major risks and uncertainties faced.

Porto, 28 April 2009

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Paulo Jorge dos Santos Fernandes
President of the Board of Directors

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João Manuel Matos Borges de Oliveira
Member of the Board of Directors

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Pedro Macedo Pinto de Mendonça
Member of the Board of Directors

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Domingos José Vieira de Matos
Member of the Board of Directors

COFINA, SGPS, S.A.

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2008 AND 31 DECEMBER 2007

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in Euro)

ASSETS	Notes	31.12.2008	31.12.2007
NON CURRENT ASSETS:			
Tangible assets	6	11,543,485	11,009,504
Goodwill	7	89,053,723	89,053,723
Intangible assets	8	440,991	420,581
Investments in associated companies	4	6,380,838	7,154,715
Investments available for sale	4	-	-
Deferred tax assets	9	8,681,501	8,573,499
Total non current assets		116,100,538	116,212,022
CURRENT ASSETS:			
Inventories	10	1,938,730	2,711,281
Customers	5 and 11	11,572,793	14,536,264
State or other public bodies	5 and 12	1,320,165	2,893,506
Other current debtors	5 and 13	812,488	4,375,556
Other current assets	5 and 14	7,691,199	8,335,581
Investments measured at fair value through profit and loss	5 and 15	56,494,590	115,079,670
Cash and cash equivalents	5 and 16	47,786,722	108,996,445
Total current assets		127,616,687	256,928,303
TOTAL ASSETS		243,717,225	373,140,325

EQUITY AND LIABILITIES	Notes	31.12.2008	31.12.2007
SHAREHOLDERS' FUNDS:			
Share capital	17	25,641,459	25,641,459
Share premium account	17	15,874,835	15,874,835
Legal reserve	17	5,409,144	5,409,144
Other reserves	17	13,089,460	6,558,030
Consolidated net profit/loss for the year		(73,272,795)	10,120,787
Equity attributable to equity holder of the parent		(13,257,897)	63,604,255
Minority interests		767,021	870,726
TOTAL EQUITY		(12,490,876)	64,474,981
LIABILITIES:			
NON CURRENT LIABILITIES:			
Other loans	5 and 18	99,431,682	98,430,913
Pension liabilities	19	708,863	4,396,845
Other non current creditors	5, 20 and 24	5,669,065	4,734,792
Deferred tax liabilities	9	-	250,176
Provisions	21	1,014,909	1,466,809
Total non current liabilities		106,824,519	109,279,535
CURRENT LIABILITIES:			
Bank loans	5 and 18	12,454,291	24,007,570
Other loans - short term	5 and 18	99,326,751	113,463,461
Derivative financial instruments	22	-	950,000
Suppliers	5 and 23	11,697,748	11,846,212
State or other public bodies	5 and 12	3,094,990	3,401,851
Other current creditors	5, 20 and 24	7,806,389	30,384,527
Other current liabilities	5 and 25	15,003,413	15,332,188
Total current liabilities		149,383,582	199,385,809
TOTAL LIABILITIES		256,208,101	308,665,344
TOTAL EQUITY AND LIABILITIES		243,717,225	373,140,325

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

The Board of Directors

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007

(Translation of financial statements originally issued in Portuguese - Note 36)
(Amounts expressed in Euro)

	Notes	31.12.2008	31.12.2007
Operating income:			
Sales	26	61,555,143	59,388,526
Services rendered	26	61,020,092	61,967,281
Other operating income	26	21,457,798	13,279,419
Total operating income		144,033,033	134,635,226
Operating expenses:			
Cost of sales	10	21,130,471	21,077,832
External supplies and services		60,444,412	53,490,961
Payroll expenses		40,736,378	37,812,018
Amortisation and depreciation	6 and 8	3,579,193	3,614,311
Provisions and impairment losses	21	518,020	812,922
Other operating expenses		865,813	892,662
Total operating expenses		127,274,287	117,700,706
Operating profit		16,758,746	16,934,520
Gains and losses in derivatives	22	950,000	4,159,322
Gains and losses in associated companies	27	(1,579,976)	150,308
Gains and losses in other investments	27	(78,907,798)	(12,245,870)
Financial expenses	27	(11,642,785)	(7,205,631)
Financial income	27	1,665,071	2,090,786
Profit before income tax		(72,756,742)	3,883,435
Income tax	9	(560,356)	6,250,089
Net profit for the year		(73,317,098)	10,133,524
Attributable to:			
Shareholders' of the parent company		(73,272,795)	10,120,787
Minority interests		(44,303)	12,737
Net consolidated profit for the year		(73,317,098)	10,133,524
Earnings per share			
Basic	30	(0.71)	0.10
Diluted	30	(0.58)	0.08

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

The Board of Directors

COFINA, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2007 AND 2006

(Translation of financial statements originally issued in Portuguese - Note 36)
(Amounts expressed in Euro)

		Attributable to equity holders of the parent							
	Notes	Share capital	Share premium account	Legal reserve	Other reserves	Net profit/loss	Total	Minority interest	Total Equity
Balance as of 1 January 2007		25,641,459	15,874,835	5,128,293	724,500	9,687,333	57,056,420	2,706,542	59,762,962
Appropriation of consolidated net profit for 2006:									
Transfer to legal reserve and retained earnings		-	-	280,851	5,816,678	(6,097,529)	-	-	-
Dividend distribution	31	-	-	-		(3,589,804)	(3,589,804)	(48,720)	(3,638,524)
Change in reserves and minority interests:									
New companies and acquisitions		-	-	-	-	-	-	(1,793,542)	(1,793,542)
Other changes		-	-	-	16,852	-	16,852	(6,291)	10,561
Net consolidated profit as of 31 December 2007		-	-	-	-	10,120,787	10,120,787	12,737	10,133,524
Balance as of 31 December 2007		25,641,459	15,874,835	5,409,144	6,558,030	10,120,787	63,604,255	870,726	64,474,981
Balance as of 1 January 2008		25,641,459	15,874,835	5,409,144	6,558,030	10,120,787	63,604,255	870,726	64,474,981
Appropriation of consolidated net profit for 2007:									
Transfer to legal reserve and retained earnings		-	-		6,530,983	(6,530,983)	-	-	-
Dividend distribution	31	-	-	-		(3,589,804)	(3,589,804)	(58,501)	(3,648,305)
Change in reserves and minority interests:									
Other changes		-	-	-	447	-	447	(901)	(454)
Net consolidated profit as of 31 December 2008		-	-	-	-	(73,272,795)	(73,272,795)	(44,303)	(73,317,098)
Balance as of 31 December 2008		25,641,459	15,874,835	5,409,144	13,089,460	(73,272,795)	(13,257,897)	767,021	(12,490,876)

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

The Board of Directors

COFINA , SGPS, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007

(Translation of financial statements originally issued in Portuguese - Note 36)
(Amounts expressed in Euro)

	2008		2007	
Operating activities:				
Collections from customers	156,119,230		144,801,611	
Payments to suppliers	(87,194,097)		(83,731,112)	
Payments to personnel	(42,630,625)		(38,733,004)	
Other collections/payments relating to operating activities	889,681		696,413	
Corporate income tax	819,966	28,004,155	(4,029,423)	19,004,485
Cash flow from operating activities (1)		28,004,155		19,004,485
Investment activities:				
Collections relating to:				
Investments	-		87,823,298	
Interest and similar income	512,471		10,355,568	
Dividends	7,591,620	8,104,091	3,567,308	101,746,174
Payments relating to:				
Investments	(53,152,868)		(200,463,566)	
Intangible assets	(25,200)		(654,000)	
Tangible assets	(2,116,840)		(1,142,556)	
Loans granted	-	(55,294,908)	(1,805,000)	(204,065,122)
Cash flow from investment activities (2)		(47,190,817)		(102,318,948)
Financing activities:				
Collections relating to:				
Loans obtained	200,000,000	200,000,000	155,273,724	155,273,724
Payments relating to:				
Lease contracts	(1,725,824)		(1,744,969)	
Interest and similar costs	(11,414,154)		(12,780,078)	
Distributed dividends	(3,589,804)		(3,593,459)	
Loans obtained	(213,750,000)	(230,479,782)	(31,862,317)	(49,980,823)
Cash flow from financing activities (3)		(30,479,782)		105,292,901
Cash and cash equivalents at the beginning of the year		84,988,875		63,010,437
Variation of cash and cash equivalents: (1)+(2)+(3)		(49,666,444)		21,978,438
Cash and cash equivalents at the end of the year		35,322,431		84,988,875

The accompanying notes form an integral part of the consolidated statement of cash flows for the year ended 31 December 2008.

The Board of Directors

(Amounts stated in Euro)

1. PAYMENTS/COLLECTIONS RELATING TO INVESTMENTS

During the year ended 31 December 2008 the payments/collections relating to investments were as follows:

Acquisitions	Transaction amount	Amount paid/collected
Securities held for trading	50,564,688	50,564,688
Grafedisport – Impressão e Artes Gráficas, S.A. – acquired in previous years	3,700,000	1,850,000
O Sol é Essencial, S.A. – capital increase	666,680	666,680
Mercados Globais – Publicação de Conteúdos, Lda.	72,000	4,000
Advances related to acquisitions of investments in associated companies	67,500	67,500
	55,070,868	53,152,868

2. BREAKDOWN OF CASH AND CASH EQUIVALENTS

Cash and its equivalents as of 31 December 2008 and 2007, and the reconciliation between those amounts and the amounts shown in the balance sheet as of those dates, are as follows:

	31.12.2008	31.12.2007
Cash	81,596	203,103
Bank deposits repayable on demand	10,677,656	31,893,342
Bank deposits repayable in less than 3 months	37,027,470	76,900,000
	47,786,722	108,996,445
Bank overdrafts	(12,454,291)	(24,007,570)
Cash and cash equivalents in accordance with the balance sheet	35,322,431	84,988,875

(Translation of a report originally issued in Portuguese – Note 36)
(Amounts expressed in Euro)

1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company"), an open capital company, has its head-office located at Rua General Norton de Matos, 68, r/c in Porto and has its shares listed in the Lisbon Euronext Stock Exchange. 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 mainly in the Media sector.

The Group owns headings of reference in the respective segments, editing titles like "Correio da Manhã", "Record", "Jornal de Negócios" and "Destak", as well as the magazines "Sábado", "Automotor", "TV Guia", "Flash!", "Rotas e Destinos", "Máxima" and "GQ", among others.

During the year ended 31 December 2008, the Group developed its activity mainly in Portugal, having also some interests in Brazil through the investment in Destak Brasil (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 so, considered the functional currency. The operations of the foreign group companies whose functional currency is not the Euro are included in the consolidated financial statements in accordance with the policy established in Note 2.2.d).

The accompanying consolidated financial statements have been prepared under the going concern assumption, although the total equity as of 31 December 2008 is negative. This is due solely to the Group's exposure to ZON Multimédia - Serviços de Telecomunicações e Multimedia, SGPS, SA ("Zon Multimedia") through the holding of 15,190,000 shares recorded at their market value, which, based on its share price as of 31 December 2008 (3.71 Euro per share) has led to the recording of an impairment loss of, approximately, 86 million Euro (Note 27), in accordance with the applicable accounting standards.

It is the Board of Directors' belief is convinced that the price of Zon Multimédia at that date does not reflect the fair value of this share, which can be demonstrated for example by the recommendations of national and foreign financial analysts pointing to an average price-target (using the effect the 14 last recommendations of the major investment institutions dated between 11 October 2008 and 6 April 2009) of 6.2 Euro.

In addition, the Board of Directors expects that, by the end of 2009, the consolidated equity will no longer be negative as a consequence of (i) on one hand, the results that will be generated by the operations of the Group during the financial year 2009 and (ii) on the other hand, the recovery of the shares price, for which there are already some signs of recovery at the date of this report (on 27 April 2009 the share price was 4.091 Euro).

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

The basis of presentation and main accounting policies adopted in the preparation of the accompanying consolidated financial statements are as follows:

2.1 BASES DE APRESENTAÇÃO

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, in force as of 1 January of 2008 and issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union.

Interim financial statements were presented quarterly, in accordance with the rules imposed by CMVM ("Comissão do Mercado de Valores Mobiliários").

The accompanying consolidated financial statements have been prepared from the books and accounting records of the Company and its subsidiaries on a going concern basis and based in the historical cost, except for financial instruments and investment properties which are stated at fair value.

During the year 2008, no changes occurred in relation to the accounting policies presented in the consolidated financial statements as of 31 December 2007.

In 2007, it was endorsed by the European Union, the IFRS 8 – Operating Segments, which is mandatory for economic periods starting on 1 January 2009. During the year ended 31 December 2008 up to the approval date of the financial statements approval date, the following Standards and Interpretations have been endorsed by European Union:

(Amounts expressed in Euro)

	Effective date
With mandatory application in 2008	
IAS 39/IFRS 7 - Amendments: Reclassification of Financial Instruments	01-07-08
IFRIC 13 - Customer Loyalty Programmes	01-07-08
IFRIC 14 - IAS 19 The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction	01-01-08
With mandatory application after 2008	
IFRS 8 - Operating Segments	01-01-09
IFRS 2 - Amendments: Share-based Payment	01-01-09
IAS 1 - Amendments: Fist-time Adoption of International Financial Reporting Standards	01-01-09
IAS 23 - Amendments: Borrowing Costs	01-01-09
IAS 32/IAS 1 - Amendments: Puttable Financial Instruments and Obligations Arising on Liquidation	01-01-09
Amendments to International Financial Reporting Standards (2007)	01-01-09
IFRS 1/IAS 27 - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	01-01-09
IFRIC 12 - Service Concession Arrangements	26-03-09

The adoption of IFRIC 14 and IFRIC 13, in 2008, has not led to any relevant changes to the consolidated financial statements.

The standards endorsed by the European Union mentioned above were not adopted by the Group in 2008, as their application was not mandatory for this period and the Group decided not to adopt them in advance of the mandatory period.

The adoption of those standards is not expected to generate material impacts to the Group consolidated statements from the application of the above mentioned standards.

As the date of these financial statements, the following standards and interpretations have already been issued but have not yet been endorsed by the European Union:

	Effective date
Amendments to IFRS 3 – Business Combinations	01-07-09
Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards	01-07-09
Amendments to IAS 27 - Consolidated and Separate Financial Statements	01-07-09
Amendments to IAS 39 – Qualifying hedging instruments.	01-07-09
Amendments to IAS 39 – Reclassification of Financial Assets	01-07-09
Amendments to IFRS 7 – Financial Instruments: Disclosures	01-01-09
IFRIC 15 – Agreements for the Construction of Real Estate	01-01-09
IFRIC 16 – Hedges of a Net Investments in a Foreign Operation	01-10-08
IFRIC 17 – Distributions of Non-cash Assets to Owners	01-07-09
IFRIC 18 – Transfer of Assets from Customers	01-07-09

The future adoption of the standards mentioned above, which have not yet been endorsed by the European Union, is not expected to produce material impacts to the accompanying consolidated financial statements.

In the preparation of the consolidated financial statements, in compliance with the IAS/IFRS, the Board of Directors adopted certain assumptions and estimates that affect the reported assets and liabilities, as well as the income and expenses in relation to the reported periods. All the estimates and assumptions made by the Board of Directors were made on the basis of its better existing knowledge, to the date of approval of the financial statements, of the events and transactions in course.

The attached consolidated financial statements were prepared for appreciation and approval by the General Shareholder's Meeting. The Board of Directors believes that those will be approved without changes.

2.2 CONSOLIDATION POLICIES

The consolidation policies adopted by the Group in the preparation of the consolidated financial statements are as follows:

a) Investments in Group companies

Investments in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights at the Shareholders' General Meeting or is able to control the financial and operating policies so as to benefit from its activities (definition of control normally used by the Group), are included in the consolidated financial statements by the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption Minority interests, in the consolidated balance sheet and in the consolidated statement of profit and loss. Companies included in the consolidated financial statements by the full consolidation method are listed in Note 4.

When losses attributable to the minority interests exceed the minority interest in the equity of the subsidiary, the excess and any further losses attributable to the minority interests are charged against the majority interests except to the extent that the minority shareholders have a binding obligation and are able to cover such losses. If the subsidiary subsequently reports profits, such profits are allocated to the majority interests until the minority's share of losses previously absorbed by the Group has been recovered.

Under business combinations occurred after the transition to International Financial Reporting Standards as adopted by the European Union – IFRS (1 January 2004), the assets and liabilities of each subsidiary are measured at fair value at the date of acquisition in accordance with IFRS 3 - "Business Combinations". Any excess on the cost of acquisition over the fair value of the identifiable net assets and liabilities acquired (including contingent liabilities) is recognised as goodwill. Any excess of the fair value of the identifiable net assets and liabilities acquired over its cost is recognised as income in the profit and loss statement of the period of acquisition, after reassessment of the estimated fair value. Minority interests are presented according to their share in the fair value of the identifiable assets and liabilities of the acquired subsidiaries.

The profit and loss of subsidiaries acquired or disposed during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, respectively.

Adjustments to the financial statements of Group companies are performed, whenever necessary, in order to adapt its accounting policies to those used by the Group. All intercompany transactions, balances and distributed dividends are eliminated during the consolidation process.

Whenever the Group has, in substance, control over other entities created for a specific purpose ("Special Purpose Entities"), even if no share capital interest is directly held in those entities, these are consolidated by the full consolidation method.

b) Investments in associated companies

Investments in associated companies (companies where the Group has significant influence but has no control over the financial and operating decisions - usually corresponding to holdings between 20% and 50% in a company's share capital) are accounted for in accordance with the equity method.

According to the equity method, the investments in associated companies are initially recorded at acquisition cost, which is adjusted proportionally to the Group's corresponding share capital, as at the acquisition date or as at the date of the first adoption of the equity method. On a yearly basis, investments are adjusted in accordance with the Group's participation in the associated company's net profit. Additionally, the dividends of the subsidiary are recorded as a reduction in the investment's book value and the Group's proportion in the changes occurred in the associated company's equity are recorded as a change in the Group's equity.

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognised as goodwill, which is included in the caption "Investments in associated companies". If that difference is negative it is recorded as a gain in the caption "Gains and losses in associated companies" after reassessment of the fair value of the identifiable assets and liabilities acquired.

An evaluation of investments held (and loans conceded) in associated companies is performed whenever there are signs of impairment in those investments. Impairment losses are recorded in the statement of profit and loss for the period in caption "Gains and losses in associated companies". When those losses recorded in previous periods vanish, they are reverted in the statement of profit and loss for the period.

When the Group's share of losses in the associated company exceeds the investment's book value, the investment is recorded at null value, except to the extent of the Group's commitments to the associate. In such case, the Group records a provision to cover those commitments.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the associate against the investment held. Unrealised losses are eliminated but only to the extent that there is no evidence of impairment of the transferred asset.

The financial investments in associated companies are detailed in Note 4.

c) Goodwill

In business combinations occurred after transition to International Financial Reporting Standards as adopted by the European Union – IFRS (1 January 2004), the difference between the acquisition cost of the investment in group and associated companies and the fair value of the identifiable assets and liabilities (including contingent liabilities) of those companies as at the date of acquisition is recorded, when positive, in the balance sheet captions "Goodwill" and "Investments in associated companies", whether it regards group or associated companies, respectively. The excess of the cost of acquisition of investments in foreign companies over the fair value of their identifiable assets and liabilities as at the date of acquisition is calculated using the local currency of each of those companies. Translation to the Group's currency (Euro) is performed using the exchange rate as at the balance sheet date. Exchange rate differences arising from this translation are recorded under the equity caption "Conversion reserves".

Goodwill arising from acquisitions made prior to the date of transition to IFRS (1 January 2004) is stated using the carrying amounts in accordance with generally accepted accounting principles in Portugal and was subjected to impairment tests. The impact of these adjustments was recorded in the caption "Other reserves", in accordance with IFRS 1. Goodwill arising from the acquisition of foreign companies was recomputed retrospectively using the local currency of each subsidiary.

Goodwill is not amortised, but is subject to impairment tests on an annual basis. The recoverable amounts of cash generating units are determined based on the estimation of its value of use. The recovery amount is estimated to individual assets or, if not possible, for the cash-generating unit to which the asset belongs. These estimations require the use of assumptions based on estimates of future circumstances, which may be different from the expected outcomes. Impairment losses identified in the period are recorded in the statement of profit and loss under the caption "Provisions and impairment losses", and may not be reversed.

The differences between the acquisition cost of group and associated companies and the fair value of the identifiable assets and liabilities (including contingent liabilities) of those companies at the date of acquisition, if negative, are recorded, at the date of acquisition and after reassessment of the fair value of the identifiable assets and liabilities acquired, as gains in the profit and loss statement.

d) Translation of financial statements of foreign companies

Assets and liabilities in the financial statements of foreign entities are translated to Euro using the exchange rates in force at the balance sheet date. Profit and loss 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.

Goodwill and adjustments to the fair value arising from the acquisition of foreign subsidiaries are recorded as assets and liabilities of those companies and translated to Euro at the balance sheet date exchange rate.

Whenever a foreign company is sold, the accumulated exchange rate differences are recorded in the statement of profit and loss as a gain or loss associated with the sale.

(Amounts expressed in Euro)

Exchange rates used on translation of foreign group associated companies are listed below:

	31 December 2008		31 December 2007	
	End of period	Average of period	End of period	Average of period
Brazilian Real	0.3083	0.36935	0.38516	0.35698

2.3 MAIN ACCOUNTING POLICIES

The main accounting policies used by the Group in the preparation of the consolidated financial statements are as follows:

a) Intangible assets

Intangible assets are recorded at cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognised if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if its cost can be reliably measured.

Development costs are recognised as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development costs which do not fulfil these conditions are recorded as an expense in the period in which they are incurred.

Internal costs related with maintenance and development of software are recorded as expenses in the statement of profit and loss for the period in which they are incurred, except when these costs are directly attributable to projects for which the existence of future economic benefits is likely. Being this the case, they are capitalized as intangible assets.

Amortisation is calculated on a straight line basis, as from the date the asset is first used, over its expected useful life (usually 3 to 5 years).

b) Tangible assets

Tangible assets acquired until 1 January 2004 (IFRS transition date), are recorded at deemed cost, which corresponds to its acquisition cost, or its acquisition cost revalued in accordance with generally accepted accounting principles in Portugal until that date, net of accumulated amortisation and accumulated impairment losses.

Tangible assets acquired after that date are recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis, as from the date the asset is first used, over the expected useful life for each group of assets.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Buildings and other constructions	10
Plant and machinery	2 to 15
Vehicles	2 to 10
Tools	4 to 14
Office equipment	2 to 10
Other tangible assets	3 to 10

Maintenance and repair costs related to tangible assets which do not increase the useful life or result in significant benefits or improvements in tangible fixed assets are recorded as expenses in the period they are incurred.

Tangible assets in progress correspond to fixed assets still in construction and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are concluded or ready to be used.

Gains or losses arising from the sale or disposal of tangible assets are calculated as the difference between the selling price and the asset's net book value as at the date of its sale/disposal, and are recorded in the statement of profit and loss under the captions "Other operating income" or "Other operating expenses", respectively.

c) Lease contracts

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

Tangible fixed assets acquired under financial lease contracts and the corresponding liabilities are recorded in accordance with the financial method. Under this method, the cost of the fixed assets and the corresponding liability are reflected in the balance sheet. In addition, interests included in the lease instalments and depreciation of the fixed assets, calculated as explained in Note 2.3.b), are recorded in the statement of profit and loss of the period to which they apply.

Classifying a lease as financial or as operational depends on the substance of the transaction rather than the form of the contract.

The operational lease instalments on assets acquired under long-term rental contracts are recognised in full as expenses in the period to which they refer to.

d) Impairment of assets, except for Goodwill

Assets are assessed for impairment at each balance sheet date and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit and loss under the caption "Provisions and impairment losses".

The recoverable amount is the higher of an asset's net selling price and its value of use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of the disposal. The value of use is the present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognised in prior years is recorded when the company concludes that the impairment losses previously recognised for the asset no longer exist or have decreased. The reversal is recorded in the statement of profit and loss as "Other operating income". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised for that asset in prior years.

e) Borrowing costs

Borrowing costs (interests) are recognised as expense in the statement of profit and loss for the period in which they are incurred, in an accrual basis.

When the Company contracts loans to specifically finance capital assets, the corresponding interests are capitalized, being part of the cost of the asset. The capitalization of these interests starts after the beginning of the preparation of the activities of construction, and ceases when the asset is ready for use or in case the project is suspended.

f) Inventories

Raw, subsidiary and consumable materials are stated at average cost, deducted from quantity discounts granted by suppliers, which is lower than its market value.

Differences between cost and net realisable value, if negative, are shown as operating expenses under the caption "Provisions and impairment losses".

g) Provisions

Provisions are recognised when, and only when, (i) the Group has an obligation (legal or constructive) arising from a past event, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at each balance sheet date to reflect the best estimate of the Board of Directors as of that date.

Restructuring provisions are recorded by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the involved parties.

When a provision is computed taking into consideration the cash flows necessary to eliminate such obligation, it is recorded by its net present value.

h) Pension complements

Whenever there are commitments to provide pension complements to employees retiring due to age or disability, the Group Companies record provisions to face such commitments, based in projections prepared by specialized entities. These liabilities are calculated under the “Projected Unit Credit” method, using the actuarial financial assumptions considered to be the most adequate.

i) Financial instruments

i) Investments

Investments held by the Group are divided into the following categories:

Financial investments at fair value through profit or loss: this category is divided into two: “Financial assets classified as held for trading” and “Financial assets designated by the Group at fair value through profit or loss”. A financial asset is classified under this category if it is acquired principally for the purpose of selling it in the short term. Derivatives are also classified as instruments held for trading, except if designated as an effective hedging instrument. Financial instruments in this category are classified as current assets if they are held for trading or if it is expectable that they are going to be realized within twelve months of the balance sheet date.

Held-to-maturity investments: this category includes non-derivative financial assets with fixed or variable reimbursements with fixed maturity, and whose intention of the Board of Directors is to maintain them till its maturity.

Available-for-sale investments: here are included the financial assets, non-derivatives, that are designated as available-for-sale and those that are not classified as ‘loans and receivables’, ‘held-to-maturity investments’ or ‘financial assets at fair value through profit or loss’. This category is classified as non-current, unless the Board of Directors has the intention to sell the investment within 12 months from the balance sheet date.

Investments are initially measured at cost, which is the fair value of the price paid, including transaction costs if related with held to maturity and available for sale investments.

Investments available for sale and investments measured at fair value through profit and loss are subsequently measured at fair value by reference to its market value at the balance sheet date without any deduction for transaction costs which may be incurred until its sale. Investments in equity instruments which are not listed on a stock exchange market and whose fair value cannot be reliably measured are stated at cost net of impairment losses. Investments held to maturity are recorded at amortised cost, using the effective interest method.

Gains or losses arising from a change in the fair value of available for sale investments are recognised under the equity caption "Fair value reserves" included in the caption "Other reserves", until the investment is sold or disposed, or until it is determined to be impaired, at which time the cumulative loss previously recognised in equity is transferred to profit or loss captions.

All purchases and sales of investments are recorded on its trade date, independently of the settlement date.

ii) Accounts receivable

The debts from customers and other debtors are recorded at its nominal amount and presented in the consolidated balance sheet deduced from impairment losses recognised in the caption "Accumulated impairment losses", in order to reflect their net realizable value. The accounts receivables, when current, do not include interests given the immaterial impact of discounting the cash flows.

Impairment losses are recorded in the sequence of events that indicate, objectively and in a quantifiable manner, that the whole or part of the balance in debt will not be received. For such, each company takes into consideration market information that demonstrates that:

- the counterpart presents significant financial difficulties;
- significant delays in the payments by the counterpart;
- it's probable that the debtor enters into insolvency or financial reorganization.

The recognized impairment losses correspond to the difference between the recorded receivable balance and the correspondent current value from the estimated future cash flows, discounted at the initial effective interest rate that, in the cases where collection is expected to occur within one year, is considered null, given the immaterial effect of the discount.

iii) Loans

Loans are recorded as liabilities at its nominal value net of up-front fees and commissions directly related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the statement of profit and loss on an accrual basis.

Assets and liabilities are compensated and presented for their net amount as long as there is the right for compulsory fulfilment of their compensation and the Board of Directors intends to realise them on a net basis or realise the asset and simultaneously settle the liability.

iv) Accounts payable

Non interest bearing accounts payable are stated at their nominal value, which is roughly their fair value.

v) Derivatives

The Group uses derivative instruments to manage its exposure to financial risks. Derivative instruments are only used for hedge accounting purposes. Derivative instruments are not used for speculation purposes.

The criteria used by the Group to classify the derivative instruments as cash flow hedges are the following:

- At the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated;
- Hedge effectiveness can be reliably measured;
- There is adequate documentation about the transaction till the inception of the hedge;
- The transaction to be hedged is highly probable to occur.

Cash flow hedges are initially recorded at cost, if any, and subsequently revaluated at their fair value. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity in the caption "Hedging reserves". The gain or loss relating to the ineffective portion is recognized immediately in the income statement, when calculated.

In cases when the derivative instruments do not comply with the above mentioned requirements to be considered as a cash-flow hedge, although initially contracted for that purpose, the changes in its fair value are recognized directly in the profit and loss statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised. When a hedging instrument no longer qualifies for hedge accounting the cumulative gain or loss that was deferred in equity is transferred immediately to the profit and loss of the year and the subsequent revaluations of the derivative are recorded in the income statement, or added to the carrying amount of the hedged asset. Subsequent revaluations are recorded directly in the income statement.

In the case of derivatives embedded in other financial instruments or contracts, these are treated as separated derivatives when the risks and characteristics are not closely related with the host contract and when the contracts are not reflected by its fair value with unrealised gains and losses recognised in the income statement.

vi) Financial liabilities and Equity instruments

Financial liabilities and equity instruments are classified and accounted for based upon its contractual substance, regardless of its legal form. Equity instruments are those that represent a residual interest upon the Group's net assets and are recorded by the amount received, net of costs incurred with its issuance.

vii) Own shares

Own shares are recorded at acquisition cost as a deduction to equity captions. Gains and losses on its sale are recorded in the equity caption "Other reserves".

viii) Discounted bills and accounts receivable transferred to factoring companies

The Group derecognizes financial assets from its financial statements solely when contractual entitlement to the cash flows inherent to such assets expire or when the Group substantially transfers all the risks and benefits inherent to the possession of such assets to a third party. If the Group substantially retains all risks and benefits inherent to the possession of such assets, these are recognised in the financial statements, and the monetary compensation received for the cession of such assets is recognized as a liability under the caption "Bank loans" or "Other loans".

Consequently, customer balances secured by bills discounted not yet fallen due and accounts receivable assigned under factoring arrangements as of the date of each balance sheet, with the exception of factoring operations without recourse, are recognized in the financial statements up to such a time as they are received.

ix) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks on demand and term deposits and other treasury applications which reach its maturity within less than three months and may be mobilized without significant risk of change in value.

For purposes of the consolidated statement of cash flows, "Cash and cash equivalents" caption also includes bank overdrafts, which are included in the balance sheet caption "Bank loans".

j) Contingent assets and liabilities

Contingent liabilities are defined by the Company as (i) possible obligations that arise from past events and which existence will be confirmed, or not, by one or more occurrences of uncertain future events not controlled by the Company, or (ii) present obligations that arise from past events but that are not recorded because it is unlikely that an outflow of resources will occur to settle the obligation or the obligation amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed, unless the probability of a cash outflow is remote, in which case no disclosure is made.

Contingent assets are possible assets arising from past events and whose existence will be confirmed, or not, by uncertain future events not controlled by the Company.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when the existence of future economic benefits is likely.

k) Income tax

Income tax for the period is determined based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current taxes are computed based on the taxable profit of the consolidated companies, in accordance with tax legislation in force in the headquarters of each company.

The majority of the companies included in the consolidation by the full consolidation method are taxed in accordance with the special regime for taxation of groups of companies ("Regime Especial de Tributação de Grupos de Sociedades" – "RETGS"), in accordance with article 63 of the Corporate Income Tax Code (Código do Imposto sobre o Rendimento das Pessoas Colectivas). Cofina, SGPS, S.A. is the dominant company of this group of companies.

Deferred taxes are computed using the balance sheet liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the correspondent amounts for tax purposes. Deferred taxes are computed an reassessed on a yearly basis using the tax rate that is expected to be in force at the time these temporary differences are reversed.

Deferred tax assets are only recorded when there is reasonable expectation that sufficient taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each period the Company reviews its recorded and unrecorded deferred tax assets which are reduced whenever its recoverability ceases to be likely, or recorded if it is likely that taxable profits will be generated in the future to enable them to be recovered.

Deferred tax assets and liabilities are recorded in the statement of profit and loss, except if related to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity captions.

l) Revenue recognition and accruals basis

Revenue arising from the sale of goods is recognised in the consolidated income statement when (i) the risks and benefits have been transferred to the buyer, (ii) the Company retains neither continued management involvement in a degree usually associated with ownership nor effective control over the goods sold, (iii) the amount of the revenue can be measured reasonably, (iv) it is likely that the economic benefits associated with the transaction will flow to the Company, and (v) the costs incurred or to be incurred related with the transaction can be reliably measured. Sales are recorded net of taxes, discounts and other expenses arising from the sale, and are measured at the fair value of the amount received or receivable.

Sales of magazines and newspapers are recorded in the period they are distributed; the newspapers are daily and the magazines are weekly, monthly or bi-monthly. Returns of unsold publications are recorded in the corresponding period, as a decrease of previously recorded income. Income arising from magazine and newspaper subscriptions is recognised over the subscription period (usually 1 year).

Services rendered regarding the sale of advertising space are recorded in the period in which the advertising is published. Quantity discounts relating to the sale of advertising space are recorded in the period to which they relate as a deduction of the caption "Services rendered".

Services rendered regarding graphic print activities are recognized in the period in which the services are rendered.

Dividends are recognised as income in the period its distribution is approved.

All other income and expenses are recognised in the period to which they relate, independently of when the amounts are received or paid. Differences between the amounts received and paid and the corresponding income and expenses are recorded in the captions of accrued and deferred expenses and income included in the captions “Other current assets” and “Other current liabilities”.

m) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Euro using the exchange rates in force as of the balance sheet date. Favourable and unfavourable exchange differences arising from changes in the exchange rates between those prevailing on the dates of the transactions and those in force on the dates of payment, collection or as of the balance sheet date are recorded in the consolidated statement of profit and loss.

n) Subsequent events

Post balance sheet date events that provide additional information about conditions that existed at the balance sheet date (adjusting events), are reflected in the consolidated financial statements. Post balance sheet date events that provide information about conditions that have only arisen after the balance sheet date (“non adjusting events”) are disclosed in the notes to the financial statements, if material.

o) Segment information

In each period, the Company identifies the most adequate segment division taking into consideration the business areas in which the Group is represented.

Information regarding the business segments identified is included in Note 33.

p) Cash flows statement

Consolidated cash flow statement is prepared, using the direct method, according with IAS 7. Group classifies as “Cash and cash equivalents” applications which mature in less than three months and which are subject to insignificant risk of change in value.

Consolidated cash flow statement is classified by operating, investing and financing activities. Operating activities include cash receipts from clients, cash payments to suppliers, cash payments to and on behalf of employees and other operating activities payments and receipts. Investing activities cash flows include, essentially, payments and receipts related with acquisitions and sales of tangible assets and investments. Financing activities cash flows include, essentially, payments and receipts of loans and borrowings, financial lease contracts and dividend payments.

q) Judgments and estimates

In the process of preparation of the Group’s financial statements the Board of Directors used its best knowledge and accumulated experience in past and current events considering certain assumptions as to future events.

The most significant accounting estimates reflected in the consolidated financial statements include:
- Impairment analysis of goodwill;
- Recognition of provisions and impairment losses;
- Fair value of derivatives;
- Useful lives of the tangible assets.

Estimates used are based on the best information available during the preparation of consolidated financial statements and on the best knowledge of past and present events. Although future events are neither controlled by the Group nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognized in net income, in accordance with IAS 8, using a prospective methodology.

r) Risk management policy

Cofina is exposed basically to (i) market risks, (ii) credit risks and (iii) liquidity risks. The main objective of Cofina’s risk management is to reduce these risks to a level considered acceptable.

The Group's main risk management principles are approved by the Board of Directors of Cofina, SGPS, S.A., while its implementation is supervised by the directors of each one of the subsidiary.

(i) Market risk

Within market risk, the exchange rate, interest rate and price risks assume particular relevance.

a. Exchange Rate

The impact in the Company's consolidated financial statements arising from changes in the exchange rates is reduced given the fact that most of the operational cash flows are contracted in Euro. The Group is only exposed to the risk of exchange rate in transactions in Brazilian Real, in relation to Destak Brazil - Empreendimentos e Participações, S.A. (company included in the consolidated financial statements by the equity method). Therefore, the Company's Board of Directors considers that potential changes in the exchange rates will not have a significant effect on the consolidated financial statements.

In the event of transactions with non resident entities and settled in a currency other than Euro where the variation of exchange rate may have a significant impact on its performance, the Group aims to hedge its position by entering into financial derivative contracts whenever applicable and considered necessary to reduce the volatility of its results.

b. Interest rate

The risk of interest rate arises mainly from the indebtedness indexed to variable rates, thus leading the cost of debt to be quite volatile.

The adequate management of interest rates risk leads the Group to optimize the balancing between the cost of indebtedness and the exposition to the variability of rates. Thus, when exceeded the desired limit of exposition to the risk of interest rates, the Group hedges its position through interest rate swaps.

Sensitivity analysis of interest rate fluctuations

The sensitivity analysis presented below was computed on the basis of the exposition to interest rates in force at the balance sheet date. It was considered, as a basic assumption, that the financial structure (interest bearing assets and liabilities) remains stable throughout the year and similar to the one existing as of 31 December 2007.

Thus, if interest rates were increased/reduced by 100 basis points, net financial costs would be increased/reduced by, approximately, 1,200,000 Euro.

However, this analysis may not be representative of the risk of fluctuations in interest rates, once the net indebtedness at the end of the year may not be similar to the one effective throughout the year.

c. Price

The price risk results manly from the exposure of by the Group to listed shares as of 31 December 2008. As of that date, Cofina Group held 15,190,000 shares of ZON Multimédia - Serviços de Telecomunicações e Multimedia, SGPS, SA ("Zon Multimedia") recorded at their market value (3.71 Euro per share as of 31 December 2008). As it was mentioned in the Introductory Note, this exposure led to a negative consolidated equity of approximately 12.5 million Euro, as a result of the recording of an impairment loss amounting to 86 million Euro.

Sensitivity analysis of price changes

The analysis of sensitivity was computed based on the existing amount of shares held as of the balance sheet date (there was little variation in the number of shares during 2008).

Thus, if the price of ZON Multimédia shares was higher/lower 0.25 Euro (approximately 6.8% compared to the price as of 31 December 2008) assets would be higher/lower by approximately 3,797,500 Euro, excluding any tax effects.

(ii) Credit risk

The Group's exposition to credit risk is mainly related with accounts receivable arising from its operating and treasury activities. The credit risk relates to the risk of the counterparty not to fulfil with its contractual obligations, resulting in a loss for the Group.

Credit risk is managed through a continued analysis of credit rating of each customer, before its acceptance, and through the adequacy of the granted credit periods. The evaluation of credit risk is made on a regular basis, taking into consideration the current conditions of economic conjuncture and the specific situation of credit rating of each debtor, adopting corrective measures whenever necessary.

The Group's credit risk is not concentrated in any particular customer or group of customers with similar characteristics; the accounts receivable are distributed by a high number of customers, different areas of business and geographic areas.

The adjustments to accounts receivable are calculated taking into consideration (i) the profile of risk of the customer, (ii) the average collection period, and (iii) the costumer's financial conditions.

The amounts included in the face of the balance sheet are presented net of accumulated impairment losses, and therefore, at its fair value.

(iii) Liquidity risk

The aim of liquidity risk management is to assure that the Group has the ability to meet its responsibilities and pursue the defined strategic goals, complying with all the commitments set with third parties within the established deadlines.

The Group defines as active politics (i) to keep an adequate level of immediately available resources to face to the necessary payments in its due date, (ii) reduce the probability of default in the reimbursement of loans, negotiating the amplitude of its contractual clauses and (iii) minimize the cost of opportunity of excessive short term liquidity.

The Group aims to make compatible the due dates of assets and liabilities through an active management of its maturities.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During the year 2008, there were no changes in accounting policies and were identified no material mistakes related with previous periods.

(Amounts expressed in Euro)

4. INVESTMENTS

Consolidation perimeter

The companies included in the consolidation by the full consolidation method, its headquarters and percentage participation held as of 31 December 2008, are as follows:

Designation	Headquarters	Percentage participation held	Activity
Parent company:			
Cofina, SGPS, S.A.	Porto		Investment management
Cofina B.V.	Amsterdam (Netherlands)	100.00%	Investment management
Efe Erre Participações, SGPS, S.A.	Ovar	100.00%	Investment management
Cofina Media Group			
Cofina Media, SGPS, S.A.	Lisbon	100.00%	Investment management
Presselivre – Imprensa Livre, S.A.	Lisbon	99.37%	Newspapers and magazine publication
Edisport – Sociedade de Publicações, S.A.	Lisbon	100.00%	Newspapers publication
Edirevistas – Sociedade Editorial, S.A.	Lisbon	99.46%	Magazine publication
Mediafin, SGPS, S.A.	Lisbon	100.00%	Investment management
Metronews – Publicações, S.A.	Carnaxide	59.00%	Newspapers publication
Grafedisport – Impressão e Artes Gráficas, S.A.	Queluz	100.00%	Newspapers print

All the above companies were included in the consolidated financial statements in accordance with the full consolidation method, as established in Note 2.2.a).

The associated companies, its headquarters, the percentage participation held as of 31 December 2008 and the activity developed by each company are as follows:

Designation	Headquarters	Percentage participation held		Activity
		Direct	Indirect	
VASP – Sociedade de Transportes e Distribuições, Lda.	Lisbon	33.33%	-	Publications distribution
Destak Brasil – Editora de Publicações, S.A.	São Paulo, Brazil	-	23.96%	Newspapers publication
Destak Brasil – Empreendimentos e Participações, S.A.	São Paulo, Brazil	23.96%	-	Investment management
O Sol é Essencial, S.A.	Lisbon	33.33%	-	Newspapers publication
Mercados Globais – Publicação de Conteúdos, Lda.	V.N.Gaia	50%	-	Management services and promotion of a financial forum on the internet

These associated companies were included in the consolidated financial statements in accordance with the equity method, as referred to in Note 2.2.b).

(Amounts expressed in Euro)

Investments in associated companies

The acquisition cost of the associated companies, its book value, equity and net profit, as of 31 December 2008, are as follow:

Designation	Acquisition cost	Book value	Equity	Net profit / loss
VASP – Sociedade de Transportes e Distribuições, Lda. (a)	€ 6,234	€ 3,017,948	€ 9,053,835	€ 25,256
Destak Brasil – Editora de Publicações, S.A. (a) (b)	-	-	R$ (15,502,654)	R$ (3,905,955)
Destak Brasil – Empreendimentos e Participações, S.A. (a)	€ 299,064	-	R$ 2,052,212	R$ (199,286)
O Sol é Essencial, S.A. (a)	€ 2,500,100	€ 1,583,387	€ (3,568,078)	€ (5,597,939)
Mercados Globais – Publicação de Conteúdos, Lda. (c)	€ 72,000	€ 72,000	(e)	(e)
Advances related to investments in associated companies (d)	€ 67,500	€ 67,500	-	-

(a) – Non audited financial information
(b) – Investment held by the subsidiary Destak Brasil – Empreendimentos e Participações, S.A
(c) – Investment acquired during the year ended 31 December 2008
(d) – advance related to the acquisition of investment in associated company Web Works – Desenvolvimento de Aplicações para Internet, S.A.
(e) – Non-available financial information

As of 31 December 2008 and 2007 the caption “Investments in associated companies” can be detailed as follows:

	31.12.2008	31.12.2007
Financial investment		
VASP – Sociedade de Transportes e Distribuições, Lda. - equity method	3,017,948	3,014,615
Destak Brasil – Empreendimentos e Participações, S.A.	299,064	299,064
O Sol é Essencial, S.A. - equity method	670,889	4,293
O Sol é Essencial, S.A. - goodwill	2,495,807	2,495,807
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	-
Advances related to investments	67,500	-
	6,623,208	5,813,779
Accumulated impairment losses on investments in associates (Note 21)	(1,882,370)	(299,064)
Loans to associated companies		
Gross amount	3,000,000	3,000,000
Accumulated impairment losses (Note 21)	(1,360,000)	(1,360,000)
	6,380,838	7,154,715

Investments available for sale

As of 31 December 2008 and 2007 the Group has available for sale investments corresponding to minority investments. The Group has recorded impairment losses (Note 21) to face differences to the realisable amount, presenting this caption a null net book value as of those dates.

(Amounts expressed in Euro)

5. CLASSES OF FINANCIAL INSTRUMENTS

The financial instruments in accordance with the policies described in Note 2, were classified as follows:

Financial assets

31 December 2008	Note	Loans and receivables	Assets recorded at fair value through profit and loss	Sub-total	Assets outside the scope of IFRS 7	Total
Current assets						
Customers	11	11.572.793	-	11.572.793	-	11.572.793
State and other public entities	12	-	-	-	1.320.165	1.320.165
Other debtors	13	812.488	-	812.488	-	812.488
Other current assets	14	-	-	-	7.691.199	7.691.199
Investments measured at fair value through profit and loss	15	-	56.494.590	56.494.590	-	56.494.590
Cash ad cash equivalents	16	47.786.722	-	47.786.722	-	47.786.722
		60.172.003	56.494.590	116.666.593	9.011.364	125.677.957

31 December 2007	Note	Loans and receivables	Assets recorded at fair value through profit and loss	Sub-total	Assets outside the scope of IFRS 7	Total
Current assets						
Customers	11	14.536.264	-	14.536.264	-	14.536.264
State and other public entities	12	-	-	-	2.893.506	2.893.506
Other debtors	13	4.375.556	-	4.375.556	-	4.375.556
Other current assets	14	-	-	-	8.335.581	8.335.581
Investments measured at fair value through profit and loss	15	-	115.079.670	115.079.670	-	115.079.670
Cash ad cash equivalents	16	108.996.445	-	108.996.445	-	108.996.445
		127.908.265	115.079.670	242.987.935	11.229.087	254.217.022

(Amounts expressed in Euro)

Financial liabilities

31 December 2008	Note	Derivatives	Other financial liabilities	Sub-total	Liabilities outside the scope of IFRS 7	Total
Non-current liabilities						
Other loans	18	-	99,431,682	99,431,682	-	99,431,682
Other non-current creditors	24	-	5,669,065	5,669,065	-	5,669,065
		-	105,100,747	105,100,747	-	105,100,747
Current liabilities						
Bank loans	18	-	12,454,291	12,454,291	-	12,454,291
Other loans	18	-	99,326,751	99,326,751	-	99,326,751
Trade creditors	23	-	11,697,748	11,697,748	-	11,697,748
State and other public entities	12	-	-	-	3,094,990	3,094,990
Other current creditors	24	-	7,806,389	7,806,389	-	7,806,389
Other current liabilities	25	-	-	-	15,003,413	15,003,413
		-	131,285,179	131,285,179	18,098,403	149,383,582
		-	236,385,926	236,385,926	18,098,403	254,484,329

31 December 2007	Note	Derivatives	Other financial liabilities	Sub-total	Liabilities outside the scope of IFRS 7	Total
Non-current liabilities						
Other loans	19	-	98,430,913	98,430,913	-	98,430,913
Other non-current creditors	24	-	4,734,792	4,734,792	-	4,734,792
		-	103,165,705	103,165,705	-	103,165,705
Current liabilities						
Bank loans	18	-	24,007,570	24,007,570	-	24,007,570
Other loans	18	-	113,463,461	113,463,461	-	113,463,461
Derivative instruments	22	950,000	-	950,000	-	950,000
Trade creditors	23	-	11,846,212	11,846,212	-	11,846,212
State and other public entities	12	-	-	-	3,401,851	3,401,851
Other current creditors	24	-	30,384,527	30,384,527	-	30,384,527
Other current liabilities	25	-	-	-	15,332,188	15,332,188
		950,000	179,701,770	180,651,770	18,734,039	199,385,809
		950,000	282,867,475	283,817,475	18,734,039	302,551,514

(Amounts expressed in Euro)

6. TANGIBLE FIXED ASSETS

The movement occurred in tangible assets and in its accumulated depreciation during the years 2008 and 2007 was as follows:

	2008 Gross assets								
	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools and utensils	Office equipment	Other tangible assets	Work in progress	Total
Opening balance	165,970	438,920	19,030,550	725,119	94,302	10,413,170	788,876	-	31,656,907
Additions	-	-	3,433,315	133,623	-	253,957	151,168	168,234	4,140,297
Disposals	-	-	(52,260)	(61,746)	-	(9,315)	-	-	(123,321)
Transfers and write-offs	-	1,173	(274,160)	-	-	(3,166)	-	(114,061)	(390,214)
Closing balance	165,970	440,093	22,137,445	796,996	94,302	10,654,646	940,044	54,173	35,283,669

	2008 Accumulated depreciation and impairment losses								
	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools and utensils	Office equipment	Other tangible assets	Work in progress	Total
Opening balance	-	227,341	9,425,574	668,347	93,039	9,757,075	476,027	-	20,647,403
Additions	-	7,965	2,993,841	57,875	935	363,681	86,689	-	3,510,986
Disposals	-	-	(38,264)	(61,746)	-	(1,866)	-	-	(101,876)
Transfers and write-offs	-	-	(297,714)	-	-	(18,615)	-	-	(316,329)
Closing balance	-	235,306	12,083,437	664,476	93,974	10,100,275	562,716	-	23,740,184
	165,970	204,787	10,054,008	132,520	328	554,371	377,328	54,173	11,543,485

	2007 Gross assets								
	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools and utensils	Office equipment	Other tangible assets	Work in progress	Total
Opening balance	165,970	438,920	15,889,932	724,646	94,302	10,110,354	617,838	8,829	28,050,791
Additions	-	-	3,119,132	56,013	-	363,300	165,887	194,586	3,898,918
Disposals	-	-	-	(55,540)	-	(1,238)	-	(199,034)	(255,812)
Transfers and write-offs	-	-	21,486	-	-	(59,246)	5,151	(4,381)	(36,990)
Closing balance	165,970	438,920	19,030,550	725,119	94,302	10,413,170	788,876	-	31,656,907

	2007 Accumulated depreciation and impairment losses								
	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools and utensils	Office equipment	Other tangible assets	Work in progress	Total
Opening balance	-	207,007	7,472,760	643,262	84,890	9,320,549	420,545	-	18,149,013
Additions	-	20,334	1,824,640	80,625	8,149	585,665	55,482	-	2,574,895
Disposals	-	-	(3,000)	(55,540)	-	-	-	-	(58,540)
Transfers and write-offs	-	-	131,174	-	-	(149,139)	-	-	(17,965)
Closing balance	-	227,341	9,425,574	668,347	93,039	9,757,075	476,027	-	20,647,403
	165,970	211,579	9,604,976	56,772	1,263	656,095	312,849	-	11,009,504

In the year 2008, the additions of "Machinery and equipment" include 2,475,000 Euro related with the enlargement of printing equipment made by the subsidiary Grafedisport – Impressão e Artes Gráficas, S.A..

In the year 2007, the additions of "Machinery and equipment" include 2,870,000 Euro related with the purchase of printing equipment made by the subsidiary Grafedisport – Impressão e Artes Gráficas, S.A..

As of 31 December 2008 and 2007, the net value of tangible assets acquired under financial lease agreements can be detailed as follows:

	31.12.2008			31.12.2007		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
Machinery and equipment	11,807,355	3,282,279	8,525,076	6,451,810	1,616,186	4,835,624
Transport equipment	60,208	60,208	-	60,208	51,186	9,022
	11,867,563	3,342,487	8,525,076	6,512,018	1,667,372	4,844,646

As of 31 December 2008 and 2007 there were no tangible assets pledged as a guarantee for borrowings. As of those dates there were no interests capitalized to fixed assets.

(Amounts expressed in Euro)

7. GOODWILL

During the years ended 31 December 2008 and 2007, the movement in the caption "Goodwill" and in the correspondent impairment losses, were as follows:

	Goodwill
Opening balance as of 1.01.2007	87,152,688
Increases	1,906,459
Transfers	(5,424)
Balance as of 31.12.2007	89,053,723
Increases	-
Other effects	-
Closing balance as of 31.12.2008	89,053,723

The Company performed impairment testes on an early basis and every time an event or circumstance is identified indicating that asset's carrying amount may not be recoverable. Every time the carrying amount is greater than its recoverable amount, the Company recognizes an impairment loss. The recoverable amount is the greater between the net sale price and the value of use. During the years ended 31 December 2008 and 2007, the Company recorded no impairment losses for goodwill.

In the year 2008, the methods and assumptions used for the impairment tests of goodwill, which according to the Board of Directors understanding most suit to the current conjuncture, in the assessment of the existence, or not, of impairment for the main goodwill amounts, were as follows:

Method	Discounted Free Cash Flows
Basis	Business plan
Explicit period	5 years
Growth rate of sales rendered	2.1%
Discount rate	8.27%

The computation of the discount rate assumed the following assumptions:

- Cost of equity:	9.13%
- Cost of debt (net of taxes):	4.36%
- Weighted average cost of capital (WACC):	8.27%
- Growth in perpetuity:	2.0%

Subsidiary companies were evaluated using the methodology of discounted free cash flows based on business plans, covering a period of 5 years, developed by the companies' Directors and approved by the Group's Board of Directors.

Additionally, the Board of Directors performed a sensitivity analysis with a null growth rate in perpetuity and there was not identified, even in this scenario, impairment problems in goodwill.

(Amounts expressed in Euro)

8. INTANGIBLE ASSETS

During the year ended 31 December 2008 and 2007, the movement in intangible assets, as well as in the corresponding accumulated depreciation, was as follows:

	2008					
	Gross assets					
	Research and development expenses	Patents, royalties and other rights	Other intangible assets	Software	Work in progress	Total
Opening balance	25,800	768,793	12,470	4,468,594	-	5,275,657
Additions	-	-	25,200	-	-	25,200
Transfers and write-offs	-	(9,281)	(12,470)	61,455	-	39,704
Closing balance	25,800	759,512	25,200	4,530,049	-	5,340,561

	2008					
	Accumulated depreciation					
	Research and development expenses	Patents, royalties and other rights	Other intangible assets	Software	Work in progress	Total
Opening balance	17,200	547,049	12,470	4,278,357	-	4,855,076
Additions	11,004	36,333	8,400	12,470	-	68,207
Transfers and write-offs	(2,404)	(9,281)	(12,470)	442	-	(23,713)
Closing balance	25,800	574,101	8,400	4,291,269	-	4,899,570
	-	185,411	16,800	238,780	-	440,991

	2007					
	Gross assets					
	Research and development expenses	Patents, royalties and other rights	Other intangible assets	Software	Work in progress	Total
Opening balance	33,012	768,793	12,470	3,814,461	-	4,628,736
Additions	-	-	-	654,133	-	654,133
Transfers and write-offs	(7,212)	-	-	-	-	(7,212)
Closing balance	25,800	768,793	12,470	4,468,594	-	5,275,657

	2007					
	Accumulated depreciation					
	Research and development expenses	Patents, royalties and other rights	Other intangible assets	Software	Work in progress	Total
Opening balance	11,004	472,950	12,470	3,321,638	-	3,818,062
Additions	8,598	74,099	-	956,719	-	1,039,416
Disposals	-	-	-	-	-	-
Transfers and write-offs	(2,402)	-	-	-	-	(2,402)
Closing balance	17,200	547,049	12,470	4,278,357	-	4,855,076
	8,600	221,744	-	190,237	-	420,581

(Amounts expressed in Euro)

9. CURRENT AND DEFERRED INCOME TAXES

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, have been granted tax benefits, or are ongoing inspections, complaints or disputes. In these cases, depending on the circumstances, the deadlines can be extended or suspended. Therefore, the tax returns of Cofina, its subsidiaries and associated companies for the years 2005 to 2008 may still be subject to revision.

The Board of Directors of Cofina believes that any potential corrections resulting from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of 31 December 2008 and 2007.

Cofina, S.G.P.S. is the dominant society of the group of companies that are subject to the special regime of taxation of groups of companies ("Regime Especial de Tributação de Grupos de Sociedades - RETGS").

Deferred taxes

The movement occurred in deferred tax assets and liabilities in the years ended 31 December 2008 and 2007 was as follows:

	Deferred tax assets		Deferred tax liabilities	
	2008	2007	2008	2007
Opening balance	8,573,499	1,961,962	250,176	-
Effects on the income statement:				
Increase/(decrease) in tax losses carried forward	130,420	6,685,101	-	-
Increase/(decrease) in provisions not accepted for tax purposes	(20,855)	(72,576)	-	-
Temporary differences between the accounting value and the taxable value of assets and liabilities	777	-	(250,176)	250,176
Other effects	(2,340)	(988)	-	-
Closing balance	8,681,501	8,573,499	-	250,176

The detail of the deferred tax assets and liabilities as of 31 December 2008 and 2007, in accordance with the nature of timing differences that generated them, is as follow:

31.12.2008	Deferred tax assets	Deferred tax liabilities
Temporary differences between the accounting value and the taxable value of assets and liabilities	164	-
Provision and impairment losses not accepted for tax purposes	1,804,098	-
Tax losses carried forward	6,877,239	-
	8,681,501	-

31.12.2007	Deferred tax assets	Deferred tax liabilities
Temporary differences between the accounting value and the taxable value of assets and liabilities	1,727	250,176
Provision and impairment losses not accepted for tax purposes	1,824,953	-
Tax losses carried forward	6,746,819	-
	8,573,499	250,176

In accordance with the tax returns of the companies that record deferred tax assets related with tax losses carried forward, as of 31 December 2008 these may be detailed as follows:

	Tax losses	Deferred tax assets	Expiry date
Generated in 2007	26,583,076	6,645,769	2013
Generated in 2008	925,880	231,470	2014
	27,508,956	6,877,239	

In addition, some companies included in the consolidated financial statements by the full consolidation method, namely holdings, had tax losses carried forward for which no deferred tax assets were recorded due to the uncertainty of its recovery and which represent, approximately, as at 31 December 2008, 5,400,000 Euro.

(Amounts expressed in Euro)

Current taxes

Income taxes recorded in the income statements in the years ended in 31 December 2008 and 2007 are detailed as follows:

	31.12.2008	31.12.2007
Current tax		
Income tax for the year	498,666	26,582
Excess of prior years income tax	(6,129)	-
Insufficiency of prior periods income tax	425,997	84,690
Deferred taxes	(358,178)	(6,361,361)
	560,356	(6,250,089)

The reconciliation of profit/loss before income tax and the income tax for the year is as follows:

	31.12.2008	31.12.2007
Profit/loss before income tax	(72,756,743)	3,883,435
Income tax rate (including the maximum tax and municipal income tax)	26.50%	26.50%
	(19,280,537)	1,029,110
Temporary differences between the accounting value and the taxable value of assets and liabilities	18,582,529	-
Other losses not accepted for tax purposes	698,008	-
	-	1,029,110
Deferred taxes	(358,178)	(6,361,361)
Correction of previous years income tax estimates	419,868	84,690
Municipal income tax and autonomous taxations	498,666	1,002,528
Income tax	560,356	(6,250,089)

As borne by our lawyers, there are no material assets or liabilities associated with probable or possible tax contingencies that should be subject to disclosure in the accompanying notes to the consolidated financial statements as of 31 December 2008.

10. INVENTORIES

As of 31 December 2008 and 2007 the caption “Inventories” was made up as follows:

	31.12.2008	31.12.2007
Goods for resale	-	536,689
Raw, subsidiary and consumable material	2,199,582	2,977,480
	2,199,582	3,514,169
Impairment losses in inventories (Note 21)	(260,852)	(802,888)
	1,938,730	2,711,281

The cost of sales for the year ended 31 December 2008 amounted to 21,130,471 Euro, and was computed as follows:

	Goods for resale	Raw, subsidiary and consumable material	Total
Opening balance	536,689	2,977,480	3,514,169
Purchases	-	20,352,573	20,352,573
Other effects	(536,689)	-	(536,689)
Closing balance	-	(2,199,582)	(2,199,582)
	-	21,130,471	21,130,471

The movement occurred in “Goods for resale” refers to the write-off of various goods used in promotions for which have been recorded, in previous years, impairment losses amounting to the same value (Note 21).

(Amounts expressed in Euro)

The cost of sales for the year ended 31 December 2007 amounted to 21,077,832 Euro, and was computed as follows:

	Goods for resale	Raw, subsidiary and consumable material	Finished and intermediate goods	Total
Opening balance	518,643	3,106,197	17,934	3,642,774
Purchases	-	20,949,227	-	20,949,227
Closing balance	(536,689)	(2,977,480)	-	(3,514,169)
	(18,046)	21,077,944	17,934	21,077,832

11. CUSTOMERS

As of 31 December 2008 and 2007 this caption can be detailed as follows:

	31.12.2008	31.12.2007
Customers, current accounts	12,480,893	15,404,559
Customers, doubtful accounts	6,359,409	6,830,443
	18,840,302	22,235,002
Accumulated impairment losses (Note 21)	(7,267,509)	(7,698,738)
	11,572,793	14,536,264

The Group's exposure to credit risk is attributable mainly to the accounts receivable resulting from the Group's operating activity. The amounts presented in the face of the balance sheet are presented net of accumulated impairment losses, which were estimated by the Group in accordance with its experience and based on the economic environment evaluation. The Group records impairment losses for costumer balances due over 180 days. The Board of Directors believes that the net carrying amount of accounts receivable from customers is close to its fair value.

As of 31 December 2008 and 2007, the customers ageing of balances can be detailed (by segment of business) as follows:

	Customers					
	31.12.2008			31.12.2007		
	Newspapers	Magazines	Total	Newspapers	Magazines	Total
Not due	4,467,162	1,850,150	6,317,312	5,847,284	2,372,766	8,220,050
Due with no impairment recorded						
0 - 90 days	3,313,394	1,218,459	4,531,853	3,567,452	1,163,330	4,730,782
90 - 180 days	411,623	115,422	527,045	456,443	131,804	588,247
180 - 360 days	-	-	-	-	-	-
+ 360 days	-	-	-	-	-	-
	3,725,017	1,333,881	5,058,898	4,023,895	1,295,134	5,319,029
Swap accounts receivable						
No impairment	181,738	14,845	196,583	862,814	134,371	997,185
Total	8,373,917	3,198,876	11,572,793	10,733,993	3,802,271	14,536,264

The amount recorded as "Swap accounts receivable" relates to balances receivable from exchange (swap) operations (amounts arising from the sale of advertising space in exchange for other goods and services provided by the counterparty), for which there are also accounts payable under the caption "Suppliers" (Note 23).

For the overdue amounts for which there is no impairment loss, the Group considers that there has been no loss in the credit quality of the counterparty, and therefore there is no credit risk.

The average credit period granted to customers depends on the type of sale/service. According to the procedure agreed with the distribution company, the amounts related to sale of publications are collected in the day the invoice is issued. In relation to services rendered (mainly the sale of advertising space), the Company grants a credit period between 15 to 60 days (the same period as in 2007). The Group charges no interests for not due invoices. After that period, the Company charges the interests defined contractually, and in accordance with the applicable legislation, which usually only occurs under extreme conditions.

(Amounts expressed in Euro)

12. STATE AND OTHER PUBLIC ENTITIES

As of 31 December 2008 and 2007 these assets and liabilities had the following composition:

	31.12.2008	31.12.2007
Assets:		
Corporate Income Tax	1,030,365	2,678,327
Value Added Tax	283,475	209,029
Other	6,325	6,150
	1,320,165	2,893,506

	31.12.2008	31.12.2007
Liabilities:		
Personal income tax	682,132	715,342
Corporate Income Tax	139,562	31,405
Value Added Tax	1,587,599	1,947,581
Social Security contributions	685,697	705,821
Other	-	1,702
	3,094,990	3,401,851

The assets caption "Corporate income tax" is mainly related to payments on account and withholdings performed by third parties, net of the estimated income tax for the period (Note 9).

13. OTHER DEBTORS

As of 31 December 2008 and 2007 this caption can be detailed as follows:

	31.12.2008	31.12.2007
Advances to trade creditors	182,875	3,652,850
Other debtors	1,445,855	2,801,228
	1,628,730	6,454,078
Accumulated impairment losses in other debtors (Note 21)	(816,242)	(2,078,522)
	812,488	4,375,556

As of 31 December 2008 and 2007, the ageing of balances of "Other debtors" can be detailed as follows:

	31.12.2008			31.12.2007		
	Advances to trade creditors	Other debtors	Total	Advances to trade creditors	Other debtors	Total
Not due	182,875	629,613	812,488	3,652,850	722,706	4,375,556
Due without impairment recorded						
0 - 90 days	-	-	-	-	-	-
90 - 180 days	-	-	-	-	-	-
180 - 360 days	-	-	-	-	-	-
+ 360 days	-	-	-	-	-	-
	-	-	-	-	-	-
Total	182,875	629,613	812,488	3,652,850	722,706	4,375,556

The amounts presented are net of accumulated impairment losses estimated by the Group, accordingly with its experience and based on the conjuncture and economic environment evaluation. The Group records impairment losses for other debtors’ balances due over 180 days.

(Amounts expressed in Euro)

14. OTHER CURRENT ASSETS

As of 31 December 2008 and 2007 this caption can be detailed as follows:

	31.12.2008	31.12.2007
Accrued income:		
Newspapers and magazines to invoice	5,854,866	5,734,812
Interests receivable	289,883	263,387
Other	356,552	231,221
Deferred costs:		
Charges related to following year editions	772,590	1,827,079
Operating expenses paid in advance	364,054	-
Other	53,254	279,082
	7,691,199	8,335,581

15. INVESTMENTS MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

The amount included in the caption “Investments measured at fair value through profit and loss” as of 31 December 2008 and 2007 relate to shares traded in stock markets, namely ZON Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. (previously PT Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A.) and are recorded at their market value as of those dates. This class of assets performance is evaluated on a fair value basis, which is the basis for the Board of Directors management and analysis of these assets.

16. CASH AND CASH EQUIVALENTS

As of 31 December 2008 and 2007, the caption “Cash and cash equivalents” can be detailed as follows:

	31.12.2008	31.12.2007
Cash	81,596	203,103
Bank deposits on demand	14,002,656	31,893,342
Short term deposits convertible within 3 months	33,702,470	76,900,000
	47,786,722	108,996,445

17. SHARE CAPITAL AND RESERVES

Share capital

As of 31 December 2008, the Company’s fully subscribed and paid up capital consisted of 102,565,836 shares with a nominal value of 25 cents of a Euro each. As of that date, Cofina and the group companies did not hold own shares.

Reserves

Share issue premiums
Share issue premiums are related with premiums obtained with share capital issuance or share capital increases. In accordance with the Portuguese commercial legislation, the amounts included in this caption follow the same regime as for the “Legal reserve”, i.e., the amounts are not distributable, unless in case of insolvency, but can be used to absorb losses after every other reserve has been used, and for inclusion in the share capital.

Legal Reserve
The Portuguese commercial legislation provides that at least 5% of annual net profit must be used to reinforce the "Legal reserve" until this caption represents at least 20% of the share capital. This reserve is not distributable but can be used to absorb losses after every other reserve has been used, and for inclusion in the share capital.

(Amounts expressed in Euro)

Under the Portuguese legislation, the amount of distributable reserves is determined based on the non-consolidated financial statements of the Company, prepared in accordance with the Portuguese GAAP - Plano Oficial de Contabilidade ("POC"). Thus, as of 31 December 2008 the distributable reserves of Cofina SGPS, S.A., amounted to, approximately, 26.7 million Euro.

18. BANK AND OTHER LOANS

As of 31 December 2008 and 2007, the caption "Bank loans" was made up as follows:

	31.12.2008				31.12.2007			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Bank overdrafts	12,454,291	-	12,454,291	-	24,007,570	-	24,007,570	-
Bank loans	-	-	-	-	-	-	-	-
	12,454,291	-	12,454,291	-	24,007,570	-	24,007,570	-

As of 31 December 2008 and 2007, the caption "Other loans" was made up as follows:

	31.12.2008				31.12.2007			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Bond loans	49,434,121	49,431,682	50,000,000	50,000,000	-	98,430,913	-	100,000,000
Commercial paper	49,892,630	50,000,000	50,000,000	50,000,000	113,463,461	-	113,750,000	-
	99,326,751	99,431,682	100,000,000	100,000,000	113,463,461	98,430,913	113,750,000	100,000,000

Bond loans

As of 31 December 2008, the non-current liabilities caption "Bond loans" relates to one bond loan, whose nominal values amount to 50,000,000 Euro, issued by Cofina BV, valued in accordance with the effective interest rate method and its carrying value amounts to 49,431,682 Euro.

The main characteristics of this loan are as follows:

i) Cofina B.V.:

The bonds constitute direct, unconditional, unsubordinated and unsecured obligations; their final maturity date is August 2010. The final maturity exchange price was fixed in 4,08 Euro per ordinary share (before the share split occurred in 2006), which corresponds to a premium of 46% above the average quotation, weighted by the volume traded in Euronext Lisbon since the launch until the price fixation, being that quotation of 2,7968 Euro. The cash coupon was fixed at 3,875%. The bonds are listed in the EuroMTF market of the Luxembourg stock exchange market.

The most relevant characteristics of the bond loan are:

- Issuer – Cofina B.V. – dutch subsidiary fully owned by Cofina, SGPS, S.A.;

- Keep Well Agreement – The bonds are unsecured, however Cofina has the obligation to:

    - o Keep the direct or indirect property of the Issuer as long as any Exchangeable Bond is outstanding;
    - o To cause the issuer to maintain a tangible net worth of at least 1 Euro;
    - o If the issuer at any time shall have insufficient funds or other liquid assets to meet its payment obligations (including in respect of the bonds) or to repay borrowings, make sufficient funds available to the issuer before the due date of such payment obligations or to repay such borrowings, as the case may be, in full as they fall due;
    - o If the issuer enter into bankruptcy, and Cofina SGPS, SA is failing to its subsidiary for the issue mentioned in the previous point, this will be liable to its subsidiary for the damage caused, till the extent that would be responsible if it had complied with its responsibilities for appropriation of funds

- Interest – The bonds bear interest from and including the closing date at 3,875 per cent per annum, calculated by reference to the principal amount of the Bonds and payable annually in arrears on 16 August in each year, commencing on 16 August 2006;

- Final redemption – 16 August 2010;

- Exchange right – Each bond entitles the holder to exchange such bond for new and/or existing ordinary shares at the option of Cofina at the then applicable exchange price. The exchange price was fixed 4.08 Euro per ordinary share (before the share split, occurred in 2006). This price can be adjusted under certain conditions. Cofina will issue warrants to the issuer on or prior to the closing date to facilitate the exchange of the bonds into ordinary shares of Cofina. Each 10,000 Euro bond entitles its holder to exchange it for 2,540.98 ordinary shares Cofina S.G.P.S., S.A. at the initial exchange price of 4.08 Euro (before the share split, occurred in 2006).

- If the bondholders exercise their exchange rights, the Issuer may elect to deliver a cash amount to the relevant bondholder determined by reference to the market value of the ordinary shares instead of delivering ordinary shares;

- Early redemption – The issuer may redeem all bonds at any time on or after 6 September 2008 together with accrued interest to such date;

- Covenants in Cofina B.V. – the Issuer's activity will be limited to the activities necessary to provide the fulfilment of its responsibilities;

- Guarantees – until the bond redemption "Cofina S.G.P.S., S.A." cannot use its assets to guarantee another operation if the bondholders' rights are not granted in the first place.

As of 31 December 2008, the current liability caption "Bond Loans" refers to a bond loan denominated "Obrigações Cofina SGPS – 2007/2015", amounting to 50,000,000 Euro, issued by Cofina SGPS, S.A. valued according to the effective interest rate method, which book value is 49,434,121 Euro. This loan has its final redemption on 28 September 2015. However, accordingly to the initial contract, if one of the financial indicators is not complied (and by 31 December 2008 one of the indicators was not being complied) the bond holders may request, without any penalty, the anticipated repayment. Thus, however the Board of Directors believe they will not be asked for an anticipated repayment and the redemption date will remain the same (28 September 2015), the Company had to consider this loan as current, according to the applicable accounting standards. Furthermore, the ability for early redemption is exclusive of the bond holders and the issuer does not control it.

The most relevant characteristics of the bond loan are:

ii) Cofina, SGPS, S.A.:

- Issuer – Cofina, SGPS, S.A.;

- Nominal value – 50,000,000 Euro;

- Final redemption – 28 September 2015;

- Interests – postecipated, corresponding to Euribor to 6 months plus a spread of 0.875%.

Commercial paper

The non-current liabilities caption "Commercial paper" relates to two commercial paper programs with guaranteed subscription by the banks, amounting to 30,000,000 Euro and 20,000,000 Euro until June 2011 and October 2012, respectively.

The current liabilities caption "Commercial paper" relates to a commercial paper program amounting to 50,000,000 Euro for a 5 year term, starting on the signing date, which means 23 April 2013. However, according to the initial contract, one year after its starting date (23 April 2008) both parts have the right to terminate the contract if they announce their intention by notice 30 days prior to the date indicated for the contract ending.

(Amounts expressed in Euro)

Although the Board of Directors believes that no early redemption will be demanded, under the applicable accounting standards, it was classified this as current debt in the accompanying balance sheet.

In addition to the amounts included in the balance sheet as of 31 December 2008 and 2007, Cofina SGPS, S.A. had issued a commercial paper program amounting to 50,000,000 Euro which is presented in the balance sheet net of a bank deposit in the same amount since these financial instruments fulfil the requirements for its compensation (Note 2.3.i.iii).

As of 31 December 2008 the financing lines used by the Group and the corresponding maximum amounts allowed, were as follows:

Nature	Maturity	Authorized amount	Used amount	Available amount
Cash poolling		21,000,000	6,356,222	14,643,778
Overdraft		5,000,000	73,069	4,926,931
Pledged account		14,469,947	6,025,000	8,444,947
Authorized overdraft		8,000,000	-	8,000,000
Commercial paper	27/06/2011	35,000,000	30,000,000	5,000,000
Commercial paper	15/10/2012	20,000,000	20,000,000	-
Commercial paper	22/10/2012	50,000,000	50,000,000	-
Bonds 2005/2010	16/08/2010	50,000,000	50,000,000	-
Bonds 2007/2015	28/09/2015	50,000,000	50,000,000	-
		253,469,947	212,454,291	41,015,656

During the year ended 31 December 2008, these loans borne interest at normal market rates, depending on the nature and term of credit obtained.

The nominal value of bond loans (capital and interests) is repayable in accordance with the following plan:

Year	Capital	Interests
2008	-	4,750,000
2009	-	4,750,000
2010	50,000,000	4,750,000
2011	-	2,812,500
2012	-	2,812,500
2013	-	2,812,500
2014	-	2,812,500
2015	50,000,000	2,812,500
Total	100,000,000	28,312,500

As mentioned above, the loan with predicted maturity in 2015 may be repaid earlier by the initiative of the bond holders. Therefore, the Group has classified it as current in the accompanying balance sheet.

During the years ended 31 December 2008 and 2007 the Group did not enter into any loan default.

19. PENSION FUND

Based on certain labour legislation, some Group companies recorded responsibilities related to retirement pensions to grant to some of its employees. In accordance with actuarial calculations performed by a specialized and independent entity, the present value of the Company's responsibilities, as of 31 December 2008, amounted to 708,863 Euro. These responsibilities were fully provided for and were computed using the "Project Unit Credit" method, based in the GRF 80 mortality tables and EKV-80 handicap Tables. In addition to the technical parameters referred to above, the valuation was performed assuming real long term profitability of 1.5% when compared with salary increases and 2.5% regarding pension increase. The increase recorded in the pension found provision was recorded in the income statement caption "Payroll Expenses" and amounted to

401,302 Euro in 2008. During the year ended 31 December 2008, part of the liabilities recorded in prior years was no longer required because the conditions that justified the recording were no longer applicable.

(Amounts expressed in Euro)

20. LEASE CONTRACTS

As of 31 December 2008 and 2007, the amounts payable to fixed asset suppliers in relation to financial lease contracts were classified in the captions "Other non-current creditors" and "Other current creditors" and had the following predicted reimbursement plan:

	31.12.2008	31.12.2007
2010	2,288,887	1,300,908
2011	1,330,282	1,341,103
2012	1,010,643	360,281
2013	735,369	-
2014	303,883	-
Without defined reimbursement plan (a)	-	1,732,500
	5,669,065	4,734,792
Short term (Note 24)	2,241,156	1,267,943
	7,910,221	6,002,735

(a) Amount corresponding to advance made by the leasing company to the supplier of the equipment. This equipment is not yet complete, and so, only once the equipment is complete the reimbursement plan will be defined.

21. MOVEMENT IN PROVISIONS AND IMPAIRMENT LOSSES

The movements occurred in provisions and impairment losses for the years ended 31 December 2008 and 2007 may be detailed as follows:

	31.12.2008			
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in inventories (Note 10)	Impairment losses in accounts receivable (Notes 11 and 13)
Opening balance	1,466,809	3,363,622	802,888	9,777,260
Increases	278,100	1,583,305	-	712,734
Reversals	(215,000)	-	(5,347)	(252,467)
Utilizations	(515,000)	(3,767)	(536,689)	(2,153,776)
Closing balance	1,014,909	4,943,160	260,852	8,083,751

	31.12.2007			
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in inventories (Note 10)	Impairment losses in accounts receivable (Notes 11 and 13)
Opening balance	1,949,559	5,948,054	794,532	10,040,800
Increases	730,000	100,000	8,387	1,222,195
Reversals	(1,142,750)	-	-	(4,910)
Utilizations	(70,000)	(2,684,432)	(31)	(1,480,825)
Closing balance	1,466,809	3,363,622	802,888	9,777,260

The increase of impairment losses in the years 2008 and 2007 were recorded in the following captions of the profit and loss statements:

	31.12.2008	31.12.2007
Provisions and impairment losses	990,834	1,960,582
Gains and losses in associated companies (Note 27)	1,583,305	-
Gains and losses in other investments (Note 27)	-	100,000
	---------------	--------------
	2,574,139	2,060,582
	=========	========

(Amounts expressed in Euro)

The reversals in impairment losses for the year ended 31 December 2008 amounting to 472,814 Euro were recorded as a deduction to the operating expenses caption "Provisions and impairment losses".

The utilization of impairment losses in accounts receivables relates to the annulment of amounts that have been fully provided for.

The utilization of impairment losses in inventories is due to the write-off of various goods used in promotions.

The amount recorded in the caption "Provisions" as of 31 December 2008 relates to the Board of Directors' best estimate to cover possible losses arising from legal actions in progress. The provision's utilizations respect mainly to indemnities paid to workers.

22. DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 December 2008 and 2007, this caption relates to call warrants, which entitle the bondholders (Note 19) the right to subscribe Cofina, SGPS, S.A. shares at a variable exchange price, initially fixed at 4.08 Euro (before the share split, occurred in 2006).

These warrants are recorded in accordance with their fair value, based in evaluations of financial institutions. The movement in these derivatives for the years ended 31 December 2008 and 2007 can be presented as follows:

	31.12.2008	31.12.2007
Opening balance	950,000	5,109,322
Increases / (decreases)	(950,000)	(4,159,322)
Closing balance	-	950,000

23. SUPPLIERS

As of 31December 2008 and 2007 this caption could be presented, taking into consideration its maturity, as follows:

	31.12.2008	No deadline (a)	Payable in: Less than 3 months	3 to 6 months	More than 6 months
Trade creditors and other commercial liabilities - current account					
Newspapers segment	9,012,070	925,775	8,086,295	-	-
Magazines segment	2,640,615	224,803	2,415,812	-	-
Others	45,063	-	45,063	-	-
	11,697,748	1,150,578	10,547,170	-	-

	31.12.2007	No deadline (a)	Payable in: Less than 3 months	3 to 6 months	More than 6 months
Trade creditors and other commercial liabilities - current account					
Newspapers segment	7,534,312	1,176,670	6,357,642	-	-
Magazines segment	4,276,525	309,974	3,966,551	-	-
Others	35,375	-	35,375	-	-
	11,846,212	1,486,644	10,359,568	-	-

(a) – amounts included in the column "No deadline" relate to exchange (swap) transactions with entities that are also customers (Note 11). Thus, there is no pre-determined settlement date.

(Amounts expressed in Euro)

24. OTHER NON-CURRENT AND CURRENT CREDITORS

Other non-current creditors

As of 31 December 2008 and 2007 this caption was made up as follows:

	31.12.2008	31.12.2007
Tangible assets suppliers (Note 20)	5,669,065	4,734,792

Other current creditors

As of 31 December 2008 and 2007 this caption was made up as follows:

	31.12.2008	31.12.2007
Tangible assets suppliers (Note 20)	2,241,156	1,267,943
Advances from costumers	-	21,891
Other creditors:		
Creditors for acquisition of securities	-	22,544,531
Creditors for acquisitions of financial investments	-	1,850,000
Others	5,565,233	4,700,162
	7,806,389	30,384,527

As of 31 December 2007, the amounts included in the caption “Creditors for acquisition of securities” related to amounts payable for the acquisition of listed companies’ shares at the end of 2007. The corresponding titles were recorded under the caption “Investments measured at fair value through profit and loss”.

As of 31 December 2007 the caption “Creditors for acquisition of financial investments” included the remaining amount payable for the acquisition of 50% of share capital of Grafedisport – Impressão e Artes Gráficas, S.A..

With the exception of amounts related to leasing responsibilities, whose reimbursement plan is presented in Note 20, the remaining amounts under "Other current creditors" as of 31 December 2008 and 2007 have it maturity in less than 6 months.

25. OTHER CURRENT LIABILITIES

As of 31 December 2008 and 2007, this caption was made up as follows:

	31.12.2008	31.12.2007
Accrued costs:		
Accrued payroll	5,241,248	5,762,393
Interests payable	2,657,079	3,164,110
Comissions payable	2,009,544	1,843,295
Quantity discount bonus	2,602,491	1,795,406
Supplies and external services	891,789	916,176
Others	932,193	1,230,072
Deferred income	669,069	620,736
	15,003,413	15,332,188

26. SALES, SERVICES RENDERED AND OTHER OPERATING INCOME

The “Sales” for the years ended 31 December 2008 and 2007 are related mainly to newspaper and magazines sales, including a small portion of income related to the sale of printing paper.

The caption “Services rendered” relates to sales of advertising space in the Group’s publications, net of the discounts granted.

(Amounts expressed in Euro)

The amounts arising from alternative marketing products sold with the Group's publications are recorded in the caption "Other operating income".

27. NET FINANCIAL PROFIT

The financial income and expenses for the years ended 31 December 2008 and 2007 are made up as follows:

	31.12.2008	31.12.2007
Financial expenses		
Interest	10,909,269	6,686,352
Comissions	531,132	296,265
Garanties and other bank expenses	169,828	140,589
Exchange losses	14,495	1,899
Other financial expenses	18,061	80,526
	11,642,785	7,205,631
Financial income		
Interest received	1,665,071	2,090,688
Other financial income	-	98
	1,665,071	2,090,786

The caption "Gains and losses in associated companies" shown in the face of the profit and loss statements includes, mainly, the appropriation of the Group's share over the net income of the associated companies, as well as the impairment losses for the supplementary capital granted to these companies, for which the Board of Directors believes that there might be potential losses in its recoverable amount (1,583,305 Euro as of 31 December 2008) (Note 21).

The caption "Gains and losses in other investments" as of 31 December 2008 and 2007 can be detailed as follows:

	31.12.2008	31.12.2007
Gains in the sale of other financial investments	-	1,243,379
Losses in the sale of other financial investments	-	(10,631,851)
Impairment losses in financial investments (Note 21)	-	(100,000)
Gains in investments measured at fair value through profit and loss (introduction note and Note 15)	(86,508,203)	(4,579,760)
Dividends	7,600,405	1,822,362
Others		
	(78,907,798)	(12,245,870)

28. RELATED PARTIES

Commercial transactions

The group companies have relations with each other that are qualified as transactions with related parties. All of these transactions are made at market prices.

During the consolidating procedures these transactions are eliminated, since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as one unique company.

(Amounts expressed in Euro)

The main balances with related parties as of 31 December 2008 and the main transactions with related entities during the year then ended may be detailed as follows:

Transactions	Sales and services rendered	Acquisitions of goods and services	
Associated companies	77,055,031	1,037,185	
Balances	Accounts receivable	Accounts payable	Sales to invoice
Associated companies	378,259	411,734	5,771,812

Sales and services rendered to associated companies during the year ended 31 December 2008 relate to sales of publications (newspapers and magazines) and marketing alternative products to VASP (Note 4), which handles the corresponding distribution to the points of sale. These transactions are carried out under the normal activity of the Group.

Additionally, during the year ended 31 December 2007 the Group acquired to Cofihold, SGPS, S.A., by an amount of 3,200,000 Euro, shares representing 50% of the capital of Grafedisport – Impressão e Artes Gráficas, S.A., as well as supplementary capital granted. The value of the transaction was established based on a valuation performed by an independent financial entity.

Board of Directors Compensations

Compensations paid to members of Cofina SGPS, S.A. Board of Directors during the year ended 31 December 2008 by the companies included in the consolidation by the full method, are as follows:

Fixed remunerations	345,212
Variable remunerations	105,000

	450,212
	======

Related parties

Apart from companies included in the consolidation (Note 4), the parties considered to be related companies as of 31 December 2008, can be presented as follows:

- Celulose do Caima, SGPS, S.A.
- Caima Indústria de Celulose, S.A.
- Silvicaima – Sociedade Silvícola do Caima, S.A.
- Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- Invescaima – Investimentos e Participações, SGPS, S.A.
- Inflora – Sociedade de Investimentos Florestais, S.A.
- Socasca – Recolha e Comércio de Recicláveis, S.A.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- CPK – Companhia Produtora de Papel Kraftsack, S.A.
- Ródão Power, S.A. - Energia e Biomassa do Ródão, S.A.
- EDP – Produção Bioeléctrica, S.A.
- Altri - Energias Renováveis, SGPS, S.A.
- Sosapel – Sociedade Comercial de Sacos de Papel, Lda.
- Celbi – Celulose da Beira Industrial, S.A.
- Celbinave – Tráfego e Estiva SGPS, Unipessoal, Lda.
- Viveiros do Furadouro Unipessoal, Lda.
- Altri, Participaciones Y Trading, S.L.
- Altri Sales, S.A.
- CPK II – Comércio e Indústria, S.A.
- Pedro Frutícola, Sociedade Frutícola, Lda.
- Captaraíz Unipessoal, Lda.
- F. Ramada Investimentos, SGPS, S.A.
- F. Ramada – Aços e Indústrias, S.A.
- F. Ramada – Produção e Comercialização de Estruturas Metálicas de Armazenagem, S.A.
- F. Ramada II, Imobiliária, S.A.
- F. Ramada, Serviços de Gestão, Lda.
- BPS – Equipements, S.A.
- Storax Racking Systems, Ltd.
- Storax Benelux, S.A.

Board of Directors

Cofina SGPS, S.A. Board of Directors was composed as follows as of 31 December 2008:

Paulo Jorge dos Santos Fernandes
João Manuel Matos Borges de Oliveira
Pedro Macedo Pinto de Mendonça
Domingos José Vieira de Matos

(Amounts expressed in Euro)

29. RESPONSIBILTIES FOR GUARANTEES PROVIDED

As of 31 December 2008, Cofina had provided guarantees as follows:

a) Pledge over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for authorized overdraft conceded by Banco BPI, S.A., which, as of 31 December 2008, was not used;

b) Pledge with irrevocable power of an attorney over 88,883,450 shares of Cofina Media, SGPS, S.A. as a guarantee for commercial paper programs structured by Banco BPI, S.A., amounting to 5,000,000 Euro as of 31 December 2008 (Note 18);

c) Pledge over 88,883,450 shares of Cofina Media S.G.P.S, S.A as a guarantee for commercial paper programs structured by Banco BPI, S.A., amounting to 25,000,000 Euro as of 31 December 2008 (Note 18);

d) Pledge with irrevocable power of an attorney over 15,190,000 shares of ZON MULTIMÉDIA - Serviços de Telecomunicações e Multimédia, S.G.P.S, S.A as a guarantee for commercial paper programs structured by Caixa - Banco de Investimento and Caixa Geral de Depósitos, amounting to 50,000,000 Euro as of 31 December 2008 (Note 18).

As of 31 December 2008 Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 1,608,642 Euro in relation to advertising contests. These companies had also given promissory notes to guarantee credit facilities amounting to 26,000,000 Euro.

30. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2008 and 2007 were determined taking into consideration the following amounts:

	31.12.2008	31.12.2007
Net profit considered for the computation of basic and diluted earning	(73,272,795)	10,120,787
Weighted average number of shares used to compute the basic earnings per share	102,565,836	102,565,836
Warrants dilution effect (a)	24,509,800	24,509,800
Weighted average number of shares to compute the diluted earnings per share	127,075,636	127,075,636
Earnings per share		
Basic	(0.71)	0.10
Diluted	(0.58)	0.08

(a) – The “Warrants dilution effect” refers to the option granted to the bondholders associated to the bond loan issued by the Group in the amount of 50,000,000 Euro (Note 18) that entitles them the right to convert the bonds in 4,901.96 common shares, for each bond held in the amount of 10,000 Euro (Note 22).

31. DIVIDENDS

In accordance with the decision taken in the General Shareholders’ Meeting held 28 May 2008, the Company distributed dividends amounting to 3,589,804.26 Euro relating to the year ended 31 December 2007. These were distributed to the Company’s ordinary shares.

In the year 2007 the Company distributed dividends amounting to 3,589,804.26 Euro relating to the year ended 31 December 2006.

Additionally, the Board of Directors proposed in its annual report that the Cofina SGPS, S.A. non consolidated net loss for the year ended 31 December 2008 was appropriated as follows:

Retained earnings	(60.303.443)
	==========

(Amounts expressed in Euro)

32. SEGMENT INFORMATION

The reported segments were defined in accordance with the origin and nature of the income generated by the Group and taking into consideration the way the Board of Directors manages its operations.

The net operating income (including inter-segmental income) may be presented as follows:

31.12.2008	Newspapers	Magazines	Total
Net operating income			
Resulting from operations with external clients	115,706,109	28,326,924	144,033,033
Resulting from operations with other segments	4,085,437	243,818	4,329,255

31.12.2007	Newspapers	Magazines	Total
Proveitos operacionais líquidos			
Resulting from operations with external clients	94,807,352	39,827,874	134,635,226
Resulting from operations with other segments	2,927,784	152,662	3,080,446

The amounts related to operating cash-flow, amortisation and depreciation and operating profit by segment, may be presented as follows:

31.12.2008	Newspapers	Magazines	Total
Operating cash-flow (a)	16,858,022	3,479,917	20,337,939
Amortisation and depreciation	3,344,561	234,632	3,579,193
Operating profit	13,513,461	3,245,285	16,758,746

(a) - operating profit + amortisation and depreciation

31.12.2007	Newspapers	Magazines	Total
Operating cash-flow (a)	18,353,655	2,195,176	20,548,831
Amortisation and depreciation	3,507,742	106,569	3,614,311
Operating profit	14,845,913	2,088,607	16,934,520

(a) - operating profit + amortisation and depreciation

The total assets and total liabilities, the investment performed during the year in tangible and intangible assets and the gains in associated companies may be presented as follows:

31.12.2008	Newspapers	Magazines	Holdings and others	Eliminations and consolidation adjustments	Total
Total assets	126,670,125	15,673,076	658,511,310	(557,137,287)	243,717,225
Total liabilities	65,714,867	7,384,906	336,583,889	(153,475,559)	256,208,103
Investment for the year (a)	3,897,111	253,373	15,013	-	4,165,497
Gains in associated companies	3,331	-	(1,583,307)	-	(1,579,976)

(a) - increases in tangible and intangible assets

31.12.2007	Newspapers	Magazines	Holdings and others	Eliminations and consolidation adjustments	Total
Total assets	121,546,967	16,474,065	784,147,718	(549,028,425)	373,140,325
Total liabilities	64,417,887	8,966,321	372,031,802	(136,750,666)	308,665,344
Investment for the year (a)	4,466,746	86,305	-	-	4,553,051
Gains in associated companies	150,308	-	-	-	150,308

(a) - increases in tangible and intangible assets

Since Cofina currently develops its business exclusively in the domestic market, no geographical segments are reported.

33. NUMBER OF PERSONNEL

During the years ended 31 December 2008 and 2007, the average number of employees of the companies included in the consolidated financial statements by the full consolidation method was of 929 and 935, respectively.

34. SUBSEQUENT EVENTS

Subsequent to 31 December 2008 and until the approval of these consolidated financial statements by the Board of Directors (Note 35) was communicated that ZON Multimédia will distribute as dividends the amount of 0.16 Euro per share which will represent an income to Cofina Group, amounting to, approximately, 2,430,400 Euro, excluding tax effects, assuming the same number of shares as of 31 December 2008, excluding eventual tax effects.

Additionally, based on the price of Zon Multimédia's shares the day before the approval of the consolidated financial statements by the Board of Directors (Note 35) the net assets and equity value would increase by approximately 5,800,000 Euros (using the reference price of 4.091 Euro per share).

As of 13 January 2009, the Group was sold the participation held on "O Sol é Essencial, S.A." by 1,583,390 Euro.

35. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in 28 April 2009. Its final approval is dependent on the agreement of the General Shareholders' Meeting.

36. 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 in the European Union, some of which may not conform or be required be generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

STATUTORY AUDIT AND AUDITOR’S REPORT
CONSOLIDATED FINANCIAL STATEMENTS
(Translation of a report originally issued in Portuguese – Note 36)

Introduction

1. In compliance with the applicable legislation, we hereby present our Statutory Audit and Auditors’ Report on the consolidated financial information contained in the Board of Directors’ Report and the consolidated financial statements of Cofina, S.G.P.S., S.A. (“Company”) and subsidiaries (the “Group”) for year ended 31 December 2008, which comprise the consolidated balance sheet, that reflects a total of 243,717,225 Euro and negative shareholders’ equity of 12,490,876 Euro, including net loss attributable to the Company’s Equity Holders of 73,272,795 Euro, the consolidated statements of profit and loss, cash flows and changes in equity for the year then ended and the corresponding Notes.

Responsibilities

2. The Company’s Board of Directors is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results of their operations and their consolidated cash flows; (ii) the preparation of historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code (“*Código dos Valores Mobiliários*”); (iii) the adoption adequate accounting policies and criteria and the maintenance of appropriate systems of internal control; and (iv) informing any significant facts that have influenced the operations, financial position or results of operations of the companies included in the consolidation.

3. Our responsibility is to examine the financial information contained in the accounting documents referred to above, including verifying that, in all material aspects, the information is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our work.

Scope

4. Our examination was performed in accordance with the Auditing Standards *(“Normas Técnicas e as Directrizes de Revisão/Auditoria”)* issued by the Portuguese Institute of Statutory Auditors *(“Ordem dos Revisores Oficiais de Contas”)*, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. An examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by the Company’s Board of Directors, used in their preparation. An examination also includes verifying the consolidation procedures used and the application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting principles used, their uniform application and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated financial statements, and assessing if, in all material aspects, the consolidated financial information is complete, true, timely, clear, objective and licit. An examination also includes verifying that the consolidated financial information included in the consolidated Directors’ Report is consistent

with the consolidated financial statements. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above, present fairly, in all material aspects, the consolidated financial position of Cofina, S.G.P.S., S.A. and subsidiaries as of 31 December 2008, the consolidated result of its operations and its consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the financial information contained therein is, in terms of the definitions included in the auditing standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

6. The attached consolidated financial statements were prepared on a going concern basis, although the net results for the year ended 31 December 2008 and the consolidated Shareholders' equity of the Company as of that date were negative amounting to 73,272,795 Euro and 12,490,876 Euro, respectively. This situation results from the unrealized losses, amounting to approximately 86,500,000 Euro (Note 27), recognized during the year ended 31 December 2008, as a consequence of the devaluation of the financial investment held on Zon Multimédia - Serviços de Telecomunicações e Multimedia, SGPS, S.A.. The Board of Directors believes that this situation does not affect the ability of the Group to comply with its financial commitments, namely with the bank institutions (Notes 16 and 18) and that the consolidated Shareholders' equity will be restored through the turnaround of Zon's share price, which the Group intends to maintain, and the maintenance of the Group's operations' profitability in the future.

Porto, 28 April 2009

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DELOITTE & ASSOCIADOS, SROC S.A.
Represented by António Manuel Martins Amaral

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD
CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese – Note 36)

To the Shareholders of
Cofina, SGPS, S.A.

1. Report

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion, which covers the Board of Director's Report and consolidated Financial Statements of Cofina, SGPS, S.A. ("Company") for the year ended 31 December 2008, which are the responsibility of the Company's Board of Directors.

During the year under analysis, the Statutory Audit Board accompanied the operations of the Company and its affiliates, the timely writing up of accounting records, compliance with statutory and legal requirements and the effectiveness of the risk management and internal control systems, having held meetings with the periodicity and length considered appropriate and having always obtained, from the Board of Directors and personnel of the Company and its affiliates, all the information and explanations required.

As part of its duties, the Statutory Audit Board examined the consolidated balance sheet as of 31 December 2008, the consolidated statements of profit and loss by nature, cash flow, and changes in shareholders' funds for the year then ended, and the corresponding notes. Additionally, the Statutory Audit Board examined the Report of the Board of Directors for the year 2007, and fulfilled its duties concerning the review of the qualifications, independence and work of the Statutory Auditor, and reviewed the Statutory Audit and Auditor's Report and was in agreement with its content.

2. Opinion

Considering the above, and taking into consideration the issue mentioned in paragraph 6 of the Statutory Audit and Auditors' Report, in the opinion of the Statutory Audit Board, the Board of Director's Report and the consolidated Financial Statements are in accordance with accounting, legal and statutory requirements and consequently may be approved by the General Shareholders' Meeting.

3. Responsibility Statement

In accordance with paragraph a), number 1 of article 8 of the Regulation of CMVM 5/2008, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the Management Report and the financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Company and companies included in the consolidation perimeter. Also it is their understanding that the Management Report faithfully describes the business evolution, performance and financial position of the Company and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

We wish to thank the Company's Board of Directors and the departments of the Company and its affiliates involved for the assistance provided to us.

Porto, 28 April 2009

The Statutory Audit Board

João da Silva Natária
President of the Statutory Audit Board

Manuel Tiago Alves Baldaque de Marinho Fernandes
Member of the Statutory Audit Board

Cristina Isabel Linhares Fernandes
Member of the Statutory Audit Board