



COFINA, SGPS, S.A.

Public Company

Head Office: Rua do General Norton de Matos, 68, r/c – Porto

Fiscal Number 502 293 225

Share Capital: 25,641,459 Euros

2nd quarter 14 FINANCIAL INFORMATION
(not audited)

The consolidated financial information of Cofina for the 2nd quarter of 2014, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), can be presented as follows:

Net profit grows 932% in the second quarter of 2014

The second quarter of 2014 was characterized by an increase of the advertising of 25% when compared with the homologous period of 2013, reaching about 10.9 million Euro.

The growth of advertising associated with an effective and continuous cost control strategy led to a growth of 932% of the net profit, amounting to 2.3 million Euro.

(amounts in thousand Euro)	2Q 2014	2Q 2013	Var (%) 2Q14/2Q13
Operating income	27,322	26,432	3.4%
Circulation	13,201	13,788	-4.3%
Advertising	10,869	8,701	24.9%
Alternative marketing products and others	3,252	3,943	-17.5%
Operating income by segments	27,322	26,432	3.4%
Newspapers	22,187	21,175	4.8%
Magazines	5,135	5,257	-2.3%
Operating expenses (a)	23,364	23,591	-1.0%
Consolidated EBITDA (a)	3,958	2,841	39.3%
EBITDA margin	14.5%	10.7%	+3,7 p.p.
Newspapers EBITDA	3,980	3,436	15.8%
Newspapers EBITDA margin	17.9%	16.2%	+1,9 p.p.
Magazines EBITDA	-22	-595	-
Magazines EBITDA margin	-0.4%	-11.3%	-
Amortisation na depreciation (-)	740	900	-17.8%
EBIT	3,218	1,941	65.8%
EBIT margin	11.8%	7.3%	+4,4 pp
Net financial income	(1,156)	(733)	-
Income before taxes and non-controlling interests	2,062	1,208	70.7%
Income taxes	(287)	993	-128.9%
Non-controlling interests	48	(8)	-700.0%
Net consolidated profit / loss (c)	2,301	223	931.8%

(a) Operating expenses excluding amortisation

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

(c) Net profit / (loss) attributable to the parent company shareholders



Advertising increases 25%

Total revenue grew about 3.4% reaching 27.3 million Euro. The circulation income recorded a fall of 4% (13.2 million Euro) and the alternative marketing products income decreased approximately 18% to 3.3 million Euro.

The advertising revenue achieved about 10.9 million Euro, a growth of 25% when compared to the same period of the previous year. The origin of this strong growth was an organic growth of the market and the development of innovative measures of activation, transversal to all Cofina's publications.

EBITDA recorded a growth of 39% and EBIT of 66%

Revenue growth was magnified by a strategy of costs' control which resulted in strong operation leverage. Therefore, the growth of 3.4% in revenues, associated with a 1% decrease in operating costs, has led to an increase in EBITDA of 39%, to around 4 million Euro.

The reduction in depreciation, motivated by the end of the depreciation period of printing equipment, from 900 thousand Euro to 740 thousand Euro, resulted in an improved operating result (EBIT) of around 66% to 3.2 million Euro.

The income tax in the second quarter of 2014 was positively influenced by the restitution of taxes unduly paid in past periods.

Net consolidated profit amounted to 2.3 million Euro.

As of June 30, 2014, the nominal net debt of Cofina amounted 70.6 million Euro, which corresponds to a decrease of 2.7 million Euro when compared to the 73.3 million Euros recorded in the end of 2013.

The main indicators of the main business segments are as follows:

Newspapers segment

(amounts in thousand Euro)	2Q 2014	2Q 2013	Var (%) 2Q14/2Q13
Consolidated operating income	22,187	21,175	4.8%
Circulation	10,265	10,654	-3.7%
Advertising	9,111	7,058	29.1%
Alternative marketing products and others	2,811	3,463	-18.8%
Operating expenses (a)	18,207	17,739	2.6%
Consolidated EBITDA (b)	3,980	3,436	15.8%
EBITDA margin	17.9%	16.2%	+1,7 p.p.

(a) Operating expenses excluding amortisation

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

The newspapers segment of Cofina recorded, in the second quarter of 2014, a total income of 22.1 million Euro, which represents a growth of 4.8% when compared with the homologous period. The advertising income recorded an increase of approximately 29%, reaching 9.1 million Euro; whilst the circulation income dropped approximately 4%, having reached 10.3 million Euro. The alternative marketing products income recorded a decrease of 19%, reaching approximately 2.8 million Euro.

Therefore, EBITDA of newspapers segment, reached in the period under analysis, amounted to approximately 4 million Euro, a growth of approximately 16%, when compared with the homologous period. The EBITDA margin amounted to 18%.

Magazines segment

The total income of this segment reached approximately 5.1 million Euro, reflecting a decrease of approximately 2% when compared to the homologous period of 2013.

(amounts in thousand Euro)	2Q 2014	2Q 2013	Var (%) 2Q14/2Q13
Consolidated operating income	5,135	5,257	-2.3%
Circulation	2,936	3,134	-6.3%
Advertising	1,758	1,643	7.0%
Alternative marketing products and others	441	480	-8.1%
Operating expenses (a)	5,157	5,852	-11.9%
Consolidated EBITDA (b)	-22	-595	-
EBITDA margin	-0.4%	-11.3%	-

(a) Operating expenses excluding amortisation

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

Circulation income recorded a decrease of 6%, reaching approximately 2.9 million Euro, while the advertising revenue increased approximately 7%. The alternative marketing products income recorded a decrease of 8%.

The operational costs were reduced by, approximately, 12%. Therefore, EBITDA recorded in the magazines segment, in the second quarter of 2014, was negative of 22 thousand Euro, compared to an EBITDA of 595 thousand Euro negative recorded in the same period of 2013.

Accumulated results first semester 2014

(amounts in thousand Euro)	1H 2014	1H 2013	Var (%) 1H14/1H13
Operating income	51,407	51,032	0.7%
Circulation	26,232	27,702	-5.3%
Advertising	18,195	16,654	9.3%
Alternative marketing products and others	6,980	6,676	4.6%
Operating income by segments	51,407	51,032	0.7%
Newspapers	41,710	40,608	2.7%
Magazines	9,697	10,424	-7.0%
Operating expenses (a)	44,258	45,285	-2.3%
Consolidated EBITDA (a)	7,149	5,747	24.4%
EBITDA margin	13.9%	11.3%	+2,6 p.p.
Newspapers EBITDA	7,409	6,695	10.7%
Newspapers EBITDA margin	17.8%	16.5%	+1,3 p.p.
Magazines EBITDA	-260	-948	-
Magazines EBITDA margin	-2.7%	-9.1%	-
Amortisation na depreciation (-)	1,480	1,800	-17.8%
EBIT	5,669	3,947	43.6%
EBIT margin	11.0%	7.7%	+3,3 pp
Net financial income	(2,328)	(1,629)	-
Income before taxes and non-controlling interests	3,341	2,318	44.1%
Income taxes	153	1,857	-91.8%
Non-controlling interests	21	(39)	-153.8%
Net consolidated profit / loss (c)	3,167	500	533.4%

(a) Operating expenses excluding amortisation

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

(c) Net profit / (loss) attributable to the parent company shareholders

In aggregate terms, in the first six months of 2014, revenues grew about 0.7%, which led to an EBITDA growth of approximately 24%. The net profit for the first half of 2014 was about 3.2 million Euro, an increase of 533% over the profit for the same period of 2013.

Note that, in addition to a revenue growth, the results achieved in the second quarter are the outcome of the Group's strategy focused on optimization and cost control. Therefore, it should be noted that operating costs in the first half of 2014 are about 20.8 million lower than the operating costs of the first half of 2008.

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

**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURES
FOR THE SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2014 AND 2013**

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

	30.06.2014	30.06.2013	2nd quarter 2014	2nd quarter 2013
Sales	26.231.898	27.702.232	13.200.803	13.788.335
Services rendered	18.194.612	16.653.924	10.868.699	8.701.351
Other operating income	6.980.436	6.676.144	3.252.867	3.942.941
Cost of sales	(7.229.519)	(7.697.136)	(3.618.226)	(3.774.086)
External supplies and services	(20.442.174)	(20.631.368)	(11.342.729)	(11.370.828)
Payroll expenses	(16.054.089)	(16.541.229)	(8.106.073)	(8.264.520)
Amortisation and depreciation	(1.480.157)	(1.799.603)	(740.396)	(899.785)
Provisions and impairment losses	(347.451)	(279.005)	(184.550)	(110.931)
Other operating expenses	(184.258)	(136.867)	(112.513)	(71.272)
Financial expenses	(2.542.127)	(1.881.859)	(1.290.863)	(935.515)
Financial income	213.967	252.575	135.164	202.077
Profit / loss before income tax	<u>3.341.138</u>	<u>2.317.808</u>	<u>2.062.183</u>	<u>1.207.767</u>
Income tax	(152.922)	(1.856.848)	287.558	(992.897)
Net consolidated profit / (loss) for the period	<u>3.188.216</u>	<u>460.960</u>	<u>2.349.741</u>	<u>214.870</u>
Attributable to:				
Shareholders of the parent company	3.166.873	500.310	2.301.806	223.284
Non-controlling interests	21.343	(39.350)	47.935	(8.414)



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

CONSOLIDATED STATEMENTS OF FINANCIAL INFORMATION FOR THE PERIODS ENDED 30 JUNE 2014 AND 31 DECEMBER 2013

(Translation of financial statements originally issued in Portuguese)

(Amounts expressed in Euro)

ASSETS	30.06.2014	31.12.2013
NON CURRENT ASSETS		
Tangible assets	6,651,108	7,177,531
Goodwill	91,128,755	90,952,056
Intangible assets	407,395	634,187
Investments in associated companies	3,450,607	3,798,159
Investments held for sale	8,570	8,570
Investments recorded at fair value through profit and loss	2,051	271
Other non current debtors	350,000	350,000
Deferred tax assets	4,373,989	4,697,703
Total non current assets	106,372,475	107,618,477
CURRENT ASSETS		
Inventories	1,989,935	2,251,126
Customers	9,537,677	9,410,134
State and other public entities	949,917	1,249,509
Other current debtors	85,406	513,568
Other current assets	6,819,382	5,831,472
Cash and cash equivalents	11,405,347	10,316,267
Total current assets	30,787,664	29,572,076
TOTAL ASSETS	137,160,139	137,190,553
EQUITY AND LIABILITIES		
SHAREHOLDERS' FUNDS		
Share capital	25,641,459	25,641,459
Share premium account	15,874,835	15,874,835
Legal reserve	5,409,144	5,409,144
Other reserves	(30,285,140)	(34,335,639)
Consolidated net profit/(loss) for the period attributable to the parent company	3,166,873	4,681,002
Equity attributable to equity holder of the parent company	19,807,171	17,270,801
Non controlling interests	756,357	767,940
TOTAL EQUITY	20,563,528	18,038,741
LIABILITIES		
NON CURRENT LIABILITIES		
Bank Loans	7,000,000	9,000,000
Other loans	49,178,931	49,041,611
Pension liabilities	459,894	459,894
Other non current creditors	35,756	35,756
Provisions	8,463,620	8,502,480
Total non current liabilities	65,138,201	67,039,741
CURRENT LIABILITIES		
Bank loans	10,995,109	7,007,465
Other loans	14,080,524	17,900,832
Derivatives	249,728	495,474
Suppliers	7,440,379	8,302,428
State and other public entities	4,318,696	2,546,957
Other current creditors	4,415,793	5,360,647
Other current liabilities	9,958,181	10,498,268
Total current liabilities	51,458,410	52,112,071
TOTAL LIABILITIES	116,596,611	119,151,812
TOTAL EQUITY AND LIABILITIES	137,160,139	137,190,553