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 Euro

1st quarter 17 FINANCIAL INFORMATION
(Unaudited)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and with accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

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

(amounts in thousand of Euro)	1Q 2017	1Q 2016	Var (%) 1Q17/1Q16
Consolidated operating revenue	20,554	22,584	-9.0%
Circulation	11,106	12,645	-12.2%
Advertising	6,384	6,411	-0.4%
Alternative marketing products and others	3,064	3,528	-13.2%
Operating income by segment	20,554	22,584	-9.0%
Newspapers	17,330	18,457	-6.1%
Magazines	3,224	4,127	-21.9%
Operating Expenses (a)	18,217	19,701	-7.5%
Consolidated EBITDA (b)	2,337	2,883	-18.9%
EBITDA Margin	11.4%	12.8%	- 1,4 p.p.
Newspapers EBITDA	2,875	3,256	-11.7%
Newspapers EBITDA Margin	16.6%	17.6%	- 1,0 p.p.
Magazines EBITDA	-538	-373	44.2%
Magazines EBITDA Margin	-	-	ss
Amortisation and depreciation (-)	462	632	-26.9%
EBIT	1,875	2,251	-16.7%
EBIT Margin	9.1%	10.0%	- 0,9 p.p.
Net financial income / (loss)	(991)	(716)	38.4%
Income before taxes and non-controlling interests	884	1,535	-42.4%
Income taxes (-)	236	532	-55.6%
Net consolidated profit / (loss) (c)	648	1,003	-35.4%

(a) Operating expenses excluding amortisation

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

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

The current period was characterized by a decrease of total revenues in relation to the prior year homologous period (-9%), with a decrease in all its components: circulation revenues (-12%), advertising revenues (-0.4%) and alternative marketing products and other revenues (-13%).

EBITDA recorded in this period was approximately 2.3 million Euro, which represented a decrease of approximately 19% in relation to the prior year.

Consolidated net profit recorded in the end of the 1st quarter 2017 was 0.6 million Euro.

As of March 31, 2017, Cofina's nominal net debt amounted to 58.4 million Euro.

To deal with the extremely adverse market environment, Cofina has deepened its policy of reinforcing operational efficiency, with cost-cutting measures being implemented in areas most exposed to the cycle, as well as a reorganization of the organizational structure.

At the same time, Cofina is developing new business units, namely an online gaming platform, which is expected to be operational during the second quarter of 2017.

Next some key financial figures of the main business segments are presented:

Newspapers' Segment

(amounts in thousand of Euro)	1Q 2017	1Q 2016	Var (%) 1Q17/1Q16
Operating income	17,329	18,457	-6.1%
Circulation	9,351	10,332	-9.5%
Advertising	5,361	5,258	2.0%
Alternative marketing products and others	2,617	2,867	-8.7%
Operating expenses (a)	14,454	15,201	-4.9%
EBITDA (b)	2,875	3,256	-11.7%
EBITDA Margin	16.6%	17.6%	- 1.0 p.p.

(a) Operating expenses excluding amortisation

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

Cofina's newspapers segment recorded, in the first quarter of 2017, a total income of approximately 17.3 million Euro, a decrease of 6% when compared to the same period of the prior year. Income from circulation recorded a decrease of approximately 10%, reaching 9.4 million Euro. Advertising revenues recorded a decrease of 9.4%, reaching approximately 5.3 million Euro. Alternative marketing products income and other revenues income recorded a decrease of 9%, reaching 2.6 million Euro.

Advertising revenues, on the other hand, grew 2% reaching around 5.4 million Euro.

Therefore, EBITDA of the newspapers segment reached 2.9 million Euro, a decrease of 12% in relation to the prior year. EBITDA margin reached 16.6%.

The newspapers' segment includes the results of the "Correio da Manhã TV" channel, which has consistently beaten audience records. Thus, in the first quarter of 2017, CMTV recorded a 2.5% share, being the channel with the highest audience in the cable and the fourth largest Portuguese channel behind Free to Air, being only present in 85% of the market (since it is not yet present on the Vodafone and Nowo platforms).

Magazines' Segment

During the first quarter of 2017, total income of this segment reached approximately 3.2 million Euro, reflecting a decrease of approximately 22% when compared to prior year's homologous period.

(amounts in thousand of Euro)	1Q 2017	1Q 2016	Var (%) 1Q17/1Q16
Operating income	3,225	4,127	-21.9%
Circulation	1,755	2,313	-24.1%
Advertising	1,023	1,153	-11.3%
Alternative marketing products and others	447	661	-32.4%
Operating expenses (a)	3,763	4,500	-16.4%
EBITDA (b)	-538	-373	-44.2%
EBITDA Margin	-	-	ss

(a) Operating expenses excluding amortisation

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

Circulation income recorded a decrease of 24%, reaching approximately 1.8 million Euro, while advertising income recorded a decrease of 11%. Alternative marketing products income recorded a decrease of 32%.

EBITDA of the magazines segment recorded in the first quarter of 2017 was of -538 thousand Euro.

It should be noted that during the reorganization process the printed edition of the weekly magazine Flash was closed (remaining only the online edition), which entailed non-recurring costs and less operating income compared with the homologous period of previous year.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2017 AND 31 DECEMBER 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

ASSETS	Notes	31.03.2017	31.12.2016
NON CURRENT ASSETS			
Tangible assets		2,917,555	3,169,478
Goodwill	5	84,777,180	84,777,180
Intangible assets		14,255	130,544
Investments in associated companies	4	3,459,093	3,266,782
Investments held for sale	4	9,080	9,080
Other non current assets		36,808	32,383
Deferred tax assets		547,120	547,120
Total non current assets		91,761,092	91,932,567
CURRENT ASSETS			
Inventories		1,659,512	1,808,928
Customers		8,851,011	10,223,150
State and other public entitites		901,162	894,477
Other current debtors		871,262	264,777
Other current assets		6,957,315	7,181,278
Cash and cash equivalents	7	7,662,260	9,403,739
Total current assets		26,902,522	29,776,349
TOTAL ASSETS		118,663,614	121,708,916

EQUITY AND LIABILITIES	Notes	31.03.2017	31.12.2016
SHAREHOLDERS' FUNDS			
Share capital	8	25,641,459	25,641,459
Share premium account		15,874,835	15,874,835
Legal reserve		5,409,144	5,409,144
Exchange conversion reserve		(577,808)	(594,244)
Other reserves		(20,330,052)	(24,663,549)
Consolidated net profit/(loss) for the period attributable to the parent company		648,239	4,333,011
Equity attributable to equity holder of the parent company		26,665,817	26,000,656
Non-controlling interests		-	-
TOTAL EQUITY		26,665,817	26,000,656
LIABILITIES			
NON CURRENT LIABILITIES			
Other loans	9	32,675,243	33,158,397
Other non current creditors		33,929	33,929
Provisions	6	7,759,291	7,790,467
Total non current liabilitiess		40,468,463	40,982,793
CURRENT LIABILITIES			
Other loans	9	76,140	-
Instrumentos financeiros derivados	9	32,741,733	33,546,302
Suppliers		7,276,478	8,773,388
State and other public entities		2,805,325	3,107,294
Other current creditors		1,098,190	1,420,964
Other current liabilities		7,531,469	7,877,519
Total current liabilities		51,529,334	54,725,467
TOTAL LIABILITIES		91,997,797	95,708,260
TOTAL EQUITY AND LIABILITIES		118,663,614	121,708,916

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

The Chartered Accountant

The Board of Directors

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

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	31.03.2017	31.03.2016
Sales	13	11,106,365	12,644,935
Services rendered	13	6,383,896	6,411,363
Other operating income	13	3,063,594	3,528,097
Cost of sales		(2,593,146)	(2,905,508)
External supplies and services		(8,150,735)	(8,571,411)
Payroll expenses		(7,414,673)	(8,048,184)
Amortisation and depreciation		(461,517)	(632,510)
Provisions and impairment losses		(31,824)	(94,503)
Other operating expenses		(26,943)	(81,705)
Financial expenses	10	(1,010,269)	(754,764)
Financial income	10	19,017	38,578
Profit before income tax		883,766	1,534,388
Income tax	6	(235,526)	(531,727)
Net consolidated profit / (loss) for the period		648,239	1,002,661
Attributable to:			
Shareholders of the parent company		648,239	1,002,661
Non-controlling interests		-	-
Earnings per share:			
Basic	12	0.01	0.01
Diluted	12	0.01	0.01

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

The Chartered Accountant

The Board of Directors

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED AS OF 31 MARCH 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Attributable to equity holders of the parent company								
	Share capital	Share premium account	Legal reserve	Exchange conversion rate	Other reserves	Net profit / (loss)	Total	Non controlling interests	Total equity
Balance as of 1 January 2016	25,641,459	15,874,835	5,409,144	(1,234,642)	(28,186,288)	5,061,226	22,565,734	-	22,565,734
Appropriation of consolidated net result for 2015:									
Transfer to legal reserve and retained earnings	-	-	-		5,061,226	(5,061,226)	-	-	-
Changes in reserves and non-controlling interests:	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period									
for the three month period ended 31 March 2016	-	-	-	118,448	-	1,002,661	1,121,109	-	1,121,109
Balance as of 31 March 2016	25,641,459	15,874,835	5,409,144	(1,116,194)	(23,125,062)	1,002,661	23,686,843	-	23,686,843
Balance as of 1 January 2017	25,641,459	15,874,835	5,409,144	(594,244)	(24,663,549)	4,333,011	26,000,656	-	26,000,656
Appropriation of consolidated net result for 2016:									
Transfer to legal reserve and retained earnings	-	-	-		4,333,011	(4,333,011)	-	-	-
Changes in reserves and non-controlling interests:	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	486	-	486	-	486
Total comprehensive income for the period									
for the three month period ended 31 March 2017	-	-	-	16,436	-	648,239	664,675	-	664,675
Balance as of 31 March 2017	25,641,459	15,874,835	5,409,144	(577,808)	(20,330,052)	648,239	26,665,817	-	26,665,817

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

The Chartered Accountant

The Board of Directors

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	31.03.2017	31.03.2016
Profit / (loss) for the period	648,239	1,002,661
Other comprehensive income:		
Items that will be reclassified to net income:		
Exchange differences on translation of foreign operations	16,436	118,448
Total comprehensive income for the period	664,675	1,121,109
Attributable to:		
Shareholders of the parent company	664,675	1,121,109
Non-controlling interests	-	-

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

The Chartered Accountant

The Board of Directors

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH-FLOWS
FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2017 AND 2016
(Translation of financial statements originally issued in Portuguese - Note 16)
(Amounts expressed in Euro)

	Notes	31.03.2017		31.03.2016	
Operating activities:					
Cash flow from operating activities (1)			639.955		1.024.572
Investment activities:					
Collections relating to:					
Interest and similar income		5.049		821	
Dividends		-	5.049	-	821
Payments relating to:					
Investments		(100.000)		(252.450)	
Tangible assets		(32.340)		(192.062)	
Intangible assets		(82.422)		(82.839)	
Loans conceded		(275.000)	(489.762)	(100.000)	(627.351)
Cash flow from investment activities (2)			(484.713)		(626.529)
Financing activities					
Collections relating to:					
Loans obtained		28.722	28.722	9.991.384	9.991.384
Payments relating to:					
Interest and similar costs		(954.425)		(674.491)	
Amortisation of leasing contracts		(15.353)		(15.353)	
Loans obtained		(1.003.134)	(1.972.912)	(10.352.610)	(11.042.454)
Cash flow from financing activities (3)			(1.944.190)		(1.051.070)
Cash and its equivalents at the beginning of the period	7		9.403.739		8.193.580
Effect of currency exchange differences			52		-
Variation of cash and its equivalents: (1)+(2)+(3)			(1.788.949)		(653.027)
Cash and its equivalents at the end of the period	7		7.614.842		7.540.553

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

The Chartered Accountant

The Board of Directors

1. INTRODUCTION

Cofina, SGPS, S.A. ("Cofina" or "Company") is a public capital company, with headquarters located at Rua General Norton de Matos, 68, r/c in Porto and has its shares listed in the Lisbon Euronext Stock Exchange ("Euronext Lisbon"). Cofina is the Parent company of a group of companies detailed in Note 4, commonly designated as Cofina Group, and its main activity is the management of investments in the Media sector (written press).

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

During the first quarter ended as of 31 March 2017, the Cofina Group developed its activity mainly in Portugal, having also some interests in Brazil, through the investment in the associated company Destak Brasil and in the subsidiary Adcom Media (Note 4).

Cofina´s consolidated financial statements are expressed in Euro (rounded to the nearest unit). This is the currency used by the Group in its operations and as such, considered the functional currency. The operations of the foreign group companies whose functional currency is not the Euro are translated to Euro using the exchange rates in force at the balance sheet date. Income and expenses and cash flows are converted to Euro using the average exchange rate for the period. The exchange rate differences originated are recorded in equity captions.

The accompanying consolidated financial statements have been prepared on a going concern basis.

2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

Annual financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements as of 31 March 2017 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accounting policies adopted in Cofina's consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended as of 31 December 2016.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF MISTAKES

During this period, there were no changes in accounting policies nor were detected any material errors relating to previous periods.

(Amounts expressed in Euros)

4. INVESTMENTS

Consolidation perimeter

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and activity developed as of 31 March 2017 are as follows:

Designation	Headquarters	Percentage participation held	Activity
Parent company:			
Cofina, SGPS, S.A.	Porto		Investment management
Cofina Media Group:			
Cofina Media, S.A. ("Cofina Media")	Lisbon	100.00%	Newspapers and magazine publication, television broadcast, production and creation of websites for online business development, events promotion and organization.
Grafedisport – Impressão e Artes Gráficas, S.A. ("Grafedisport")	Queluz	100.00%	Newspaper print
Adcom Media – Anúncios e Publicidade S.A. ("Adcom Media")	São Paulo, Brasil	100.00%	Communication and advertising services

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

The associated companies, their headquarters, percentage of participation held and activity developed as of 31 March 2017 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 – Empreendimentos e Participações, S.A.	São Paulo, Brasil	29.90%	-	Investment management
A Nossa Aposta – Jogos e Apostas On-line, S.A. ("A Nossa Aposta").	Lisboa	40%	-	Online gambling and betting activity
Mercados Globais – Publicação de Conteúdos, Lda.	V.N.Gaia	50%	-	Management of services and promotion of a financial forum on the internet

Associated companies VASP, Destak Brasil and A Nossa Aposta were included in the consolidated financial statements in accordance with the equity method. The company Mercados Globais is recorded at acquisition cost, less impairment losses.

Investments in associated companies

(Amounts expressed in Euros)

The acquisition cost of the associated companies and their book value as of 31 March 2017 are as follows:

Designation	Acquisition Cost	Book value
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 2,965,574
Destak Brasil – Empreendimentos e Participações, S.A.	€ 299,065	€ (2,968,151)
A Nossa Aposta – Jogos e Apostas On-line, S.A.	€ 450,000	€ 218,519
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	-

As of 31 March 2017 and 31 December 2016 the caption "Investments in associated companies" can be detailed as follows:

	31.03.2017	31.12.2016
Financial Investment		
VASP – Sociedade de Transportes e Distribuições, Lda.	2,965,574	3,073,803
Mercados Globais - Publicação de Conteúdos, Lda.	72,000	72,000
A Nossa Aposta - Jogos e Apostas Online, S.A.	218,519	192,979
	3,256,093	3,338,782
Accumulated impairment losses on investmetns in associated companies	(72,000)	(72,000)
	3,184,093	3,266,782
Loans granted		
Destak Brasil Empreendimentos	275,000	-
	3,459,093	3,266,782

Investments available for sale

As of 31 March 2017 and 31 December 2016 the Group has investments available for sale corresponding to non-controlling investments in unlisted companies. The Group has recorded impairment losses to face differences to the net realizable amount, presenting this caption, as of those dates, a net book value of 9,080 Euro, respectively. As of 31 March 2017 and as of 31 December 2016 the total investments for which adjustments were made in the same value amount to 244,439 Euro, respectively.

5. GOODWILL

During the quarter ended 31 March 2017 there were no changes in the caption "Goodwill".

During the three months' period ended as of 31 March 2016, the movement in the caption "Goodwill" fully refers to the changes in exchange rates in the period then ended of the computed Goodwill attributable to the subsidiary Adcom Media.

(Amounts expressed in Euros)

6. INCOME TAX

The income taxes recognized in the income statement at 31 March 2017 and 2016 refer only to the tax estimate for the year.

As of 31 March 2017, disputes with the Portuguese tax authorities ("Autoridade Tributária e Aduaneira") were still in progress following a Corporate Income Tax inspection with an amount of, approximately, 17,900,000 Euro being challenged by the tax authorities. This amount results from two corrections performed by the tax authorities: one related with the non-acceptance of a capital loss generated by a disposal of a subsidiary; and another related with the non-acceptance of deductibility of part of the dividends distributed by a subsidiary.

Under the Tax and Social Security Debts' Regularization Exceptional Regime, approved by the Decree-Law 151-A/2013, of October 31 ("RERD"), the Group paid voluntarily, during the year ended as of 31 December 2013, an amount of 2,000,000 Euro, with the corresponding exemption of default and penalty interests and other costs of the tax process. Under that same regime, the Group requested to the Tax Authorities the offset of part of the amounts challenged related with that inspection, with credits that the Group had over the Tax Authorities (regarding Income Tax administrative and judicial appeals), having obtained, in the year ended as of 31 December 2014, the approval of the requirement in the amount of, approximately, 5,700,000 Euro.

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

Consequently, the amount of the unresolved contingency/tax assessment, as of 31 March 2017, amounts to, approximately, 13,500,000 Euro, from which 3 million Euro refers to the correction of the capital loss above referred and the remaining amount (10.5 million Euro) is related to the dividends correction.

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

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

In order to cope with these disputes, the Group recorded provisions, which correspond to the best estimate made by the Board of Directors, supported by their legal and tax advisors, of the impact that might result from the ongoing tax claims.

7. CASH AND CASH EQUIVALENTS

As of 31 March 2017, 31 December 2016 and 31 March 2016, the caption "Cash and cash equivalents" can be detailed as follows:

	31.03.2017	31.12.2016	31.03.2016
Cash	71,666	65,349	69,071
Bank deposits repayable on demand	7,590,594	9,338,390	3,971,482
Bank deposits repayable in less than 3 months	-	-	3,500,000
Cash and cash equivalents	7,662,260	9,403,739	7,540,553
Bank overdraft (Note 9)	(47,418)	-	-
Cash and cash equivalents	7,614,842	9,403,739	7,540,553

(Amounts expressed in Euros)

8. SHARE CAPITAL

As of 31 March 2017, the Company's fully subscribed and paid up capital consisted of 102,565,836 shares without nominal value. As of that date, Cofina and the Group companies did not hold own shares.

9. BANK AND OTHER LOANS

The caption "Bank loans" at 31 March 2017 included 47,418 euro related to bank overdrafts (Note 7).

As of 31 March 2017 and 31 December 2016, the caption "Other loans" was made up as follows:

	31.03.2017			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,666,667	32,675,243	16,666,667	33,333,333
Commercial paper	16,075,066	-	16,000,000	-
	32,741,733	32,675,243	32,666,667	33,333,333

	31.12.2016			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,579,199	33,158,397	16,666,667	33,333,333
Commercial paper	16,967,103	-	17,000,000	-
	33,546,302	33,158,397	33,666,667	33,333,333

Bond loans

As of 31 March 2017, the non-current liability caption "Bond Loans" refers to a bond loan denominated "Obrigações Cofina SGPS – 2013/2019", amounting to 50,000,000 Euro, issued by Cofina SGPS, S.A. recorded in accordance with the effective interest rate method, with a book value of 49,341,910 Euro. This loan, according to its terms, matures on September 28, 2019.

The main features of this bond loan are as follows:

i) Cofina, SGPS, S.A.:

- Issuer – Cofina, SGPS, S.A.;
- Nominal value – 50,000,000 Euro;
- Subscription date – 27 September 2013;
- Maturity – 28 September 2019;
- Reimbursement – at par, on interest payment dates, in three equal instalments, as of 28 September 2017, September 2018 and September 2019;
- Interests – postponed, corresponding to 6 month Euribor plus a spread of 3.8%.

(Amounts expressed in Euros)

Commercial paper

The liability caption "Commercial Paper" relates to two commercial paper programs, in the maximum amounts of 15,000,000 Euro and 5,000,000 Euro, with guaranteed subscription by the banks, which bear interest at market rates. These commercial paper programs mature in September 2021 and November 2018, respectively.

10. FINANCIAL RESULTS

The financial income and expenses for the three months' periods ended as of 31 March 2017 and 2016 are made up as follows:

	31.03.2017	31.03.2016
Financial expenses		
Interest paid	504,052	532,125
Commissions	130,203	153,875
Other financial expenses	473	68,764
Gains and Losses in associated companies		
Application of the Equity Method	375,541	-
	1,010,269	754,764
Financial income		
Interest received	19,017	5,547
Gains and Losses in associated companies		
Application of the Equity Method	-	33,031
	19,017	38,578

11. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As of 31 March 2017, Cofina had provided guarantees as follows:

a) Pledge of 112,268,150 shares of Cofina Media, S.A., in favour of the Portuguese Tax Authority ("Autoridade Tributária") as a guarantee of the ongoing income tax claims.

As of 31 March 2017, Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 338,380 Euro related to its advertising activities and ongoing tax and civil proceedings.

Additionally, as of 31 March 2017, the Group had also given promissory notes to guarantee credit facilties amounting to 61,500,000 Euro.

(Amounts expressed in Euros)

12. EARNINGS PER SHARE

Earnings per share for the three months' periods ended as of 31 March 2017 and 2016 were determined taking into consideration the following amounts:

	31.03.2017	31.03.2016
Net profit / (loss) considered for the computation of basic and diluted earnings	648,239	1,002,661
Weighted average number for shares used to compute the basic earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.01	0.01
Diluted	0.01	0.01

13. SEGMENT INFORMATION

According to the source and nature of the income generated by the Group, the following segments were considered:

- Newspapers;
- Magazines.

Since the Group mainly operates in the domestic market, geographic segments are not reported.

The information for the three months' periods ended as of 31 March 2017 and 2016 is detailed as follows:

31.03.2017	Newspapers	Magazines	Consolidation adjustments and elimination	Total
Net operating income	17,329,583	3,224,272	-	20,553,855
Operating cash-flow - EBITDA (a)	2,874,888	(538,353)	-	2,336,535
Operating profit (EBIT)	2,413,371	(538,353)	-	1,875,018

31.03.2016	Newspapers	Magazines	Consolidation adjustments and elimination	Total
Net operating income	18,457,235	4,127,160	-	22,584,395
Operating cash-flow - EBITDA (a)	3,256,045	(372,961)	-	2,883,084
Operating profit (EBIT)	2,623,535	(372,961)	-	2,250,574

14. NET PROFIT APPROPRIATION

Regarding the 2016 financial year, the Board of Directors proposed in its annual report that the individual net income of Cofina, SGPS, SA in the amount of 1,320,920.73 Euro be transferred to Free Reserves, and that proposal was approved in the General Meeting held on April 26, 2017.

15. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 31 March 2017 were approved by the Board of Directors for issuance on 5 May 2017.

16. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.