



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

Annual financial information – FY17
(Unaudited)

The consolidated financial information of Cofina for the fourth quarter in 2017, prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards (IFRS), can be presented as follows:

(Thousand Euro)	4Q17	4Q16	Var (%)
Operational Revenues	23,956	25,886	-7.5%
Circulation	10,785	11,818	-8.7%
Advertising	9,241	9,754	-5.3%
Alternative marketing products and others	3,930	4,314	-8.9%
Operational Revenues by Segment	23,956	25,886	-7.5%
Newspapers	20,367	21,213	-4.0%
Magazines	3,589	4,673	-23.2%
Operational Costs (a)	19,529	22,334	-12.6%
Consolidated EBITDA (b)	4,427	3,552	24.6%
EBITDA Margin	18.5%	13.7%	+4.8 pp
Newspapers	4,129	3,535	16.8%
Newspapers EBITDA Margin	20.3%	16.7%	+3.6 pp
Magazines	298	17	1652.9%
Magazines EBITDA Margin	8.3%	0.4%	+7.9 pp
Amortization and Depreciation (-)	127	317	-59.9%
EBIT	4,300	3,235	32.9%
EBIT Margin	17.9%	12.5%	+5.5 pp
Net Financial income / (loss)	-355	-2,716	-86.9%
Income before taxes	3,945	519	660.1%
Income taxes (-)	427	-273	-256.4%
Net Consolidated Profit / (loss) (c)	3,518	792	344.2%

(a) Operational Costs excluding amortization

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

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

EBITDA in the fourth quarter of 2017 increased 25% reaching 4.4 million Euro

The fourth quarter of 2017 was characterized by the reinforcement of Cofina's restructuring process, a process that the company set off a few quarters ago, in order to not only adapt Cofina to the market environment, but also to prepare the company for the new challenges that the media market faces.

Thus, the fourth quarter of 2017 was marked by a strong expenses reduction, which compensated the decrease verified in the revenues. Hence, EBITDA reached 4.4 million Euro, which represents



an increase of 25% when compared with the same period of 2016. Also, EBITDA margin recorded an increase of 4.8 p.p., reaching 18.5%.

It should be noted that the closure of some publications, namely the magazines Vogue and Flash (last edition in December 2016), affected the comparative variations of revenues.

The consolidated net profit reached 3.5 million Euro, a considerable increase in relation to the fourth quarter of 2016.

As of 31 December 2017, Cofina's nominal net debt was 49.6 million Euro, which represents a decrease of 8 million when compared to the nominal net debt of 57.6 million Euro, recorded in the end of 2016.

The free cash flow yield (considering the market capitalization as of 31 December 2017) was about 17.4%.

Cofina will continue to invest in growth business areas which may enhance potential synergies within the existing businesses. Hence, it is important to refer that, already in March 2018, the online gaming platform www.nossaaposta.pt, 40% owned by Cofina, obtained the licence to explore the sports odd-bets, where the player bets against the explorer entity.

The above-mentioned licence is valid for three years, expiring in March 2021 if not extended, according to the terms and conditions of the Online Gaming Regulation ("*Regulamento do Jogo Online*" (RJO)).

A Nossa Aposta is an online gaming platform based on three principles: innovation, entertainment and social responsibility.

It should be noted that *A Nossa Aposta* is consolidated under the Equity Method, thus does not have any impact in the Group's operational revenues neither in the consolidated EBITDA.

Moreover, it should be mentioned the performance of "*Correio da Manhã TV*" channel, which has consistently beaten audience records. Thus, during 2017, CMTV recorded a 2.41% share, being the channel with the highest audience in the cable and the fourth largest Portuguese channel behind the Free to Air. At the end of 2017, CMTV celebrated a distribution agreement with Vodafone and NOWO. Thus, since 21st of December 2017, the channel is available in all the cable television platforms.

Following some key financial figures of the main business segments:

Newspapers' segment

(thousand Euro)	4Q17	4Q16	Var.
Operational Revenues	20,367	21,213	-4.0%
Circulation	9,169	9,640	-4.9%
Advertising	8,016	7,888	1.6%
Alternative marketing products and others	3,182	3,685	-13.6%
Operational Expenses (a)	16,238	17,678	-8.1%
EBITDA (b)	4,129	3,535	16.8%
EBITDA margin	20.3%	16.7%	+ 3.6 pp

(a) Operational Costs excluding amortization

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

Cofina's newspapers' segment recorded, in the fourth quarter of 2017, total revenues of approximately 20.4 million Euro, a decrease of 4% when compared to the same period of the previous year.

Revenues from circulation recorded a decrease of about 5% to 9.2 million Euro. The alternative marketing products revenues recorded a decrease of 14%, reaching 3.2 million Euro.

The advertisement revenues recorded an increase of 1.6%, amounting approximately 8 million Euro.

To point out that the importance of television in this caption is being increasing and, due to seasonal effects, it is expected that, as it occurred in 2017, the fourth quarter will continue to be the strongest in the forthcoming years.

The operational expenses recorded a decrease of about 8%. Thus, the EBITDA of the newspapers' segment reached to 4.1 million Euro, an increase of about 17% comparing to the same period of 2016. EBITDA margin amounted to 20.3%.

Magazines' Segment

(thousand Euro)	4Q17	4Q16	Var.
Operational Revenues	3,589	4,673	-23.2%
Circulation	1,616	2,178	-25.8%
Advertising	1,225	1,866	-34.4%
Alternative marketing products and others	748	629	18.9%
Operational Expenses (a)	3,291	4,656	-29.3%
EBITDA (b)	298	17	
EBITDA margin	8.3%	0.4%	+ 7.9 pp

(a) Operational Costs excluding amortization

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

In the fourth quarter of 2017, total revenues of this segment reached approximately 3.6 million Euro, reflecting a decrease of about 23% over the same period of 2016.

The strong cost control reflects the strategic measure of portfolio optimisation, leading to an EBITDA of 0.3 million Euro, comparatively to an EBITDA of 17 thousand Euro in the fourth quarter of 2016.

The consolidated financial information of Cofina in 2017 can be presented as follows:

(Thousand Euro)	Dec 17	Dec 16	Var (%)
Operational Revenues	91,058	99,926	-8.9%
Circulation	45,844	51,138	-10.4%
Advertising	31,017	32,965	-5.9%
Alternative marketing products and others	14,197	15,823	-10.3%
Operational Revenues by Segment	91,058	99,926	-8.9%
Newspapers	77,197	82,355	-6.3%
Magazines	13,861	17,571	-21.1%
Operational Costs (a)	77,437	86,414	-10.4%
Consolidated EBITDA (b)	13,621	13,512	0.8%
EBITDA Margin	15.0%	13.5%	+1.4 pp
Newspapers	13,987	14,080	-0.7%
Newspapers EBITDA Margin	18.1%	17.1%	+1.0 pp
Magazines	-366	-568	35.6%
Magazines EBITDA Margin	-2.6%	-3.2%	+0.6 pp
Restructuring Costs	-2,450	-	
Consolidated EBITDA after restructuring	11,171	13,512	-17.3%
Amortization and Depreciation (-)	1,511	2,214	-31.8%
EBIT	9,660	11,298	-14.5%
EBIT Margin	10.6%	11.3%	-0.7 pp
Net Financial income / (loss)	-2,971	-5,202	-42.9%
Income before taxes	6,689	6,096	9.7%
Income taxes (-)	1,622	1,763	-8.0%
Net Consolidated Profit / (loss) (c)	5,067	4,333	16.9%

(a) Operational Costs excluding amortization

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

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

2017 financial year was characterized by a decrease of total revenues, when compared with the previous year (-8.9%), having recorded a decrease of circulation revenues (-10.4%) and in the advertising revenues (-5.9%). Revenues associated with alternative marketing products recorded a decrease of 10.3%, reaching 14.2 million Euro.

EBITDA after restructuring costs recorded in this period was 11.2 million Euro, which represents a decrease of approximately 17% over the same period.

The consolidated net income reached 5.1 million Euro, an increase of 17% when compared to 2016.

Oporto, 8th of March 2018