



**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

**1<sup>st</sup> 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
<b>Consolidated operating revenue</b>	<b>20,554</b>	<b>22,584</b>	<b>-9.0%</b>
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%
<b>Operating income by segment</b>	<b>20,554</b>	<b>22,584</b>	<b>-9.0%</b>
Newspapers	17,330	18,457	-6.1%
Magazines	3,224	4,127	-21.9%
<b>Operating Expenses (a)</b>	<b>18,217</b>	<b>19,701</b>	<b>-7.5%</b>
<b>Consolidated EBITDA (b)</b>	<b>2,337</b>	<b>2,883</b>	<b>-18.9%</b>
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
<b>Amortisation and depreciation (-)</b>	<b>462</b>	<b>632</b>	<b>-26.9%</b>
<b>EBIT</b>	<b>1,875</b>	<b>2,251</b>	<b>-16.7%</b>
EBIT Margin	9.1%	10.0%	- 0,9 p.p.
<b>Net financial income / (loss)</b>	<b>(991)</b>	<b>(716)</b>	<b>38.4%</b>
<b>Income before taxes and non-controlling interests</b>	<b>884</b>	<b>1,535</b>	<b>-42.4%</b>
<b>Income taxes (-)</b>	<b>236</b>	<b>532</b>	<b>-55.6%</b>
<b>Net consolidated profit / (loss) (c)</b>	<b>648</b>	<b>1,003</b>	<b>-35.4%</b>

(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 1<sup>st</sup> 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
<b>Operating income</b>	<b>17,329</b>	<b>18,457</b>	<b>-6.1%</b>
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%
<b>Operating expenses (a)</b>	<b>14,454</b>	<b>15,201</b>	<b>-4.9%</b>
<b>EBITDA (b)</b>	<b>2,875</b>	<b>3,256</b>	<b>-11.7%</b>
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
<b>Operating income</b>	<b>3,225</b>	<b>4,127</b>	<b>-21.9%</b>
Circulation	1,755	2,313	-24.1%
Advertising	1,023	1,153	-11.3%
Alternative marketing products and others	447	661	-32.4%
<b>Operating expenses (a)</b>	<b>3,763</b>	<b>4,500</b>	<b>-16.4%</b>
<b>EBITDA (b)</b>	<b>-538</b>	<b>-373</b>	<b>-44.2%</b>
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.

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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts stated in Euro)

<b>ASSETS</b>	<b>31/03/2017</b>	<b>31/12/2016</b>
<b>NON CURRENT ASSETS</b>		
Tangible fixed assets	2,917,555	3,169,478
Goodwill	84,777,180	84,777,180
Intangible assets	14,255	130,544
Investments in associated companies	3,459,093	3,266,782
Investments available for sale	9,080	9,080
Other non current assets	36,808	32,383
Deferred tax assets	547,120	547,120
<b>Total non current assets</b>	<b>91,761,092</b>	<b>91,932,567</b>
<b>CURRENT ASSETS</b>		
Inventories	1,659,512	1,808,928
Customers	8,851,011	10,223,150
State and other public entities	901,162	894,477
Other current debtors	871,262	264,777
Other current assets	6,957,315	7,181,278
Cash and cash equivalents	7,662,260	9,403,739
<b>Total current assets</b>	<b>26,902,522</b>	<b>29,776,349</b>
<b>TOTAL ASSETS</b>	<b>118,663,614</b>	<b>121,708,916</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDER'S FUNDS</b>		
Share capital	25,641,459	25,641,459
Share premium	15,874,835	15,874,835
Legal reserve	5,409,144	5,409,144
Exchange rate reserves	(577,808)	(594,244)
Other reserves	(20,330,052)	(24,663,549)
Consolidated net profit for the year attributable to equity holder of 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	-	-
<b>TOTAL EQUITY</b>	<b>26,665,817</b>	<b>26,000,656</b>
<b>LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>		
Other long-term loans	32,675,243	33,158,397
Other non current creditors	33,929	33,929
Provisions	7,759,291	7,790,467
<b>Total non current liabilities</b>	<b>40,468,463</b>	<b>40,982,793</b>
<b>CURRENT LIABILITIES</b>		
Bank loans	28,722	-
Other short-term loans	32,789,151	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
<b>Total current liabilities</b>	<b>51,529,334</b>	<b>54,725,467</b>
<b>TOTAL LIABILITIES</b>	<b>91,997,797</b>	<b>95,708,260</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>118,663,614</b>	<b>121,708,916</b>

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**CONSOLIDATED STATEMENTS OF PROFIT AND LOSS**

(Amounts stated in Euro)

	31/03/2017	31/03/2016
Sales	11,106,365	12,644,935
Services rendered	6,383,896	6,411,363
Other income	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 expenses	(26,943)	(81,705)
Gains / (losses) related with associated companies	(375,541)	33,031
Financial expenses	(634,728)	(754,764)
Financial income	19,017	5,547
Profit before income tax	883,766	1,534,388
Income Tax	(235,526)	(531,727)
Net profit for the year	648,239	1,002,661

Porto, May 5, 2017

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The Board of Directors