

Section A

Exhibit 1- Ownership change

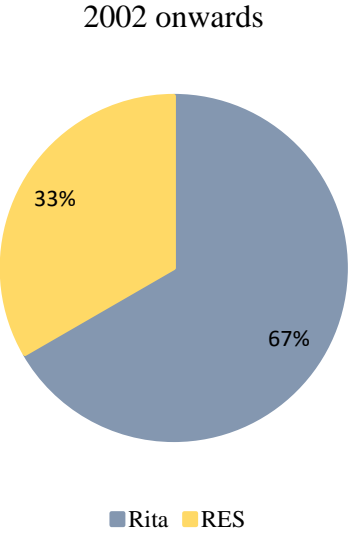
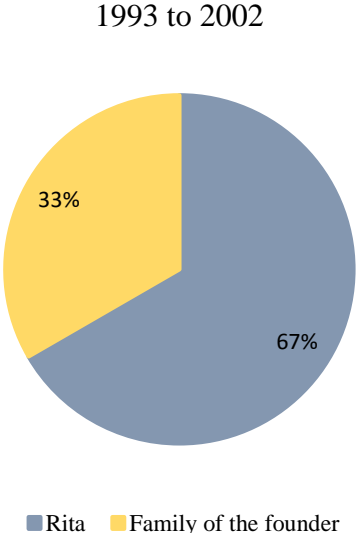


Exhibit 2 – Catalogue of authors in 2002

	National	Foreign	Total
Authors	100	210	310
Books	137	369	506

Exhibit 3 – The editorial department

Task		Responsibility
Search and Analysis	International publishers' catalogues	Rita
	Literary agents' catalogues	
	Internet	
	International book fairs	
	Books sent to Difel	
Acquisitions	Negotiation of book contracts, advance, terms and royalties	Rita
Contracts	Verifying that all terms negotiated are correct	Rita
Translation	Choose a suitable translator for the contents of the book and negotiate terms and delivery deadlines	Outsource
Pagination	The text is entered in a computer on a book's pages lay out	Outsource
Reviewer	Corrects the grammatical mistakes of the translators/writers and is responsible for checking spelling mistakes, improving the sentence formation and changing words where required	Outsource
Book Design Cover	Designers working on the book's cover or jacket. It's crucial since it's one of the most important factors in encouraging customers to pick up the book	Outsource
Advance and Royalties	Authors receive a percentage of the sales revenue for each book sold so, at the end of each year, it is sent an individual sheet for each book containing sales and due payment	Rita
	An advance is literally an advance payment. Only after the advance is covered will the author start receiving royalties	
Excel Follow Up	A spread sheet containing all information about every book from day 1 at Difel	Rita
	Agent, original and translated titles, author, collection, edition, years, stocks, sales, cover price, royalties % and more	

Exhibit 4 – The different business stages

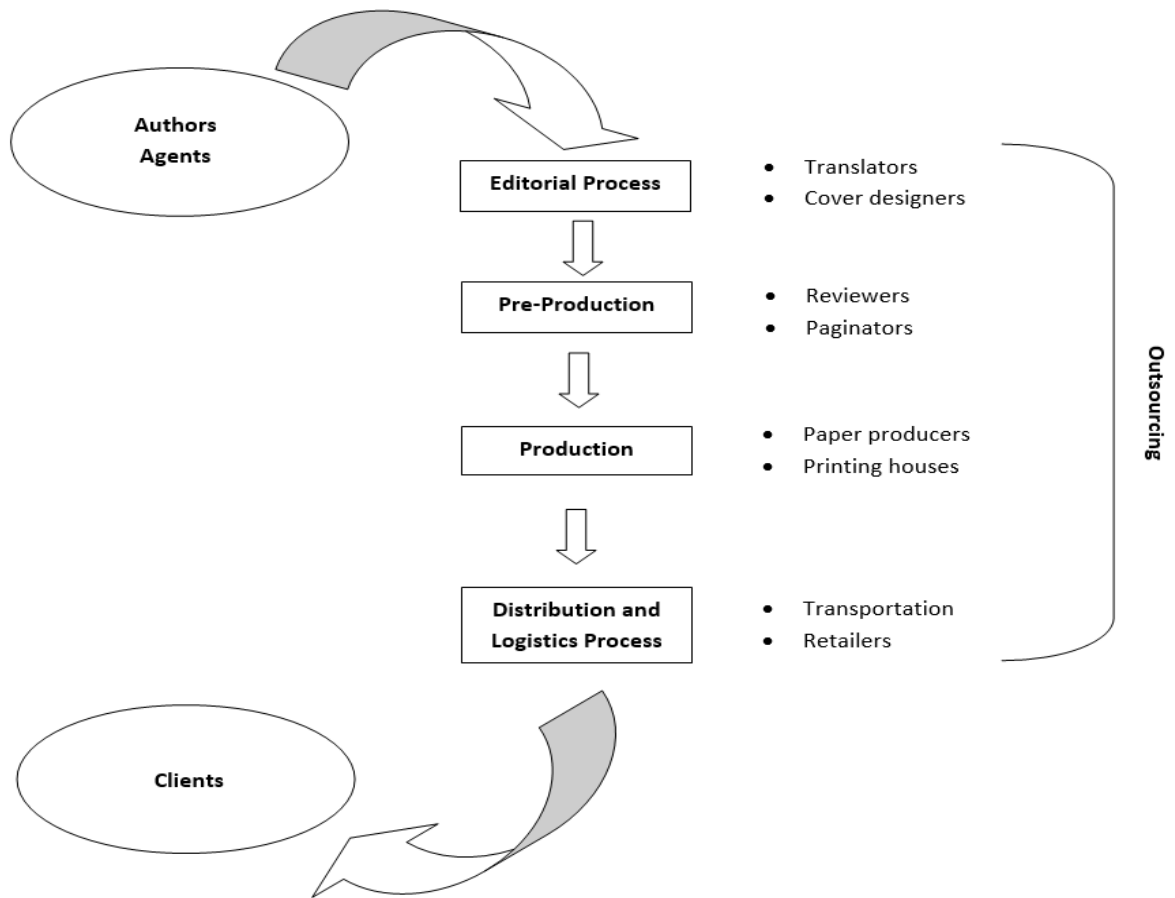


Exhibit 5 – The advance and its importance

“An advance is a signing bonus that’s negotiated and paid to the author before the book is published. It’s paid against future royalty earnings, which means that for every dollar you receive in an advance, you must earn a dollar from book sales before you start receiving any additional royalty payments. Advances are guaranteed (as long as you deliver what’s expected of you according to your contract), so even if your book doesn’t sell enough to earn back the advance, you don’t have to return the balance to the publisher.” (Kelms, 2014)

Publishers with higher financial capabilities have an advantage in getting the book contracts, as they can afford higher advances. Advances require liquidity and are a crucial aspect of the publishing business.

Exhibit 6 –P&L (simplified) for the years of 2000 and 2001

	2000	2001
Total Revenues	€ 1,723,225	€ 3,105,711
Total Costs	€ 1,650,524	€ 3,020,932
EBT	€ 72,701	€ 84,779
Tax	€ 31,933	€ 40,846
Profit	€ 40,768	€ 43,933

Exhibit 7 – Industrial costs and advance, a practical example: “A Coragem de Camila”

	Cost	% of Industrial Costs	% of Total Costs
Translator	€ 2,685.00	34%	29%
Cover (design)	€ 350.00	4%	4%
Reviewer	€ 416.00	5%	5%
Paginator	€ 832.00	11%	9%
Printing	€ 1,636.50	21%	18%
Raw Materials	€ 1,907.22	24%	21%
Industrial Costs	€ 7,826.72	100%	86%
Advance	€ 1,300.00	-	14%
Total Costs	€ 9,126.72	-	100%

This exhibit demonstrates the costs associated to a new release, 2500 units. A re-edition, that is aligned with a cost-savings strategy, allows publishers to cut the total costs by half. The translator, cover design, reviewer and the advance, which in this example account for 52% of the total costs, are costs that don't exist.

Exhibit 8 –Investments in 2002

Logistics	€ 61,380
Transportation	€ 94,488
Administrative	€ 36,077
Informatics	€ 250,569
Licenses	€ 30,305
Software Tracy	€ 162,269
Old Software	€ 3,030
New Hardware	€ 43,250
Old Equipment	€ 2,271
Octopus Equipment	€ 5,393
Connections and Cables	€ 4,051
Total Investment	€ 442,514
Total SAP Investment	€ 245,268

This exhibit illustrates the numerous costs associated to developing the commercial department and logistics, along with the initial investment in the ERP software SAP.

Section B

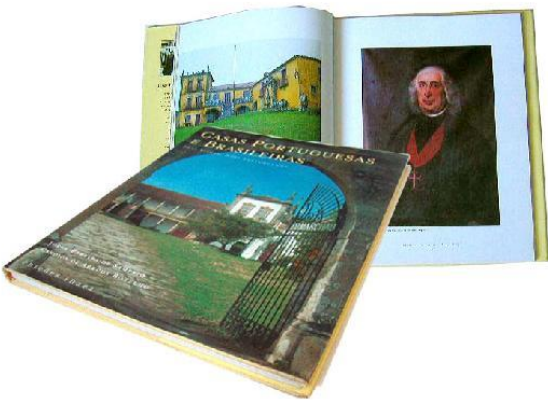
Exhibit 9 – Almedina’s proposal included the following topics:

- Repayment of the debt to shareholders;
- Withdraw of the personal sureties;
- Performance prize in favor of Rita, dependent on Difel’s future results;
- 2-year contract with Rita Fezas Vital as senior editor.

Exhibit 10 – Almedina’s response to the “Back Door” clause

“...the point which you refer to as... “the back door” is not acceptable. There seem to be some divergences, among the shareholders, relating the selling decision, which put us in a very uncomfortable position. We request a final answer until the 30th of September, after which we will conclude that there is no real interest of the shareholders in this deal.”

Exhibit 11 – Medialivros’ products



Example 1: illustrated art book



Example 2: facsimile book