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## Reditus EBITDA increases 48% in 2006

**Turnover of €25.5 million (+28%)**

**Revenues of €27.8 million (+ 21%)**

**EBITDA of €2.2 million (+48%)**

**EBIT of €1.6 million (+82%)**

**Net Income of €0,2 million (vs. €2,7 million in 2005)**

### 1. Brief Description of the Activity

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Reditus is a reference in the Portuguese Outsourcing market, offering several and integrated services which contribute in a direct way for cost reduction and increase in efficiency for its clients. Reditus's clients are mainly medium and large companies, with a strong presence in the financial and insurance sector. Information Technologies are of key importance to the development of the Group activity, to the extent they contribute to the optimization of the return of services offered by the Group.

Currently, Reditus Group is organized in two business areas: **Services Outsourcing** and **Engineering and Mobility Systems**.

The **Services Outsourcing** activities include: (1) Business Process Outsourcing (BPO), (2) Information Infrastructures Outsourcing, (3) IT Consulting and (4) Contact Center. The **Engineering and Mobility Systems** services include: (1) Engineering Systems, (2) Mobility Systems and (3) Printing and Finishing Financial Documents.

It is important to highlight the Alfragide building acquisition during this first semester of 2006, which is a multi-clients and multi-faceted Service Center. Therefore, it was possible to joint in the same space several dispersed operations while keeping its independence and also to displace some outsourcing operations from the clients installations to this center. We consider the Alfragide Center of strategic relevance to enhance and differentiate our offer and also to assure a higher profitability of our operation units.

### 2. Consolidated Financial Highlights

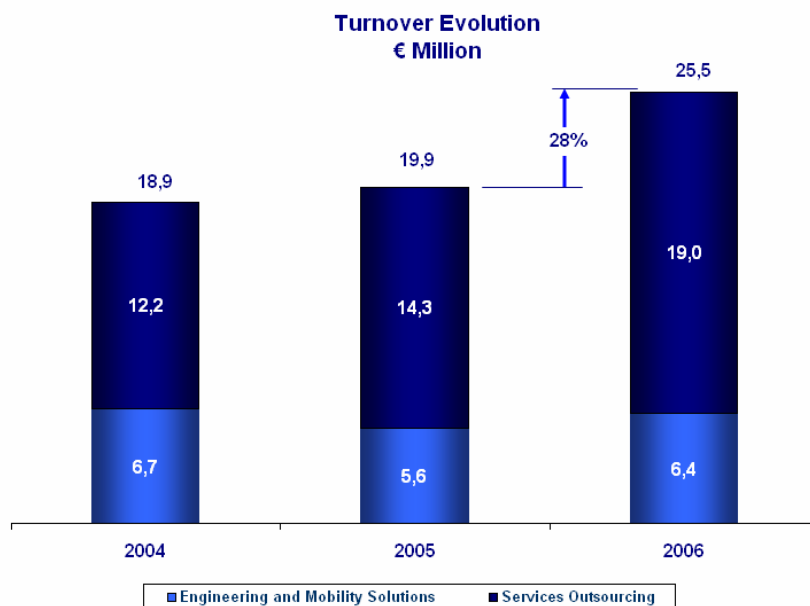
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#### 2.1 Consolidated Revenues

Consolidated Operating Revenues reached €27.8 million which represents a 21% increase compared to the €22.9 million in 2005.

Consolidated Sales and Services (Turnover) increased by 28% YoY to € 25.5 million, of which 75% was generated by the Outsourcing Service area.

We highlight the 33% growth in the Outsourcing Service area and also the 15% growth in Engineering and Mobility Systems business.



The Group kept its policies of implementing and maintaining multi-annual contracts allowing 67% of Turnover from 2006 to 2007

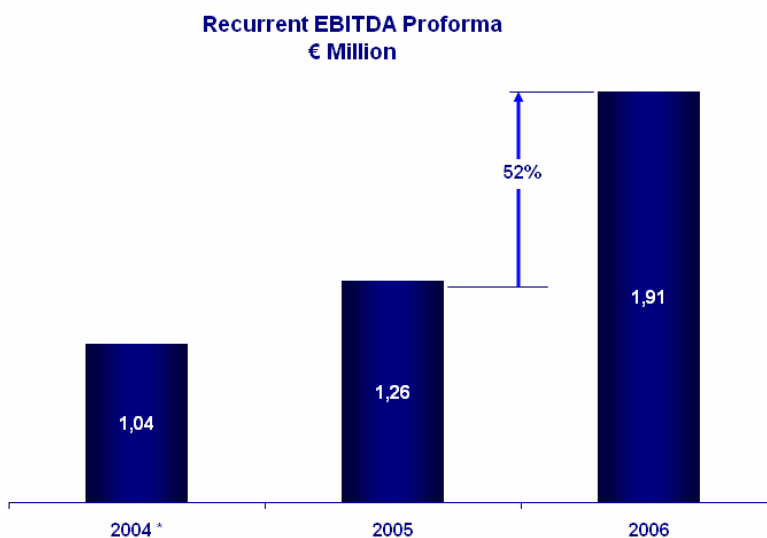
## 2.2. Operating Costs

Total Operating Costs amounted to €25.6 million, up by 19% YoY and represented 92% of Total Revenues compared to 94% in previous year, reflecting the Group's continued focus on cost reduction.

## 2.3. Operational Cash Flow (EBITDA)

Consolidated EBITDA increased by 48% YoY to €2.2 million, equivalent to an EBITDA margin of 7.8% compared with 6.4% in the year before.

On a comparable basis, i.e., excluding the Non-Recurrent Results, Consolidated EBITDA rose 52%YoY and EBITDA margin increased 1.3p.p. to 7.0%.



\* In order to make the figures comparable, we have subtracted in 2004 the value that would have been paid by Reditus to Tora (€ 0.66 million)

Recurrent EBITDA at the Services Outsourcing area accounted for 92% of Recurrent Consolidated EBITDA and increased by 22% YoY. Recurrent EBITDA of the Engineering and Mobility Systems unit posted a good performance achieving a positive value of €0.14 million vs. a negative value of € 0.17 million in 2005.

#### 2.4. Net Income

Depreciation and Amortization amounted to € 0.6 million, unchanged compared with the previous year due to the end of tangible assets life cycle, not with standing the investment made during the period.

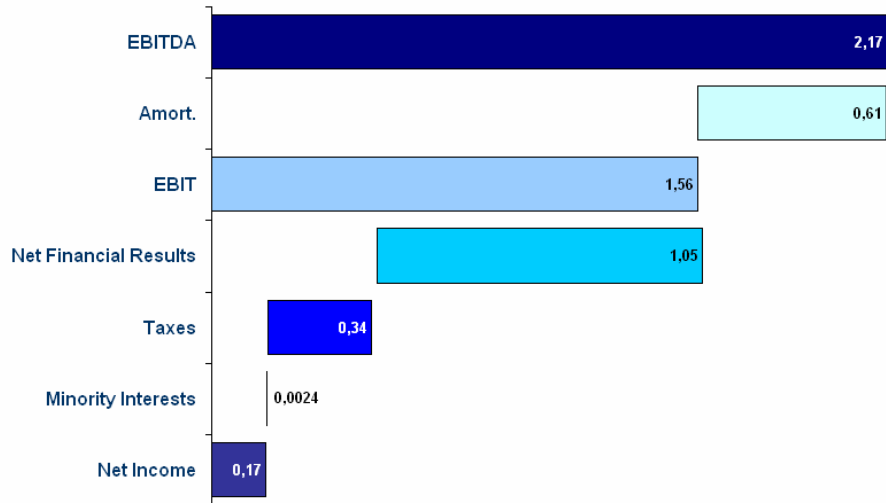
Operating Results increased by 82% to € 1.6 million, with EBIT margin improving by 1.9p.p. YoY to 5.6%.

Net financial Charges reached € 1.05 million compared with Net Financial Earnings of € 0.45 million in the previous year, primarily explained by (i) the absence of non-recurrent financial gains in 2006, (ii) the increase in financial charges due to the Afragide building acquisition and (ii) the increase in factoring to finance working capital.

Costs with Income Taxes amounted to € 0,34 million in 2006, compared with profits of € 1,28 million in 2005 which resulted from the recognition of a € 1,33 million tax credit in 2005.

Consolidated Net Income reached € 0.175 million in 2006, down from the € 2.66 million in 2005 reflecting the impact of the Net Financial Charges and the Income Tax.

**From EBITDA to Net Income 2006**



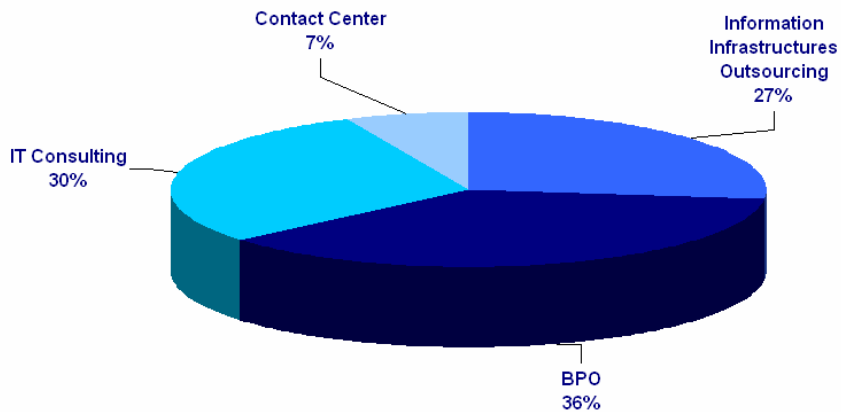
### 3. Key Indicators by Business Area

#### 3.1. Services Outsourcing

Turnover at Services Outsourcing area increased by 33% YoY to € 19.0 million. Recurrent EBITDA was up by 22% to € 1.8 million as a result of the increases in BPO and Information Infrastructures Outsourcing activities. As a percentage of Turnover, EBITDA margin achieved 9.2%, representing a 0.8p.p. YoY fall mainly due to the margin decrease at the IT Consulting unit.

The graph below shows the Turnover Contribution by business area: Business Process Outsourcing (BPO), (2) Information Infrastructures Outsourcing (OII), (3) Contact Center and (4) IT Consulting

**Turnover of Services Outsourcing by Business Areas**



### **3.1.1 Business Process Outsourcing (BPO)**

Reditus is the main company providing Business Process Outsourcing in Portugal. Through specialized human resources, proper methodologies, optimized and flexible processes and information technologies, Reditus currently presents the best solutions for Outsourcing of Data Handling. BPO activities includes: Checking Documents, Requirement Verification; Data Analysis, Data Introduction, Digitalization, Archive Management and Expedient.

The company has several high profile clients, notably on the Financial and Insurance sectors, one of the most competitive of the Portuguese economy, where it performs services with a high degree of complexity and secrecy.

According to IDC-International Data Corporation - the BPO segment should increase by a yearly average of 14.2% during the next three years, the highest in the IT sector.

During 2006, BPO continued to perform well with Turnover increasing by 31% YoY to € 7.0 million. Recurrent EBITDA rose 34% to € 1.2 million. As a percentage of Turnover, EBITDA margin reached 16.5%.

### **3.1.2 Information Infrastructure Outsourcing**

Information Infrastructure Outsourcing provides integrated services related with Information Systems, including: Technological Helpdesk and Communications; Maintenance and Systems Integration and Networking and Security.

Currently, we have more than 200 Information Technologies Techniques which support more than 78k direct IT users with an average higher than 600k occurrences solved by month

In 2006, Turnover increased by 24% YoY to € 5.1 million and Recurrent EBITDA posted a significant improvement, reaching € 0.76 million vs. losses of € 0.10 in the year before. EBITDA margin achieved 15% in 2006.

### **3.1.3 IT Consulting**

IT Consulting area includes the following services: (1) Creation and Development of new applications, (2) Maintenance and Upgrading of existing applications and (3) Customizing applications to client needs.

IT Consulting is regarded as of strategic importance to the company, being an area of high added value and upgrade of Reditus IT offers.

During 2006, this activity continued to grow with a significant path with Turnover increasing by 57% to € 5.6 million. However, the EBITDA margin fell in 2006 due to the penetration in new clients.

### **3.1.4 Contact Center**

The Contact Centre Services includes (1) Consultancy and Contact Centre Processes Re-engineering; (2) Contact Centre Integral; (3) Inbound Services, (4) Outbound Services and (5) Outsourcing of Contact Center infrastructure.

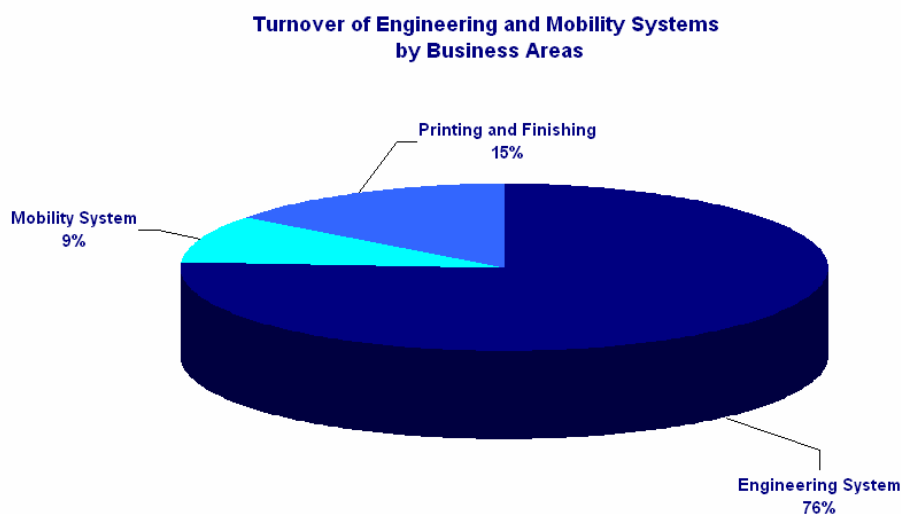
Currently, we have more than 180 teleoperation positions.

In 2006, Contac Center turnover grew by 4.3% to € 1.3 million.

### 3.2 Engineering and Mobility Systems

The Engineering and Mobility Systems activity disclosed an impressive performance in 2006. Turnover reached € 6.4 million, up by 15% YoY and Recurrent EBITDA was € 0.14 million in 2006 compared with losses of €0.17 million in 2005.

The graph below shows the Turnover contribution by business areas: (1) Engineering System, (2) Mobility System and (3) Printing and Finishing Financial Documents.



We highlight the 17% Turnover growth in the Engineering System business. Reditus develops Engineering Solutions by way of equipments and turnkey production lines for setting (“back-end”) of semiconductors and other microelectronic components, through its 55% stake in French company Caleó.

### 4. Balance Sheet

#### Balance Sheet Highlights

€ Million

	2005	2006	Var. %
<b>Total Assets</b>	26,4	36,3	38%
Non Current Assets	13,1	21,6	64%
Current Assets	13,2	14,8	12%
<b>Shareholders' Funds</b>	3,1	2,0	-35%
<b>Total Liabilities</b>	23,2	34,3	48%
Non Current Liabilities	8,8	16,6	88%
Current Liabilities	14,4	17,7	23%

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The increase in Non Current Assets and Liabilities in 2006 was mainly due to the Alfragide building acquisition.

Total Investments reached € 8.55 million in 2006. Of this value, € 6.0 million was related with the Service Center acquisition in Alfragide and € 2.0 million resulted from the revaluation of the Alfragide building, which is a non-cash item. The remaining € 0.55 million was the Recurrent Investment of the Group and represented around 2% of Turnover in 2006.

The decrease of Shareholders' Funds resulted essentially from regularizations of the debtors accounts, which was necessary due to their lasting.

## **5. The Goals for 2007**

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Keeping double digit organic growth level

Continuing the effort developed in the last years to implement and maintain multi-annual contracts;

Reinforce the commercial team 'Go To Market'. To be noted that this commercial team has been posting very good results, notably at the cross-selling level.

Providing Outsourcing Services for other sectors than the traditional Reditus's financial and insurance sector, which we believe there are a huge potential. .

Create new Service Centers in the Portuguese market, competitive from a cost perspective and through the use of IT and better communication infrastructure displace the provision of services;

Strengthening an intensifying the position on the Outsourcing market;

Continuing the cost control policy and the maximization of the return from the technical and human recourses;

Make the area of Engineering and Mobility Systems autonomous, increasing its potential growth.

## 5. Stock Performance

Reditus Stock Price Performance



During 2006, the number of shares traded was approximately 18.5 million shares, corresponding to a value of approximately € 64 million.

At the 29 December 2006 the value of Reditus share was €3.50, which represents an increase of 4.8% compared to the €3.34 registered in 30 December 2005.



**REDITUS, SGPS, SA**
**CONSOLIDATED INCOME STATEMENT**  
 FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Euro)

	<b>31-12-2006</b>	<b>31-12-2005</b>
	<b>in IFRS basis</b>	<b>in IFRS basis</b>
<b>Operating Revenues</b>		
Sales and Services	25.458.228	19.834.689
Other Operating Revenues	2.421.691	2.988.294
Production Variation	-113.158	113.158
<b>Total Operating Revenues</b>	<u>27.766.761</u>	<u>22.936.140</u>
<b>Operating Costs</b>		
Goods and Consumed Materials	3.666.261	3.144.685
External Supplies and services	11.722.264	8.333.419
Personnel Costs	9.080.954	8.616.961
Depreciation and Amortization	600.455	601.095
Provision	8.627	5.325
Other Operating Costs	1.123.294	1.373.070
<b>Total Operating Costs</b>	<u>26.201.855</u>	<u>22.074.555</u>
<b>Operating Income</b>	1.564.906	861.575
<b>Financial Results</b>	-1.050.421	451.826
Losses relative to Associate Companies		
Income before Taxes	<u>514.485</u>	<u>1.313.402</u>
Income Tax	<u>337.484</u>	<u>-1.282.276</u>
Income before Minority Interests	<u>177.001</u>	<u>2.595.677</u>
<b>Minority Interests</b>	<u>2.394</u>	<u>-63.718</u>
<b>Consolidated Net Income</b>	<u>174.608</u>	<u>2.659.395</u>

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**Recurrent Operating Results of Outsourcing Services by Business Areas**


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	31-12-2004	31-12-2005	31-12-2006
<b>Engineering Solution</b>			
<b>Total Operating Revenues</b>	<b>5.410,8</b>	<b>4.359,8</b>	<b>4.926,2</b>
Sales and Services	5.230,1	4.159,9	4.871,3
Other Operating Revenues	180,8	199,8	54,9
Total Operating Costs	5.166,8	4.350,1	4.745,7
<b>EBITDA</b>	<b>244,1</b>	<b>9,6</b>	<b>180,5</b>
EBITDA margin	5%	0%	4%
<b>Mobility Solution</b>			
<b>Total Operating Revenues</b>	<b>240,6</b>	<b>298,3</b>	<b>612,5</b>
Sales and Services	190,2	295,8	612,5
Other Operating Revenues	50,4	2,6	0,0
Total Operating Costs	278,1	466,0	593,3
<b>EBITDA</b>	<b>-37,5</b>	<b>-167,7</b>	<b>19,2</b>
EBITDA margin	-16%	-56%	3%
<b>Printing and Finishing</b>			
<b>Total Operating Revenues</b>	<b>1.315,7</b>	<b>1.114,1</b>	<b>947,0</b>
Sales and Services	1.315,7	1.114,1	947,0
Other Operating Revenues	0,0	0,0	0,0
Total Operating Costs	996,4	1.130,6	1.008,8
<b>EBITDA</b>	<b>319,3</b>	<b>-16,5</b>	<b>-61,8</b>
EBITDA margin	24%	-1%	-7%

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**Recurrent Operating Results of Engineering and Mobility Solutions by Business Areas**


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<b>Engineering Solution</b>			
<b>Total Operating Revenues</b>	<b>5.410,8</b>	<b>4.359,8</b>	<b>4.926,2</b>
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