

Reditus Net Income increases 57.7% in the 1st half of 2014

- **Operating Revenues of 60.8 million euros (+ 8.1%)**
- **EBITDA of 5.6 million euros (+ 11.1%)**
- **EBIDTA margin 9.2% (vs. 8.9%)**
- **Net Income of 409.7 thousand euros (vs. 259.8 mil euros)**
- **International Sales accounted for 41% of the Revenues**

Note: In the fiscal year of 2013, Reditus proceeded to the reclassification of the assets available for sale on the grounds that the conditions in IFRS 5 had not been met - Non-Current Assets Held for Sale and Discontinued Operational Units - in order to maintain this classification.

1. Summary of the Activity

In the 1st half of 2014 (1S14), Reditus has obtained a strong growth of its international activity, registering an increase of 31.5% compared with the same period of the previous year, and kept practically unchanged the performance of operations in the domestic market reflecting the generally adverse economic environment that continued to affect Portugal.

The income of the first six months of the year show assertiveness of Reditus Group in the development of its strategy, notably the high priority on international activity representing 41% of the total turnover in 1S14, compared with 34% in the same period of the previous year.

Operating Revenues amounted to 60.8 million euros, an increase of 8.1% versus the same period of the previous year. In the Service Delivery component, the increase was 10.6%, representing 84.0% of Revenues, value to be compared with 82.1% in 1S13.

The continued focus on operational efficiency and investment in higher value-added services enabled an increase in profitability, with EBITDA of the Group recording an increase of 11.1% over the same period of the previous year, representing an EBITDA margin of 9.2% (vs. 8.9% in 1S13).

2. Consolidated Indicators

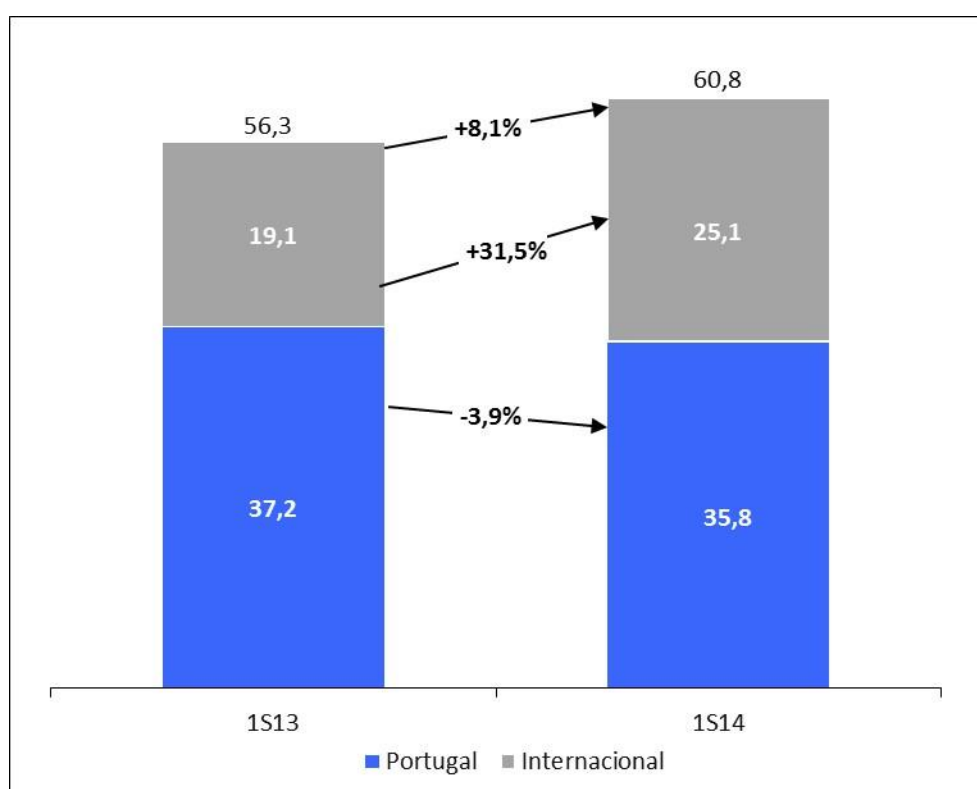
2.1. Consolidated Operating Income

The Consolidated Operating Revenues amounted to 60.8 million euros in 1S14, an increase of 8.1% over the same period on the previous year.

The performance of international activity was very positive, with an increase 31.5% over the same period of the previous year.

International sales accounted for 41% of the Group's total revenues, against 34% in 1S13.

Operating Revenues
€ Millions

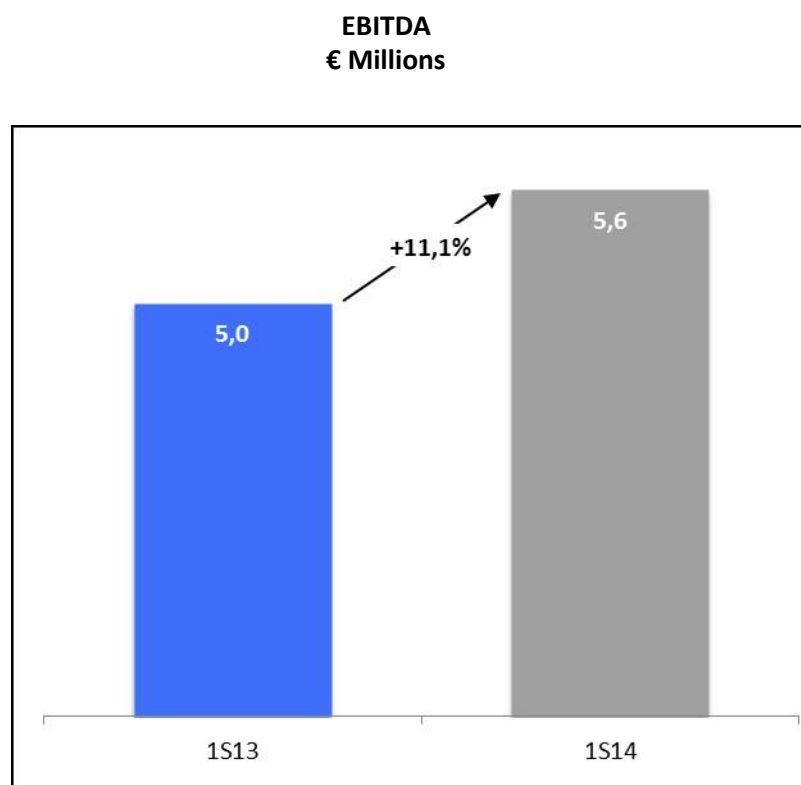


2.2. Operating Expenses

Consolidated Operating Expenses net of depreciation, provisions and adjustments amounted to 55.2 million euros in 1S14, which represents an increase of 7.8% in sectoral terms, also representing 90.8% of Total Revenues against 91.1% on the same period of the previous year. This performance reflects the continued effort to optimize the structure costs and the containment of the remaining operating costs.

2.3. Operating Result before Depreciation (EBITDA)

Consolidated EBITDA was 5.6 million euros, an increase of 11.1% when compared to the 5.0 million euros recorded on the same period of 2013. EBITDA margin stood at 9.2%, 0.2 pp higher than the margin achieved in 1S13.



2.4. Net Result

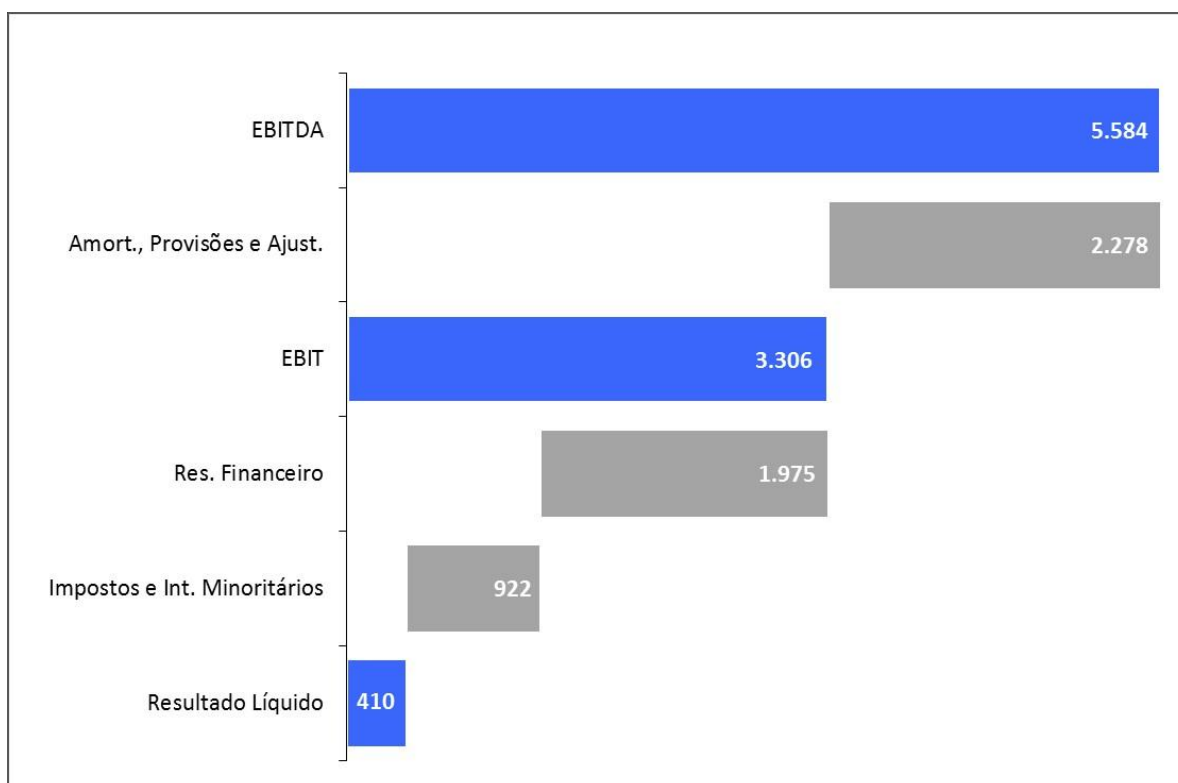
Depreciation, amortization, provisions and adjustments amounted to 2.3 million euros, an increase of 8.6% over the same period of the previous year due to the increase on the line of provisions and impairment losses.

Operating income (EBIT) was 3.3 million euros, an increase of 12.9% when compared to 2.9 million euros in the same period of the previous year.

Negative Financial Results decreased 8.6% to 2.0 million euros, reflecting the reduction of the average gross debt and the continued efforts of the company to obtain better financing conditions through the renegotiation of major loans, namely of the average pricing.

Consolidated net profit amounted to 409.7 thousand euros, an increase of 57.7 thousand euros when compared to the 259.8 thousand euros achieved in the same period on the previous year, benefiting from improved operating results and from a reduction on net financial charges.

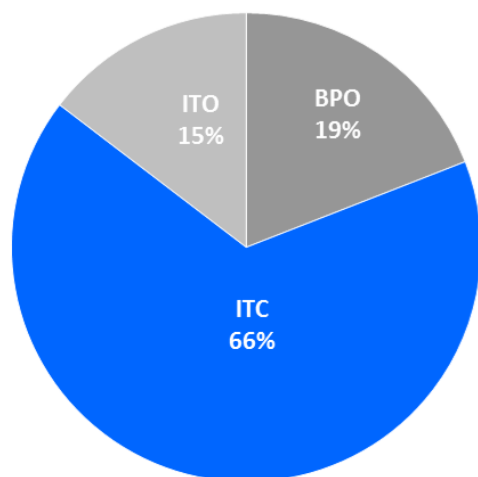
From EBITDA to Net Result € Thousands



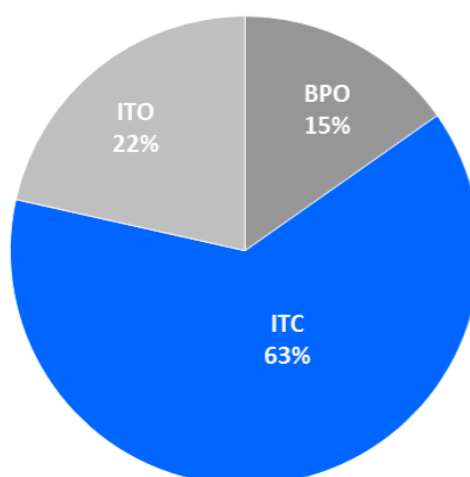
3. Indicator by Line of Business

Revenue by Area of Activity

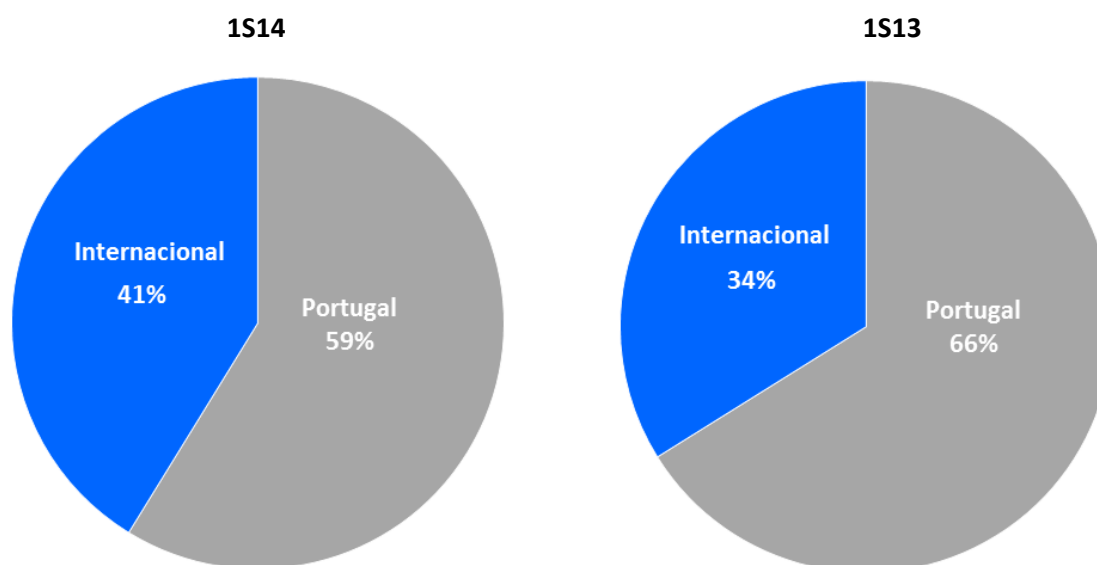
1S14



1S13



Revenue by Geographic Market



3.1. IT Consulting

The IT Consulting area integrates the segments of Consultancy, Platforms and Applications, SAP Consulting and Implementation and outsourcing of Human Resources. During the first three months of the year, this area of activity represented 66% of Reditus revenues.

In the area of SAP Consultancy and Implementation, the subsidiary company ROFF, which represents more than 70% of the ITC area, reinforced its position in the domestic market, increasing its turnover in this market to 43% over the same period of the previous year.

In 1S14, the income of this business area amounted to 41.2 million euros, an increase of 9.8% over the same period on the previous year. The increase of 17.1% in the Provision of Services more than offset a 20.9% drop in the Sale of Products. EBITDA increased by 21.2% to 3.8 million euros, equivalent to an EBITDA margin of 9.3%. vs. 8.4% in the same quarter.

3.2. IT Outsourcing

The Reditus IT Outsourcing area is composed by competences of IT Infrastructures and represented, in the first three months of 2014, 15% of the total revenue.

The Reditus IT Infrastructures segment offers information technology services, projects and infrastructure solutions to the market. Services include the management, administration and support of technology platforms, with either contract responsibility or a function outsourcing approach.

The revenues of the ITO unit totaled 9.1 million euros, a decrease of 28.8% when compared to the previous year. However, EBITDA registered a very positive evolution, increasing by 7.7% to 1.7 million euros, equivalent to an EBITDA margin of 19.1% vs. 12.6% on the previous year.

3.3. Business Process Outsourcing (BPO)

The BPO area involves the provision of business support services in the categories of BPO (Business Process Outsourcing), BTO (Business Transformation Outsourcing) and BPaaS (Business Process as a Service), as well as Multichannel Contact Center services. This area represented 19% of the total business of Reditus in 1S14.

The Revenues of this segment were 11.8 million euros, an increase of 31.0% over the figure for the same period in the previous year. EBITDA amounted to 12 thousand euros, which is to be compared with 249 million euros over the same period.

4. Main Balance Sheet Items

€ Millions

	30-06-2014	31-12-2013	Var %
Total Assets	197.9	191.3	3.5%
Non-Current Assets	98.5	99.9	-1.4%
Current Assets	99.4	91.4	8.8%
Equity	35.6	35.0	1.7%
Total Liabilities	162.3	156.3	3.9%
Non-Current Liabilities	88.9	87.3	1.9%
Current Liabilities	73.4	69.0	6.5%
Net Debt	64.4	66.4	-3.0%

By the end of March 2014, net bank debt (including loans, finance lease liabilities, net of cash and cash equivalents) decreased to 64.4 million euros, value to be compared with the 66.4 million euros recorded by the end of 2013.

Liabilities for finance leases include 6.3 million euros of real estate leases.

5. Stock Market Behavior

Performance of Reditus Equities



At the end of 1S14, on June 30, 2014, the closing price of Reditus shares stood at 1.20 euros, value to be compared with the 1.25 euros recorded in end of last year.

In terms of liquidity, during 1S14, around 307 thousand Reditus securities were traded, representing a transaction value of 443 thousand euros.

The average daily number of shares traded settled at approximately to a daily 2,439 securities, average value of about 3,513 euros.

5. EBITDA by Business Area

	<i>Unit: thousands of €</i>		
	30-06-2014	30-06-2013	Var%
Total Reditus			
Operating Revenues	60,843	56,301	8.1%
Sales	8,714	9,133	-4.6%
Provision of Services	51,119	46,211	10.6%
Other operating revenues	1,011	957	5.6%
Operating Expenses (exclude deprec., provisions and adjust.)	55,260	51,275	7.8%
EBITDA	5,584	5,027	11.1%
EBIDTA margin	9.2%	8.9%	0.2pp
ITC			
Operating Revenues	41,235	37,568	9.8%
Sales	6,014	7,604	-20.9%
Provision of Services	34,264	29,272	17.1%
Other operating revenues	957	691	38.6%
Operating Expenses (exclude deprec., provisions and adjust.)	37,395	34,398	8.7%
EBITDA	3,840	3,170	21.2%
EBIDTA margin	9.3%	8.4%	0.9pp
ITO			
Operating Revenues	9,084	12,763	-28.8%
Sales	2,892	2,457	17.7%
Provision of Services	6,121	9,829	-37.7%
Other operating revenues	72	477	-84.9%
Operating Expenses (exclude deprec., provisions and adjust.)	7,352	11,155	-34.1%
EBITDA	1,732	1,608	7.7%
EBIDTA margin	19.1%	12.6%	6.5pp
BPO			
Operating Revenues	11,845	9,042	31.0%
Sales	8	9	-7.4%
Provision of Services	11,772	9,033	30.3%
Other operating revenues	65	0	n.a
Operating Expenses (exclude deprec., provisions and adjust.)	11,834	8,793	34.6%
EBITDA	12	249	-95.3%
EBIDTA margin	0.1%	2.8%	-2.7pp
Other and Intra-group			
Operating Revenues	(1,321)	(3,071)	
Sales	(200)	(937)	
Provision of Services	(1,038)	(1,923)	
Other operating revenues	(84)	(211)	
Operating Expenses (exclude deprec., provisions and adjust.)	(1,321)	(3,071)	

REDITUS, SGPS, SA
CONDENSED STATEMENT
 Results for the Quarters ended June 30, 2014 and 2013
 (Values expressed in euros)

	<u>30-06-2014</u>	<u>30-06-2013</u>
<u>OPERATING REVENUES</u>		
Sales	8,713,657	9,132,974
Services rendering	51,118,566	46,211,126
Others Operating Income	<u>1,011,196</u>	<u>957,365</u>
Total operating revenues	<u>60,843,419</u>	<u>56,301,465</u>
<u>OPERATING EXPENSES</u>		
Inventories Consumed and Sold	(6,892,334)	(7,297,047)
Supplies and Services External	(19,302,219)	(17,542,722)
Staff Costs	(28,731,633)	(25,826,365)
Depreciation and amortization Costs	(1,736,141)	(1,971,850)
Provisions and Impairment Losses	(541,453)	(125,499)
Other Operating Costs and Losses	<u>(333,328)</u>	<u>(608,683)</u>
Total Operating Expenses	<u>(57,537,108)</u>	<u>(53,372,166)</u>
Operating Income	<u>3,306,311</u>	<u>2,929,299</u>
<u>FINANCIAL RESULTS</u>		
Net financial expenses	(1,974,972)	(2,161,401)
Net losses in associates companies	-	-
	<u>(1,974,972)</u>	<u>(2,161,401)</u>
Income before taxes	<u>1,331,339</u>	<u>767,898</u>
Tax on fiscal year income	(714,906)	(518,393)
Income before considering minority interests	<u>616,433</u>	<u>249,505</u>
Minority Interests	(206,694)	10,324
Net income	<u>409,739</u>	<u>259,829</u>
EBITDA	5,583,905	5,026,648
EBIDTA margin	9.2%	8.9%

REDITUS, SGPS, SA
CONDENSED STATEMENT
of Consolidated Financial Position on 30 of June 2014 and 31 of December 2013
(Values expressed in euros)

	30-06-2014	31-12-2013
ASSETS		
NON-CURRENT ASSETS:	11 430 366	11 714 348
Tangible assets	1 500 000	1 500 000
Investment Properties	56 690 855	56 690 855
Intangible assets	24 309 627	25 534 133
Advances for Financial Investments Other Receivables	1 604 434	1 574 707
Other Financial Investments	904 963	904 963
Deferred Tax Assets	31 962	32 078
	<u>1 989 575</u>	<u>1 941 661</u>
CURRENT ASSETS:	<u>98 461 782</u>	<u>99 892 745</u>
Inventories		
Clients	393 608	295 417
Other Receivables	78 899 446	67 323 330
Other Current Assets	4 858 799	4 939 953
Financial Assets Fair Value Cash and	10 293 019	14 341 472
Cash Equivalents	336 200	302 520
	<u>4 659 162</u>	<u>4 175 245</u>
	<u>99 440 234</u>	<u>91 377 937</u>
TOTAL ASSETS		
	<u>197 902 016</u>	<u>191 270 682</u>
EQUITY:		
Equity		
Stocks Own (Shares)	73 193 455	73 193 455
Share Emission Premiums	(1 426 438)	(1 426 438)
Reserves	9 952 762	9 952 762
Income carried forward	3 592 304	3 592 304
Financial Assets Adjustments	(51 531 269)	(51 991 719)
Fixed Assets Evaluation Surplus	(501 763)	(501 763)
Consolidated Net Income for the Fiscal Year	2 157 280	2 157 280
Own Equity Attributable to Majority Shareholders Own	409 739	460 450
Equity Attributable to Minority Interests	<u>35.846.070</u>	<u>35.436.331</u>
Total own capital	<u>(291 751)</u>	<u>(481 097)</u>
	<u>35 554 319</u>	<u>34 955 234</u>
LIABILITY:		
NON-CURRENT LIABILLITY:		
Loans		
Other Payables	54 059 370	52 983 233
Deferred Tax Liabilities	23 613 492	22 685 696
Liabilities for Finance Leases	5 087 645	5 234 625
	<u>6 167 897</u>	<u>6 453 109</u>
CURRENT LIABILLITY:	<u>88 928 404</u>	<u>87 356 663</u>
Loans		
Suppliers	8 124 384	10 266 056
Other Payables Other	15 852 448	15 613 669
Current Liabilities	21 367 620	16 124 723
Liabilities for Finance Leases	27 379 096	26 111 445
	695 745	842 892
	<u>73 419 293</u>	<u>68 958 785</u>
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES	<u>162 347 697</u>	<u>156 315 448</u>
	<u>197 902 016</u>	<u>191 270 682</u>