

Reditus' Operating Income reaches 51 million euros in the 1st half of 2016

- **Operating Income of EUR 50.5 million (vs. EUR 60 million)**
- **EBITDA of 3.7 million euros (vs. 5.0 million)**
- **EBITDA margin 7.3% (vs. 8.4%)**
- **Net profit of 268 thousand euros (vs. 325 thousand euros)**
- **International sales represent 37% of total**

1. Summary of the Activity

During the first half of 2016, Reditus continued its strategy of investing in international operations, namely on nearshoring opportunities, maintaining the effort to consolidate the position in the domestic market. The focus on operational efficiency and on higher value-added services continued to be a key priority of the Group.

In the reporting period, investment decisions kept on being postponed for projects in the international area, particularly in the African market, which will be taken up during the last quarter of 2016 and in 2017.

Operating income amounted to 50.5 million euros, down 15.9% over the same period last year due to business contraction in the African market and to the maintenance of the adverse economic environment in the domestic market.

EBITDA was 3.7 million euros, equivalent to an EBITDA margin of 7.3%, 1.1pp below the margin of 8.4% achieved in the same period last year.

2. Consolidated Indicators

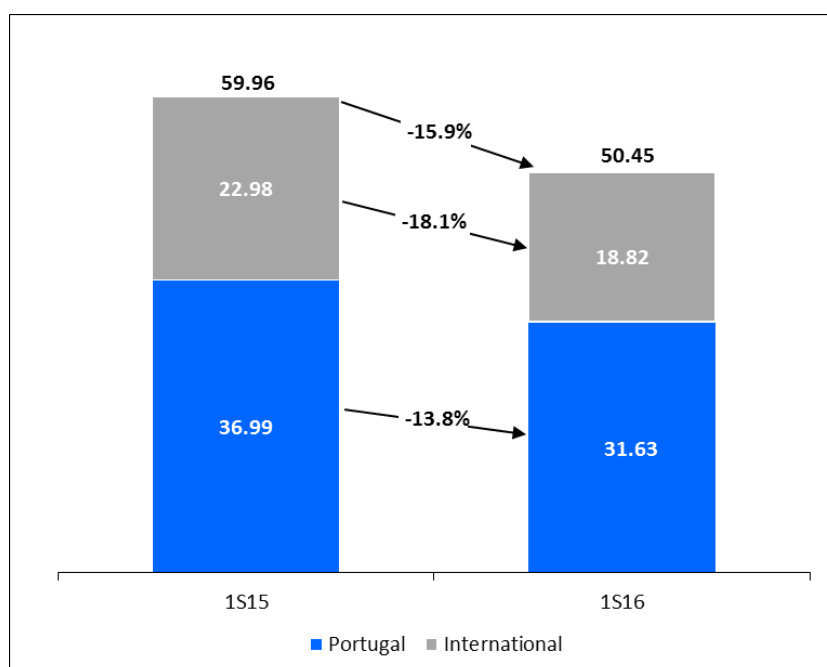
2.1. Consolidated Operating Income

The Consolidated Operating Income amounted to 50.5 million euros in the 1st half of 2016, a decrease of 15.9% over the same period last year due to the contraction of domestic and international business.

Business in the domestic market contracted 13.8%, reflecting the very adverse and competitive economic environment in Portugal. The difficulties in the international market, particularly in the African market, continued to occur during this quarter with negative impact on the Group's international revenue which decreased 18.1% over the same period last year.

International sales represented 37% of the Group's total revenues, which compares to 38% in the first half of 2015.

Operating Income
€ Millions



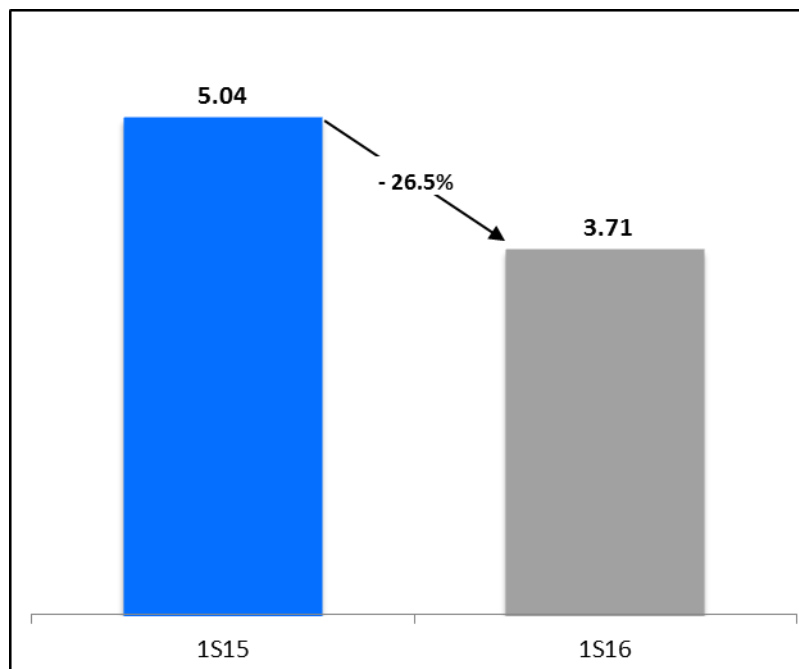
2.2. Operating Expenses

Consolidated operating expenses net of depreciation, provisions and adjustments amounted to 46.7 million euros in 1S16, 14.9% lower than in the same period and accounted for 92.7% of total income, compared to 91.6% in the same period last year.

2.3. Operational Result before Amortizations (EBITDA)

EBITDA reached 3.7 million euros, which compares with 5.0 million euros in the same period of 2015. The EBITDA margin was 7.3%, 1.1 pp below the margin of 8.4% achieved in the 1S15.

EBITDA
€ Millions



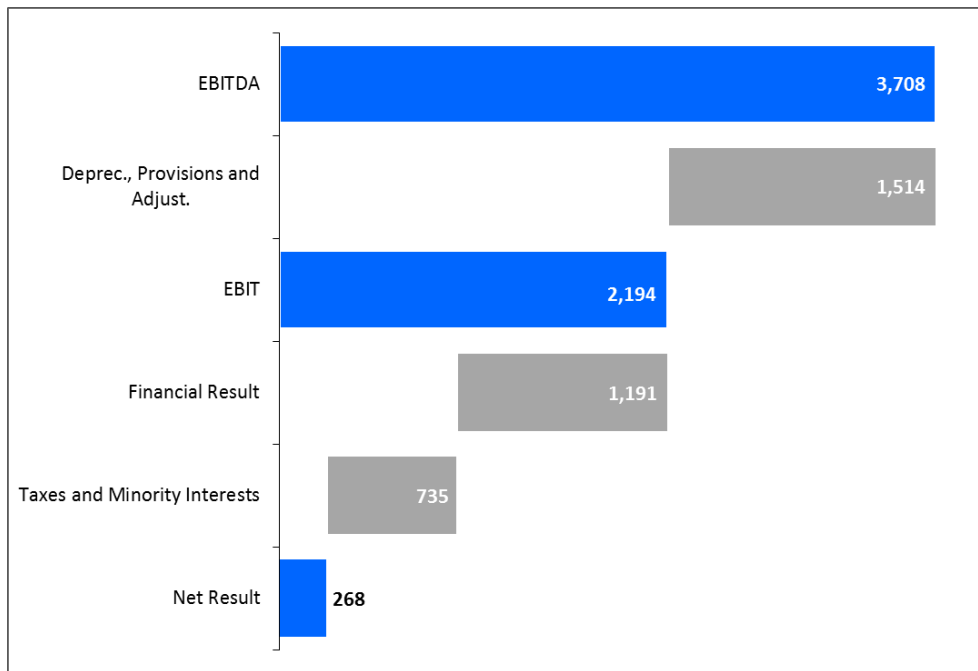
2.4. Net Income

Operating income (EBIT) was 2.2 million euro, down 26.8% compared to 3.0 million euro in the same period last year.

Net financial expenses recorded a very positive performance, registering 1.2 million euros in 1H16, a decrease of 36.7% over the same period. This performance reflects the improved financing conditions through the renegotiation of the main credit lines, namely in what concerns to the average pricing.

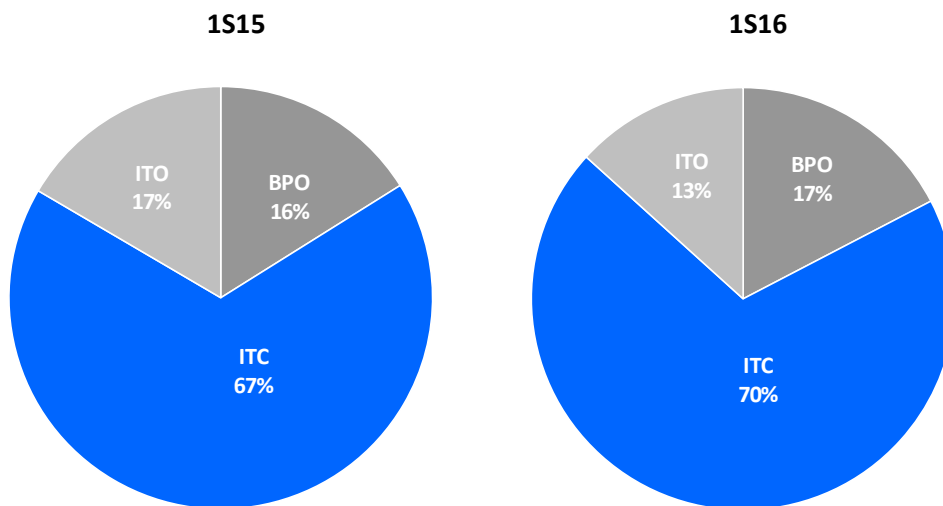
Net income of the group stood at 267.9 thousand euros, which compares with 324,700 euros in the same period.

From EBITDA to Net Income € Thousand

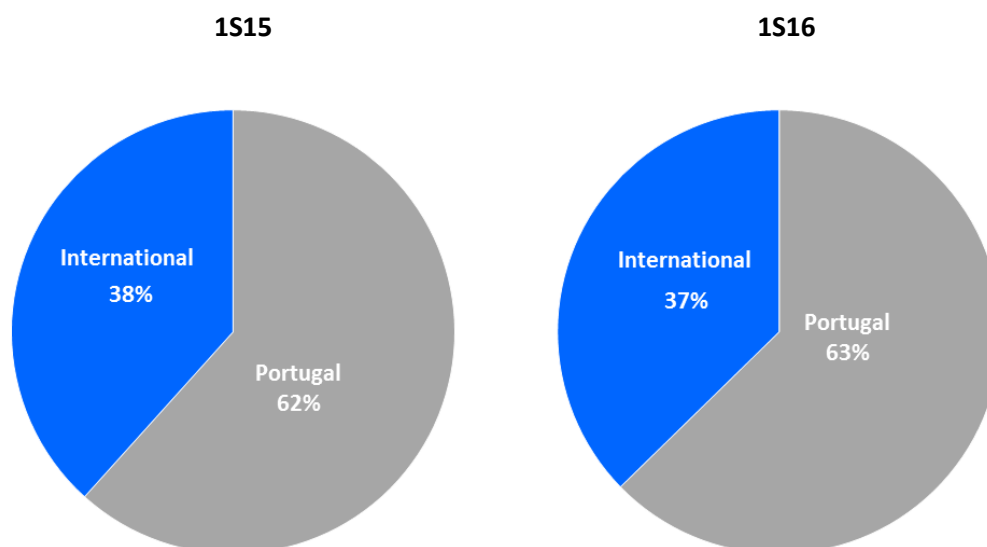


3. Indicators by Business Sector

Revenue by Business Sector



Revenue by Geographic Market



3.1. IT Consulting

IT Consulting area integrates the business segments of Consulting, Platforms and Applications, SAP Consulting and Specialized Outsourcing. This area represented 70% of the Group's total revenue in the first semester of 2016.

In the area of SAP Consulting and Implementation, ROFF, which represents about 78% of the ITC area, grew its turnover, reinforcing its position in the domestic market and continuing to gain ground as the largest SAP consulting company in Portugal and the largest national partner of the German multinational.

In the first half of 2016, the income of this business area reached 36.3 million euros, a decrease of 12.7% over the same period last year. EBITDA was EUR 2.2 million, the same as the previous year and equivalent to an EBITDA margin of 5.9%. The decrease of income in this business area was due mainly to the delay in the international market projects start-up.

3.2. IT Outsourcing

Reditus IT Outsourcing area comprises the IT Infrastructure skills and represented 13% of total revenues.

The IT Infrastructure segment offers services, projects and infrastructure solutions for information technology. Services include management, administration and support of technological platforms, based on a logic of liability agreement or functional outsourcing.

Revenues from ITO reached 6.9 million euros, a decrease over the same period last year which amounted to 10.2 million euros.

EBITDA has registered an amount of 1.8 million euros, corresponding to 25.3% of operating income of this segment. This amount compares with 3.2 million euros of the previous year.

3.3. Business Process Outsourcing (BPO)

The BPO area provides Contact Center services and business support, developing inbound and outbound services for customer support and retention, mail handling, document preparation, scanning, file custody, credit processing - corporate, mortgage, consumer and automobile, insurance claims - automotive, multi-risk and occupational hazards, processing of credit, debit and student cards, complaint management, among others. This area represented 17% of Reditus' global business in the first semester of 2016.

The BPO revenues amounted to 9.1 million euros, a decrease of 8.6% over the previous year corresponding period. EBITDA was negative by 198 thousand euros, which compares with a negative result of 431 thousand euros in the first semester of 2015.

4. Main Balance Sheet Items

Million Euros

| | 06-30-2016 | 12-31-2015 | Var. % |
|--------------------------|------------|------------|--------|
| Total Assets | 204.6 | 205.4 | -0.4% |
| Non-Current Assets | 92.2 | 93.2 | -1.1% |
| Current Assets | 112.4 | 112.2 | 0.2% |
| Equity | 36.3 | 35.9 | 1.0% |
| Total Liabilities | 168.3 | 169.5 | -0.7% |
| Non-Current Liabilities | 99.5 | 99.1 | 0.4% |
| Current Liabilities | 68.8 | 70.4 | -2.3% |
| Net Debt | 62.4 | 61.8 | 1.0% |

At the end of June 2016, net bank debt (including loans and lease liabilities, less cash and cash equivalents) was 62.4 million euros, a slight increase of 1.0% over the end of 2015.

5. Share Price Performance

Share Price Performance



On June 30th 2016, Reditus' share closing price was 0.25 euros, which compares to 0.40 euros in the end of 2015.

In terms of liquidity, around 76 thousand Reditus' shares were traded during the first semester, representing a transaction value of 302 thousand euros.

The average number of shares traded daily stood at about 2,380, corresponding to a daily average of approximately 595 euros.

6. EBITDA by Business Sector

Unit: thousand euros

| | 06-30-16 | 06-30-15 | Var% |
|--|----------|----------|--------|
| TOTAL REDITUS | | | |
| Operating Revenues | 50,454 | 59,963 | -15.9% |
| Sales | 4,856 | 7,160 | -32.2% |
| Provision of Services | 43,964 | 52,141 | -15.7% |
| Other Operating Revenues | 1,633 | 662 | 146.7% |
| Operating Expenses (exclude deprec., provisions and adjust.) | 46,746 | 54,920 | -14.9% |
| EBITDA | 3,708 | 5,043 | -26.5% |
| EBITDA Margin | 7.3% | 8.4% | -1.1pp |
| ITC | | | |
| Operating Revenues | 36,324 | 41,595 | -12.7% |
| Sales | 4,343 | 5,466 | -20.6% |
| Provision of Services | 31,106 | 35,506 | -12.4% |
| Other Operating Revenues | 875 | 623 | 40.5% |
| Operating Expenses (exclude deprec., provisions and adjust.) | 34,173 | 39,360 | -13.2% |
| EBITDA | 2,151 | 2,235 | -3.7% |
| EBITDA Margin | 5.9% | 5.4% | 0.5pp |
| ITO | | | |
| Operating Revenues | 6,943 | 10,214 | -32.0% |
| Sales | 567 | 1,727 | -67.1% |
| Provision of Services | 5,516 | 8,354 | -34.0% |
| Other Operating Revenues | 860 | 133 | 548.1% |
| Operating Expenses (exclude deprec., provisions and adjust.) | 5,188 | 6,975 | -25.6% |
| EBITDA | 1,755 | 3,239 | -45.8% |
| EBITDA Margin | 25.3% | 31.7% | -6.4pp |
| BPO | | | |
| Operating Revenues | 9,071 | 9,927 | -8.6% |
| Sales | 15 | 9 | 66.5% |
| Provision of Services | 9,056 | 9,918 | -8.7% |
| Other Operating Revenues | 0 | - | n.a |
| Operating Expenses (exclude deprec., provisions and adjust.) | 9,269 | 10,357 | -10.5% |
| EBITDA | (198) | (431) | -54.0% |
| EBITDA Margin | -2.2% | -4.3% | 2.2pp |
| Other and Intra-group | | | |
| Operating Revenues | (1,885) | (1,772) | |
| Sales | (69) | (42) | |
| Provision of Services | (1,714) | (1,637) | |
| Other Operating Revenues | (102) | (94) | |
| Operating Expenses (exclude deprec., provisions and adjust.) | (1,885) | (1,772) | |

REDITUS, SGPS, SA
CONSOLIDATED INCOME STATEMENT
 FOR THE PERIODS ENDED JUNE 30, 2016 AND JUNE 30, 2015
 (Values expressed in euros)

| | 06-30-16 | 06-30-15 | YoY% |
|--|---------------------|---------------------|---------------|
| OPERATING INCOME: | | | |
| Sales | 4,856,019 | 7,159,886 | -32.2% |
| Services Rendered | 43,964,280 | 52,141,088 | -15.7% |
| Other Operating Income | 1,633,260 | 661,931 | 146.7% |
| Total Operating Income | 50,453,559 | 59,962,905 | -15.9% |
| OPERATING COSTS: | | | |
| Inventories Consumed and Sold | (3,333,763) | (5,393,242) | -38.2% |
| External Supplies and Services | (14,862,029) | (18,155,220) | -18.1% |
| Staff Costs | (28,156,347) | (31,017,358) | -9.2% |
| Depreciation and Amortisation Costs | (1,274,280) | (1,651,373) | -22.8% |
| Provisions and Impairment Losses | (240,000) | (394,926) | -39.2% |
| Other Operating Costs and Losses | (393,387) | (354,234) | 11.1% |
| Total Operating Costs | (48,259,806) | (56,966,353) | -15.3% |
| Net Operating Income | 2,193,753 | 2,996,552 | -26.8% |
| FINANCIAL RESULTS: | | | |
| Financial costs, net | (1,191,029) | (1,880,626) | -36.7% |
| Losses in associated companies, net | - | - | |
| Income Before Taxes | 1,002,724 | 1,115,926 | -10.1% |
| Tax on fiscal year income | (627,900) | (620,453) | 1.2% |
| Income before considering minority interests | 374,824 | 495,473 | -24% |
| Minority interests | (106,948) | (170,744) | -37.4% |
| Net Income | 267,876 | 324,729 | -17.5% |
| EBITDA | 3,708,033 | 5,042,851 | -26.5% |
| EBITDA Margin | 7.3% | 8.4% | -1.1% |

REDITUS, SGPS, SA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 ON JUNE 30, 2016 AND DECEMBER 31, 2015
 (Values expressed in Euros)

| | 06-30-16 | 12-31-15 |
|--|--------------------|--------------------|
| ASSET | | |
| NON-CURRENT ASSETS: | | |
| Tangible Fixed Assets | 9,915,977 | 10,193,661 |
| Investment Properties | 1,500,000 | 1,500,000 |
| Goodwill | 56,445,407 | 56,445,407 |
| Intangible Assets | 22,240,171 | 23,030,730 |
| Advances for Financial Investments | 74,707 | 74,707 |
| Other Receivables | 1,500,000 | 1,500,000 |
| Other Financial Investments | 170,994 | 131,414 |
| Deferred Tax Assets | 311,121 | 288,561 |
| | <u>92,158,377</u> | <u>93,164,480</u> |
| CURRENT ASSETS: | | |
| Inventories | 382,026 | 315,559 |
| Customers | 82,422,934 | 83,802,915 |
| Other accounts receivable | 7,163,967 | 7,341,299 |
| Other current assets | 16,016,786 | 13,306,634 |
| Financial assets at fair value | 159,729 | 159,729 |
| Cash and equivalent | 6,254,129 | 7,297,349 |
| | <u>112,399,571</u> | <u>112,223,485</u> |
| | <u>204,557,948</u> | <u>205,387,965</u> |
| TOTAL ASSETS | | |
| EQUITY: | | |
| Share Capital | 73,193,455 | 73,193,455 |
| Treasury shares (quotas) | (1,426,438) | (1,426,438) |
| Issue premiums | 9,952,762 | 9,952,762 |
| Reserves | 3,608,430 | 3,601,755 |
| Retained earnings | (50,865,853) | (51,122,799) |
| Adjustments in financial assets | (501,763) | (501,763) |
| Surplus valorisation of fixed assets | 1,213,436 | 1,213,436 |
| Consolidated net income for the year | 267,876 | 263,621 |
| Equity attributable to majority shareholders | 35,441,905 | 35,174,029 |
| Equity attributable to minority interests | 767,560 | 671,266 |
| Total equity | <u>36,209,465</u> | <u>35,845,295</u> |
| LIABILITIES: | | |
| NON-CURRENT LIABILITIES: | | |
| Loans | 55,503,810 | 54,973,761 |
| Other accounts payable | 34,813,069 | 34,576,736 |
| Deferred tax liabilities | 4,230,401 | 4,293,565 |
| Financial leasing liabilities | 5,015,989 | 5,318,975 |
| | <u>99,563,269</u> | <u>99,163,037</u> |
| CURRENT LIABILITIES: | | |
| Loans | 7,218,873 | 7,971,689 |
| Suppliers | 12,627,875 | 13,614,723 |
| Other accounts payable | 27,313,463 | 24,897,380 |
| Other current liabilities | 20,686,063 | 23,028,171 |
| Financial leasing liabilities | 938,940 | 867,670 |
| | <u>68,785,214</u> | <u>70,379,633</u> |
| | <u>168,348,483</u> | <u>169,542,670</u> |
| | <u>204,557,948</u> | <u>205,387,965</u> |
| TOTAL LIABILITIES | | |
| TOTAL LIABILITIES AND EQUITY | | |