

Reditus' Net Profit increase by 22% in the 1st quarter 2016

- **Operating income of EUR 25.5 million (vs. EUR 30.7 million)**
- **EBITDA of EUR 2.0 million (vs. EUR 2.3 million)**
- **EBITDA margin 7.9% (vs. 7.6%)**
- **Net Profit of 197 thousand euros (vs. 161 thousand euros)**
- **International sales represent 37% of Revenues**

1. Summary of the Activity

During the first quarter of 2016 (1T16), Reditus continued its focus on international operations, especially in nearshoring, continuing the effort to consolidate the position in the domestic market. The continued focus on operational efficiency and higher added value services continued to be a key priority of the Group.

Operating income amounted to 25.5 million euros, down 16.8% over the same period last year, due to business contraction in the African market, following a delay in investment decisions by customers that should be resumed during the last quarter of 2016 and 2017. In the domestic market, the activity decreased by 16.1%, reflecting the adverse economic environment that continued to affect Portugal. EBITDA was EUR 2.3 million, equivalent to an EBITDA margin of 7.9%, 0.3pp above the margin of 7.6% achieved in 1T15.

Consolidated Net Income reached 197,200 euros, an increase of 22.2% over the same period last year.

2. Consolidated Indicators

2.1. Consolidated Operating Income

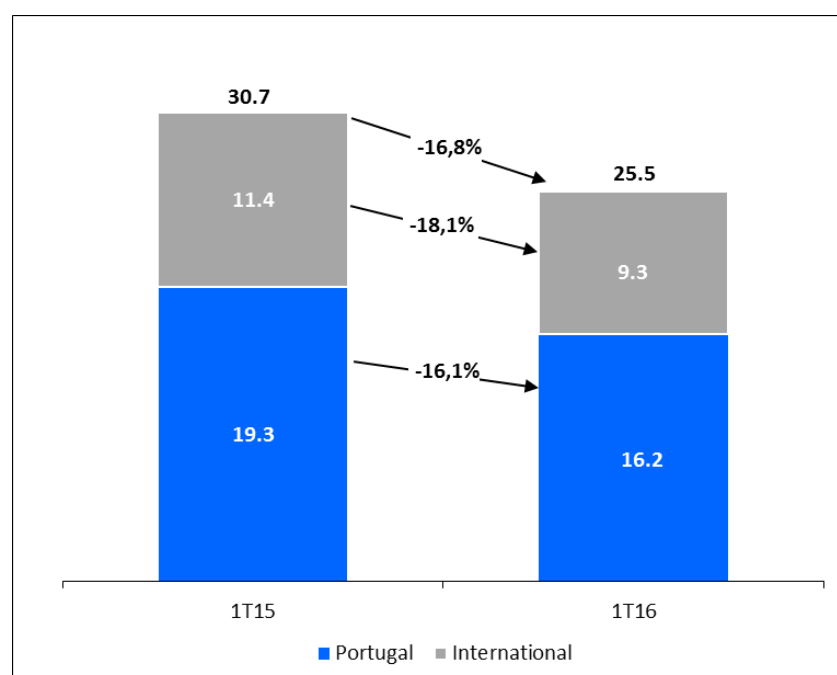
Consolidated operating income amounted to EUR 25.5 million in 1T16, a decrease of 16.8% over the same period last year.

Performance of international activity was penalized by the delay in the deployment of projects, namely in the African market, with revenues decreasing by 18.1% over the same period last year. It is expected a recovery in international activity from the 4th quarter 2016.

In the domestic market, sales decreased by 16.1% reflecting the generally adverse economic environment that continued to affect Portugal.

International sales accounted for 37% of the Group's total income, the same weight as in the 1st quarter 2015.

Operating Income
€ Millions

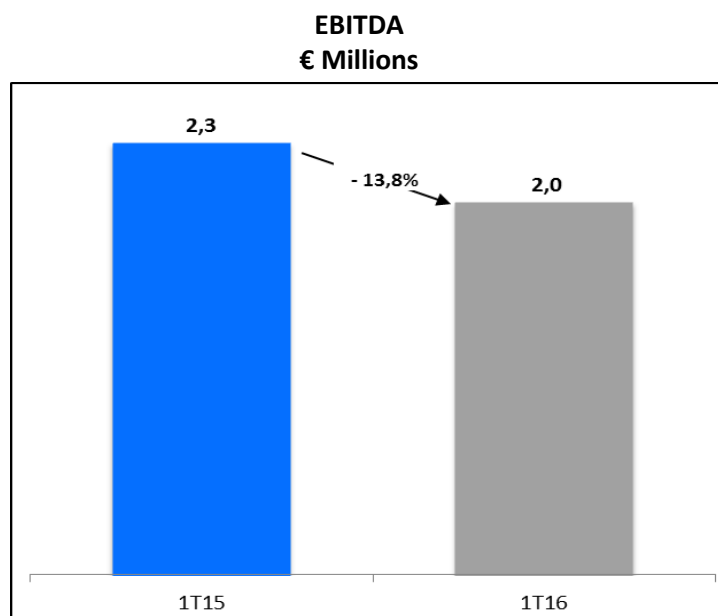


2.2. Operating Expenses

Consolidated Operating Expenses, net of depreciation, provisions and adjustments, totaled 23.5 million euros in the 1st quarter 2016, representing a decrease of 17.1% over the same period last year.

2.3. Operational Result before Amortizations (EBITDA)

Consolidated EBITDA reached 2.0 million euros, which compares with EUR 2.3 million in the same period 2015.. The EBITDA margin stood at 7.9%, 0.3pp above the 7.6% margin obtained in the 1st quarter 2015.



2.4. Net Income

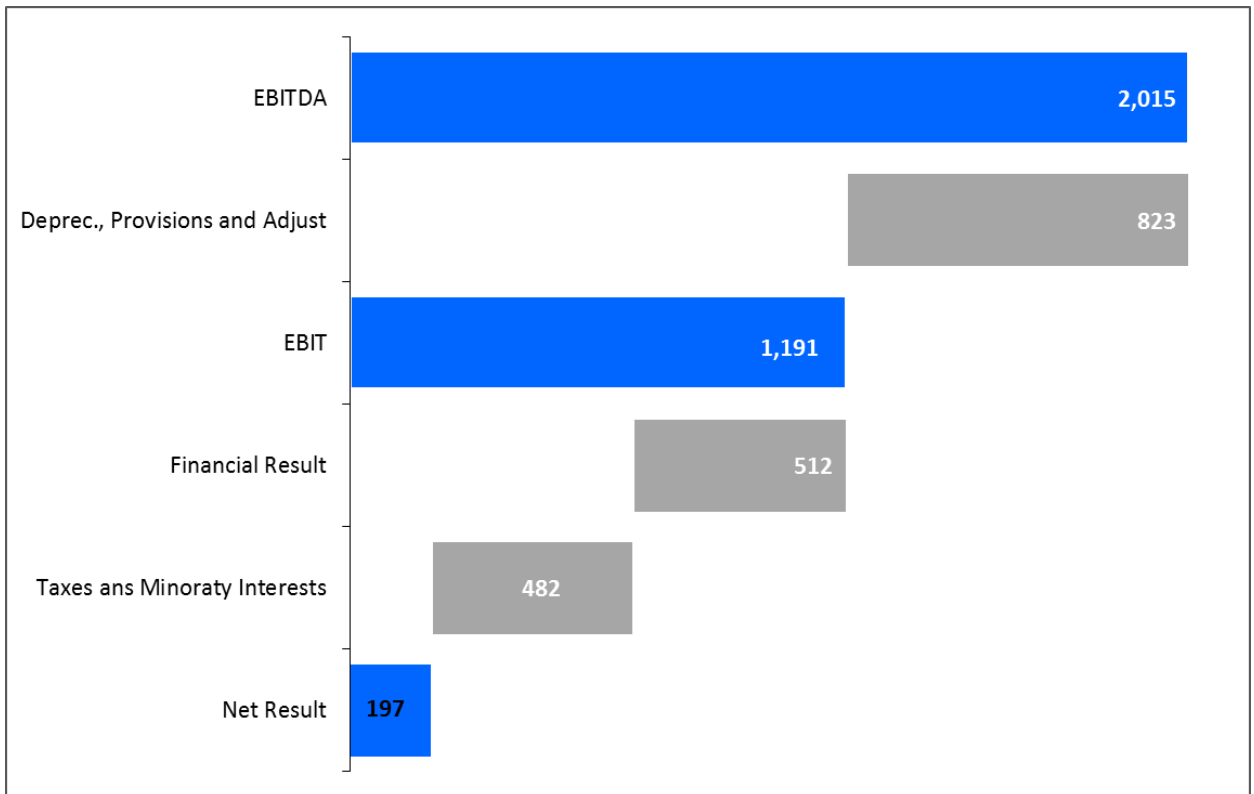
Depreciation, Amortization, Provisions and Adjustments reached 0.82 million, a decrease of 13.4% over the same period last year explained by the decrease in the item depreciation and amortization.

Operating income (EBIT) was EUR 1.2 million, a decrease of 14.1% compared to 1.4 million euros in the same period last year.

Net financial expenses registered a very positive performance, reaching EUR 0.51 million in 1T16, a decrease of 44.7% compared to 0.93 million in the corresponding period. This improvement reflects a reduction in the average gross debt and the continued company's effort to obtain better financing conditions through the renegotiation of the main credit lines, particularly with regard to its average pricing.

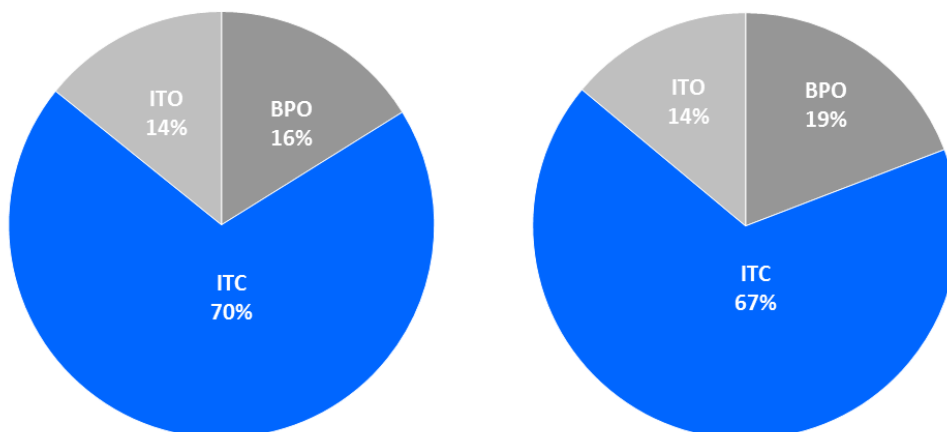
Consolidated Net Income amounted to 197,200 euros, an increase of 22.2% over the same period last year.

From EBITDA to Net Income
€ Thousand

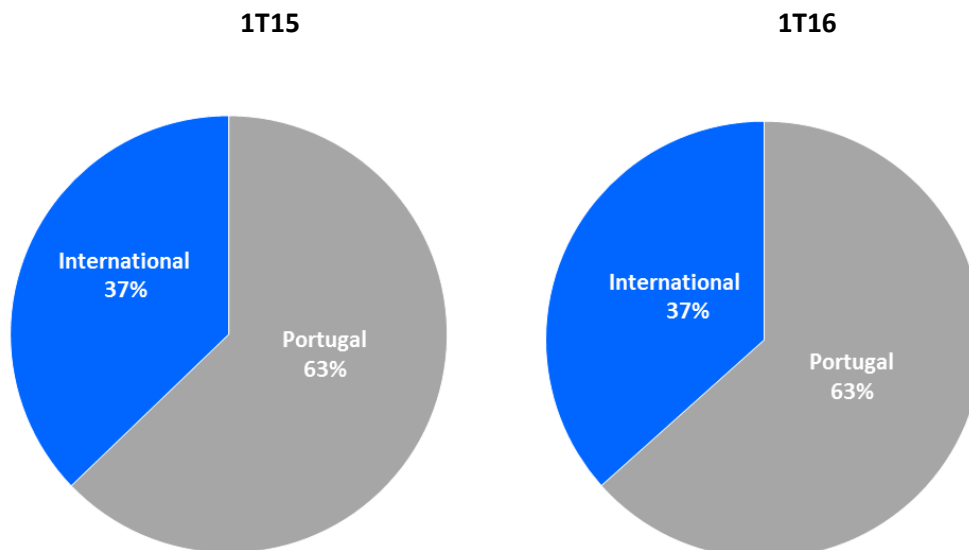


3. Indicators by Business Sector

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 Implementation and Specialized Outsourcing. This area represented 67% of Group's total revenue in 1st quarter 16.

In Q1 2016, this business area income reached 17.9 million euros, a decrease of 17.7% over the same period last year. EBITDA was EUR 0.8 million, which compares with 1.5 million in 1T15, and equivalent to an EBITDA margin of 4.5%.

3.2. IT Outsourcing

Reditus IT Outsourcing area comprises the IT Infrastructure skills and represented 14% 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 in a logic of liability agreement or functional outsourcing.

Revenues from ITO reached 3.7 million, a decrease of 16.6% over the same period last year. EBITDA achieved a very positive performance, with an increase of 29.6% to 1.2 million euros and an increase of 11,6pp of the EBITDA margin to 32.5%.

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 19% of Reditus' global business in Q1 16.

The BPO revenues amounted to 5.1 million euros, a slight increase of 1.6% over the previous year corresponding period. EBITDA was a negative 4,000 euros, which compares with a negative result of 110 thousand euros in the same quarter.

4. Main Balance Sheet Items

Million euros

	03-31-2016	31-12-2015	Var. %
Total Assets	204.2	205.4	-0.6%
Non-Current Assets	92.5	93.2	-0.7%
Current Assets	11.7	112.2	-0.5%
Equity	36.1	35.9	0.4%
Total Liabilities	168.1	169.5	-0.8%
Non-Current Liabilities	99.7	99.1	0.6%
Current Liabilities	68.4	70.4	-2.8
Net Debt	60.1	61.8	-2.8

At the end of March 2016, net bank debt (including loans and lease liabilities, less cash and cash equivalents) decreased to 60.1 million euros, compared with 61.8 million euros recorded at the end of 2015.

5. Share Price Performance



On March 31st 2016, last trading day of Q1, Reditus' share closing price was 0.21 euros, which compares to 0.40 euros in the end of 2015.

In terms of liquidity, around 239 thousand Reditus' shares were traded during Q1, representing a transaction value of 59.8 thousand euros.

The average number of shares traded daily stood at about 3,847, corresponding to a daily average of approximately 964 euros.

6. EBITDA by Business Sector

	<i>Unit: million of Euros</i>		
	31-03-2016	31-03-2015	Var%
TOTAL REDITUS			
Operating Revenues	25,539	30,708	-16.8%
Sales	2,384	4,909	-51.4%
Provision of Services	22,860	25,498	-10.3%
Other operating revenues	295	301	-1.8%
Operating Expenses (exclude deprec., provisions and adjust.)	23,524	28,370	-17.1%
EBITDA	2,015	2,338	-13.8%
EBIDTA Margin	7.9%	7.6%	0.3pp
ITC			
Operating Revenues	17,949	21,812	-17.7%
Sales	2,057	3,997	-48.5%
Provision of Services	15,552	17,553	-11.4%
Other operating revenues	340	262	29.8%
Operating Expenses (exclude deprec., provisions and adjust.)	17,135	20,294	-15.6%
EBITDA	814	1,519	-46.4%
EBIDTA Margin	4.5%	7.0%	-2.4pp
ITO			
Operating Revenues	3,711	4,452	-16.6%
Sales	322	922	-65.1%
Provision of Services	3,341	3,438	-2.8%
Other operating revenues	47	92	-48.5%
Operating Expenses (exclude deprec., provisions and adjust.)	2,506	3,522	-28.9%
EBITDA	1,205	930	29.6%
EBIDTA Margin	32.5%	20.9%	11.6pp
BPO			
Operating Revenues	5,137	5,057	1.6%
Sales	14	-	
Provision of Services	5,123	5,057	1.3%
Other operating revenues	0	-	n.a
Operating Expenses (exclude deprec., provisions and adjust.)	5,141	5,168	-0.5%
EBITDA	(4)	(110)	-96.5%
EBIDTA Margin	-0.1%	-2.2%	2.1pp
Other and Intra-group			
Operating Revenues	(1,257)	(613)	
Sales	(9)	(11)	
Provision of Services	(1,156)	(550)	
Other operating revenues	(92)	(53)	
Operating Expenses (exclude deprec., provisions and adjust.)	(1,257)	(613)	

REDITUS, SGPS, SA
CONSOLIDATED INCOME STATEMENT
 FOR THE PERIODS ENDED MARCH 31, 2016 AND MARCH 31, 2015
 (Values expressed in euros)

	31-03-2016	31-03-2015	YoY%
OPERATING INCOME:			
Sales	2,383,513	4,909,084	-51.4%
Services rendered	22,859,959	25,497,880	-10.3%
Other operating income	295,470	300,838	-1.8%
Total operating income	25,538,942	30,707,802	-16.8%
OPERATING COSTS:			
Inventories consumed and sold	(1,510,869)	(3,624,716)	-58.3%
External supplies and services	(7,097,979)	(9,029,892)	-21.4%
Staff costs	(14,780,742)	(15,455,914)	-4.4%
Depreciation and amortisation costs	(703,291)	(830,248)	-15.3%
Provisions and impairment losses	(120,000)	(120,000)	0.0%
Other operating costs and losses	(134,689)	(259,474)	-48.1%
Total operating costs	(24,347,570)	(29,320,244)	-17.0%
Net operating income	1,191,372	1,387,558	-14.1%
FINANCIAL RESULTS:			
Financial costs, net	(512,006)	(926,287)	-44.7%
Losses in associated companies, net	-	-	
Income before taxes	679,366	461,271	47.3%
Tax on fiscal year income	(411,384)	(154,342)	166.5%
Income before considering minority interests	267,982	306,929	-13%
Minority interests	(70,776)	(145,504)	-51.4%
Net Income	197,206	161,425	22.2%
EBITDA	2,014,663	2,337,806	-13.8%
EBITDA Margin	7.9%	7.6%	0.3%

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

	31-03-2016	31-12-2015
ASSET		
NON-CURRENT ASSETS:		
Tangible Fixed Assets	10,035,358	10,193,661
Investment Properties	1,500,000	1,500,000
Goodwill	56,445,407	56,445,407
Intangible Assets	22,508,961	23,030,730
Advances for Financial Investments	74,707	74,707
Other Receivables	1,500,000	1,500,000
Other Financial Investments	154,270	131,414
Deferred Tax Assets	298,501	288,561
	<u>92,517,204</u>	<u>93,164,480</u>
CURRENT ASSETS:		
Inventories	543,406	315,559
Customers	79,606,938	83,802,915
Other accounts receivable	7,079,637	7,341,299
Other current assets	16,232,000	13,306,634
Financial assets at fair value	159,729	159,729
Cash and equivalent	8,057,380	7,297,349
	<u>111,679,090</u>	<u>112,223,485</u>
TOTAL ASSETS	<u>204,196,294</u>	<u>205,387,965</u>
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	197,206	263,621
Equity attributable to majority shareholders	<u>35,371,235</u>	<u>35,174,029</u>
Equity attributable to minority interests	<u>721,842</u>	<u>671,266</u>
Total equity	<u>36,093,077</u>	<u>35,845,295</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Loans	54,215,908	54,973,761
Other accounts payable	35,988,967	34,576,736
Deferred tax liabilities	4,245,564	4,293,565
Financial leasing liabilities	5,236,683	5,318,975
	<u>99,687,122</u>	<u>99,163,037</u>
CURRENT LIABILITIES:		
Loans	7,890,560	7,971,689
Suppliers	12,691,888	13,614,723
Other accounts payable	25,114,155	24,897,380
Other current liabilities	21,889,415	23,028,171
Financial leasing liabilities	830,077	867,670
	<u>68,416,095</u>	<u>70,379,633</u>
TOTAL LIABILITIES	<u>168,103,217</u>	<u>169,542,670</u>
TOTAL LIABILITIES AND EQUITY	<u>204,196,294</u>	<u>205,387,965</u>