

## Reditus' Operating Revenue reaches 10,2 million Euros in the 1<sup>st</sup> Quarter 2017

- **Operating Revenue of EUR 10,2 million (vs. EUR 12,1 million)**
- **EBITDA of EUR 1,3 million (vs. EUR 2,0 million)**
- **EBITDA margin 12.7% (vs. 16.2%)**
- **Net income of EUR 109 thousand (vs. EUR 197 thousand)**
- **International sales represent 37% of total (vs. 32%)**

### 1. Summary of the Activity

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During the first quarter of 2017 (1Q17) Reditus pursued the internal reorganization begun in the last quarter of 2016, following the strategic repositioning of the Group after the sale of the subsidiary ROFF, adjusting its spending structure to the new reality of the Group and creating the conditions for the development of integrated, innovative and higher added value offers, in order to follow the business plan based on the development of its core activities and the profitability of its business.

The following 1st Quarter 2017 (1Q17) results are compared with the restated values for the 1st Quarter 2016 (1Q16).

Operating Revenues reached 10,2 million Euros on 1Q17, or a 15.3% decrease from 1Q16.

In the period under review, there has been a Revenue contraction in relation to the same period last year, mainly in the BPO segment of the Client Services area, reflecting the conclusion of two large contracts that the Group has not yet been able to substitute for others of equivalent value, due to very aggressive and competitive market conditions.

Nevertheless, Reditus was able to obtain in 1Q17 new business from its client portfolio and to renew existing contracts in the domestic market, in the IT Consulting and IT Outsourcing segments.

In the International area and despite a slight Revenue decrease of 2% over 1Q16, the weight relative to the Group's overall Revenue increased from 32% to 37% in 1Q17.

The Group expects a positive growth during the forthcoming months, both in the domestic market and especially with the start of several projects in the international market, and will actively continue to pursue new opportunities in Nearshore projects.

EBITDA reached 1,3 million Euros, equivalent to an EBITDA margin of 12.7% or 3.5 pp below the 16.2% margin reached in the same period of last year.

Consolidated Net Profit amounted to 109 thousand Euros, a decrease of 44.5% over the same period of the previous year.

## 2. Consolidated Indicators

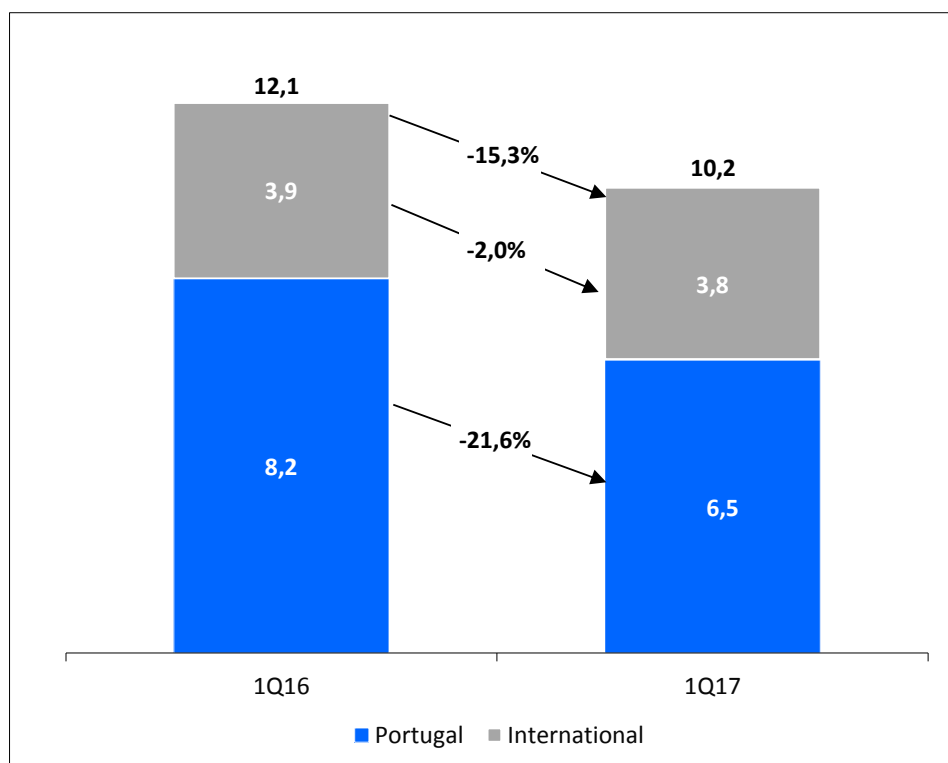
### 2.1. Consolidated Operating Revenues

The Consolidated Operating Revenues amounted to 10,2 million Euros in 1Q17, against 12,1 million Euros in the same period last year, or a decrease of 15.3%.

Business in the domestic market contracted 21.6% over 1Q16, resulting exclusively from an important contraction in the BPO segment, as mentioned in 1. above.

International sales, namely in the African market where the Group has subsidiaries, suffered a slight decrease of 2% relative to 1Q16, having nevertheless seen its weight increase from 32% to 37% of the Group's total revenues.

Operating Revenues  
€ Millions

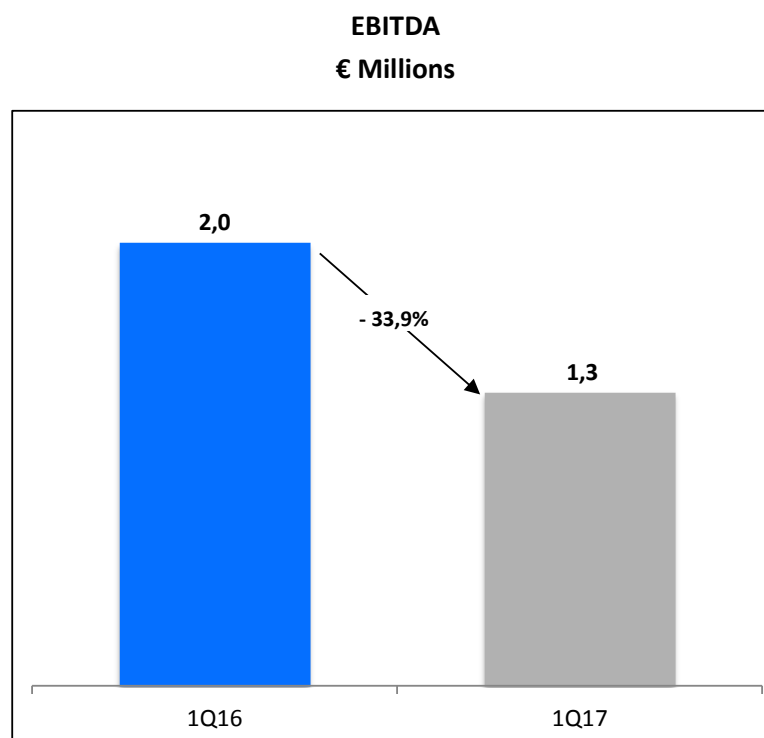


## 2.2. Operating Expenses

Consolidated operating expenses, net of depreciation, provisions and adjustments, amounted to 8,9 million Euros in 1Q17, 11.8% lower than in the same period last year and accounted for 87.3% of total income, compared to 83.8% in 1Q16.

## 2.3. Operational Result before Amortizations (EBITDA)

Consolidated EBITDA reached 1,3 million Euros, which compares with 2,0 million euros in 1Q16. The EBITDA margin was 12.7%, or 3.5 pp below the margin of 16.2% achieved in the same period.



## 2.4. Net Income

Depreciations, Amortizations, Provisions e Adjustments amounted to 0,6 million Euros in 1Q17, a decrease of 1.9% from the same period last year.

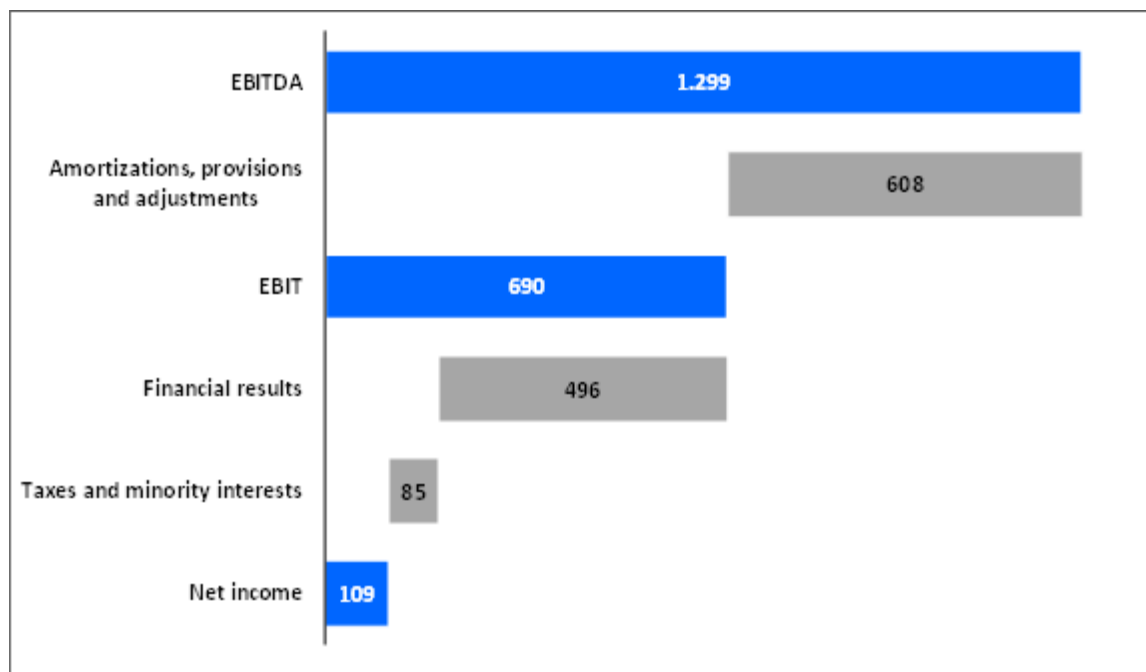
Operating income (EBIT) was positive with 690 thousand Euros, against a positive value of 1,3 million euros in 1Q16.

Net financial expenses decreased 1.5% to 496 thousand Euros in 1Q17, reflecting a continuing effort towards the improvement of financing conditions through the renegotiation of the main credit lines, namely in what concerns their average pricing.

Income from Continued Operations was positive with 109 thousand Euros, against a positive value of 603 thousand Euros in 1Q16, or a decrease of 81.9%.

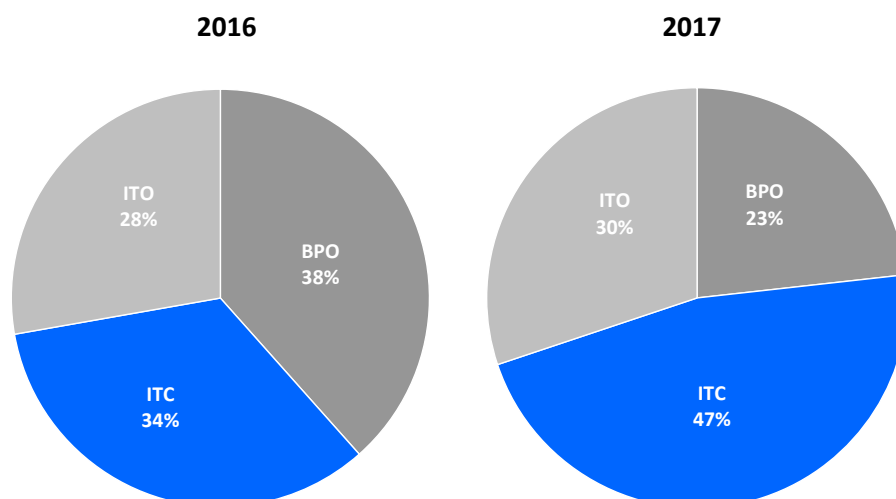
The Consolidated Net Income reached 109 thousand Euros, or a decrease of 44.5% against the 197 thousand euros reached in the same period last year.

### From EBITDA to Net Income € Thousand

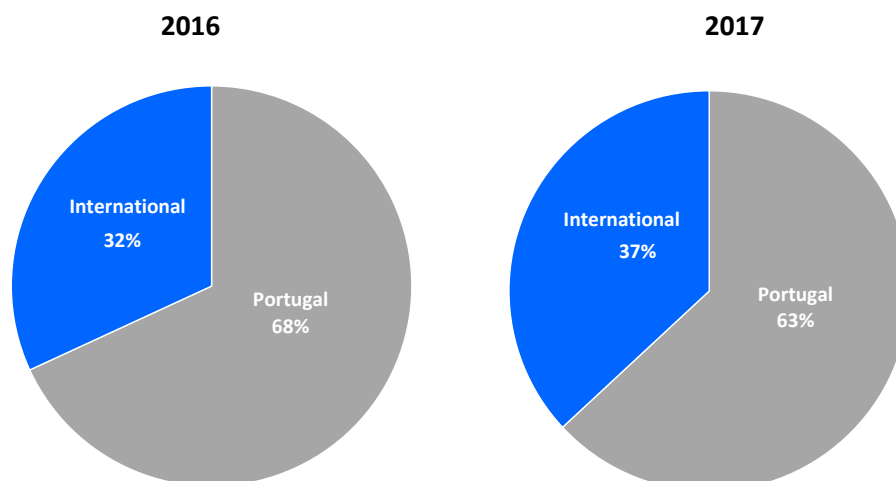


### 3. Indicators by Business Sectors

#### Revenue by Business Sector



## Revenue by Geographic Markets



### 3.1. IT Consulting

IT Consulting integrates the business segments of Consulting, Platforms and Applications, and Specialized Outsourcing. This area represented 47% of the Group's total Revenue in 1Q17.

The IT Consulting segment offers consulting, process management, application development / maintenance and management services, business intelligence and applications, open source solutions, and outsourcing services specializing in information technology. Services include the management, administration and support of technology platforms.

The revenue of the ITC business area reached 5,1 million Euros in 1Q17, growing 12.9% over the same period last year. EBITDA was 504 thousand Euros, comparing with 678 thousand Euros in 1Q16.

This decrease in EBITDA is directly related to the start-up costs and initial personnel training, linked to the new contracts mentioned earlier.

### 3.2. IT Outsourcing

Reditus' IT Outsourcing area comprises the IT Infrastructure skills and represented 30% of total revenues in 1Q17.

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 of functional outsourcing.

Revenues from this area reached 3,3 million euros in 1Q17, a decrease of 11.2% over the same period last year. EBITDA reached 658 thousand euros, or a decrease of 47.0% over 1Q16.

### 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 23% of Reditus' global business in 1Q17.

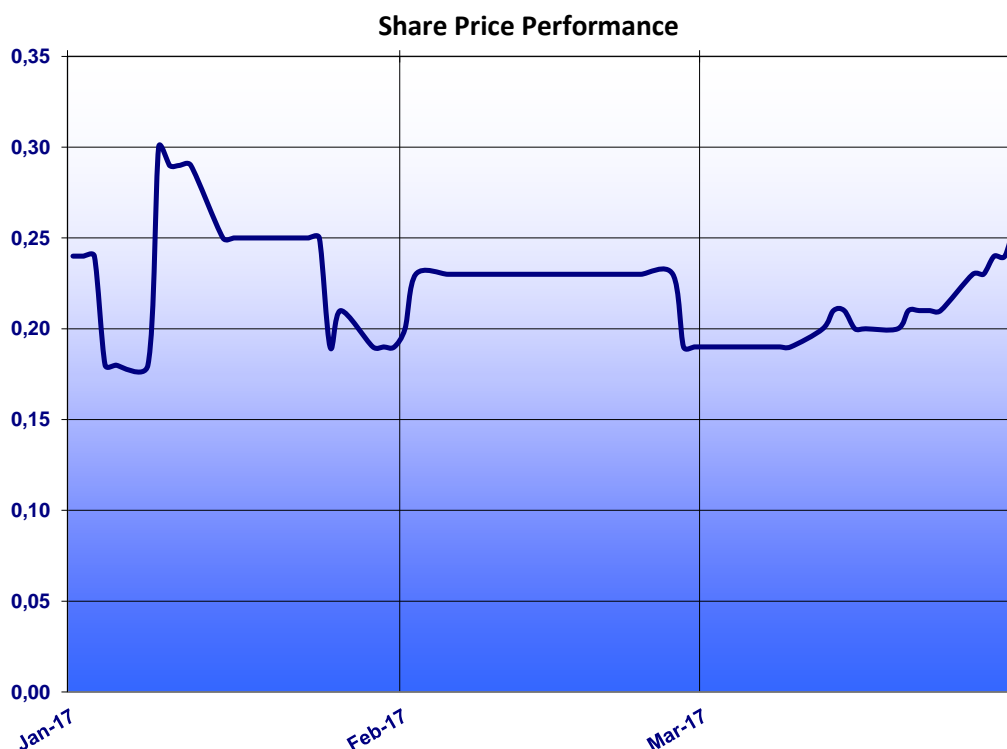
The Operating Revenues amounted to 2,5 million euros, a decrease of 50.5% over the same period in the previous year. The 1Q17 EBITDA was nevertheless 202.7% higher than in 1Q16, reaching 137 thousand Euros against 45 thousand Euros.

### 4. Main Balance Sheet Items

€ Millions			
	31-Mar-2017	31-Dec-2016	YoY %
<b>Total Assets</b>	175,2	172,7	1,5%
Non Current Assets	72,5	72,7	-0,2%
Current Assets	102,7	100,0	2,7%
<b>Equity</b>	32,5	32,4	0,5%
<b>Total Liabilities</b>	142,7	140,3	1,7%
Non-Current Liabilities	95,0	95,3	-0,4%
Current Liabilities	47,7	45,0	6,1%
<b>Net Debt</b>	61,0	59,2	3,1%

At the end of 1Q17, net bank debt (including loans and lease liabilities, less cash and cash equivalents) was 61,0 million Euros, which compares with 59,2 million Euros at the end of 4Q16, or an increase of 3.1%.

## 5. Stock Market Performance



At the end of 1Q17, Reditus' share closing price was 0,26 Euros, which compares to 0,24 euros at the beginning of the year.

In terms of liquidity, around 288 thousand Reditus' shares were traded during 1Q17, representing a transaction value of 60 thousand euros.

The average number of shares traded daily stood at about 4.427, corresponding to a daily average of approximately 929 euros.

## 6. EBITDA by Business Sector

	<i>Unit: thousands of euros</i>		
	31-Mar-2017	31-Mar-2016	YoY %
<b>TOTAL REDITUS</b>			
<b>Operating Revenues</b>	10.248	12.106	-15,3%
Sales	582	365	59,6%
Services Rendered	9.584	11.679	-17,9%
Other Operating Revenues	83	63	31,0%
Operating Expenses (excluding deprec., provisions and adjust.)	8.950	10.142	-11,8%
<b>EBITDA</b>	1.299	1.964	-33,9%
EBITDA Margin	12,7%	16,2%	-3,6pp
<b>ITC</b>			
<b>Operating Revenues</b>	5.100	4.516	12,9%
Sales	327	38	753,0%
Services Rendered	4.700	4.371	7,5%
Other Operating Revenues	73	107	-31,6%
Operating Expenses (excluding deprec., provisions and adjust.)	4.596	3.838	19,8%
<b>EBITDA</b>	504	678	-25,7%
EBITDA Margin	9,9%	15,0%	-5,1pp
<b>ITO</b>			
<b>Operating Revenues</b>	3.296	3.712	-11,2%
Sales	305	322	-5,2%
Services Rendered	2.940	3.341	-12,0%
Other Operating Revenues	51	48	5,3%
Operating Expenses (excluding deprec., provisions and adjust.)	2.638	2.470	6,8%
<b>EBITDA</b>	658	1.241	-47,0%
EBITDA Margin	20,0%	33,4%	-13,5pp
<b>BPO</b>			
<b>Operating Revenues</b>	2.541	5.137	-50,5%
Sales	-	14	-100,0%
Services Rendered	2.541	5.123	-50,4%
Other Operating Revenues	-	0	-100,0%
Operating Expenses (excluding deprec., provisions and adjust.)	2.404	5.092	-52,8%
<b>EBITDA</b>	137	45	202,7%
EBITDA Margin	5,4%	0,9%	4,5pp
<b>Other and Intra-group</b>			
<b>Operating Revenues</b>	(689)	(1.257)	
Sales	(50)	(9)	
Services Rendered	(597)	(1.156)	
Other Operating Revenues	(41)	(92)	
Operating Expenses (excluding deprec., provisions and adjust.)	(689)	(1.257)	



**REDITUS, SGPS, SA**  
**CONSOLIDATED INCOME STATEMENT**  
 FOR THE PERIODS ENDED MARCH 31st, 2017 and MARCH 31st, 2016 (Restated)  
 (Values expressed in Euros)

	31-Mar-2017	31-Mar-2016
<b>OPERATING REVENUES</b>		
Sales	581.833	364.618
Services rendered	9.583.632	11.678.647
Other operating revenues	82.733	63.165
<b>Total Operating Revenues</b>	<b>10.248.198</b>	<b>12.106.430</b>
<b>OPERATING COSTS</b>		
Inventories consumed and sold	(268.147)	(230.904)
External supplies and services	(4.090.448)	(2.313.736)
Staff costs	(4.515.369)	(7.557.903)
Depreciation and amortisation costs	(608.062)	(619.847)
Provisions and impairments	-	-
Other operating costs	(75.703)	(39.679)
<b>Total Operating Costs</b>	<b>(9.557.729)</b>	<b>(10.762.069)</b>
<b>Net Operating Income</b>	<b>690.469</b>	<b>1.344.361</b>
<b>FINANCIAL RESULTS</b>		
Net financial costs	(495.747)	(503.053)
Net losses in associate companies	-	-
<b>Income before taxes</b>	<b>194.722</b>	<b>841.308</b>
Taxation	(35.246)	(167.968)
<b>Income before minority interests</b>	<b>159.476</b>	<b>673.340</b>
Minority interests	(50.120)	(70.776)
<b>Income from continued operations</b>	<b>109.356</b>	<b>602.564</b>
Income from discontinued operations	-	(405.357)
<b>Net income</b>	<b>109.356</b>	<b>197.207</b>
<b>EBITDA</b>	<b>1.298.531</b>	<b>1.964.208</b>
<b>EBITDA Margin</b>	<b>12,7%</b>	<b>16,2%</b>

**REDITUS, SGPS, SA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 FOR THE PERIODS ENDED MARCH 31st, 2017 and DECEMBER 31st, 2016 (Restated)  
 (Values expressed in Euros)

	31-Mar-2017	31-Dec-2016
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS:</b>		
Tangible Fixed Assets	7.285.454	7.456.886
Investment Properties	1.500.000	1.500.000
Goodwill	41.473.191	41.473.191
Intangible Assets	20.203.157	20.228.928
Advances for Financial Investments	74.707	74.707
Other Receivables	-	-
Other Financial Investments	1.343.932	1.339.140
Deferred Tax Assets	654.734	606.155
	<u>72.535.175</u>	<u>72.679.007</u>
<b>CURRENT ASSETS:</b>		
Inventories	609.634	532.887
Customer receivables	60.846.079	60.381.289
Other account receivables	16.792.602	16.969.189
Other current assets	22.061.278	19.044.900
Financial assets at fair value	18.266	47.599
Cash and equivalents	2.346.764	3.047.867
Assets for disposal	-	-
	<u>102.674.623</u>	<u>100.023.731</u>
<b>TOTAL ASSETS</b>	<u>175.209.798</u>	<u>172.702.738</u>
<b>EQUITY</b>		
Share Capital	73.193.455	73.193.455
Treasury shares	(1.426.438)	(1.426.438)
Share premium account	9.952.762	9.952.762
Reserves	3.608.430	3.608.430
Retained earnings	(53.766.602)	(50.865.855)
Adjustments in financial assets	(501.763)	(501.763)
Valuation surplus of fixed assets	1.129.470	1.129.470
Consolidated net income for the year	109.356	(2.900.747)
Equity attributable to equity holders of Reditus	<u>32.298.670</u>	<u>32.189.314</u>
Equity attributable to minority interests	<u>240.773</u>	<u>190.653</u>
Total equity	<u>32.539.443</u>	<u>32.379.967</u>
<b>LIABILITIES:</b>		
<b>NON-CURRENT LIABILITIES:</b>		
Loans	53.505.372	54.381.333
Other accounts payable	33.169.703	32.540.810
Deferred tax liabilities	3.953.733	4.001.735
Financial leasing liabilities	4.339.512	4.420.877
	<u>94.968.320</u>	<u>95.344.755</u>
<b>CURRENT LIABILITIES:</b>		
Loans	5.123.513	3.005.126
Suppliers	9.589.055	9.564.203
Other accounts payable	17.511.354	17.243.325
Other current liabilities	15.068.711	14.736.980
Financial leasing liabilities	409.402	428.382
Liabilities for disposal	-	-
	<u>47.702.035</u>	<u>44.978.016</u>
<b>TOTAL LIABILITIES</b>	<u>142.670.355</u>	<u>140.322.771</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>175.209.798</u>	<u>172.702.738</u>