

ANNUAL RESULTS 2011

Operating income of Reditus reached 110 million euros

- **New business mix allows the net creation of 800 jobs**
- **EBITDA of EUR 2.8 million**
- **Net result -13.9 million**
- **International sales represent 31% of turnover**

1. Summary of Activity

Given the profound changes in the macroeconomic framework, the Reditus Group has focused on adapting the organization to new market realities, trying to extract efficiencies by simplifying structures, sharing best practices among the various business segments, reduced costs, focus in upselling services to its customers and establish partnerships with their suppliers.

Despite the very strong contraction of the internal market and the postponement to 2012 of business in some export markets, the Reditus Group was able to smoothly implement structural changes in order to transpose this less happy period of the Portuguese economy, in a sector that traditionally operates with very small margins. All the reorganizations carried out in 2011 and still in 2012, enable the Group to face with great confidence and resilience the next year, which seem hard, but challenging.

In 2011, the Reditus Group held a very successful operation to increase its share capital, enabling it to raise capital and deleverage its liabilities by more than 10 million euros, while the activity increased significantly in the areas of Business Process Outsourcing (BPO) and IT Consulting, balancing the turnover decrease in the area of technology outsourcing (ITO) - which corresponds mostly to the sale of computer equipment. The new business mix, which resulted in an activity increase, had a net effect of 800 new jobs, mostly in areas of high unemployment and a non-recurring degradation of operating margins, given the high investments made to the operationalization of some of the contracts obtained.

It was created Reditus Business Solutions (RBS) through the merger of several companies, representing a turning point in terms of efficiency and speed of operation of various business areas. In addition to RBS, Reditus is present in the market with its subsidiaries ROFF and Partblack.

The market approach has been redefined by a new model focusing vertical segmentation markets in the main sectors of activity: Financial Services, Telecommunications and Utilities, Health and Public Administration, and also offer other business generalist.

This guidance intends to strengthen the position of Reditus Group in IT Consultancy, preserving and developing traditional Reditus skills and give a coherent and integrated from Business Consulting to Outsourcing delivering solutions that can add value to the client's whole chain of needs.

The year 2011 was marked by a commitment on the international market which contributes to 31% of the Group's turnover. Excluding ITO's specific projects, which in late 2010 were very impressive, international activity increased by 17% in 2011. In the domestic market, despite the sharp deterioration in the economic climate, Reditus managed to maintain its activity at very similar levels to the homologue period, reflecting essentially three new contracts of great importance in the area of Business Process Outsourcing (BPO).

ANNUAL RESULTS 2011

As consequence of adapting to a new and harsh reality, which led to a restructuring of certain business areas and disposal of non-strategic businesses, the Group registered a set of non-recurring costs resulting from various factors: Investments in new BPO contracts, Increased depreciation of intangible assets resulting from a series of acquisitions made in 2010, impairments resulting from the sale of non-strategic businesses and adjustments of investment's goodwill in the area of ITO. As a consequence, and despite the non recurrence of the facts, EBITDA and net income were negatively impacted in fiscal year of 2011.

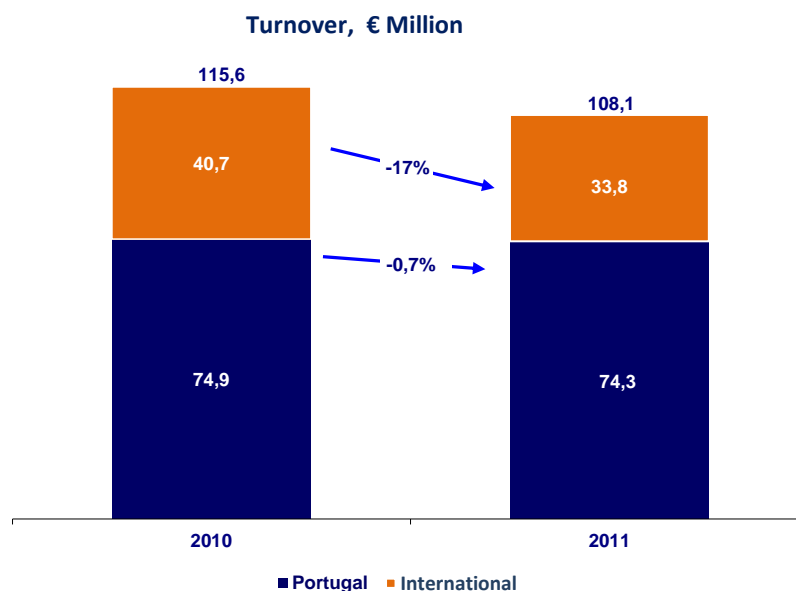
2. Economic and Financial Analysis of the Group

2.1. Operating Income

In spite of the good performance of the provision of services component which remained at the same levels as those of the previous year, having increased its relative weight in total turnover from 77.9%, to 83.3%, the 29.2% decline in the sale of products component implied a decrease in Turnover of 6.5% relative to 2010, to 108.1 million euros.

In 2011, Consolidated Operating Income reached 110.1 million euros, corresponding to reduction of 7.1% year-on-year.

International activity decreased by 17% in 2011 relative to 2010, contributing with 31% of the Group's Turnover. This decrease is explained by the very impressive figures recorded in the last quarter of 2010 relative to a project in the ITO area, which was not the case in 2011. Excluding this project, international activity increased by 17% in 2011.



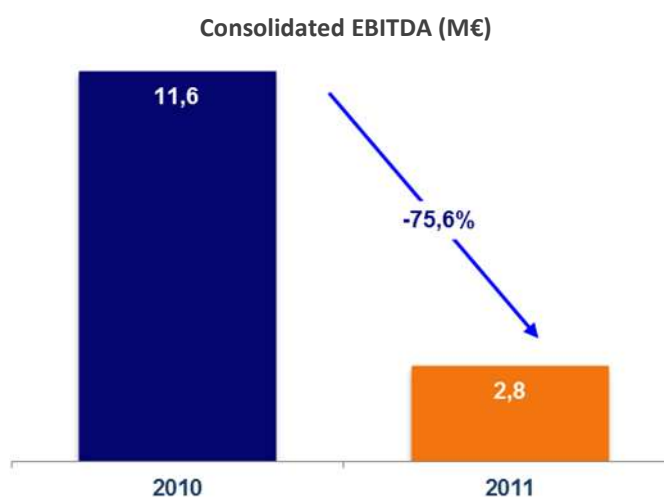
2.2. Operating Costs

Consolidated Operating Costs net of amortisation, provisions and adjustments reached a total of 107.3 million euros in 2011, having remained unchanged year-on-year, and represented 97.4.2% of Total Income, in comparison with 90.2% in relation to the same period of the previous year. This performance is essentially due to the non-recurrent costs related to the restructuring, the start-up of new service contracts, the investment in internationalisation and devaluation of securities held in portfolio.

ANNUAL RESULTS 2011

2.3. Earnings Before Interest, Taxes, Depreciation and Amortisation

Consolidated EBITDA reached 2.8 million euros, a decrease of 75.6% relative to the same period of 2010. The EBITDA margin stood at 2.6%, 7.2 p.p. below the margin of 9.8% achieved in 2010. The decrease of the margin resulted not only from the non-recurrent costs referred to above, but also from the pressure on prices in the domestic market as a consequence of the current circumstances.



2.4. Net Income

Depreciation and Amortisation reached 4.7 million euros in 2011, reflecting an increase of 13% year-on-year, explained essentially by the increased amortisation of the intangible assets due to the acquisitions during 2010.

In 2011, Reditus recorded impairment losses to the value of 4.1 million euros which were related to the disposal of its stake in the company Caléo and to adjustments to the value of the goodwill of the investments in the ITO area, essentially reflecting the more adverse macroeconomic environment.

Net operating income was significantly affected by the non-recurrent costs and impairment losses, having reached the negative value of 8.4 million euros, compared with the positive net operating income of 6.5 million euros for the same period of the previous year.

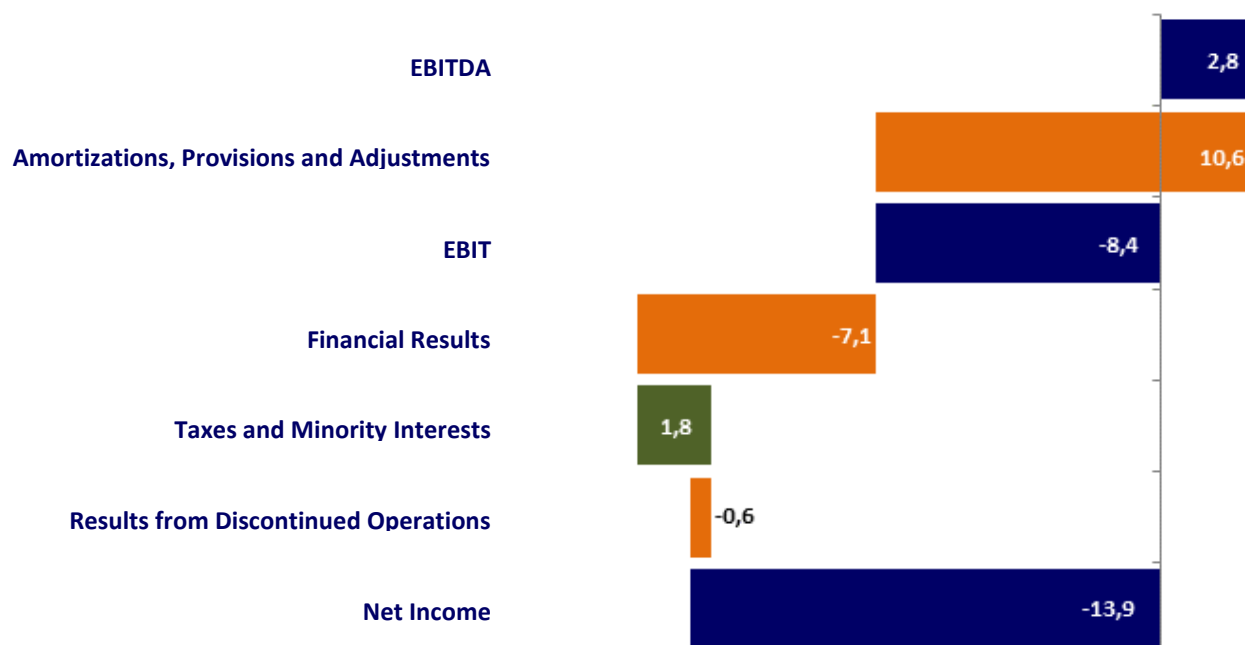
The negative financial results increased by 51.2% to 7.1 million euros, mainly due to the increased interest rates, in spite of the reduction of debt in average terms.

Net Income from Ongoing Operations in 2011 were negative by 13.3 million euros, which compares with the positive net income of 1.4 million euros in 2010.

During this period, Consolidated Net Income, after minority interests and the earnings of discontinued operations reached losses of 13.9 million euros, compared with the profits of 269 thousand euros recorded in 2010. This decrease is explained essentially by (i) the non-recurrent costs related to the restructuring, start-up of new Service Centres, internationalisation effort and devaluation of securities held in portfolio; (ii) the significant increase in financial costs as a result of the deterioration of funding conditions; and (iii) the impairment losses to the value of 4.1 million euros recorded in the last quarter of 2011.

ANNUAL RESULTS 2011

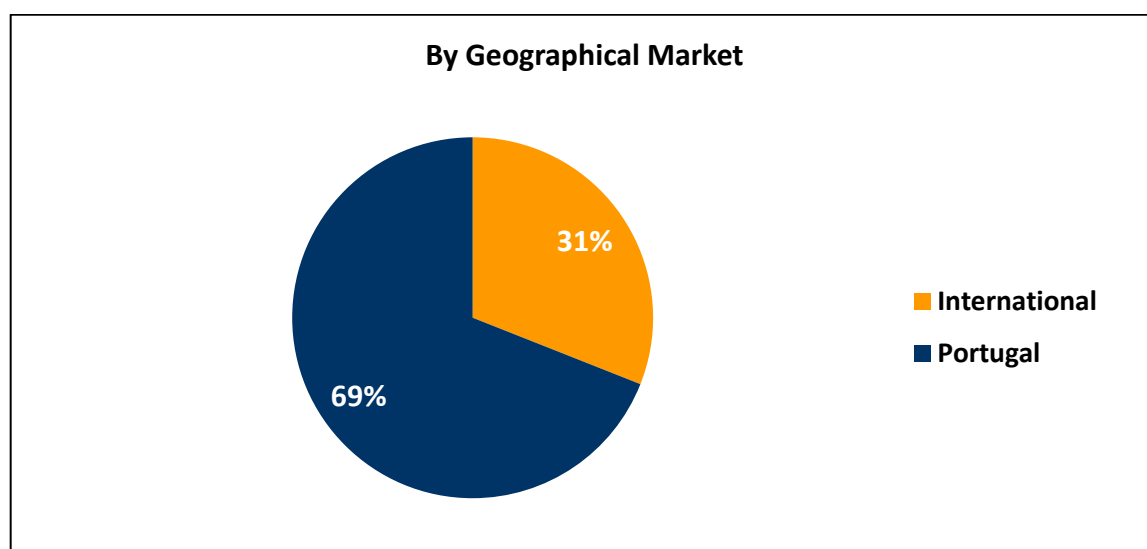
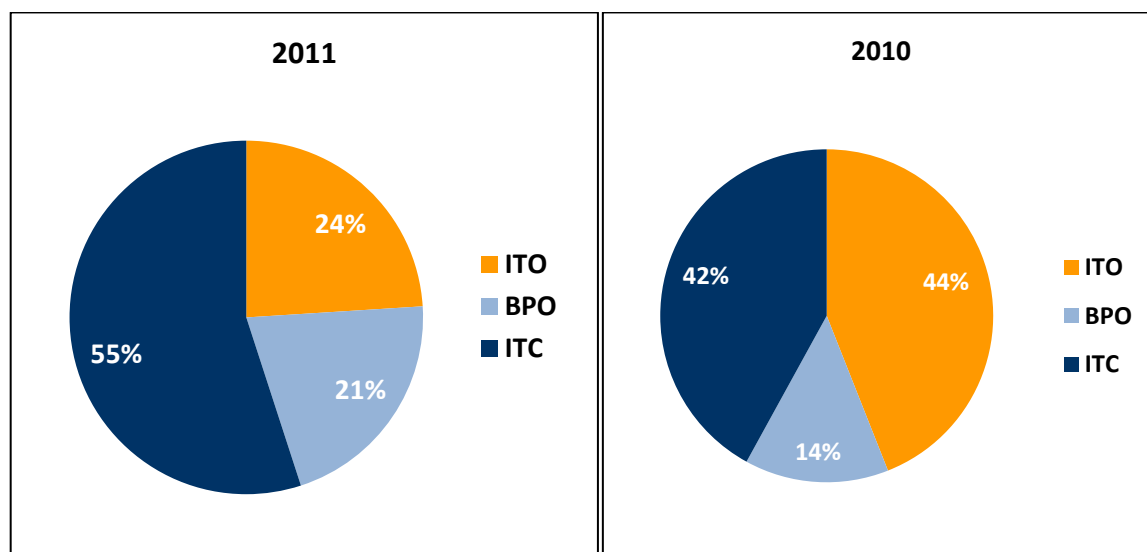
From EBITDA to Net Income 2011 (M€)



ANNUAL RESULTS 2011

3. Indicators by Business Area

Turnover By Segment of Activity



3.1. Business Process Outsourcing (BPO)

The BPO area thus increased its weight in the business structure of Reditus, and, by the end of 2011, accounted for 21% of its turnover, compared with the value of 14% in 2010.

2011 was a year of little growth of the BPO market in Portugal, marked by some instability in recognised market players which generated some business opportunities. Reditus was able to make the most of these opportunities, having been awarded reference projects, with new customers.

ANNUAL RESULTS 2011

These new projects showed a very positive contribution to the Turnover of the BPO area, which grew by 38% to reach 23.0 million euros by the end of 2011. However, the costs inherent to the start-up of the respective projects as well as the overall market pressure on prices significantly penalised the EBITDA.

3.2. IT Outsourcing

The IT Outsourcing area is composed of IT Infrastructure competences and the representation of Panda and Safend security products. Its activity represented 24% of the Turnover of Reditus, a significant reduction in comparison with the 44% recorded for 2010.

2011 was characterised by a significant retraction in corporate investment in IT infrastructures. The cost-cutting policies adopted by most organisations have led to the postponement of investment in technological renovation. On the other hand, there has been greater demand for solutions with direct impact on the reduction of operating costs related to IT management, namely solutions of virtualisation of jobs and data storage and archiving management.

This business unit presented a weak operational performance, as a result of the strong contraction of the national IT market and delay in the development of an international project which had recorded a very significant value in 2010. Turnover fell by 48.5% to 27.1 million euros and EBITDA came to 1.1 million euros, equivalent to a margin of 4.1%.

3.3. IT Consulting

The IT Consulting area includes the areas of Business Consulting and Transformation, SAP Development and Consulting and Application Development, Integration and Management.

2011 marked the beginning of the consolidation of the Reditus Group's Business Consulting activity, where an expansion occurred in the practice of consulting and constitution of a differentiated offer, of competitive value and the integration of various realities and practices which converge under Consulting operations.

In the area of SAP Consulting and Implementation, the company ROFF, in which Reditus has a stake, increased its turnover not only in the international market, where it has strongly strengthened its position, but also in the domestic market, where it continues to expand as the largest SAP consulting company in Portugal and largest national partner of the German multinational. The international expansion has been marked not only by the opening of new branches in Stockholm and Casablanca to address, respectively, the markets of Northern Europe and North Africa, but also by the attraction of new large-scale customers in the Angolan market.

The evolution of the activity of IT Consulting was very positive in 2011, having increased its Turnover by 18.1% to 60.3 million euros, representing 55% of the total turnover of Reditus. However, EBITDA decreased by 57.2% to 2.9 million euros, equivalent to a margin of 4.6% compared with 11.9% in 2010. This decline reflects the non-recurrent costs and current economic climate with consequent pressure on prices in the domestic market.

ANNUAL RESULTS 2011

4. Main Headings of the Balance Sheet

€ Million

	31-12-2011	31-12-2010	Var. %
Total Assets	184,8	191,9	-3,7%
Non-current Assets	108,1	115,4	-6,3%
Current Assets	76,6	76,5	0,1%
Equity	34,7	29,2	18,8%
Total Liabilities	150,0	162,7	-7,8%
Non-current Liabilities	67,8	47,9	41,7%
Current Liabilities	82,2	114,8	-28,4%
Net Debt	73,6	84,1	-12,5%

By the end of December 2011, the net bank debt (includes loans, financial leasing liabilities, minus cash and equivalent) decreased to 73.6 million euros, where this value represents a reduction of 10.5 million euros, or 12.5%, relative to the 84.1 million euros recorded at the end of 2010.

The financial leasing liabilities include 7.1 million euros of real estate leases.

It is important to emphasise the share capital increase, on 31 March 2011, through cash entries, from 51,557,265 euros to 73,193,455 euros through the issue of 4,327,238 ordinary shares, certificates and to the bearer, with a nominal value of 5.00 euros each.

5. Stock Market Behaviour

Performance of Reditus Shares in 2011



Source: Euronext

ANNUAL RESULTS 2011

By the end of 2011, the closing market price of Reditus shares stood at 3.90 euros, in comparison with the 6.26 euros recorded at the beginning of the year.

In terms of liquidity, during the financial year there were approximately 129 thousand transactions of Reditus shares, representing a transaction value of 626 thousand euros.

The daily average number of share transactions stood at approximately 504 thousand shares, corresponding to a daily average value of approximately 2.462 euros.

6. Prospects for 2012

In spite of the recognised difficulties in economic and financial terms that are expected for 2012, Reditus is prepared to successfully face this period of greater adversity. This level of preparation to ensure financial and operating sustainability is due to the implementation, which took place in 2011, of a series of measures in 3 key areas, which enable drawing a line with a long term horizon.

Business Development:

- Pursuit of a policy of accomplishing customer loyalty, with various long-term multi-annual contracts having been renewed with reference companies during 2011;
- Strengthening of the Group's integrated offer and development of new solutions;
- Development of a new organisational structure, which combines a market approach focused on customer management by activity sectors, with capacity of execution in the Group's areas of competence, which will allow us to enhance our offer in the value chain;
- Expansion of international operations, developing investment opportunities in 3 geographic areas: Central Europe, Latin America and Africa.

Optimisation of structural costs:

- Pursuit of a policy of optimisation of structural costs, without affecting our capacity for business development and delivery.

Improved financial performance:

- In order to improve the financial performance of Reditus, thorough work has been carried out regarding debt management, releasing cash flow capabilities for the Group's operations and investments foreseen in our development plan.

ANNUAL RESULTS 2011

7. EBITDA by Business Area

	Units: Thousands €		
	31-12-2011	31-12-2010	Var%
TOTAL REDITUS			
Operating Revenues	110.112	118.584	-7,1%
Sales	18.104	25.556	-29,2%
Services	89.982	90.012	0,0%
Other Operating Revenues	2026	3.016	-32,8%
Operating Costs (Exclud Amortizations provisions and adjustments)	107.278	106.998	0,3%
EBITDA	2.834	11.586	-75,5%
EBITDA Margin	2,6%	9,8%	-7,2%
BPO			
Operating Revenues	23.137	16.969	36,4%
Sales	-	-	-
Services	23.021	16.682	38,0%
Other Operating Revenues	116	286	-59,6%
Operating Costs (Exclud Amortizations provisions and adjustments)	24.330	16.905	43,9%
EBITDA	(1.193)	64	-1.974,3%
EBITDA Margin	-5,2%	0,4%	-5,5%
ITO			
Operating Revenues	27.562	53.197	-48,2%
Sales	9.878	20.344	-51,4%
Services	17.264	32.371	-46,7%
Other Operating Revenues	420	482	-12,9%
Operating Costs (Exclud Amortizations provisions and adjustments)	26.440	48.469	-45,5%
EBITDA	1.122	4.728	-76,3%
EBITDA Margin	4,1%	8,9%	-4,8%
IT CONSULTING			
Operating Revenues	63.241	57.126	10,7%
Sales	8.659	5.794	49,5%
Services	51.691	45.307	14,1%
Other Operating Revenues	2.891	6.025	-52,0%
Operating Costs (Exclud Amortizations provisions and adjustments)	60.336	50.331	19,9%
EBITDA	2.905	6.794	-57,2%
EBITDA Margin	4,6%	11,9%	-7,3%
OTHERS AND INTRA-GROUP			
Operating Revenues	(3.828)	(8.707)	
Sales	(433)	(581)	
Services	(1.994)	(4.349)	
Other Operating Revenues	(1.400)	(3.777)	
Operating Costs (Exclud Amortizations provisions and adjustments)	(3.828)	(8.707)	



ANNUAL RESULTS 2011

REDITUS, SGPS, S.A.
CONSOLIDATED INCOME STATEMENT
FOR THE PERIODS ENDED ON 31 DECEMBER 2011 AND 2010
 (Values expressed in Euros)

	31-12-2011	31-12-2010
<u>OPERATING INCOME:</u>		
Sales	18.103.812	25.556.336
Services rendered	89.982.052	90.011.753
Other operating income	<u>2.025.936</u>	<u>3.015.911</u>
Total operating income	<u>110.111.800</u>	<u>118.584.000</u>
<u>OPERATING COSTS:</u>		
Inventories consumed and sold	(12.579.739)	(18.264.995)
External supplies and services	(38.667.915)	(55.568.026)
Staff costs	(54.346.613)	(31.788.416)
Depreciation and amortisation costs	(4.698.623)	(4.155.577)
Provisions and impairment losses	(6.569.510)	(929.880)
Other operating costs and losses	<u>(1.687.685)</u>	<u>(1.376.938)</u>
Total operating costs	<u>(118.550.085)</u>	<u>(112.083.832)</u>
Net operating income	<u>(8.438.285)</u>	<u>6.500.168</u>
<u>FINANCIAL RESULTS:</u>		
Net financial costs	(7.077.385)	(4.682.319)
Net losses in associated companies	-	-
	<u>(7.077.385)</u>	<u>(4.682.319)</u>
Profit before taxes	<u>(15.515.670)</u>	<u>1.817.849</u>
Income tax	2.041.499	(634.171)
Profit before minority interests	<u>(13.474.171)</u>	<u>1.183.678</u>
Minority interests	141.760	247.804
Earnings from ongoing operations	<u>(13.332.411)</u>	<u>1.431.482</u>
Earnings from discontinued operations	(608.431)	(1.162.875)
Net Income	<u>(13.940.842)</u>	<u>268.607</u>
EBITDA	2.829.848	11.585.625
EBITDA Margin	2,6%	9,8%

ANNUAL RESULTS 2011

REDITUS, SGPS, S.A.
STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION AS AT 31 DECEMBER 2011
AND 31 DECEMBER 2010
 (Values expressed in Euros)

<u>ASSETS</u>	<u>31-12-2011</u>	<u>31-12-2010</u>
NON-CURRENT ASSETS:		
Tangible assets	15.205.123	16.587.124
Goodwill	56.767.838	59.760.715
Intangible assets	29.569.074	30.301.174
Assets available for sale	2.316.755	6.845.115
Other financial investments	5.000	5.000
Deferred tax assets	4.274.518	1.874.826
	<u>108.138.308</u>	<u>115.373.954</u>
CURRENT ASSETS:		
Inventories	902.647	668.646
Customers	42.632.288	42.884.705
Other accounts receivable	7.193.562	9.274.233
Other current assets	17.158.775	14.279.303
Financial assets at fair value	100.420	339.211
Cash and equivalent	8.637.349	9.078.735
	<u>76.625.041</u>	<u>76.524.833</u>
TOTAL ASSETS	<u><u>184.763.349</u></u>	<u><u>191.898.787</u></u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	73.193.455	51.557.265
Own shares (quotas)	(1.180.733)	(1.156.757)
Issue premiums	9.952.762	11.146.578
Reserves	3.592.304	3.546.904
Retained earnings	(37.873.025)	(38.096.232)
Adjustments in financial assets	(501.763)	(501.763)
Surplus valorisation of fixed assets	2.115.352	2.357.714
Consolidated net income for the year	(13.940.842)	268.607
Equity attributable to majority shareholders	35.357.510	29.122.316
Equity attributable to minority interests	(628.430)	105.032
Total equity	<u>34.729.080</u>	<u>29.227.348</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Loans	44.856.585	25.294.990
Provisions	2.970.976	1.807.659
Liabilities available for sale	2.912.595	6.191.351
Other accounts payable	3.000.000	4.309
Deferred tax liabilities	6.425.017	6.340.644
Financial leasing liabilities	7.675.033	8.224.041
	<u>67.840.206</u>	<u>47.862.994</u>
CURRENT LIABILITIES:		
Loans	28.703.107	58.392.057
Suppliers	19.989.559	22.638.325
Other accounts payable	12.774.819	12.750.117
Other current liabilities	19.747.163	19.737.406
Financial leasing liabilities	979.415	1.290.540
	<u>82.194.063</u>	<u>114.808.445</u>
Total liabilities	<u>150.034.269</u>	<u>162.671.439</u>
TOTAL EQUITY AND LIABILITIES	<u><u>184.763.349</u></u>	<u><u>191.898.787</u></u>