



ANNUAL REPORT
(Unaudited)

3rd Quarter of 2013

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Net Income of Reditus increases by 6.4% in the first nine months of 2013

- **Operating Income of 82.6 million euros (-6.1%)**
- **EBITDA of 6.9 million euros (-20.1%)**
- **EBITDA Margin of 8.4% (against 9.8%)**
- **Net Income of 232 thousand euros (against 219 thousand euros)**
- **International Sales represent 34% of Revenue**

Note: As at December 2012, Reditus classified the whole of the holding in Partblack as non-current assets held for sale, such that the results of the first nine months of 2012 were restated so that the same could be compared with the results of the same period of 2013.

1. Summary of Activity

During the first nine months of 2013 (9M13), Reditus continued to focus on the expansion of its international operations, with new Asian and African branches having been inaugurated.

Operating Income of the Group came to 82.6 million euros in 9M13. The sales component registered an increase of 7.0% relative to the previous year.

EBITDA came to 6.9 million euros, which represents a decrease of 20.1% relative to the same period of the previous year. This decline was primarily due to specific and one-off projects implemented in the external market in the IT Outsourcing (ITO) area in 9M12.

The Group implemented cost optimisation/rationalisation measures and made notable efforts to develop higher value added products and services and offers of integrated services, aimed at acquiring new customers, strengthening its presence among existing customers, increasing customer loyalty and cross-selling.

International activity contributed with 34% of the Group's Revenues, which compares with 36% in the same period of the previous year. Excluding the specific and one-off projects previously mentioned, international activity recorded an increase of 8.5% in 9M13.

Domestic operations recorded a decline of 3.7%, a good performance in spite of the general adverse context in general and the rationalisation of the Service Centres in Portugal.

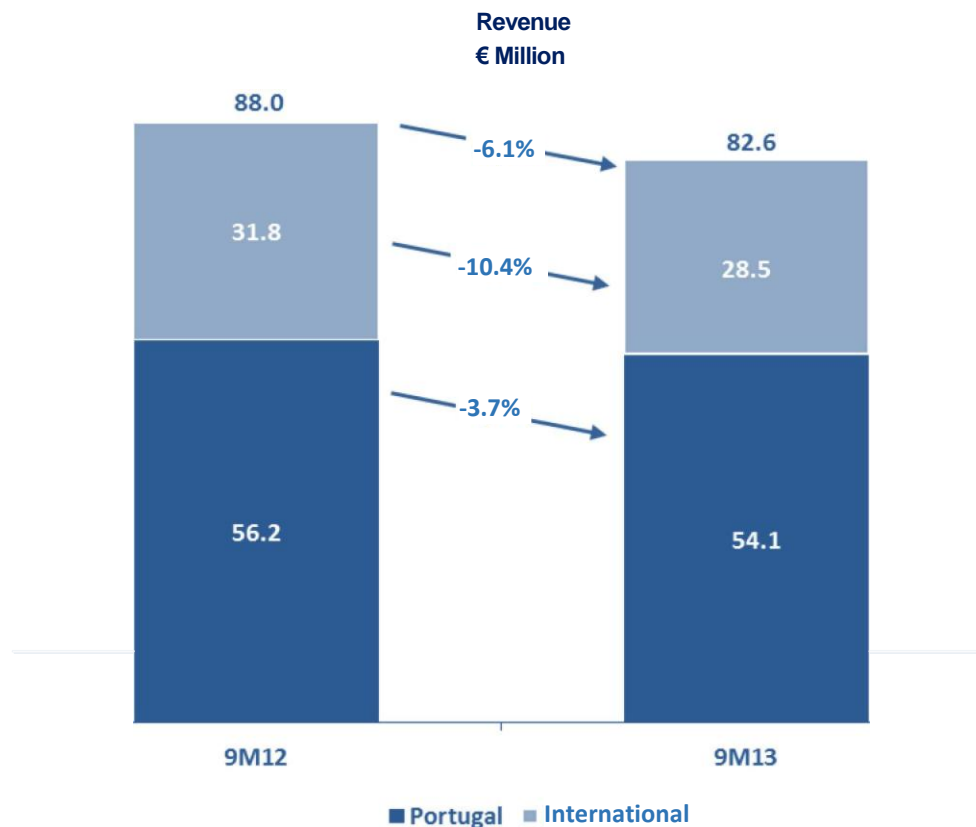
2. Consolidated Indicators

2.1. Consolidated Operating Income

The Consolidated Operating Income of Reditus reached the amount of 82.6 million euros in 9M13, which represents a decrease of 6.1% relative to the 88 million euros recorded in the same period of the previous year.

International activity recorded a decrease of 10.4% due to specific and one-off international projects in the ITO area in 9M12. Excluding those projects, international activity recorded an increase of 8.5% in 9M13.

International Sales represented 34% of the Group's total revenue.



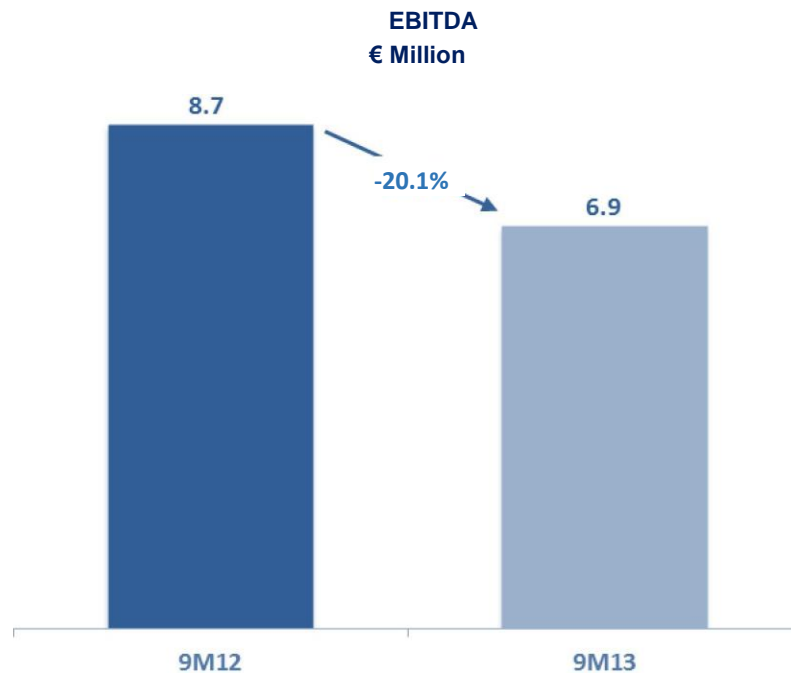
2.2. Operating Costs

Consolidated Operating Costs, net of depreciation, amortisation, provisions and adjustments reached a total of 75.7 million euros in the first nine months of 2013, corresponding to a year-on-year decrease of 4.6% and accounting for 91.6% of Total Income, in comparison with 90.2% in the same period of the previous year.

2.3. Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Consolidated EBITDA reached 6.9 million euros, an increase of 20.1% relative to the 8.7 million euros recorded for the same period of 2012. The EBITDA margin stood at 8.4%, 1.5 p.p. below the margin of 9.8% reached in the same period of the previous year.

It is important to point out the good performance of the IT Consulting (ITC) area which recorded an increase of 17% in EBITDA.



2.4. Net Income

Depreciation, Amortisation, Provisions and Adjustments reached 3.1 million euros in 9M13, a decrease of 10.3% relative to the same period of the previous year, as a result of the decrease in provisions and impairment losses.

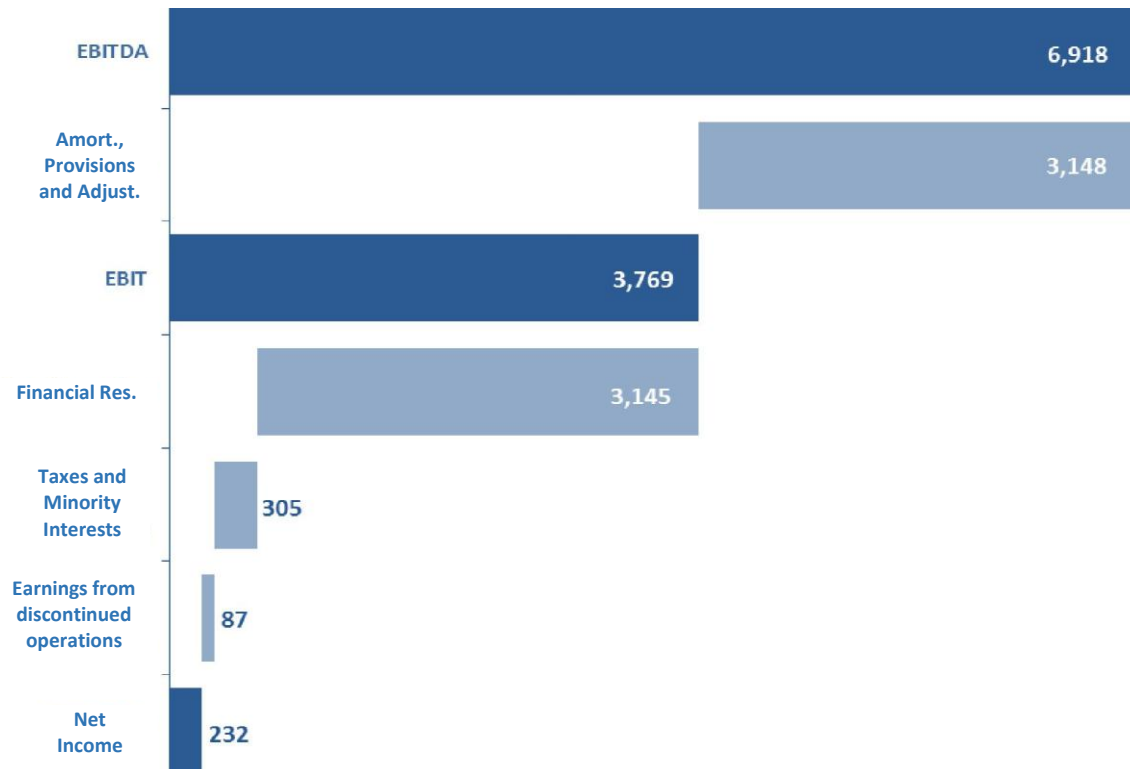
Earnings before Interest and Taxes (EBIT) reached 3.8 million euros, an increase of 26.7% relative to the 5.1 million euros recorded for the same period of the previous year.

The negative Financial Results decreased by 20.8% to 3.1 million euros during the first nine months of the year, reflecting the reduction of the average gross debt and the company's continued effort to obtain better funding conditions through the renegotiation of the main loans, namely in regard to the average pricing.

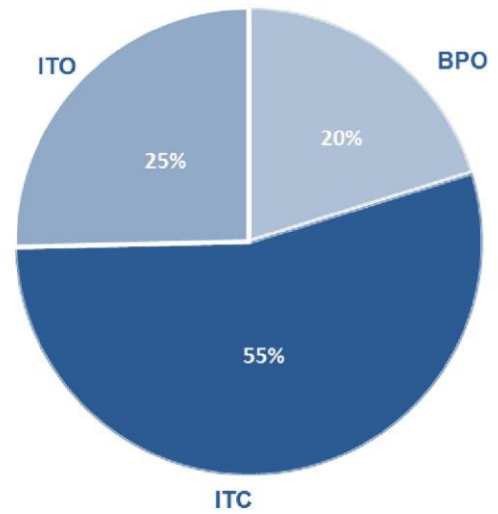
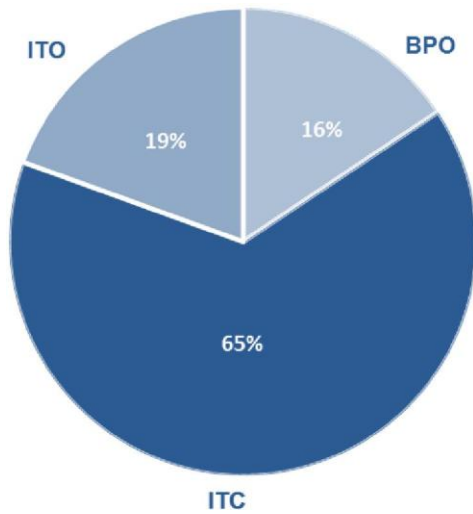
The Earnings from Discontinued Operations in the 9M12 were negative by 86.5 thousand euros, which compares with the negative results of 499.6 thousand euros in the same period of the previous year.

Consolidated Net Income, after minority interests and earnings from discontinued operations, stood at 232.5 thousand euros, representing an increase of 6.4% relative to the 218.5 thousand euros recorded in the same period of the previous year.

**From EBITDA to Net Income
€ Thousands**



3. Indicators by Business Area



Revenue by Activity Area

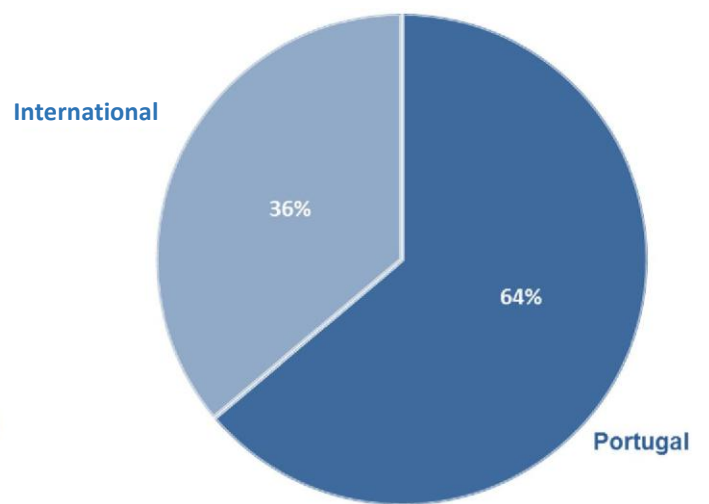
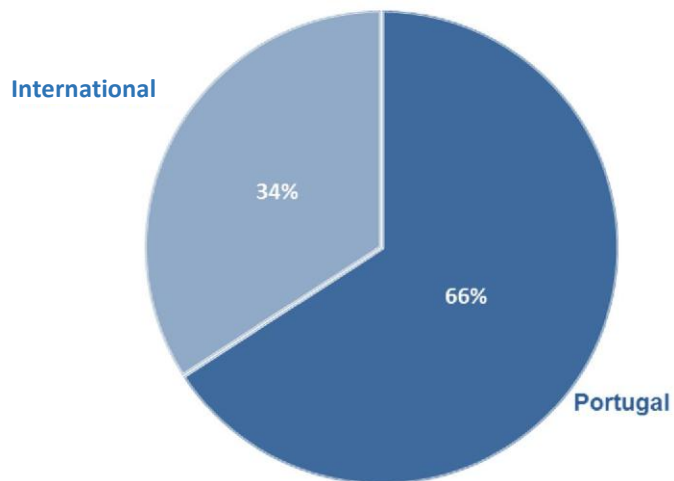
9M13

9M12

Revenue by Geographic Market

9M13

9M12



3.1. 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 multi-channel Contact Centre services. This area accounted for 16% of the total turnover of Reditus in the 9M13.

The Revenue of this segment stood at 13.5 million euros, a decrease of 26.1% relative to the value recorded in the same period of the previous year, resulting from the impact of the rationalisation of the Service Centres in Portugal. However, EBITDA increased, year-on-year, by 33.9%, equivalent to a margin of 2.0%, compared with 1.1% in the same period of the previous year.

3.1.2 IT Outsourcing (ITO)

The IT Outsourcing area is composed of IT Infrastructure competences and the representation and distribution of IT products, namely security products, business continuity and Business Intelligence. Its activity represented 19% of the turnover of Reditus.

The Revenue of the ITO unit reached 16.8 million euros, a decrease of 26.7% relative to the same period of the previous year. EBITDA came to 1.3 million euros, in comparison with the 3.9 million euros in the same period of the previous year. This decline was primarily due to one-off international projects implemented in 9M12.

3.1.3 IT Consulting (ITC)

The ITC area includes the areas of Business Consulting and Transformation, SAP Development and Consulting and Integration of Systems. This area represented 65% of the Group's total turnover in the 9M13.

In the area of SAP Consulting and Implementation, the participated company ROFF, which represents almost 65% of the ITC area, increased its turnover, strengthening its position on the domestic market and gaining ground as the largest SAP consulting company in Portugal and largest national partner of the German multinational. The international expansion was marked by the opening of a new branch office in Macau to address the Asian market.

During the first nine months of the year, the evolution of the ITC activity was very positive, having increased its Operating Income by 13.7% to 55.9 million euros and increased its EBITDA by 17.0% to 5.4 million euros. The EBITDA margin increased 0.3 pp from 9.3% to 9.6%.

4. Balance Sheet - Main Headings

Million euros

	30/09/2013	31/12/2012	Var. %
Total Assets	177.7	185.2	-4.0%
Non-current Assets	95.0	97.4	-2.4%
Current Assets	82.7	87.8	-5.8%
Equity	34.6	34.3	0.9%
Total Liabilities	143.2	150.9	-5.1%
Non-current Liabilities	77.3	69.2	11.7%
Current Liabilities	65.9	81.7	-19.4%
Net Debt	63.8	68.6	-7.0%

At the end of September 2013, the net bank debt (includes loans, financial leasing liabilities, deducted from cash and equivalent) decreased to 63.8 million euros, a reduction of 4.8 million euros, or 7.0% relative to the 68.6 million euros recorded at the end of 2012.

The financial leasing liabilities include 6.6 million euros of real estate leases.

5. Stock Market Behaviour

Performance of Reditus Shares



By the end of the 9M13, as at 30 September 2013, the closing market price of Reditus shares stood at 0.84 euros, in comparison with the 2.27 euros recorded at the beginning of the year.

In terms of liquidity, approximately 490 thousand Reditus shares were traded during the 9M13, representing a transaction value of 347 thousand euros.

The daily average number of share transactions stood at approximately 2,581 shares, corresponding to a daily average value of approximately 1.828 euros.

6. EBITDA by Business Area

	<i>Unit: thousand euros</i>		
	30/09/2013	30/09/2012	Var%
Total Reditus			
Operating Income	82,569	87,957	-6.1%
Sales	11,355	10,617	7.0%
Services Rendered	70,005	75,754	-7.6%
Other Operating Income	1,209	1,586	-23.7%
Operating Costs (excl. deprec., amort., provisions and adjust.)	75,651	79,303	-4.6%
EBITDA	6,918	8,654	-20.1%
EBITDA Margin	8.4%	9.8%	-1.5pp
BPO			
Operating Income	13,491	18,264	-26.1%
Sales	9	4	128.0%
Services Rendered	13,481	18,260	-26.2%
Other Operating Income	0.7		
Operating Costs (excl. deprec., amort., provisions and adjust.)	13,219	18,061	-26.8%
EBITDA	272	203	33.9%
EBITDA Margin	2.0%	1.1%	0.9pp
ITO			
Operating Income	16,787	22,908	-26.7%
Sales	3,286	4,779	-31.2%
Services Rendered	12,997	17,946	-27.6%
Other Operating Income	503	183	174.5%
Operating Costs (excl. deprec., amort., provisions and adjust.)	15,512	19,049	-18.6%
EBITDA	1,275	3,859	-133.0%
EBITDA Margin	7.6%	16.8%	-9.3pp
ITC			
Operating Income	55,915	49,161	13.7%
Sales	9,079	6,348	43.0%
Services Rendered	45,825	41,117	11.5%
Other Operating Income	1,011	1,696	-40.4%
Operating Costs (excl. deprec., amort., provisions and adjust.)	50,543	44,569	13.4%
EBITDA	5,371	4,592	17.0%
EBITDA Margin	9.6%	9.3%	0.3pp
Other and Intra-Group			
Operating Income	(3,623)	(2,376)	
Sales	(1,019)	(514)	
Services Rendered	(2,298)	(1,569)	
Other Operating Income	(306)	(293)	
Operating Costs (excl. deprec., amort., provisions and adjust.)	(3,623)	(2,376)	

II - Consolidated Financial Statements

REDITUS, SGPS, SA
CONDENSED CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013 AND 31 DECEMBER 2012
(Unaudited)
(Values expressed in euros)

	Notes	30-09-2013	31-12-2012
NON-CURRENT ASSETS:			
Tangible assets	7	11,584,160	12,210,940
Investment properties		1,500,000	1,500,000
Goodwill	8	54,243,058	54,243,058
Intangible assets		25,315,150	27,274,613
Other financial investments		5,000	5,000
Deferred tax assets	D	2,402,149	2,172,562
		<u>95,049,517</u>	<u>97,406,173</u>
CURRENT ASSETS:			
Inventories		390,826	1,911,817
Customers		52,582,855	44,785,925
Other accounts receivable		7,368,412	6,976,916
Assets available for sale	9	2,764,645	5,203,694
Other current assets		14,672,838	24,250,715
Financial assets at fair value		162,112	143,856
Cash and equivalent		4,747,651	4,477,504
		<u>82,689,339</u>	<u>87,750,427</u>
TOTAL ASSETS		<u><u>177,738,856</u></u>	<u><u>185,156,600</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital		73,193,455	73,193,455
Own shares		(1,426,438)	(1,426,438)
Issue premiums		9,952,762	9,952,762
Reserves		3,592,304	3,592,304
Retained earnings		(51,991,719)	(52,271,221)
Adjustments to financial assets		(501,763)	(501,763)
Surplus valuation of fixed assets		1,855,317	1,855,317
Consolidated net income for the year		232,479	279,502
Equity attributable to majority shareholders		34,906,397	34,673,918
Equity attributable to minority interests	H	(326,094)	(403,747)
Total equity		<u>34,580,303</u>	<u>34,270,171</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	L	46,537,659	46,911,706
Other accounts payable	B	18,487,665	9,274,944
Deferred tax liabilities	D	5,577,053	5,815,520
Financial leasing liabilities	H	6,648,063	7,159,110
		<u>77,250,440</u>	<u>69,161,280</u>
CURRENT LIABILITIES:			
Loans	L	14,573,683	18,210,580
Suppliers		15,399,133	21,061,342
Other accounts payable	B	15,565,314	20,362,253
Liabilities available for sale	9	1,575,843	4,695,313
Other current liabilities		17,966,803	16,579,650
Financial leasing liabilities	H	827,337	816,011
		<u>65,908,113</u>	<u>81,725,149</u>
Total liabilities		<u>143,158,553</u>	<u>150,886,429</u>
TOTAL EQUITY AND LIABILITIES		<u><u>177,738,856</u></u>	<u><u>185,156,600</u></u>

The notes are an integral part of the consolidated statements of the financial position
as at 30 September 2013 and 31 December 2012.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

REDITUS, SGPS, SA
CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE QUARTERS ENDED ON 30 SEPTEMBER 2013 and 2012
 (Unaudited)
 (Values expressed in euros)

	Notes	30-09-2013	30-09-2012
OPERATING REVENUE:			
Sales	15	11,355,020	10,616,841
Services rendered	15	70,004,678	75,754,033
Other operating income	15	1,209,471	1,586,138
Total operating revenue		<u>82,569,169</u>	<u>87,957,012</u>
OPERATING COSTS:			
Inventories consumed and sold		(9,051,050)	(8,388,181)
External supplies and services	16	(26,634,722)	(29,579,065)
Staff costs	17	(39,099,892)	(40,858,999)
Depreciation and amortisation costs	18	(2,935,370)	(2,886,537)
Provisions and impairment losses		(212,892)	(621,549)
Other operating costs and losses		(865,751)	(476,657)
Total operating costs		<u>(78,799,677)</u>	<u>(82,810,988)</u>
Net operating income		<u>3,769,492</u>	<u>5,146,024</u>
FINANCIAL RESULTS:			
Net financial costs	19	(3,145,362)	(3,971,054)
Net losses in associates		-	-
Pre-tax profit		<u>(3,145,362)</u>	<u>(3,971,054)</u>
		<u>624,130</u>	<u>1,174,970</u>
Income tax for the year	20	(262,764)	(389,754)
Earnings before consideration of minority interests		<u>361,366</u>	<u>785,216</u>
Minority interests	11	(42,357)	(67,106)
Earnings from ongoing operations		<u>319,009</u>	<u>718,110</u>
Earnings from discontinued operations	21	(86,530)	(499,592)
Net Income		<u>232,479</u>	<u>218,518</u>
Attributable to:			
Shareholders of the parent company		319,009	718,110
Minority interests	11	42,357	67,106
		<u>361,366</u>	<u>785,216</u>

The notes are an integral part of the consolidated income statements for the periods ended on 30 September 2013 and 30 September 2012.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

REDITUS, SGPS, SA
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTERS ENDED ON 30 SEPTEMBER 2013 AND 2012
 (Unaudited)
 (Values expressed in euros)

	30-09-2013	30-09-2012
Consolidated net income for the year (before minority interests)	361,366	785,216
Changes in surplus valuation of fixed assets (IAS 16, IAS 38)	-	-
Consolidated comprehensive income	361,366	785,216
Attributable to:		
Shareholders of the parent company	319,009	718,110
Minority interests	42,357	67,106
	361,366	785,216

REDITUS, SGPS, SA
CONDENSED CONSOLIDATED CASHFLOW STATEMENT
 FOR THE QUARTERS ENDED ON 30 SEPTEMBER 2013 AND 2012
 (Unaudited)
 (Values expressed in euros)

	30-09-2013	30-09-2012
OPERATING ACTIVITIES:		
Receipts from customers	93,959,590	100,389,878
Payments to suppliers	(35,273,823)	(41,430,365)
Payments to the staff	(31,715,554)	(34,723,668)
Payment/receipt of income tax	(28,535)	(878,240)
Other receipts/(payments) relative to operating activity	(14,633,012)	(12,907,205)
Cash flow from operating activities (1)	12,308,666	10,450,400
INVESTMENT ACTIVITIES:		
Receipts derived from:		
Financial investments	-	-
Sale of tangible assets	454,882	48,480
Other	226,312	154,749
	681,194	203,229
Payments relative to:		
Business combinations	(57,750)	-
Acquisition of tangible assets	(189,438)	(448,808)
Acquisition of intangible assets	-	(45,000)
Other	(2,070,916)	(333,813)
	(2,318,104)	(827,621)
Cash flow from investment activities (2)	(1,636,910)	(624,392)
FINANCING ACTIVITIES:		
Receipts relative to:		
Loans received	25,419,032	41,765,463
Share capital increases, additional paid-in capital and premiums	-	-
Other	-	-
	25,419,032	41,765,463
Payments relative to:		
Loans received	(29,257,418)	(46,944,543)
Amortisation of financial lease contracts	-	-
Interest and similar costs	(3,027,722)	(4,317,586)
Acquisition of own shares	-	(245,706)
Other	(3,544,215)	(2,429,078)
	(35,829,355)	(53,936,913)
Cash flow from financing activities (3)	(10,410,323)	(12,171,450)
Variation in cash and equivalent (4) = (1) + (2) + (3)	261,433	(2,345,442)
Effect of currency conversion differences	-	-
Non-current assets held for sale	-	-
Perimeter alteration	-	-
Incorporation by merger	-	-
Cash and equivalent at the beginning of the period	3,588,664	3,952,238
Cash and equivalent at the end of the period	3,850,097	1,606,796

REDITUS, SGPS, SA
CONDENSED CONSOLIDATED CASHFLOW STATEMENT
FOR THE QUARTERS ENDED ON 30 SEPTEMBER 2013 AND 2012
(Unaudited)
(Values expressed in euros)

	<u>30-09-2013</u>	<u>30-09-2012</u>
Cash	233,478	158,729
Bank deposits	4,514,173	5,039,879
Disposable assets in the balance sheet	4,747,651	5,198,608
Non-current assets held for sale		81,572
Bank overdrafts	(897,553)	(3,673,384)
	<u>3,850,097</u>	<u>1,606,796</u>
Cash and equivalent	<u>3,850,097</u>	<u>1,606,796</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the periods ended 30.09.2013 and 2012 (Unaudited)
(Values expressed in euros
)

	Equity attributable to majority shareholders									Equity attributable to minority interests	Total equity	
	Equity	Own shares	Share issue premium	Legal reserve	Other Reserves	Retained earnings	Adjustments to financial assets	Surplus valuation	Net consolidated income (year)			Total
Balance as at 31 December 2012	73,193,455	(1,426,438)	9,952,762	2,024,635	1,567,669	(52,271,221)	(501,763)	1,855,317	279,502	34,673,918	(403,747)	34,270,171
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition) / Disposal of own shares	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation of net income	-	-	-	-	-	279,502	-	-	(279,502)	-	-	-
Acquisition of minority interests (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	35,296	35,296
Minority interests for the period	-	-	-	-	-	-	-	-	-	-	42,357	42,357
Changes in surplus valorisation (IAS 16, IAS 18)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated net income for the year	-	-	-	-	-	-	-	-	232,479	232,479	-	232,479
Balance as at 30 September 2013	73,193,455	(1,426,438)	9,952,762	2,024,635	1,567,669	(51,991,719)	(501,763)	1,855,317	232,479	34,906,397	(326,094)	34,580,303
Balance as at 31 December 2011	73,193,455	(1,180,733)	9,952,762	2,024,635	1,567,669	(37,873,025)	(501,763)	2,115,352	(14,398,196)	34,900,156	(628,430)	34,271,726
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition) / Disposal of own shares	-	(245,705)	-	-	-	-	-	-	-	(245,705)	-	(245,705)
Appropriation of net income	-	-	-	-	-	(14,398,196)	-	-	14,398,196	-	-	-
Acquisition of minority interests (Note 10)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Minority interests for the period	-	-	-	-	-	-	-	-	-	-	-	-
Changes in surplus valorisation (IAS 16, IAS 18)	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated net income for the year	-	-	-	-	-	-	-	-	232,479	232,479	-	232,479
Balance as at 30.09.2012	73,193,455	(1,426,438)	9,952,762	2,024,635	1,567,669	(52,271,221)	(501,763)	2,115,352	232,479	34,886,930	(628,430)	34,258,500

The notes are an integral part of the consolidated statements of changes in equity for the periods ended on 30 September 2013 and 2012.

THE CHARTERED ACCOUNTANT

THE BOARD OF DIRECTORS

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1. ACTIVITY

Reditus, Sociedade Gestora de Participações Sociais, S.A. is the Group's holding (parent company), with head office in Lisbon, at Rua Pedro Nunes Nº 11.

Reditus was established in 1966 under the name of Reditus - Estudos de Mercado e Promoção de Vendas, SARL, with the core business of provision of specific services, namely market research, which evolved to data processing for "Banco de Agricultura", its main shareholder, together with the insurance company "A Pátria".

In December 1990, Reditus changed its corporate name, and became a holding company, whose core business is the management of holdings in other companies as an indirect form of exercising economic activity.

The Reditus Group operates in Portugal, France, Morocco, Brazil, Sweden and Angola in three specific business areas: BPO, IT Outsourcing and IT Consulting.

The company's business is not subject to any significant seasonality.

Reditus has been listed on Euronext Lisbon (former Stock Exchange of Lisbon and Porto) since 1987.

These Financial Statements were approved by the Board of Directors on 28 November 2013 and are expressed in euros.

The consolidated interim financial information reported as at 30 September 2013 has not been audited.

2. MOST SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements were prepared based on the accounting policies disclosed in the notes attached to the consolidated financial statements for the financial year ended on 31 December 2012.

2.1. Basis of presentation

These consolidated financial statements were prepared in accordance with IAS 34 — Interim Financial Reporting. As a result, they do not include all of the information to be disclosed in the annual consolidated financial statements, such that they should be read in conjunction with the consolidated financial statements of the previous year.

Relative to previous years, a set of standards and interpretations took effect as of 1 January 2012:

- **IAS 32 (amendment)**, 'Financial instruments: Presentation — classification of rights issues'. This amendment refers to the recording of rights issued denominated in a currency other than the functional currency of the issuer. If these rights are issued pro rata to the shareholders for a fixed amount in any currency, this is considered to be a transaction with shareholders to be classified under Equity.

Otherwise, the rights must be recorded as derivative instruments under liabilities.

- **IFRS 1 (amendment)**, 'First-time adoption of the IFRS'. This amendment enable first-time adopters to benefit from the same transition provisions as those included in IFRS 7 - 'Financial instruments - Disclosures', which permits exemption from the disclosure of comparative information for the classification of fair value at the three levels required by IFRS 7, provided that the comparative period ends before 31 December 2009.

- **IAS 24 (amendment), 'Related party disclosures'**. The amended standard eliminates the general requirements of disclosure of related parties for public entities, although it is compulsory to disclose the relationship of the Entity with the State and any significant transactions which have taken place with the State or entities related to the State.

In addition, the definition of related party has been amended to eliminate inconsistencies in the identification and disclosures of related parties.

Annual improvements to IFRS in 2011, generally applicable to financial years which begin on or after 1 January 2012. The 2011 annual improvements affect the following standards: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13.

- **IFRIC 14 (amendment) IAS 19** - 'The limit on defined benefit assets, minimum funding requirements and their interaction'. This amendment clarifies that when an asset surplus arises from voluntary prepayments made on account of future minimum funding contributions, this surplus can be recognised as an asset.

- **IFRIC 19 (new)**, 'Extinguishing financial liabilities with equity instruments'. This interpretation clarifies the accounting treatment to be adopted when an entity renegotiates the terms of a debt which results in the payment of the liability through the issue of equity instruments (shares) to the creditor. A gain or loss is recognised through profit or loss for the year, based on the fair value of the equity instruments issued compared to the carrying amount of the debt. The simple reclassification of the debt amount to equity is not permitted.

There was no significant impact on the present consolidated financial statements as a result of adopting these standards and interpretations.

3. FINANCIAL RISK MANAGEMENT / ACCOUNTS RECEIVABLE / ACCOUNTS PAYABLE:

Financial risk management policies

Liquidity risk management

The management of liquidity risk implies the maintenance of cash and bank deposits at a sufficient level, the feasibility of the consolidation of the floating debt through an adequate amount of credit facilities and the capacity to liquidate market positions.

In view of the dynamics of the underlying businesses, the Group's treasury seeks to maintain the flexibility of the floating debt, maintaining the credit lines available.

Exchange rate risk management

The Reditus Group essentially operates in markets where the current and functional currency is the Euro. It is, however, exposed to exchange rate risk in US dollars (USD) due to the operations in Angola, even though this risk is mitigated by the fact that the main contracts were concluded in euros. The value of the balances in US dollars, of accounts payable to suppliers, as at 30 September 2013 is 8,195,728 US dollars.

The debt incurred by the Reditus Group is entirely denominated in euros, with no interest rate hedge instruments having been contracted by the Group.

Financial risk management

All transactions undertaken with financial instruments require prior approval from the Executive Board, which defines the particularities of each transaction and approves the respective documentation.

The financial risk management of Reditus and all other Group companies is conducted centrally by the Financial Department of the Group, pursuant to the policies approved by the Executive Board. The Financial Department identifies, assesses and forwards the elements of analysis of each transaction to the Executive Board for approval. This Board is responsible for defining general risk management principles, as well as exposure limits.

The activities of the Reditus Group expose it to a variety of financial risks, including the effects of changes in market prices, exchange rates and interest rates. The exposure of the Reditus Group to financial risks stems mainly from its debt, associated to interest rate risks.

Concerning loans at variable rates, the Reditus Group follows market developments, and, whenever considered necessary, may contract interest rate derivative financial instruments to hedge cash flow associated to future interest payments, which convert variable rate loans into fixed rate loans, with the unpredictability of financial markets being analysed in accordance with the Group's risk management policy.

Considering the interest rates applied as at 30 September 2013, a 0.5% variation in the reference rate would have the following annual impact:

	Sensitivity Analysis	Variation in Costs
Increase	0.50%	305,557
Decrease	-0.50%	-305,557

Counterpart credit risk management

With respect to accounts receivable arising from the current business of the Reditus Group, credit risk essentially results from the possibility of third party defaults, a significantly mitigated situation in view of the nature and solidity of the customers that comprise almost the entire portfolio of the Group's customers.

Balance	30-09-2013	Outstanding	Overdue	
			Up to 1 year	Over 1 year
Customers	52,582,855	18,669,010	32,450,291	1,463,554

The Group's policy, in terms of counterpart risk, also considers the analysis of the technical capacity, competitiveness, credit rating and exposure to each counterpart, where major concentration of credit risk is avoided, significant counterpart default risk is not attributed and specific guarantees are not required for this type of transaction.

The monitoring of risks, relative to price, volume and credit, involves their quantification into measurements associated to risk positions that may be adjusted through market operations. This quantification is undertaken by the central Financial Department.

The Group conducts liquidity risk management through the contracting and maintenance of credit lines with national financial institutions, which allow immediate access to funds.

4. RELEVANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the Management to make a number of judgements and estimates with impact on the level of income, costs, assets, liabilities and disclosures. The present financial information thus includes headings that are influenced by the estimates and judgements used in the application of the Group's accounting policies.

The estimates referred to above are determined by judgements made by the management, which are based on the best information and knowledge of present events and on the activities that the Group expects to develop in the future. Hence, the use of estimates and assumptions represents a risk that could lead to adjustments in future periods.

The Board of Directors considers that the choices that have been made are appropriate and that the consolidated financial information presents, in a suitable manner, the financial position of the Group and the result of its transactions in all materially relevant aspects.

The main headings that are influenced by estimates and judgements are the following:

1. Estimated impairment of goodwill
2. Estimated impairment of prototypes

3. Estimated impairment of receivables
4. Estimated income tax
5. Estimated recognition of revenue
6. Estimated deferred tax assets arising from tax losses carried forward.

1. Impairment of goodwill

Goodwill is subject to annual impairment tests conducted by external experts, under the terms defined by IAS 36 - Impairment of Assets, where the Cash Flow Generating Units are identified, i.e. the different Business Units:

- IT Outsourcing
- BPO (Business Process Outsourcing)
- IT Consulting

2. Impairment of prototypes

Prototypes result from the application of knowledge developed by the Reditus Group in the contracts signed with customers, under the form of reengineering of administrative processes, new administrative processes or computer applications directed towards the Customer, the recognition of which is recorded over their duration. All the prototypes have documental support and reflect an estimate as to their capacity to generate cash flow in future financial years. In addition to their systematic depreciation, the prototypes are also subject to annual impairment tests, undertaken by external experts.

3. Impairment of receivables

The recoverable values of the cash flow generating units were calculated according to their value in use. These calculations require the use of estimates.

4. Income tax

The Group records income tax based on estimates arising from the tax legislation in force, namely cost adjustments not accepted for tax purposes as well as any necessary adjustments made to securities and financial investments. These calculations require the use of estimates.

5. Recognition of revenue

The Group's recognition of revenue includes management analyses and estimates regarding the phase of completion of projects underway on the date of the financial information whose future development might be different from that budgeted at the present date.

6. Deferred taxes

The Group records deferred tax assets based on the existing tax losses on the reporting date and the calculation of their recovery. These calculations require the use of estimates.

5. COMPANIES INCLUDED IN THE CONSOLIDATION

As at 30 September 2013, the Group companies included in the consolidation and their respective head offices, share capital and proportion of share capital held were as follows:

Corporate name	Head Office	Consolidation Method	Effective percentage stake held		Business segment
			2013	2012	
Reditus SGPS, S.A.	Lisbon	Full	Parent	Parent	
Reditus Gestão, S.A.	Lisbon	Full	100	100	
J. M. Consultores de Informática e Artes Gráficas, SA	Alfragide	Full	69	69	Eng. & Mob.
Reditus Imobiliária, S.A.	Lisbon	Full	100	100	Support
Reditus Business Solutions, S.A.	Oeiras	Full	100	100	IT Outsourcing
ROFF Consultores Independentes, S.A.	Oeiras	Full	100	100	IT Consulting
ALL2IT Infocomunicações, S.A.	Oeiras	Full	100	100	IT Outsourcing
Roff Global	France	Full	80	80	IT Consulting
Roff Tec	Angola	Full	80	80	IT Consulting
Roff - SDF, Lda	Covilhã	Full	80	80	IT Consulting
Partblack, S.A.	Alfragide	Full	100	100	IT Outsourcing
Reditus Consulting, S.A.	Lisbon	Full	100	100	IT Consulting
Ogimatech Portugal - Consultoria Empresarial e Institucional, SA	Lisbon	Full	100	100	IT Consulting
G.Consult Angola - Consultoria e Desenvolvimento, Lda	Angola	Full	80	80	IT Consulting
Ogimatech - Consultoria Empresarial e Institucional, Lda	Angola	Full	95	95	IT Consulting
Tora - Sociedade Imobiliária, S.A.	Lisbon	Full	100	100	Support
Reditus Business Products	Lisbon	Full	100	100	IT Outsourcing
RNIC - Independent Consultants AB	Sweden	Full	80	80	IT Consulting
SolidNetworks Business Consulting	Lisbon	Full	95	95	IT Consulting
Roff Morocco	Morocco	Full	70	70	IT Consulting
Roff Brazil	São Paulo	Full	80	80	IT Consulting
Roff Macau a)	Macau	Full	80		IT Consulting

a) ROFF Macau was incorporated in January 2013.

6. INFORMATION BY SEGMENT

As at 30 September 2013 and 2012, the results by business segment were as follows:

30 September 2013

	2013				Total	Elimination	Consolidated
	ITO	ITC	BPO	EM			
Operating revenue:							
External sales of goods and products							
Intra-segment sales of goods and products	2,909,734	8,435,008	9,000	-	11,353,742	1,278	11,355,020
External services rendered	376,688	643,499	-	-	1,020,187	(1,020,187)	
Intra-segment services rendered	10,466,299	45,334,725	13,480,909	847	69,282,780	721,898	70,004,678
Other external operating income	2,529,745	490,008	-	-	3,019,753	(3,019,753)	
Other intra-segment operating income	463,494	877,983	653	9,595	1,351,725	(142,253)	1,209,471
Total operating revenue	30,284	133,298	-	-	163,582	(163,582)	
	16,776,244	55,914,521	13,490,562	10,441	86,191,768	(3,622,599)	82,569,169
Operating costs:							
Inventories consumed and sold							
External supplies and services	(2,942,225)	(7,070,484)	(8,320)	-	(10,021,029)	969,979	(9,051,050)
Staff costs	(6,861,105)	(16,651,252)	(5,761,663)	(7,860)	(29,281,880)	2,647,158	(26,634,722)
Depreciation and amortisation costs	(5,237,854)	(26,219,961)	(7,601,399)	(44,967)	(39,104,181)	4,289	(39,099,892)
Provisions and impairment losses	(520,585)	(1,513,826)	(898,704)	(2,255)	(2,935,370)	0	(2,935,370)
Other operating costs and losses	10,340	(195,839)	(27,393)	-	(212,892)	-	(212,892)
Total operating costs	(400,720)	(601,641)	152,745	(17,308)	(866,924)	1,173	(865,751)
	(15,952,149)	(52,253,003)	(14,144,734)	(72,391)	(82,422,276)	3,622,599	(78,799,677)
Net operating income					-		
Financial results	824,095	3,661,518	(654,172)	(61,950)	3,769,492	-	3,769,492
Pre-tax profit							(3,145,362)
Income tax							624,130
Earnings from ongoing operations							(262,764)
							361,366

30 September 2012

	2012				Total	Elimination	Consolidated
	ITO	ITC	BPO	EM			
Operating revenue:							
External sales of goods and products	4,344,404	6,308,815	3,948	-	10,657,167	(40,326)	10,616,841
Intra-segment sales of goods and products	434,132	39,583	-	-	473,715	(473,715)	
External services rendered	15,568,564	41,450,626	18,260,316	215,124	75,494,630	259,403	75,754,033
Intra-segment services rendered	2,162,335	(334,042)	-	-	1,828,293	(1,828,293)	
Other external operating income	56,655	1,369,027	-	81,920	1,507,602	78,535	1,586,138
Other intra-segment operating income	43,012	328,910	-	-	371,922	(371,922)	
Total operating income	22,609,102	49,162,919	18,264,264	297,044	90,333,329	(2,376,318)	87,957,012
Operating costs:							
Inventories consumed and sold	(4,291,350)	(4,367,149)	-	(105,758)	(8,764,257)	376,076	(8,388,181)
External supplies and services	(8,823,520)	(16,302,397)	(6,336,362)	(114,449)	(31,576,728)	1,997,663	(29,579,065)
Staff costs	(5,642,856)	(23,543,683)	(11,570,063)	(103,686)	(40,860,288)	1,289	(40,858,999)
Depreciation and amortisation costs	(762,319)	(1,170,932)	(941,426)	(11,860)	(2,886,537)	-	(2,886,537)
Provisions and impairment losses	11,777	(498,398)	(134,578)	(350)	(621,549)	-	(621,549)
Other operating costs and losses	51,142	(356,709)	(155,103)	(17,275)	(477,947)	1,290	(476,657)
Total operating costs	(19,457,126)	(46,239,268)	(19,137,532)	(353,378)	(85,187,306)	2,376,318	(82,810,988)
Net operating income	3,151,975	2,923,651	(873,268)	(56,334)	5,146,024	-	5,146,024
Financial results							(3,971,054)
Pre-tax profit							1,174,970
Income tax							(389,754)
Earnings before consideration of minority interests							785,216

7. TANGIBLE FIXED ASSETS

7.1. Movements in the Tangible Fixed Asset heading and respective Depreciation:

Gross Assets

	Balance as at 31-12-2012	Non-current assets held for sale	Perimeter alteration	Increases and Revaluation	Write-offs and Disposals	Corrections and Transf.	Balance as at 30-09-2013
Land and Natural Resources	2,324,510	-	-	-	-	-	2,324,510
Buildings and Other Constructions	9,210,729	-	-	5,089	(8,129)	-	9,207,689
Basic Equipment	5,498,448	353,592	-	53,034	(252,367)	-	5,652,707
Transport Equipment	3,447,952	140,553	-	150,669	(567,472)	-	3,171,702
Administrative Equipment	3,912,814	107,907	-	76,739	(101,094)	-	3,996,365
Other Tangible Fixed Assets	2,780,754	87,196	-	35,027	(35,969)	-	2,867,009
Tangible Fixed Assets in Progress	1,366	-	-	0	-	-	1,366
	27,176,573	689,248		320,559	(965,031)		27,221,348

Accumulated Depreciation:

	Balance as at 31-12-2012	Non-current assets held for sale	Perimeter alteration	Increases	Write-offs and Disposals	Corrections and Transfers	Balance as at 30-09-2013
Buildings and Other	1,494,885	-	-	154,402	(3,227)	1,310	1,647,370
Basic Equipment	5,174,087	353,057	-	176,218	(249,042)	-	5,454,320
Transport Equipment	2,675,990	140,553	-	292,629	(567,237)	-	2,541,936
Administrative Equipment	3,354,251	99,901	-	145,609	(91,100)	-	3,508,661
Other Tangible Fixed Assets	2,266,420	85,108	-	156,907	(23,534)	-	2,484,900
	14,965,633	678,619		925,765	(934,139)	1,310	15,637,188

8. GOODWILL

During the periods ended 30 September 2013 and 31 December 2012, the movement in goodwill was as follows:

	30-09-2013	31-12-2012
Opening balance for the period	54,243,058	56,310,484
Reclassification of Partblack to ANCDV a)	-	(2,040,652)
Additions relative to business combinations (note 5)	-	180,050
Impairments recognised in the period	-	(206,825)
Closing balance for the period	54,243,058	54,243,058
Net book value:		
Opening balance for the period	54,243,058	56,310,484
Closing balance for the period	54,243,058	54,243,058

The details of goodwill by segment as at 30 September 2013 and 31 December 2012 are as follows:

	30-09-2013	31-12-2012
ITO	20,763,737	20,763,737
ITC	30,227,133	30,227,133
Tora	3,252,188	3,252,188
	54,243,058	54,243,058

9. ASSETS AND LIABILITIES AVAILABLE FOR SALE

In December 2012, Reditus reclassified the company Partblack to non-current assets held for sale, since it intends to proceed with its disposal, with negotiations being underway with Global Com Lda (“GC”), a Mozambican information technology company. GC's interest in the purchase resides in the fact that Partblack has in the past been linked to Security Services in Portugal, enabling them to acquire know how, rights and intellectual property trade names, developing good practices of information technologies, and manuals of rules and procedures of IT virus protection, in order to boost projects on the Mozambican Security Services market.

The results of the 3rd quarter of 2012 were restated so that the same could be compared with the results of the same period of 2013.

9.1 Assets available for sale

As at 30 September 2013, the Company presented the following assets classified as held for sale:

	30-09-2013	31-12-2012
NON-CURRENT ASSETS:		
Tangible fixed assets	61,285	91,830
Goodwill	2,040,652	2,040,652
Intangible assets	27,805	27,805
CURRENT ASSETS:		
Inventories	7,948	7,948
Customers	532,234	770,810
Other accounts receivable	84,716	2,237,675
Other current assets	4,588	11,643
Financial assets at fair value	63	63
Cash and equivalent	5,354	15,269
Assets Available for Sale	2,764,645	5,203,694

9.2 Liabilities available for sale

	30-09-2013	31-12-2012
NON-CURRENT LIABILITIES:		
Loans	218,347	256,417
CURRENT LIABILITIES:		
Loans	350,903	355,356
Suppliers	301,388	900,093
Other accounts payable	73,184	2,753,499
Other current liabilities	632,020	429,948
Liabilities Available for Sale	1,575,843	4,695,313

10. DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities		Net Value	
	30-09-2013	31-12-2012	30-09-2013	31-12-2012	30-09-2013	31-12-2012
Adjustments a)	369,295	343,366	-	-	369,295	343,366
Tax losses carried forward b)	1,868,197	1,664,540	-	-	1,868,197	1,664,540
Tax losses carried forward - France c)	164,656	164,656	-	-	164,656	164,656
Revaluation reserves	-	-	451,864	451,864	(451,864)	(451,864)
Other	-	-	5,125,189	5,363,656	(5,125,189)	(5,363,656)
Net deferred tax assets/(liabilities)	2,402,149	2,172,562	5,577,053	5,815,520	(3,174,904)	(3,642,958)

Deferred tax assets and liabilities are attributable to the following headings:

- a) These adjustments essentially refer to losses in the fair value of securities and financial applications;
- b) The tax losses brought forward are as follows:

Year of Tax Loss	Limit Year for Deduction	Value of the Loss to be used	Deduction Value
2011	2016	7,725,140	1,868,197
		<u>7,725,140</u>	<u>1,868,197</u>

- c) This heading refers to Roff France;

11. MINORITY INTERESTS

As at 30 September 2013 and 31 December 2012, the minority interests were represented as follows:

	% Interest		Book Value		Attributed Profit	
	30-09-2013	31-12-2012	30-09-2013	31-12-2012	30-09-2013	30-09-2012
J M. Consultores Inf. Artes Gráficas, S.A.	31%	31%	(642,866)	(660,054)	(19,615)	(18,696)
Roff Angola	20%	20%	100,155	71,895	28,260	31,740
Roff France	20%	20%	(14,385)	7,375	(21,760)	(19,113)
Roff SDF	20%	20%	131,280	149,874	(18,594)	15,922
Ogimatech - Consult Empresarial e Inst.	5%	5%	70,879	1,773	69,107	12,369
SolidNetworks	95%	40%	(5,711)	1,887	(6,390)	36,742
RNIC	20%	20%	77,150	44,994	32,447	16,394
Roff Morocco	30%	30%	(39,494)	(22,687)	(17,106)	(8,252)
Roff Brazil	20%	20%	(3,102)	1,196	(3,992)	0
			(326,094)	(403,747)	42,357	67,106

12. LOANS

As at 30 September 2013 and 31 December 2012, the loans raised were broken down as follows:

	30-09-2013	31-12-2012
Non-current		
Bank loans	46,287,659	46,911,706
Pledged current accounts	250,000	0
	46,537,659	46,911,706
Current		
Bank loans	7,947,191	5,971,507
Bank overdrafts	897,553	888,787
Promissory notes	0	115,000
Pledged current accounts	3,527,169	5,757,961
Express bill	0	1,443,947
Factoring	2,201,770	4,033,378
	14,573,683	18,210,580
	61,111,342	65,122,286

13.1 State and Other Public Entities

As at 30 September 2013 and 31 December 2012, the debtor and creditor balances relative to the State and Other Public Entities were as follows:

	30-09-2013	31-12-2012
Government Treasury - Instalments	9,722,135	3,007,615
Social Security - Instalments	9,884,913	7,094,674
	19,607,048	10,102,289
	30-09-2013	31-12-2012
Debit Balances		
IRC - Recoverable	153,520	165,338
Income Tax - Paid on Account	180,724	309,649
Income tax withheld	158,251	332,337
Value Added Tax - Recoverable	9,162	280,770
Other Taxes	24,573	6,304
	526,230	1,094,398
Credit Balances		
Non-current		
Social Security Contribution - instalments	8,897,919	6,232,544
VAT - instalments	3,411,268	
IRS/IRC - instalments	3,386,764	42,400
	15,695,951	6,274,944
Current		
IRC - Payable	2,508,387	2,398,686
Income tax withheld	2,434,148	2,031,188
Income tax withheld - instalments	576,274	598,802
VAT - Payable	1,545,155	5,819,077
VAT - Payable - instalments	2,347,829	2,366,413
Other Taxes	858,943	33,851
Social Security Contribution	2,144,326	2,295,067
Social Security Contribution - instalments	986,994	862,130
	13,402,056	16,405,214
	29,098,007	22,680,158

14. FINANCIAL LEASING LIABILITIES

As at 30 September 2013 and 31 December 2012, the value of the Financial Leasing Liabilities was as follows:

	<u>30-09-2013</u>	<u>31-12-2012</u>
Non-current		
Buildings	6,199,306	5,591,844
Administrative Equipment	134,518	120,827
Vehicles	314,239	1,354,120
Computer Equipment	0	92,320
	<u>6,648,063</u>	<u>7,159,110</u>
Current		
Buildings	377,369	267,865
Administrative Equipment	122,982	107,217
Vehicles	326,986	298,587
Computer Equipment	0	142,343
	<u>827,337</u>	<u>816,011</u>
	<u>7,475,400</u>	<u>7,975,121</u>

The maturity periods of the liabilities related to financial lease contracts are as follows:

	<u>Outstanding Principal 30-09-2013</u>	<u>Outstanding Principal 31-12-2012</u>
Payments up to 1 year	827,337	816,011
Payments from 1 to 5 years	2,872,034	3,168,383
Payments at over 5 years	3,776,029	3,990,727
	<u>7,475,400</u>	<u>7,975,121</u>

15. OPERATING INCOME

As at 30 September 2013 and 2012, this heading was broken down as follows:

<u>Sales</u>	<u>30-09-2013</u>	<u>30-09-2012</u>
BPO	9,000	3,948
IT Outsourcing	3,286,422	4,778,536
IT Consulting	9,078,507	6,348,398
Elimination	(1,018,909)	(514,041)
	<u>11,355,020</u>	<u>10,616,841</u>

Services Rendered	30-09-2013	30-09-2012
BPO	13,480,909	18,260,316
IT Outsourcing	12,996,045	17,730,899
IT Consulting	45,824,733	41,116,584
EM Systems	847	215,124
Elimination	(2,297,856)	(1,568,890)
	70,004,678	75,754,033

Other operating income	30-09-2013	30-09-2012
Supplementary income	487,516	1,285,859
Other operating income and gains	721,955	300,279
	1,209,471	1,586,138

16. EXTERNAL SUPPLIES AND SERVICES

As at 30 September 2013 and 2012, this heading was broken down as follows:

	30-09-2013	30-09-2012
Fees	5,209,327	5,313,312
Outsourcing	8,120,006	8,224,844
Specialised work	1,292,573	2,945,896
Transport, travel and representation costs	4,466,597	5,263,329
Hire and rental charges	2,453,302	3,047,602
Communication	1,023,218	980,059
Water, electricity and fuel	566,488	604,457
Other supplies and services	3,503,211	3,199,566
	26.634.72229.579.065	

17. STAFF COSTS

As at 30 September 2013 and 2012, this heading was broken down as follows:

	30-09-2013	30-09-2012
Staff Remuneration	31,931,077	33,272,103
Remuneration Charges	5,611,967	5,806,378
Remunerations of Governing Bodies	742,980	840,993
Occup. Acc. and Disease Insurance	130,324	151,598
Other Staff Costs	683,544	787,927
	39,099,892	40,858,999

17.1 Average Number of Employees

As at 30 September 2013 and 2012, the average number of active employees, by business area, was as follows:

	<u>30-09-2013</u>	<u>30-09-2012</u>
BPO	997	1,222
IT Outsourcing	276	871
IT Consulting	943	635
Engineering and Mobility Systems	5	10
Support Areas	57	50
	<u>2,278</u>	<u>2,788</u>

18. AMORTISATION AND DEPRECIATION

As at 30 September 2013 and 2012, this heading was broken down as follows:

	<u>30-09-2013</u>	<u>30-09-2012</u>
Tangible Fixed Assets		
Buildings and other constructions	154,402	179,438
Basic equipment	176,218	290,218
Transport equipment	292,629	408,861
Administrative equipment	145,609	302,169
Other tangible fixed assets	156,907	146,605
	<u>925,765</u>	<u>1,327,291</u>
Other Intangible Fixed Assets		
Development projects	452,872	383,750
Industrial property	457,052	712,458
Computer programmes	197,303	52,588
Other intangible assets	902,378	410,450
	<u>2,009,605</u>	<u>1,559,246</u>
	<u>2,935,370</u>	<u>2,886,537</u>

19. FINANCIAL RESULTS

The financial results of the quarters ended on 30 September 2013 and 2012 were broken down as follows:

	<u>30-09-2013</u>	<u>30-09-2012</u>
Financial Costs and Losses		
Interest paid		
loans	2,322,971	2,306,764
lease contracts	257,925	307,673
factoring	110,913	121,684
moratory and compensatory	339,604	241,011
other	114,741	27,754
	<u>3,146,154</u>	<u>3,004,886</u>
Bank services	115,443	369,384
Unfavourable currency conversion differences	57,607	108,269
Other financial costs	91,024	573,988
	<u>3,410,228</u>	<u>4,056,527</u>
Financial Income and Gains		
Interest received	49,197	17,467
Favourable currency conversion differences	166,151	46,000
Other financial income	49,518	22,006
	<u>264,866</u>	<u>85,473</u>
Financial Result	<u>(3,145,362)</u>	<u>(3,971,054)</u>

20. INCOME TAXES

As at 30 September 2013 and 2012, this heading was broken down as follows:

	<u>30-09-2013</u>	<u>30-09-2012</u>
Current tax	2,032,302	1,926,585
Deferred tax	<u>(1,769,538)</u>	<u>(1,536,831)</u>
	<u>262,764</u>	<u>389,754</u>

20.1 Reconciliation of the Effective Tax Rate

As at 30 September 2013 and 2012, the effective average tax rate differs from the nominal rate due to the following:

	30-09-2013	30-09-2012
Pre-Tax Profit	624,130	1,174,971
Tax at the rate of 25%	156,033	293,743
Deprec., amort. and prov. not accep. for tax purposes	22,227	112,395
Fines and compensatory interest	100,004	56,029
Corrections relative to the previous year	68,644	21,872
(Surplus) / Insufficient tax estimate	32,018	407,613
Autonomous taxation	535,920	707,180
Recognition of deferred tax liabilities		0
Other	(652,082)	(1,209,078)
Income Tax for the Year	262,764	389,754
Effective average tax rate	42.1%	33.2%

21. DISCONTINUED OPERATIONS

The earnings of the discontinued operations presented in the income statement and their cash flow are broken down as follows:

	30-09-2013	30-09-2012
OPERATING REVENUE:		
Sales	(5,501)	1,349,299
Services rendered	47,250	106,672
Other operating income	24,100	1,933
Total operating revenue	65,848	1,457,903
OPERATING COSTS:		
Inventories consumed and sold	-	(95,688)
External supplies and services	(64,126)	(886,900)
Staff costs	(67,753)	(464,719)
Depreciation and amortisation costs	-	(528,865)
Other operating costs and losses	(1,511)	(6,800)
Total operating costs	(133,391)	(1,982,973)
Net operating income	(67,542)	(525,069)
Financial Results:		
Net financial costs	(18,988)	(82,333)
Pre-tax profit	(86,530)	(607,402)
Income tax	-	107,810
Net income of operations	(86,530)	(499,592)

CASH FLOW

	30-09-2013	30-09-2012
CASH FLOW OF OPERATING ACTIVITIES:		
Receipts from customers	192,646	35,986
Payments to suppliers	(286,641)	(229,068)
Payments to the staff	(30,119)	(111,422)
Cash generated by operations	(124,113)	(304,505)
Payment/receipt of income tax	(95,800)	(231,953)
Other receipts/payments	-	-
Cash flow from operating activities [1]	(219,914)	(536,457)
CASHFLOW OF INVESTMENT ACTIVITIES:		
Payments relative to:		
Other assets	(3,700)	(24,324)
Receipts derived from:		
Other assets	36,984	-
Investment subsidies	-	-
Interest and similar income	-	-
Dividends	-	-
Cash flow from investment activities [2]	33,284	(24,324)
CASHFLOW OF FINANCING ACTIVITIES:		
Receipts derived from:		
Loans received	-	45,928
Other financing operations	345,582	-
Payments relative to:		
Loans received	(135,626)	(113,664)
Interest and similar costs	-	-
Other financing operations	-	-
Cash flow from financing activities [3]	209,957	(67,736)
Variation in cash and equivalent [4]=[1]+[2]+[3]	23,327	(628,517)
Effect of currency conversion differences	-	-
Cash and equivalent at the beginning of the period	14,412	81,572
Companies Sold		
Cash and equivalent at the end of the period	5,354	(546,945)

Notes to the Condensed Consolidated Cash Flow Statement

	30-09-2013	30-09-2012
Cash and deposits repayable on demand in the balance sheet	5,354	10,228
Bank overdrafts		(557,173)
Cash and equivalent	5,354	(546,945)

22. NET EARNINGS PER SHARE

	30-09-2013	30-09-2012
Earnings:		
Earnings attributable to majority shareholders for the effect of calculating the net earnings per share (net income for the year)	232,479	218,518
Earnings from discontinued operations for the effect of calculating the earnings per share of discontinued operations	86,530	499,592
Earnings for the effect of calculating the earnings per share of ongoing operations	<u>319,009</u>	<u>718,110</u>
Number of shares:		
Weighted average number of shares for the effect of calculating the net earnings per basic and diluted share	<u>14,638,691</u>	<u>14,638,691</u>
Effect of additional actions arising from employee incentive plans	-	-
Weighted average number of shares for the effect of calculating the net earnings per diluted share	<u>14,638,691</u>	<u>14,638,691</u>
Earnings per share from ongoing operations:		
Basic	0.0218	0.0491
Diluted	0.0218	0.0491
Earnings per share from discontinued operations:		
Basic	(0.0059)	(0.0341)
Diluted	(0.0059)	(0.0341)
Earnings per share:		
Basic	0.0159	0.0149
Diluted	0.0159	0.0149

23. COMMITMENTS

As at 30 September 2013, the financial commitments of the companies of the Reditus Group which do not figure in the balance sheet relative to bank guarantees are as follows:

Value (euros)	Payable to	Source
87,439	IGFSS	Guarantee for the payment of enforcement proceedings
2,791,576	DGCI	Guarantee for the payment of enforcement proceedings
564,038	Various Customers	Good compliance with contractual obligations
261,716	Various Suppliers	Good compliance with contractual obligations

24. CONTINGENCIES

Various situations were raised by the Tax Authorities, in the context of inspections carried out, which the Company is disputing with the Tax and Customs Authority, in the form of judicial claims and appeals for revision by higher authorities, or at the Courts, under the form of claims for refund of tax, which are still pending decision. The total value of taxes claimed by the Tax Authorities is 3,426,503 euros, although the Management of Reditus believes that the possibility of having to pay this is remote.

The situations relative to each company are indicated below:

- Reditus SGPS: The Company was notified to proceed with corrections relative to Corporate Income Tax (IRC) for 2004 to 2007 and received an additional VAT assessment relative to 2009. The assessment relative to 2004 does not involve tax payable, and is reflected in the corrections of subsequent financial years. The Company is awaiting the outcome of the claim for refund of income tax which was submitted in relation to the IRC assessment for 2005. The appeals for revision by higher authorities submitted by the Company in relation to the IRC assessments for the financial years of 2006 and 2007 were partially granted, and the only issue that remains in relation to these two financial years concerns the tax losses carried forward of previous financial years, where this issue depends on the outcome of the objection filed against the corporate income tax for 2005. Regarding the VAT assessment for 2009, the judicial claim was partially granted, with an appeal for revision by higher authorities having been filed against the rejected part;
- Reditus Business Solutions (former InterReditus): Tax inspections were conducted for corporate income tax and value added tax relative to 1997 and 1998. The claims and appeals for revision by higher authorities filed by the Company against the assessments made by the Tax Administration were dismissed by the Tax and Customs Authority, with the Company having submitted claims to Lisbon Tax Court, invoking the extinguishment of the debts in question due to the end of the period of limitation. These claims were dismissed, whereby the company appealed to the Administrative Central Court, and is currently awaiting the outcome of these appeals. Pending the decision of the Courts, which should have resulted in the suspension of the collection processes, the Tax and Customs Authority executed attachments to obtain the payment of the values involved, which will have to be returned if the appeals are upheld, which the Company hopes will happen;
- Reditus Business Solutions (former Redware): The Company was notified to proceed with corrections relative to VAT for 2004 and 2005. The Company considered that the corrections were not accurate, having submitted claims and appealed to a higher court relative to the payments estimated by the Tax Authorities. The appeals to a higher court were rejected, whereby the Company submitted legal challenges against the additional assessments and is awaiting the outcome;
- Reditus Gestão: The Company was notified of additional VAT assessments relative to 2008 and 2009. The Company considered that the corrections were not accurate and submitted claims relative to the assessments made by the Tax Authorities. Since the claims were only partially granted, the Company filed an appeal for revision by a higher authority against the decision of the Tax and Customs Authority, and is currently awaiting its outcome;

- Tora: The Tax Administration notified the Company of its decision not to accept the VAT deduction relative to business conducted in 2004. Disagreeing with this interpretation, the Company disagrees filed an objection at Lisbon Tax Court. Since this objection was dismissed, the Company then appealed to the Southern Administrative Central Court, and is currently awaiting the outcome of this appeal. This value was adjusted in the consolidated statements.

25. RELATED PARTIES

The balances as at 30 September 2013 and 31 December 2012 and the transactions carried out with related companies excluded from the consolidation, for the semesters ended on 30 September 2013 and 2012, are as follows:

⇒ Balances

	30-06-2013			
	Sales	Services rendered	External supplies and services	Financial costs
Leya, S.A.	74,433	40,525		
Portuvinus - Wine & Spirits, S.A.			2,133	
Mirol - Prestação de serviços, Lda.			8,500	
	74,433	40,525	10,633	-

	31.12.2012			
	Customers	Other accounts receivable	Other accounts payable	Suppliers
Canes Venatici	83,472			
COMPANHIA DAS QUINTAS - VINHOS S.A.				648
D. Quixote				337
LEYA SGPS S.A.	415,732			
LYNX				3,450
GTBC - Global Technologie & Business Consulting	40,000	-		
Portuvinus - Wine & Spirits, S.A.				17,583
TEXTO Editores, Lda	-	-		5,668
Mirol - Prestação de serviços, Lda.				20,910
	539,204	-	-	48,595

⇒ Transactions

All transactions with related companies were conducted under normal market conditions, that is, the values of the transactions correspond to those that would have been applied to non-related companies.

	30-09-2013			
	Sales	Services rendered	External supplies and services	Financial costs
QUIFEL HOLDINGS SGPS S.A, (former ALVOR 2004 - SGPS, S.A.)		7,321		
COMPANHIA DAS QUINTAS- VINHOS S.A.			174	
Leya, S.A.	111,650	155,503		
Portuvinus - Wine & Spirits, S.A.			2,133	
Mirol - Prestação de serviços, Lda.			8,500	
	<u>111,650</u>	<u>162,824</u>	<u>10,807</u>	<u>-</u>

	30-09-2012			
	Sales	Services rendered	External supplies and services	Financial costs
Canes Venatici			3,000	
Leya, S.A.	111,650	356,654		
Mirol - Prestação de serviços, Lda.			51,000	
	<u>111,650</u>	<u>356,654</u>	<u>54,000</u>	<u>-</u>

During the third quarter of 2013 no variable component of the Directors' remuneration was paid. The fixed component was as follows:

Executive Directors		104,994
Francisco Santana Ramos		52,497
Helder Matos Pereira		52,497
Non-Executive Directors		303,515
Miguel Pais do Amaral		22,500
José António Gatta		22,500
Fernando Fonseca Santos		22,500
Frederico Moreira Rato		82,494
Miguel Ferreira		18,000
António Maria de Mello		45,000
Antonio Nogueira Leite		15,524
José Manuel Silva Lemos		22,500

26. OPERATING LEASES

As at 30 September 2013 and 2012, this heading was broken down as follows:

<u>Amounts recognised as cost:</u>	<u>30-09-2013</u>	<u>30-09-2012</u>
Minimum operating lease payments Premises/Equipment	<u>1,838,091</u>	<u>1,539,500</u>

<u>Amounts recognised as cost:</u>	<u>30-09-2013</u>	<u>30-09-2012</u>
Minimum vehicle renting payments	<u>615,210</u>	<u>1,508,102</u>

There are no contingent lease payments.

27. EVENTS AFTER THE REPORTING DATE

Nothing to highlight.

IV - DECLARATION OF CONFORMITY

Under subparagraph c) of no. 1 of art. 246 of the Portuguese Securities Market Code, the Board of Directors states that, to the best of its knowledge, the information contained in the Management Report, Quarterly Accounts and other documents presenting the accounts was prepared in conformity with the applicable accounting standards, giving a true and fair image of the assets and liabilities, financial situation and results of the issuer and companies included in the consolidation perimeter and that the management report faithfully presents the evolution of the businesses, performance and position of the issuer and companies included in the consolidation perimeter, and contains a description of the main risks and uncertainties they face.

Alfragide, 28th November 2013.

The Board of Directors,

Eng. Miguel Maria de Sá Pais do Amaral – Chairman

Dr. Frederico José Appleton Moreira Rato – Deputy Chairman

Eng. António Maria de Mello Silva Cesar e Menezes – Deputy Chairman

Eng. José António da Costa Limão Gatta – Director

Dr. Fernando Manuel Cardoso Malheiro da Fonseca Santos – Director

Dr. Rui Miguel de Freitas e Lamego Ferreira - Director

Dr. José Manuel Marques da Silva Lemos – Director

Eng. José Manuel Marques da Silva Lemos – Director, Chairman of the Executive Committee, CEO

Dr. Helder Filipe Ribeiro Matos Pereira - Director, member of the Executive Committee, CFO

Dr. António do Pranto Nogueira Leite – Director