



# EARNINGS ANNOUNCEMENT

31 MARCH 2013



## 1. HIGHLIGHTS

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### **TURNOVER (24.6 M.€) DECREASED MARGINALLY (2%), COMPARED TO LAST YEAR**

- Increased contributions from Hotels, Energy and Sistavac, despite of depressed consumption and investment scenario
- Lower sales of real estate assets
- Decrease in turnover from the Fitness business, offset by a significant increase in the business profitability

### **EXPRESSIVE 72% INCREASE IN EBITDA, TO -0.9M.€, CAPTURING GAINS FROM THE SEVERAL OPTIMIZATION INITIATIVES WHICH ARE BEING IMPLEMENTED, TARGETING OPERATIONAL STRUCTURES**

- 19% growth in EBITDA from Hotels, driven by increase in occupancy and restructuring of cost structures
- Positive EBITDA in Fitness, inverting the trend evidenced since the 3<sup>rd</sup> quarter of 2011
- Significant contribution from the Energy business to the Group's EBITDA, aligned with the outlined growth strategy
- Improvement of 2.7 p.p. in EBITDA margin from Sistavac's operations in Portugal

### **NET PROFIT IMPROVED 7%, TO NEGATIVE 6.4 M.€**

### **IMPROVED CAPITAL STRUCTURE LEADING TO A DECREASE IN FINANCIAL EXPENSES**

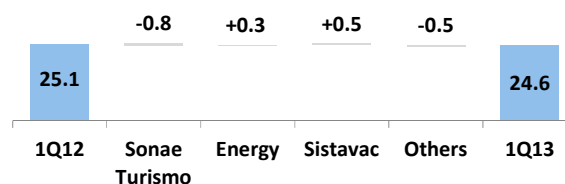
- At the end of the quarter, net debt amounted to 252.1 M.€, its minimum level in the last 4 and a half years
- Financial expenses 0.9 M.€ below comparable 2012 figures

## 2. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement			
Million euro			
	3M 2013	3M 2012	Var.
<b>Total Operational Income</b>	<b>26.2</b>	<b>26.5</b>	<b>-1.1%</b>
Turnover	24.6	25.1	-2.1%
Other Operational Income	1.7	1.4	+17.6%
<b>Total Custos Operacionais</b>	<b>-26.9</b>	<b>-29.5</b>	<b>+8.6%</b>
Cost of Goods Sold	-7.3	-7.8	+7.3%
Change in Stocks of Finished Goods	-0.4	-1.0	+59.9%
External Supplies and Services	-10.0	-10.3	+2.8%
Staff Costs	-8.9	-9.8	+9.5%
Other Operational Expenses	-0.4	-0.6	+31.4%
<b>EBITDA</b>	<b>-0.9</b>	<b>-3.1</b>	<b>+71.6%</b>
<b>EBIT</b>	<b>-4.1</b>	<b>-6.6</b>	<b>+37.5%</b>
Net Financial Expenses	-2.4	-3.2	+23.0%
Investment Income and Assoc. Undertakings	1.6	1.9	-16.8%
<b>EBT</b>	<b>-5.0</b>	<b>-7.9</b>	<b>+36.6%</b>
Taxation	-1.4	1.0	-
<b>NET PROFIT</b>	<b>-6.4</b>	<b>-6.9</b>	<b>+6.8%</b>
Attributable to Equity Holders of Sonae Capital	-6.2	-6.6	+5.7%
Attributable to Non-Controlling Interests	-0.2	-0.3	+34.6%

Consolidated Balance Sheet			
Million euro			
	3M 2013	2012	Var.
<b>Total Assets</b>	<b>643.6</b>	<b>657.4</b>	<b>-2.1%</b>
Tangible and Intangible Assets	251.7	253.9	-0.9%
Goodwill	61.0	61.0	0.0%
Non-Current Investments	47.2	55.0	-14.2%
Other Non-Current Assets	49.3	48.3	+2.1%
Stocks	187.1	187.8	-0.4%
Trade Debtors and Other Current Assets	44.0	48.1	-8.6%
Cash and Cash Equivalents	3.3	3.2	+3.1%
<b>Total Equity</b>	<b>318.3</b>	<b>324.0</b>	<b>-1.7%</b>
Total Equity attributable to Equity Holders of Sonae Capital	310.1	315.2	-1.6%
Total Equity attributable to Non-Controlling Interests	8.2	8.7	-5.3%
<b>Total Liabilities</b>	<b>325.3</b>	<b>333.5</b>	<b>-2.4%</b>
<b>Non-Current Liabilities</b>	<b>159.7</b>	<b>180.1</b>	<b>-11.3%</b>
Non-Current Borrowings	138.9	158.7	-12.5%
Deferred Tax Liabilities	13.7	14.3	-4.4%
Other Non-Current Liabilities	7.1	7.1	+0.7%
<b>Current Liabilities</b>	<b>165.6</b>	<b>153.4</b>	<b>+8.0%</b>
Current Borrowings	116.6	100.6	+15.8%
Trade Creditors and Other Current Liabilities	49.0	52.7	-7.0%
<b>Total Equity and Liabilities</b>	<b>643.6</b>	<b>657.4</b>	<b>+2.1%</b>

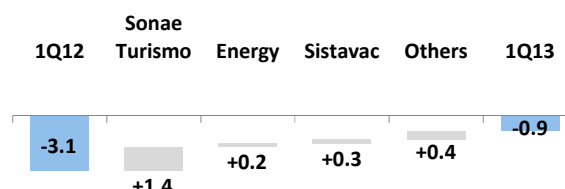
Turnover reached 24.6 M.€ in the quarter, evidencing a marginal 2% decrease compared to the first quarter of 2012,



despite a clearly more depressed consumption and investment setting.

Following the trend shown during 2012, operational costs decreased over the comparable period by around 9%, as a result of the cost optimization and restructuring plan which is underway.

Operational performance resulted in a 2.3 million euro improvement in consolidated EBITDA, which amounted to negative 0.9 million euro in the period.



In absolute terms, the Energy business continued to be the major sole contributor to EBITDA (0.9 million euro), and the Fitness business recovered to positive EBITDA (0.1 million euro) following six quarters of negative contribution.

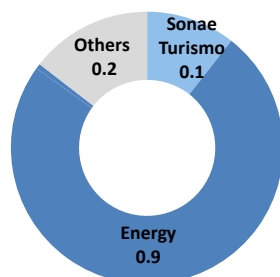
**Net profit** amounted to negative 6.4 million euro in the quarter, representing a 0.5 million euro improvement over the previous year,

Net Profit 1Q 2012	EBITDA	D&A	Net Fin. Expenses	Associated Undert./ Invest. Income	Taxation	Net Profit 1Q 2013
-6.9	+2.3	+0.2	+0.7	-0.3	-2.4	-6.4

with the impact of improved operational performance being partially offset by a lower level of deferred taxes in the period.

Net Capital Employed Million Euro			
	3M 2013	2012	2011
<b>Net Capital Employed</b>	<b>570.4</b>	<b>580.0</b>	<b>598.0</b>
Capex in the Period	1.2	12.1	11.0
Working Capital	182.1	183.2	208.8
<b>Equity</b>	<b>318.3</b>	<b>324.0</b>	<b>336.9</b>
<b>Net Debt</b>	<b>252.1</b>	<b>256.1</b>	<b>261.1</b>
Net Debt / Capital Employed	44.20%	44.15%	43.66%
Gearing	79.20%	79.04%	77.50%

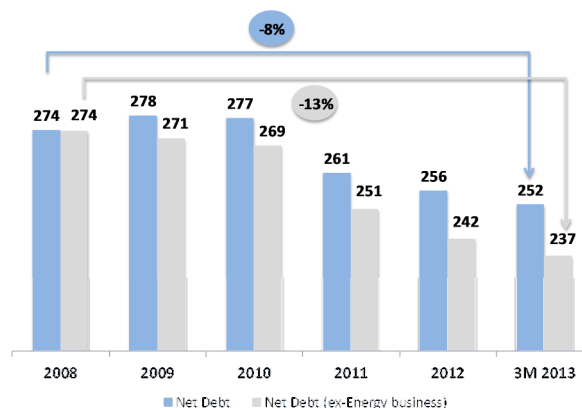
**Capex** for the period amounted to 1.2 million euro, mostly explained by the growth plan of the Energy segment



(the new photovoltaic park project will start operations in the last quarter of the year).

The Group continued to **sell non-strategic assets** with the objective of reducing its leverage level and support its growth plans. A 6.51% shareholding in *Fundo de Investimento Imobiliário Imosede* was sold in the quarter, generating a 10 million euro cash inflow. On the reporting date, the Sonae Capital Group owns a 25.85% shareholding in that Fund.

As at 31 March 2013, **Net Debt** was 252.1 million euro, a 4 million euro decrease compared to the end of the previous year,



and its minimum level since June 2008.

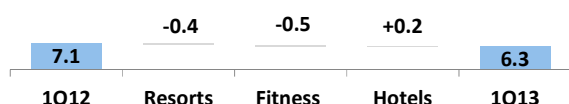
The steady reduction in the debt level, as well as the optimization of working capital management, led to the period's decrease in financial expenses.

**Gearing ratio** as at 31 March 2013 remained at 79.2% (81.3% in 31 March 2012).

### 3. SEGMENT PERFORMANCE

#### SONAE TURISMO

The decrease in Sonae Turismo’s **turnover** (11%, to 6.3 million euro) reflects lower real estate sales volume in troiaresort and lower turnover in the Fitness segment.

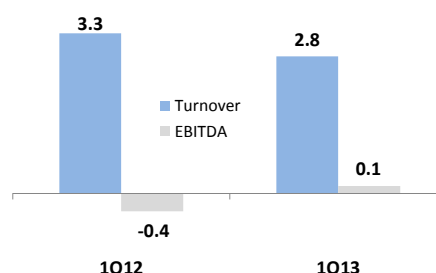


Positive **EBITDA** performance extended to all business segments, reaching negative 2.6 million euro on a consolidated basis. Profitability improvements based on the optimization of cost structures and reconverted business model, namely in the Fitness segment, were noticeable in the period.



#### ▪ FITNESS

The redesigned business model and the repositioning of the Solinca brand, with the consequent adjustment in the commercial approach, led to an above expectations increase in the number of members (rising 23% over last year’s comparable) and to operational breakeven in the first quarter of the year.

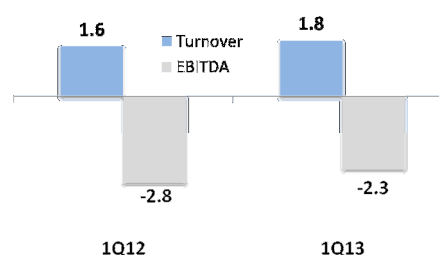


In the first quarter of the year, the number and pace of new membership contracts has widely exceeded the cancellations flow, confirming the impact of cross selling campaigns which were implemented in the course of the strategy pursued.

Additional actions aimed at expanding the customer base and increasing its intrinsic average profitability should be promoted in the course of the year.

#### ▪ HOTELS

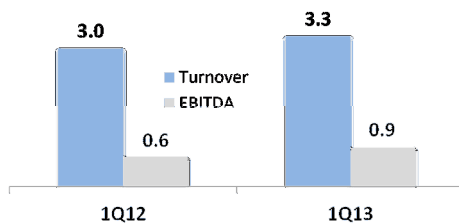
The performance of the hotel segment is mostly explained by an increase in occupancy rates, driven by the Easter season impact and the growth in corporate events demand in the Troia Peninsula and Porto hotel units.



The number of room nights grew by 25% in the quarter compared to the same period of the previous year, with no detriment of the average revenue per room.

## ENERGY

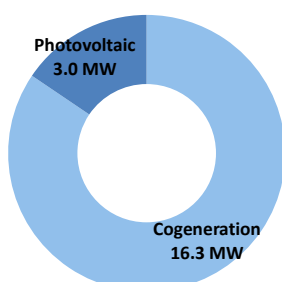
The first quarter of 2013 already includes full operation of the three cogeneration plants which make up the Group's portfolio as at the reporting date (two plants in March 2012),



driving the segment's **turnover** and **EBITDA** (evidencing 13% and 31% growth, respectively).

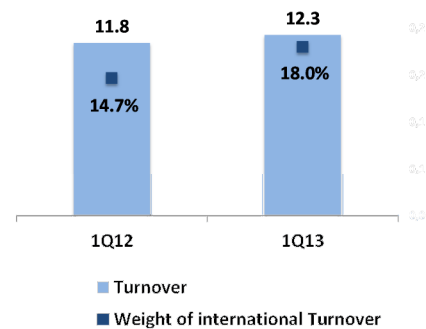
In the quarter, this segment continued to be the major contributor to the Group's EBITDA.

Including the photovoltaic park which is under development (and will start operations in the last quarter of the year), power under management will rise to 19.3 MW.

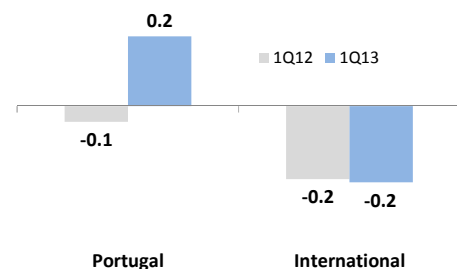


## REFRIGERATION, HVAC

Following constraints emerging from the more adverse market environment in Portugal, the Sistavac Group has been expanding internationally, mainly based on its HVAC and Refrigeration business lines.



**EBITDA's** performance in Portugal is also showing the impact of some of the cost optimization measures implemented at the business level, pursuing the Group's guidelines regarding this matter.



This business segment still encloses potential for additional efficiency gains.

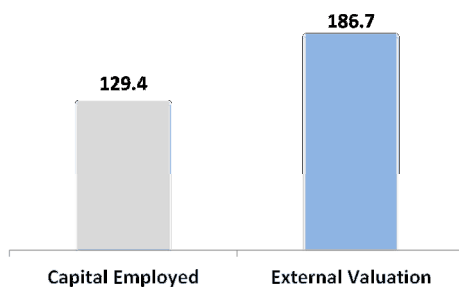
## OTHER ASSETS

Sonae Capital Group owns a set of non-strategic assets, and thus available for sale, including:

- **REAL ESTATE ASSETS  
(ex-tourism assets)**

The real estate portfolio included under this category includes a diversified group of assets, at different licensing and construction stages, including plots of land with and without construction viability, residential units, construction projects, offices, industrial and retail premises, with widespread geographical dispersion.

The Group's guidelines aim at selling this set of assets, with no strategic fit with current growth options and medium term development plans.



(note: external valuation reported to 31 December 2011 - Cushman & Wakefield)

- **FINANCIAL SHAREHOLDINGS**

Major assets:

Asset	% Shareholding
Norscut	36.00%
Imosede Fund	25.85%
Saúde Atlântica (Healthcare)	50.00%
Lidergraf	24.50%
Imosonae II Fund	0.056%

Maia, 8 May 2013

The Board of Directors

## GLOSSARY

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- Average Daily Revenue = Lodging Revenues / Number of Rooms Sold.
- Capex = Investment in Tangible and Intangible Assets.
- EBITDA = Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses (excluding those regarding receivables) + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) - Reversal of Impairment Losses and Provisions (included in Other Operating Income, excluding those regarding receivables).
- Gearing Ratio = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning.
- Net Debt = Non-Current Loans + Current Loans - Cash and Cash Equivalents - Current Investments.



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