

**EARNINGS
ANNOUNCEMENT**
30 JUNE 2017



SONAE CAPITAL

EARNINGS ANNOUNCEMENT

30 JUNE 2017

1. CEO MESSAGE & MAIN HIGHLIGHTS

"During the second quarter of the year, important milestones were taken in the implementation of the defined corporate strategy, based on: (i) the continuous improvement of our current businesses competitive position; (ii) the pursuit of new value creator business opportunities within the Group's competence areas; (iii) the sale of non-core/strategic assets; and (iv) the maintenance of a balanced capital structure according to the type of business and assets held by the Group.

In the quarter, total investment amounted to 34.5M€, aimed at improving the competitive position of each of our businesses with a special focus on the Energy segment, with the acquisition of an additional 15MW capacity.

In addition, although not yet visible in financial indicators, the acquisition of ADIRA materializes our strategic purpose of incorporating new value added generating businesses. ADIRA, a Portuguese based company, strongly focused on the international markets, leverages on the country's main assets and resources, the Portuguese based engineering know-how.

Our businesses' performance continued to show progresses, visible in terms of turnover and profitability, being especially notable the improvements in Fitness, Hospitality and Energy segments, already incorporating (although not in full) the recent acquisitions. Following the current trend, we continue to expect an overall good performance for our businesses, including the Refrigeration & HVAC segment in Portugal, for which the higher number of on-going contracts allows us to foresee increased levels of activity for the forthcoming quarters. Regarding the sale of residential units in Troia, there was a notable recovery compared to the previous quarter and the number of booked contracts allows us to be comfortable about the performance in the next semester. In addition, concerning the sales of Real Estate Assets, although only one sales deed with significant amount was signed in the second quarter, the Promissory Purchase and Sale Agreements already signed in stock, provides good prospects for the current year.

Net Debt levels maintain a conservative capital structure taking into consideration the Group's type of assets. The distribution of dividends in the quarter and the recent acquisitions in Energy segment do not jeopardize this objective and the latter will allow for a significant improvement and higher stability of the Group's main financial indicators."

Cláudia Azevedo, CEO

MAIN HIGHLIGHTS

- Acquisition of ADIRA, an important milestone in the materialization of the Corporate Strategy;
- Strong turnover growth in Fitness (+25.8%), Hospitality (+24.8%) and Energy (+18.6%) segments;
- A stock of 14 Reservations/Promissory Purchase and Sale Agreements of residential units in Troia Resort, corresponding to 5.9M€. During the semester, 25 contract sales were signed, 2 of which, under the *fractional* model;
- Booked Promissory Purchase and Sale Agreements of Real Estate Assets (excluding residential units in Troia) amounted to 14.48M€, in addition to the deeds signed in the first six months amounting to 5.74M€;
- Backlog in Refrigeration & HVAC Portuguese operation, as at 30 June, amounts to 29.7M€, representing, approximately, 9 months of turnover;
- Integration of operations acquired during the quarter, namely: (i) a Cogeneration operation fueled by landfill biogas, with 1MW, acquired at the end of the first quarter, and (ii) 15MW of Renewable Energies, expanding the range of technologies operated, acquired in April but with a total impact on P&L account only in June, significantly increasing turnover (1.1M€ in 2Q17) and profitability (0.96M€ in 2Q17) of the Energy segment, offering higher stability to the Group's financial indicators;
- Despite the high Capex amount (39.7M€) and the Dividends distribution (25M€), Net Debt increased only 38.3M€ as a result of the cashflow from operations performance;
- Net Debt remains under control and adequate to the Group's business portfolio and type of assets: LTV of 15.6% and Net Debt/Ebitda of 2.93x.

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2. OVERALL PERFORMANCE

Consolidated Profit and Loss Account						
Million euro	2Q 2017	2Q 2016	Δ 17/16	1H 2017	1H 2016	Δ 17/16
Total Operational Income	43.14	43.00	+0.3%	77.44	80.60	-3.9%
Turnover	41.90	42.41	-1.2%	75.54	79.27	-4.7%
Troia Resort	7.16	7.21	-0.7%	9.55	11.09	-13.9%
Hospitality	5.41	4.34	+24.8%	8.08	6.44	+25.4%
Fitness	5.60	4.45	+25.8%	11.48	8.59	+33.6%
Energy	11.58	9.77	+18.6%	21.37	21.51	-0.6%
Refrigeration & HVAC	11.36	13.83	-17.8%	23.27	27.54	-15.5%
Others & Eliminations	0.78	2.81	-72.2%	1.78	4.09	-56.5%
Other Operational Income	1.24	0.59	>100%	1.90	1.32	+43.5%
EBITDA, excluding Guaranteed Income Provisions (1)	5.28	4.21	+25.3%	5.86	5.68	+3.2%
Troia Resort	0.09	0.46	-80.3%	-0.90	0.46	-
Hospitality	0.24	-0.59	-	-1.31	-2.34	+44.2%
Fitness	0.41	0.62	-34.3%	1.31	1.01	+30.2%
Energy	3.58	1.93	+85.2%	5.68	4.29	+32.4%
Refrigeration & HVAC	-0.24	0.62	-	0.17	1.31	-86.7%
Others & Eliminations	1.20	1.17	+3.0%	0.91	0.95	-5.0%
Provisions for Guaranteed Income	-0.11	-0.12	+0.9%	-0.17	-0.19	+8.2%
EBITDA	5.16	4.09	+26.1%	5.69	5.49	+3.6%
Amortization & Depreciation	-4.17	-3.97	-5.0%	-8.24	-7.87	-4.7%
Provisions & Impairment Losses	-0.03	-0.05	+31.9%	0.26	-0.06	-
Non-recurrent costs/income (2)	0.16	0.62	-73.5%	-0.08	0.24	-
EBIT	1.13	0.70	+61.1%	-2.36	-2.19	-7.7%
Net Financial Expenses	-1.15	-1.68	+31.4%	-2.16	-3.41	+36.8%
Investment Income and Results from Assoc. Undertakings	1.93	15.32	-87.4%	2.00	16.37	-87.8%
EBT	1.90	14.34	-86.7%	-2.51	10.77	-
Taxation	-0.47	-0.54	+13.6%	-0.75	-0.38	-97.8%
Net Profit - Continued Businesses	1.44	13.80	-89.6%	-3.26	10.39	-
Net Profit - Discontinued Businesses	-0.52	-0.10	<-100%	-0.67	-0.57	-17.3%
Net Profit - Total	0.92	13.70	-93.3%	-3.93	9.82	-
Attributable to Equity Holders of Sonae Capital	0.57	13.33	-95.7%	-4.48	9.14	-
Attributable to Non-Controlling Interests	0.34	0.37	-5.7%	0.55	0.68	-19.4%

(1) EBITDA excluding the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at Troia Resort

(2) Non-recurrent items mainly related to restructuring costs and one-off income

The Group's consolidated turnover in 2Q17 amounted to 41.9M€, registering a slight decrease of 1.2% over the previous year. However, profitability performance was positive, with Ebitda reaching 5.2M€ (+26.1%), being worth to highlight the:

- Improvement of the Hospitality segment's main operational indicators, namely Occupancy Rate (+7.3pp) and RevPar (+32.6%), registering a turnover growth of 24.8% and an Ebitda break-even in the 2Q that usually only occurs in the 3Q;
- Fitness continued to show solid turnover growth (+25.8%), due to the continued increase of active members (+26%) and average monthly fees (+6.5% in 1H17). Lower level of Ebitda in 2Q17 compared to 2Q16 relates to the accounting of 7 fortnights in 2Q16, when in 2017, occurred in the first quarter;
- Significant improvements in the Energy segment, with increases in both turnover (+18.6%) and Ebitda (+85.2%), to 3.58M€, already including the contribution of operations acquired, "Lusobrisa" (2 months) and "Ventos da Serra" (1 month);
- Troia Resort registered a notable recovery when compared to previous quarter, having matched the number of sales deed compared to the same period of last year. Turnover decreased slightly by 0.7% due to a lower value/deed. During 2Q17, a total of 9 sales of residential units in Troia Resort were completed, compared to 5 signed in the previous year. As of today, 14 promissory purchase and sale agreements and reservations, corresponding to 5.9M€, remain in stock. It is forecasted for the next quarter the deeds signature for a large part of these contracts;
- Related to Real Estate Assets we should note the sale of 'Vasco da Gama' Health Club for the amount of 4.7M€. It should be pointed out that PPSAs regarding a diverse portfolio of real estate

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assets are still in the portfolio totaling 14.5M€, forecasting, once again, a positive performance for the next quarters;

- Ref. & HVAC registered an expected decrease of 17.8% in turnover, following the lower level of activity in domestic operation having also impacted Ebitda to negative 0.24M€. However, the outlook for the next quarters indicates positive prospective given the number of contracts in backlog at the end of semester.

Consolidated Net Results in the quarter amounted to positive 0.92M€, showing a decrease of 12.8M€ compared to the same period last year, mainly impacted by the sale of shareholdings in road concessionaires in the 2Q16. In addition, compared to the same period last year, the impacts were positive for: (i) the above mentioned Ebitda performance (+1.07M€); (ii) improve in Financial Results (+0.53M€), due to lower net debt level and lower financing costs; (iii) lower tax costs (+0.07M€); and (iv) Results from Investments due to *badwill* accounting related with one of the acquisitions completed in the quarter.

Capital Structure/Capex/Ratios			
Million euro			
Net Capital Employed	396.2	386.4	+2.5%
Fixed Assets	311.6	284.1	+9.7%
Non-Current Investments (net)	5.3	4.7	+13.8%
Working Capital	80.6	98.2	-18.0%
Capex (end of period)	39.7	12.7	>100%
% Fixed Assets	13.1%	4.5%	+8.7 pp
Net Debt	104.3	66.0	+57.9%
% Net Capital Employed	26.3%	17.1%	+9.2 pp
Debt to Equity	35.7%	20.6%	+15.1 pp
Net Debt excluding Energy	54.5	48.9	+11.3%
Capital Structure Ratios			
Loan to Value (Real Estate)	15.6%	8.6%	+7.0 pp
Net Debt/EBITDA (recurrent)	2.93x	2.38x	+0.55x

- Capex for the 1H17 amounted to 39.7M€, registering a significant increase of 36.7M€ over the previous year, mainly due to the investments in the Energy segment, namely the acquisitions of Renewable operations in the 2Q, in addition to the above mentioned acquisition of a cogeneration operation fueled by landfill biogas.

- Free Cash Flow (levered) in 1H17, excluding dividends paid, was negative 15.1M€, as a result of the aforementioned investments, namely the acquisitions in the Energy segment which more than offset the positive contribution of cash flow from operations.

Consolidated Balance Sheet			
Million euro	Jun 2017	Dec 2016	Δ 17/16
Total Assets	515.4	500.4	+3.0%
Tangible and Intangible Assets	271.4	246.3	+10.2%
Goodwill	40.3	37.8	+6.5%
Non-Current Investments	1.8	1.7	+5.7%
Other Non-Current Assets	29.8	29.4	+1.3%
Stocks	103.0	103.2	-0.2%
Trade Debtors and Other Current Assets	53.1	49.4	+7.3%
Cash and Cash Equivalents	15.5	32.2	-51.7%
Assets held for sale	0.5	0.2	>100%
Total Equity	291.9	320.4	-8.9%
Total Equity - Equity Holders of Sonae Capital	282.4	310.4	-9.0%
Total Equity - Non-Controlling Interests	9.5	9.9	-4.1%
Total Liabilities	223.5	180.0	+24.2%
Non-Current Liabilities	123.9	120.7	+2.6%
Non-Current Borrowings	97.6	94.3	+3.6%
Deferred Tax Liabilities	20.3	19.6	+3.4%
Other Non-Current Liabilities	6.0	6.8	-12.1%
Current Liabilities	99.6	59.3	+67.9%
Current Borrowings	22.2	4.0	>100%
Trade Creditors and Other Current Liabilities	75.6	54.5	+38.7%
Liabilities associated to assets held for sale	1.8	0.8	>100%
Total Equity and Liabilities	515.4	500.4	+3.0%

- Following the investments referred, Net Debt increased to 104.3M€ when compared to the end of 2016, maintaining an appropriate capital structure taking into consideration Sonae Capital's portfolio of assets and businesses.
- Net Capital Employed increased 2.5% when compared to the year-end of 2016, to 396.2M€ driven by the increase of Fixed Assets under management.
- As a result of Net Debt increase, the Debt to Equity ratio rose to 35.7%, +15.1pp compared to the end of 2016.
- Loan To Value (LTV) and Net Debt/Ebitda of non-Real Estate businesses, of 15.6%, and 2.93x, respectively.

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3. SEGMENTS PERFORMANCE

3.1. TROIA RESORT



Profit and Loss Account - Troia Resort						
Million euro	2Q 2017	2Q 2016	Δ 17/16	1H 2017	1H 2016	Δ 17/16
Total Operational Income	7.59	7.47	+1.6%	10.31	12.04	-14.4%
Turnover	7.16	7.21	-0.7%	9.55	11.09	-13.9%
Other Operational Income	0.43	0.26	+67.4%	0.75	0.95	-20.3%
Total Operational Costs	-4.50	-6.76	+33.4%	-10.73	-11.33	+5.3%
Cost of Goods Sold	-2.12	-0.54	<-100%	-2.48	-1.76	-40.9%
Change in Stocks of Finished Goods	-0.99	-2.51	+60.7%	-1.18	-2.98	+60.4%
External Supplies and Services	0.13	-2.36	-	-4.19	-4.08	-2.8%
Staff Costs	-1.12	-0.97	-15.6%	-2.05	-1.81	-13.1%
Other Operational Expenses	-0.41	-0.39	-6.1%	-0.82	-0.69	-19.1%
EBITDA, excluding Guaranteed Income Provisions (1)	0.09	0.46	-80.3%	-0.90	0.46	-
Provisions for Guaranteed Income	-0.11	-0.12	+0.9%	-0.17	-0.19	+8.2%
EBITDA	-0.02	0.34	-	-1.07	0.28	-
EBITDA Margin (% Turnover)	-0.3%	4.7%	-5.1 pp	-11.2%	2.5%	-13.7 pp
Capex	0.61	0.11	>100%	0.77	0.27	>100%
EBITDA-Capex	-0.63	0.23	-	-1.84	0.00	-

(1) EBITDA excluding the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at Troia Resort

- During 2Q17, 9 deeds of residential units in Troia Resort were signed (11 in the semester), an increase from the 5 registered in 2Q16. As a result of the good sales performance, 14 promissory purchase and sale agreements and reservations, amounting to 5.9M€, remain in stock.
- As of June 30, 2017, 386 sales deeds on residential units of the Troia Resort complex had been signed.
- Turnover in the semester amounted to 9.55M€, 13.9% below 1H16 fully due to lower average value per deed, once operations that support the Resort continued to present a very positive performance.
- Capex for the period includes the turn back of an asset evaluated for 0.37M€ (related to a property swap deed not included in the figures above). Excluding that effect Capex has remained at controlled levels.

3.2. FITNESS



Profit and Loss Account - Fitness						
Million euro	2Q 2017	2Q 2016	Δ 17/16	1H 2017	1H 2016	Δ 17/16
Total Operational Income	5.65	4.50	+25.5%	11.60	8.69	+33.5%
Turnover	5.60	4.45	+25.8%	11.48	8.59	+33.6%
Other Operational Income	0.05	0.05	-2.6%	0.12	0.09	+24.5%
Total Operational Costs	-5.24	-3.88	-35.1%	-10.29	-7.68	-33.9%
Cost of Goods Sold	-0.04	-0.03	-58.2%	-0.09	-0.04	-90.1%
External Supplies and Services	-3.29	-2.35	-40.2%	-6.26	-4.63	-35.4%
Staff Costs	-1.71	-1.27	-34.3%	-3.44	-2.51	-37.1%
Other Operational Expenses	-0.19	-0.23	+16.1%	-0.50	-0.50	+0.7%
EBITDA	0.41	0.62	-34.3%	1.31	1.01	+30.2%
EBITDA Margin (% Turnover)	7.3%	14.0%	-6.7 pp	11.4%	11.7%	-0.3 pp
Capex	0.45	0.37	+23.3%	0.98	0.62	+57.0%
EBITDA-Capex	-0.04	0.26	-	0.33	0.38	-13.1%
# Health Clubs in Operation	17	15	+ 2	17	15	+ 2

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- Maintenance of the positive performance and strengthening the competitive position reflected in the increased number of active members (+26.4%), as well as the positive evolution of the average monthly fees (+6.5%). As a result, turnover increased significantly 33.6% over the same period last year.
- Performance at the turnover level is also reflected in the EBITDA performance, which improved 30.2% compared to 1H16 to 1.31M€. The decrease registered in 2Q17 when compared to the same period last year refers to the accounting of 7 fortnights in 2Q16 when in 2017 it happened in the 1Q.
- During the year, the focus on the competitive position improvement will be kept, looking for additional opportunities to increase the number of fitness clubs in operation. This is already reflected in the Capex increase over the last quarters compared to the corresponding periods of the previous year.
- Consequently, the investment in the opening of new clubs, following a capital light approach, is at an accelerated pace, which can be seen by the 17 Solinca's health clubs operating at the end of the semester (2 new openings planned for the 3Q: 'Constituição - Oporto' and 'Rio Tinto').

3.3. HOSPITALITY

PORTO PALÁCIO
CONGRESS HOTEL & SPA

AQUALUZ
***** HOTEL HOTEL TROIA
Troia

THE ARTIST
PORTO HOTEL
& BISTRO

THE HOUSE
RIBEIRA HOTEL

Profit and Loss Account - Hospitality

Million euro	2Q 2017	2Q 2016	Δ 17/16	1H 2017	1H 2016	Δ 17/16
Total Operational Income	5.53	4.45	+24.3%	8.32	6.67	+24.7%
Turnover	5.41	4.34	+24.8%	8.08	6.44	+25.4%
Other Operational Income	0.12	0.11	+5.9%	0.24	0.23	+3.0%
Total Operational Costs	-5.30	-5.04	-5.1%	-9.63	-9.02	-6.8%
Cost of Goods Sold	-0.49	-0.48	-1.9%	-0.77	-0.72	-6.2%
External Supplies and Services	-2.99	-2.87	-4.3%	-5.53	-5.19	-6.4%
Staff Costs	-1.64	-1.59	-3.2%	-2.96	-2.88	-2.7%
Other Operational Expenses	-0.18	-0.11	-66.6%	-0.37	-0.22	-69.8%
EBITDA	0.24	-0.59	-	-1.31	-2.34	+44.2%
EBITDA Margin (% Turnover)	4.3%	-13.6%	+17.9 pp	-16.2%	-36.4%	+20.2 pp
Capex	0.27	1.01	-73.1%	0.49	1.19	-59.0%
EBITDA-Capex	-0.04	-1.60	+97.7%	-1.80	-3.53	+49.2%
# Units	4	4	+0.0%	4	4	+0.0%

- The main operational indicators continue to show favorable evolutions, with an improvement in the overall occupancy rate and RevPAR, in the semester, of 6.4pp and 28.4%, respectively. It should be noted that all operations increased RevPAR when compared to the same period last year, evidencing the positive dynamics of the sector in general and of this business segment performance in particular.
- As a result, both 1H17 turnover (+25.4%) and EBITDA (+44.2%) show considerable growth rates.
- It should be highlighted the positive EBITDA reached in 2Q17, an important milestone in the segment's history.
- Excluding rents, it should be underlined that the Hospitality segment's EBITDAR amounted to 1.3M€ in the 2Q17, an improvement of almost the double over the 2Q16 figure. Pointing out the turnover seasonality in Troia, the first and fourth quarters usually register negative EBITDAR that are more than compensated by the positive results of the second and mainly the third quarters' activity.
- Despite the investments that have been made in the improvement of existing infrastructures, namely in the Aqualuz Troia Unit, Capex has remained at controlled levels, allowing for a 49.2% improvement in Ebitda-Capex.

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3.4. ENERGY



Profit and Loss Account - Energy						
Million euro	2Q 2017	2Q 2016	Δ 17/16	1H 2017	1H 2016	Δ 17/16
Total Operational Income	11.66	9.87	+18.1%	21.59	21.62	-0.1%
Turnover	11.58	9.77	+18.6%	21.37	21.51	-0.6%
Other Operational Income	0.08	0.10	-22.9%	0.22	0.12	+91.1%
Total Operational Costs	-8.08	-7.94	-1.8%	-15.91	-17.33	+8.2%
Cost of Goods Sold	-6.09	-6.19	+1.7%	-11.81	-13.67	+13.6%
External Supplies and Services	-1.11	-1.13	+1.7%	-2.43	-2.19	-11.0%
Staff Costs	-0.58	-0.59	+2.8%	-1.17	-1.27	+7.8%
Other Operational Expenses	-0.31	-0.03	<-100%	-0.51	-0.21	<-100%
EBITDA	3.58	1.93	+85.2%	5.68	4.29	+32.4%
EBITDA Margin (% Turnover)	30.9%	19.8%	+11.1 pp	26.6%	20.0%	+6.6 pp
Capex	34.88	-0.01	-	38.41	0.20	>100%
EBITDA-Capex	-31.30	1.95	-	-32.73	4.09	-
Total Capacity (MW)	72.5	62.8	+15.4%	72.5	62.8	+15.4%
Owned & Operated	62.3	52.6	+18.4%	62.3	52.6	+18.4%
Operated (not consolidated)	10.2	10.2	+0.0%	10.2	10.2	+0.0%

- In 2Q17 it is already considered the contributions related to the acquisition of a Cogeneration operation fueled by landfill biogas, at the end of 1Q17, and to the acquisition of 15MW of Renewables assets at the end of April. These acquisitions translate an increase to 73MW in owned or operated capacity.
- Compared to the same period last year, we should consider the discontinuation of an 8MW Cogeneration plant in the 1Q16, and no further discontinuations are expected for the next 9 quarters (4Q19).
- As a result of the mixed entries/exits operations and its respective contributions, turnover recorded an increase of 18.6% in the quarter and EBITDA rose 85.2% to 3.6M€. It should be reinforced the continued performance improvement over last quarters in a row revealing the improvement and sustainability of the current recovery trend.
- It is worth to note, in the quarter, the contribution of the operations acquired in 2017: 1.1M€ and 0.96M€ in turnover and Ebitda respectively.
- Capex amounted to 34.88M€ mainly related to the above-mentioned acquisitions regarding Renewable operations.

3.5. REFRIGERATION & HVAC



Profit and Loss Account - Refrigeration & HVAC						
Million euro	2Q 2017	2Q 2016	Δ 17/16	1H 2017	1H 2016	Δ 17/16
Total Operational Income	11.07	14.16	-21.8%	23.21	28.02	-17.2%
Turnover	11.36	13.83	-17.8%	23.27	27.54	-15.5%
Other Operational Income	-0.29	0.33	-	-0.07	0.48	-
Total Operational Costs	-11.31	-13.54	+16.5%	-23.04	-26.71	+13.8%
Cost of Goods Sold	-5.56	-7.47	+25.6%	-10.54	-13.18	+20.0%
Change in Stocks of Finished Goods	1.25	2.65	-52.9%	1.71	3.63	-53.0%
External Supplies and Services	-3.92	-5.76	+31.9%	-7.93	-11.40	+30.4%
Staff Costs	-2.72	-2.74	+0.4%	-5.74	-5.33	-7.7%
Other Operational Expenses	-0.35	-0.23	-54.1%	-0.53	-0.43	-23.1%
EBITDA	-0.24	0.62	-	0.17	1.31	-86.7%
EBITDA Margin (% Turnover)	-2.1%	4.5%	-6.6 pp	0.7%	4.8%	-4.0 pp
Capex	0.03	0.01	>100%	0.09	0.06	+50.9%
EBITDA-Capex	-0.28	0.61	-	0.08	1.25	-93.3%

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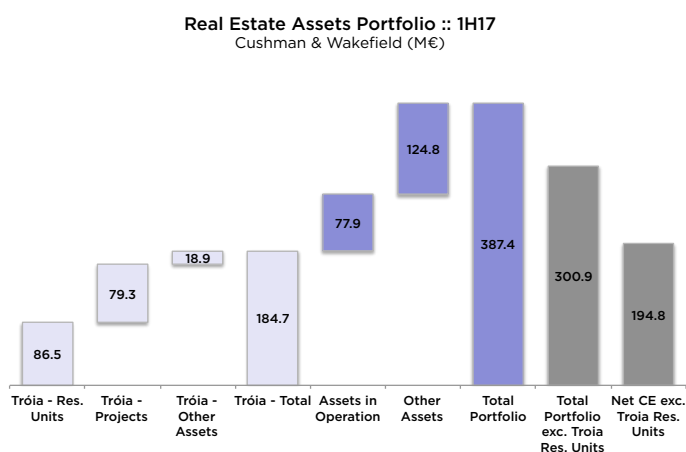
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- Turnover in 1H17 registered a decline of 15.5% when compared to the same period last year due to: (i) a decrease in the Refrigeration activity due to the delay in starting up some planned works; and (ii) the delivery, during 2016, of an important international project that positively influenced the previous year.
- It should be noted that the backlog on the Portuguese operation, at the end of the period, amounted to 29.7M€, representing approximately 9 months of turnover, indicating a recovery in activity levels for the coming quarters particularly in the Refrigeration segment.
- Following Top Line performance, EBITDA ascended to 0.17M€ naturally recording a decrease of 86.7% when compared to 1H16, and reaching a 0.7% margin, 4.0pp below the 1H16.

3.6. OTHER ASSETS

Within the Group's current real estate portfolio there are diversified assets with different licensing and construction stages, including land plots with and without construction viability, residential units, construction projects, offices, industrial premises and commercial areas, with wide geographical dispersion.

This block considers all the real estate assets of the Sonae Capital Group, except the units already developed and in commercialization in the Troia Resort and the assets held by the WTC Fund.



- As at 30 June 2017, the CE in this set of real estate assets amounted to 194.8M€, which are evaluated in 300.9M€, according to the valuation made at the end of the previous year by the independent reference entity Cushman & Wakefield;
- In 1H17 deeds were signed over 3 city flats, 1 plot of land in Ramalde - Porto and the 'Vasco da Gama' HC totaling 5.9M€; and
- There are additional 14.48M€ of PPSAs signed over a set of assets indicating a positive forecast for the coming quarters.

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4. CORPORATE INFORMATION

4.1. CORPORATE INFORMATION 2Q17

- On April 27, 2017, Sonae Capital, SGPS, SA has executed a purchase and sale agreement for the acquisition of 100% of the share capital and voting rights of the company Ventos da Serra – Produção de Energia, S.A., that owns and operates a photovoltaic plant with installed capacity of 10MW, located at Ferreira do Alentejo, for a global price of 29.1M€. Subsequently, on 5 June this transaction obtained the declaration of non-opposition by the Portuguese Competition Authority.

Additionally the Company acquired a wind farm located in Loures and Arruda dos Vinhos, with 5 MW of installed capacity, for the total amount of 5.4M€.

As a result, Sonae Capital's portfolio of cogeneration and renewable energy plants (solar and wind) has been increased by two new units, with the installed electrical capacity owned or operated by the Group totaling 73MW.

- On April 28, 2017, at the Shareholders' General Meeting, among other proposals, a gross dividend distribution of 0.10€ per share was approved. This dividend became available for payment on 26 May and the share traded, as of 24 May, without the right to the dividend (ex-dividend).
- On June 09, 2017, Sonae Capital, SGPS, SA entered into a sale and purchase agreement for the acquisition of 100% of the share capital and voting rights of the company "ADIRA – Metal Forming Solutions, SA" and its subsidiary "Guimadira". This operation is subject to prior notification to the Portuguese Competition Authority (AdC) in accordance with the applicable law, and consequently will only become effective following a non-opposition decision from AdC and once all conditions precedent are fulfilled.

4.2. SUBSEQUENT CORPORATE EVENTS

- On July 25, 2017, following the declaration of non-opposition by the Portuguese Competition Authority, Sonae Capital, SGPS, SA announced the effectiveness of the acquisition of the company "ADIRA – Metal Forming Solutions, SA" and its subsidiary "Guimadira".

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5. METHODOLOGICAL NOTES

The consolidated financial statements presented in this report are non-audited and have been prepared in accordance with the International Financial Reporting Standards ("IAS / IFRS"), issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

With the aim of continuing to improve the quality and transparency of the information provided, not only at the Consolidated level, but also, at each Business Units level, and aligned with the best market practices, the international operations (Angola and Mozambique) of the Refrigeration & HVAC segment are now considered as assets held for sale and therefore their contribution to the consolidated results is recognized as discontinued operations. In order to maintain the information comparability, the 2016 figures are presented in appendix according to this new reality.

This document is a translation from the Portuguese original version.

GLOSSARY

- HVAC = Heating, Ventilation and Air Conditioning.
- Operational Cash Flow = EBITDA - Capex.
- PPSA = Promissory Purchase and Sale Agreement.
- EBITDA = Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) - Reversal of Impairment Losses and Provisions (including in Other Operation Income).
- EBITDA, excluding Guaranteed Income Provisions = EBITDA + Provisions related to the estimated present value of potential costs for the full period of the Guaranteed Income from real estate sales at Troia Resort.
- EBITDAR = EBITDA + Rents for buildings.
- Net Debt = Non-Current Loans + Current Loans - Cash and Cash Equivalents - Current Investments.
- Capex = Investment in Tangible and Intangible Assets.
- Gearing: Debt to Equity = Net Debt / Equity.
- Loan to Value = Net Debt of real estate assets / Real estate assets Valuation.

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APPENDIX

Consolidated Profit and Loss Account						
Million euro	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
Total Operational Income	37.59	43.00	52.71	97.25	34.31	43.14
Turnover	36.86	42.41	51.73	59.58	33.64	41.90
Troia Resort	3.88	7.21	9.33	10.70	2.39	7.16
Hospitality	2.10	4.34	7.35	3.21	2.67	5.41
Fitness	4.14	4.45	4.60	4.89	5.88	5.60
Energy	11.74	9.77	8.29	8.43	9.79	11.58
Refrigeration & HVAC	13.71	13.83	21.45	15.84	11.91	11.36
Others & Eliminations	1.28	2.81	0.72	16.51	1.00	0.78
Other Operational Income	0.73	0.59	0.97	37.67	0.66	1.24
EBITDA, excluding Guaranteed Income Provisions (1)	1.47	4.21	8.20	16.78	0.59	5.28
Troia Resort	0.01	0.46	3.28	13.82	-0.99	0.09
Hospitality	-1.76	-0.59	1.40	-1.36	-1.54	0.24
Fitness	0.38	0.62	0.78	0.37	0.90	0.41
Energy	2.36	1.93	1.73	1.78	2.10	3.58
Refrigeration & HVAC	0.69	0.62	0.36	0.58	0.42	-0.24
Others & Eliminations	-0.21	1.17	0.64	1.58	-0.30	1.20
Provisions for Guaranteed Income	-0.07	-0.12	-0.08	-0.09	-0.06	-0.11
EBITDA	1.40	4.09	8.12	16.69	0.53	5.16
Amortization & Depreciation	-3.90	-3.97	-3.97	-3.96	-4.07	-4.17
Provisions & Impairment Losses	-0.01	-0.05	0.00	0.42	0.29	-0.03
Non-recurrent costs/income (2)	-0.38	0.62	-0.37	0.21	-0.24	0.16
EBIT	-2.89	0.70	3.79	13.36	-3.49	1.13
Net Financial Expenses	-1.73	-1.68	-1.58	-1.15	-1.00	-1.15
Investment Income and Results from Assoc. Undertaking	1.05	15.32	1.81	-1.50	0.07	1.93
EBT	-3.57	14.34	4.02	10.71	-4.42	1.90
Taxation	0.16	-0.54	-0.43	-4.99	-0.28	-0.47
Net Profit - Continued Businesses	-3.41	13.80	3.59	5.72	-4.70	1.44
Net Profit - Discontinued Businesses	-0.47	-0.10	-0.21	-0.23	-0.15	-0.52
Net Profit - Total	-3.88	13.70	3.38	5.50	-4.85	0.92
Attributable to Equity Holders of Sonae Capital	-4.19	13.33	3.12	5.33	-5.05	0.57
Attributable to Non-Controlling Interests	0.31	0.37	0.26	0.16	0.20	0.34

(1) EBITDA excluding the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at Troia Resort

(2) Non-recurrent items mainly related to restructuring costs and one-off income

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