

**EARNINGS
ANNOUNCEMENT**
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SONAE CAPITAL

1. CEO MESSAGE & MAIN HIGHLIGHTS

"The competitive position improvement of each Business Unit and the placement of the main non-strategic assets will continue to be the focus of the entire Team in order to materialize the defined corporate strategy.

In respect to the competitive position improvement, it should be highlighted, at the Turnover level, the growth, compared to the same period last year, registered by Fitness (+15.4%), Hospitality (+12.4%) and Refrigeration & HVAC (+20.8%) segments, with the corresponding positive consequences noted also at the Ebitda level. It should also be noted the opening of a new Hotel in Oporto, at the end of April, following a capital light approach, targeted to the increased touristic demand, which has already achieved a positive contribution on the second full month of operation. It should also be mentioned the implementation of the Fitness expansion plan with the opening of two new fitness clubs in the 2Q16. On the other hand, Energy Turnover, as already expected, registered a decrease driven by the lower number of cogeneration plants in operation notwithstanding the improvement in profitability when compared to the previous semester. In addition, we continue to observe, as previously announced, a decrease in sales deeds signed in Troia Resort driven by the slowdown of the "golden visa" market. However, the domestic market started to recover and we expect that to increase with the launch of the new product "fractional".

Regarding the disposal of non-strategic assets, it should be noted the agreement reached, in the 2Q16, for the sale of the stake in Norscut, for a total amount of 42M€, representing another step towards the achievement of this important goal, with the process being on its final closing procedures.

Finally, it should be pointed out the positive generation of operational cash flow which has allowed to maintain a comfortable capital structure. The Dividend payment related to 2015, in the 2Q16, was another important milestone in the recent history of the Group."

Cláudia Azevedo, CEO

NET PROFIT REACHED 9.8M€ IN THE FIRST HALF OF 2016. POSITIVE PERFORMANCE DEVELOPMENTS IN THE MAJORITY OF THE RECURRENT EBITDA TYPE OF BUSINESSES.

Consolidated TURNOVER amounted to 80.4M€, registering a growth of 2.1%:

- It stands out, on the positive side, the continued performance improvement of the Hospitality (+12.4%) and Fitness (+15.4%) segments. The improvement of 20.8% registered in the Refrigeration & HVAC segment following the strategic positioning made along 2015, should also be highlighted;
- Resorts Turnover amounted to 11.1M€, having been signed during the reporting period 11 deeds over real estate units in Troia Resort. It should be noted that already in July 3 additional deeds have been signed to which a stock of 9 promissory purchase of sale and reserve agreements should be added;
- As previously advanced, due to the discontinuation of a cogeneration plant, the change of the licensing framework in another one during 2015 and, also, the unfavorable evolution of oil prices, the Energy segment Top Line showed a decrease of 7.07M€ to 21.51M€.

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Consolidated EBITDA amounted to 5.64M€, being worth to highlight:

- The continued growth of the Hospitality (+6.4%) and Fitness (+17.7%) segments and, as a result of the strategic repositioning and the number and value of projects in backlog, the Refrigeration & HVAC segment posted a growth to almost the double of that recorded in the 1H15 (or 0.72M€);
- The Resorts segment, driven by a lower number of deeds signed, reported a decrease of 1.0M€;
- The Energy segment, which registered in 1H15 the best semester ever, following the Turnover evolution posted a decrease of 24.7%, notwithstanding the better performance when compared to the previous semester;
- The Real Estate Assets segment (included in Others & Eliminations) reported a significant reduction negatively impacted with the sale, in the 2Q15, of "Duque de Loulé" asset that registered a capital gain of, approximately, 6.0M€.

Consolidated 1H16 NET RESULTS amounted to positive 9.82M€, representing an improvement of 8.96M€ compared to the 1H15. It should also be highlighted, driven by the Net Debt trend and the constant financing cost optimization, the 0.40M€ reduction registered at the Net Financial expenses level.

FREE CASH FLOW (levered) amounted to 8.1M€ (-6.5M€ including the Dividend payment relating to 2015), leveraging on the cash generation from the current operations.

Consolidated NET DEBT, driven by the FCF performance previously mentioned, registered an increase of 6.9M€ when compared to the end of 2015, to 156.1M€.

SOLID PERFORMANCE IN THE SECOND QUARTER WITH SIGNIFICANT PROGRESSES AT THE PROFITABILITY LEVEL.

Consolidated TURNOVER grew 8.1% with the majority of the businesses reporting two digits growth when compared to the same period last year, notwithstanding the Energy segment decrease already mentioned.

Consolidated EBITDA amounted to 4.04M€, 58.2% below last year figure, being worth to highlight the real estate sales contribution namely the capital gain generated by the sale, in the 2Q15, of the 'Duque de Loulé' Real Estate asset.

NET PROFIT, in the quarter, amounted to positive 13.70M€, registering an increase of 10.17M€ when compared to the 2Q15, due to the performance at the Investment Income level, following the capital gain associated to the sale of the Norscut stake.

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2. OVERALL PERFORMANCE

The financial and operational performance during the 1H16, when compared to the same period last year, brings out the dynamics of the Group in terms of Top Line, notwithstanding the evolution of oil prices and the consequent negative impact in Energy segment and the slowdown of Real Estate sales. Net Results in 1H16 amounted to 9.82M€, a significant improvement when compared to the 1H15.

2.1. CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and Loss Account						
Million euro						
	2Q 2016	2Q 2015	Δ 16/15	1H 2016	1H 2015	Δ 16/15
Total Operational Income	43.36	46.54	-6.8%	81.50	88.39	-7.8%
Turnover	43.02	39.78	+8.1%	80.43	78.76	+2.1%
Resorts	7.21	7.27	-0.8%	11.09	13.71	-19.1%
Hospitality	4.34	3.91	+10.9%	6.44	5.73	+12.4%
Fitness	4.45	3.94	+12.8%	8.59	7.45	+15.4%
Energy	9.77	13.01	-24.9%	21.51	28.59	-24.8%
Refrigeration & HVAC	14.43	11.13	+29.7%	28.71	23.76	+20.8%
Others & Eliminations	2.81	0.52	>100%	4.09	-0.49	-
Other Operational Income	0.35	6.76	-94.9%	1.07	9.64	-88.9%
EBITDA, excluding Guaranteed Income Provisions ⁽¹⁾	4.16	10.03	-58.5%	5.83	13.27	-56.1%
Resorts	0.46	0.88	-48.1%	0.46	1.92	-75.9%
Hospitality	-0.59	-0.56	-4.7%	-2.34	-2.51	+6.4%
Fitness	0.62	0.62	+0.4%	1.01	0.85	+17.7%
Energy	1.93	2.48	-22.0%	4.29	5.70	-24.7%
Refrigeration & HVAC	0.56	0.31	+79.6%	1.45	0.73	+98.9%
Others & Eliminations	1.17	6.30	-81.4%	0.95	6.56	-85.5%
Provisions for Guaranteed Income	-0.12	-0.37	+68.5%	-0.19	-0.65	+70.9%
EBITDA	4.04	9.67	-58.2%	5.64	12.62	-55.3%
Amortization & Depreciation	-3.99	-3.90	-2.3%	-7.91	-7.80	-1.4%
Provisions & Impairment Losses	-0.05	-0.08	+45.4%	-0.06	-0.16	+63.0%
Non-recurrent costs/income ⁽²⁾	0.62	-0.39	-	0.24	0.36	-33.3%
EBIT	0.63	5.29	-88.1%	-2.08	5.03	-
Net Financial Expenses	-1.71	-2.29	+25.4%	-4.09	-4.49	+9.0%
Investment Income and Results from Assoc. Undertaking	15.32	0.79	>100%	16.37	1.99	>100%
EBT	14.24	3.78	>100%	10.19	2.53	>100%
Taxation	-0.54	-0.10	<-100%	-0.38	-0.96	+60.8%
Net Profit	13.70	3.53	>100%	9.82	0.86	>100%
Attributable to Equity Holders of Sonae Capital	13.33	3.12	>100%	9.14	0.20	>100%
Attributable to Non-Controlling Interests	0.37	0.41	-11.2%	0.68	0.66	+2.6%

(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

Consolidated Turnover in the 1H16 reached 80.43M€, registering an increase of 2.1% over the same period last year, driven by a combination of several effects. On the positive side, it should be highlighted: (i) Fitness (+15.4%), supported on the increased number of active members and higher average monthly fees; (ii) Hospitality (+12.4%), following both the better performance of current operations and the contribution of the new operation, opened in the 2Q16, 'The House Ribeira'; and (iii) Refrigeration & HVAC (+20.8%), due to the increased activity levels and the delivery of important projects. The performance shown by these segments more than offset the lower contributions from: (i) Energy (-24.8%), mainly driven by prices evolution (1H15 was the best semester ever in this segment) and the reduction of cogeneration plants in operation; and (ii) Resorts (-19.1%) due to a lower number of deeds signed compared to the same period last year, with the operations that support the Resort maintaining the same volumes registered last year.

1H16 Consolidated EBITDA amounted to 5.64M€, corresponding to a margin of 7.0%, registering a decrease of 55.3% or 6.98M€ when compared to the 1H15. The comparison to the same period last year is penalized mainly, besides the segments with lower Top Line performance (Resorts, -75.9% and Energy, -24.7%) by the impact of the sale, in the 1H15, of non-strategic real estate assets, namely "Duque de

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Loulé” which generated a capital gain of approximately 6.0M€ in the consolidated results. On the positive side, it should be highlighted the performance of: (i) the Refrigeration & HVAC segment that posted an improvement of 0.72M€ (to almost the double when compared to 1H15) following the complete implementation of the new strategic positioning; (ii) the Fitness segment (+17.7%) driven by the Top Line performance; and (iii) the Hospitality segment that registered an improvement of 6.4%.

1H16 Net Results were positive 9.82M€, a significant improvement of 8.96M€ when compared to the same period last year, being noted as main contributions: (i) in addition to the already highlighted decrease in EBITDA level (-6.98M€); (ii) the contribution of Investment results of 14.4M€, due to the accounting of the capital gain related to the sale of Norscut; and (iii) the positive contribution of the decrease in net financial charges of 0.40M€ as a result of lower financing costs driven by the lower levels of Net Debt.

2.2. CAPEX

Capex in the period amounted to 2.9M€, registering a decrease of 3.8M€ when compared to the same period last year. The main investment projects in the period were relative to Fitness - implementation of the expansion plan with the opening of two new clubs - and Hospitality - opening of ‘The House Ribeira’ -, both following a capital light approach.

2.3. CAPITAL STRUCTURE

At the end of 1H16, Net Debt amounted to 156.1M€, 4.6% above the level registered at the end of 2015. This result was driven by the current operations cash generation which partially offset the impact of dividends payment related to 2015 occurred in 2Q16.

It should also be highlighted that, when compared to the same period last year, Net Debt shows a reduction of 44.5M€.

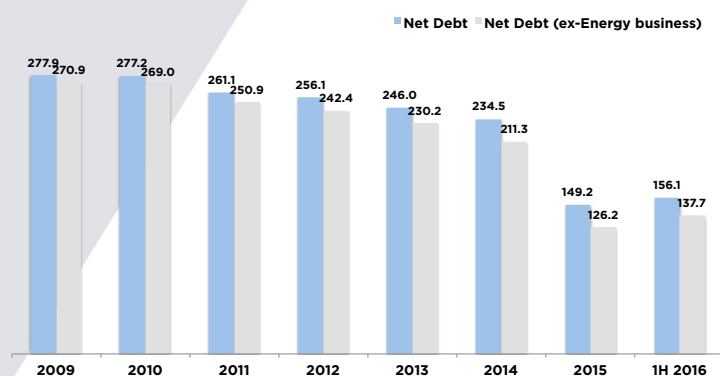
Capital structure, due to the above-mentioned increase in Net Debt levels, set the Debt to Equity ratio to 50.1%, 2.0pp higher than at the end of 2015, although showing a favorable trend in the last 12 months.

Taking into consideration the different types of assets that are part of Sonae Capital’s portfolio, capital structure should be evaluated considering the coexistence of businesses that generate recurrent EBITDA, measured by a Net Debt/EBITDA ratio and Real Estate Assets that should be evaluated according to its fair market value. Assuming the Group Real Estate Assets valuations, at the end of 1H16, the implied ratios of Loan to Value (LTV) and non real estate Net Debt/EBITDA businesses amounted to 23.7% and 2.57x, respectively, reflecting a conservative and comfortable capital structure considering Sonae Capital businesses portfolio structure.

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Consolidated Balance Sheet			
Million euro			
	Jun 2016	Dec 2015	△ Jun16/Dec15
Total Assets	557.3	574.0	-2.9%
Tangible and Intangible Assets	252.3	258.8	-2.5%
Goodwill	60.9	60.9	+0.0%
Non-Current Investments	1.8	13.6	-86.4%
Other Non-Current Assets	25.5	31.5	-19.1%
Stocks	124.1	126.8	-2.1%
Trade Debtors and Other Current Assets	88.3	47.2	+87.3%
Cash and Cash Equivalents	4.4	35.3	-87.6%
Total Equity	311.4	310.1	+0.4%
Total Equity attributable to Equity Holders of Sonae Capital	302.0	299.9	+0.7%
Total Equity attributable to Non-Controlling Interests	9.4	10.2	-8.5%
Total Liabilities	245.9	263.9	-6.8%
Non-Current Liabilities	138.8	121.0	+14.7%
Non-Current Borrowings	121.9	103.9	+17.3%
Deferred Tax Liabilities	11.0	10.9	+0.0%
Other Non-Current Liabilities	6.0	6.1	-1.7%
Current Liabilities	107.0	142.9	-25.1%
Current Borrowings	38.6	80.6	-52.1%
Trade Creditors and Other Current Liabilities	68.4	62.3	+9.8%
Total Equity and Liabilities	557.3	574.0	-2.9%
Net Capital Employed	467.5	459.3	+1.8%
Fixed Assets	313.2	319.7	-2.1%
Non-Current Investments (net)	10.3	28.0	-63.0%
Working Capital	144.0	111.6	+29.0%
Capex (end of period)	2.9	14.6	-79.8%
% Fixed Assets	0.9%	4.6%	
Net Debt	156.1	149.2	+4.6%
% Net Capital Employed	33.4%	32.5%	
Debt to Equity	50.1%	48.1%	
Net Debt excluding Energy	137.7	126.2	+9.1%
Capital Structure Ratios			
Loan To Value (Real Estate)	23.7%	21.8%	
Net Debt/EBITDA (recurrent)	2.57x	2.20x	



Net Capital Employed increased 1.8% compared to YE2015, to 467.5M€. This performance was mainly driven by the Working Capital increase as a result of the amount to be received associated to the sale of Norscut stake.

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3. SEGMENTS PERFORMANCE

3.1. RESORTS

Profit and Loss Account						
Million euro						
Resorts	2Q 2016	2Q 2015	Δ 16/15	1H 2016	1H 2015	Δ 16/15
Total Operational Income	7.47	7.65	-2.4%	12.04	14.97	-19.6%
Turnover	7.21	7.27	-0.8%	11.09	13.71	-19.1%
Other Operational Income	0.26	0.38	-32.8%	0.95	1.26	-24.9%
Total Operational Costs	-7.01	-6.77	-3.5%	-11.58	-13.05	+11.3%
Cost of Goods Sold	-0.54	-1.33	+59.6%	-1.76	-2.29	+23.1%
Change in Stocks of Finished Goods	-2.51	-1.16	<-100%	-2.98	-2.79	-6.8%
External Supplies and Services	-2.36	-2.99	+21.1%	-4.08	-5.37	+24.0%
Staff Costs	-0.97	-0.93	-4.3%	-1.81	-1.78	-2.1%
Other Operational Expenses	-0.63	-0.37	-72.9%	-0.94	-0.82	-14.5%
EBITDA excluding Guaranteed Income Provisions ⁽¹⁾	0.46	0.88	-48.1%	0.46	1.92	-75.9%
Provisions for Guaranteed Income	-0.12	-0.37	+68.5%	-0.19	-0.65	+70.9%
EBITDA	0.34	0.52	-33.7%	0.28	1.28	-78.5%
Capex	0.11	0.45	-74.4%	0.27	0.56	-51.7%
EBITDA-Capex	0.23	0.07	>100%	0.00	0.72	-99.5%

(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 2Q16, 5 deeds of residential units in Troia Resort were signed (a reduction compared to 8 deeds registered in 2Q15), amounting to 11 deeds in the semester. Furthermore, during the month of July 3 additional deeds were signed to which a stock of 9 promissory purchase and reserve agreements with advance payments should be added. As at 30 June 2016, a total of 362 deeds have been celebrated on residential units in Troia Resort.

Mainly driven by the number of signed deeds in the semester, Top Line amounted to 11.09M€, showing a decrease of 19.1% when compared to 1H15. Consequently, EBITDA in the 1H16 reached 0.28M€, a reduction of 1.0M€ when compared to the same period last year.

Capex stood at controllable levels and contributed, as well as EBITDA, to a reduction of EBITDA-Capex from 0.72M€ to, approximately, a null value in 1H16.

3.2. FITNESS

Profit and Loss Account						
Million euro						
Fitness	2Q 2016	2Q 2015	Δ 16/15	1H 2016	1H 2015	Δ 16/15
Total Operational Income	4.50	4.00	+12.5%	8.69	7.59	+14.4%
Turnover	4.45	3.94	+12.8%	8.59	7.45	+15.4%
Other Operational Income	0.05	0.06	-8.9%	0.09	0.15	-34.9%
Total Operational Costs	-3.88	-3.38	-14.8%	-7.68	-6.74	-14.0%
Cost of Goods Sold	-0.03	-0.03	+2.4%	-0.04	-0.06	+27.3%
External Supplies and Services	-2.35	-2.09	-12.3%	-4.63	-4.20	-10.1%
Staff Costs	-1.27	-1.03	-23.6%	-2.51	-2.09	-19.9%
Other Operational Expenses	-0.23	-0.23	+0.5%	-0.50	-0.38	-30.8%
EBITDA	0.62	0.62	+0.4%	1.01	0.85	+17.7%
Capex	0.37	0.03	>100%	0.62	0.21	>100%
EBITDA-Capex	0.26	0.59	-56.3%	0.38	0.64	-40.2%

The Fitness segment continues to consolidate the improvement of its competitive position, reflected in both turnover and profitability, with the average number of active members growing by 11.5% when compared to 1H15.

During 1H16, Top Line grew 15.4% to 8.59M€, as a result of the above-mentioned growth in the number of active members and the positive average monthly fee

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performance, which has increased 3.0% when compared to 1H15. EBITDA amounted to 1.01M€, an improvement of 17.7% when compared to the same period last year, correspondent to a margin of 11.7%, 0.2pp above the level achieved in 1H15. It should be highlighted that during the 2Q16, two new clubs were opened (Guimarães and Maia), with the respective impacts at the level of margins until it reaches a normalized number of members.

Capex in 1H16 amounted to 0.62M€, significantly higher than in the same period last year, mainly as a result of implementation of the expansion plan, in particular the investments to support the opening of new clubs (Maia and Guimarães, already opened and Foz and Ermesinde, in plan to be opened until the end of the year).

3.3. HOSPITALITY

Profit and Loss Account						
Million euro						
Hospitality	2Q 2016	2Q 2015	Δ 16/15	1H 2016	1H 2015	Δ 16/15
Total Operational Income	4.45	4.00	+11.3%	6.67	5.92	+12.7%
Turnover	4.34	3.91	+10.9%	6.44	5.73	+12.4%
Other Operational Income	0.11	0.09	+27.6%	0.23	0.19	+21.8%
Total Operational Costs	-5.04	-4.56	-10.5%	-9.02	-8.43	-7.0%
Cost of Goods Sold	-0.48	-0.47	-2.1%	-0.72	-0.69	-4.8%
External Supplies and Services	-2.87	-2.55	-12.4%	-5.19	-4.84	-7.4%
Staff Costs	-1.59	-1.40	-13.6%	-2.88	-2.60	-10.8%
Other Operational Expenses	-0.11	-0.15	+25.8%	-0.22	-0.30	+26.7%
EBITDA	-0.59	-0.56	-4.7%	-2.34	-2.51	+6.4%
Capex	1.01	0.06	>100%	1.19	0.07	>100%
EBITDA-Capex	-1.60	-0.62	<-100%	-3.53	-2.58	-37.2%

In order to present comparable information, the contribution of the Lagos hotel operation (Aqualuz Lagos), was excluded from the 2015 segment results.

Compared to 1H15 and following the previously reported trend, Top Line of the Hospitality segment showed a growth of 12.4% to 6.44M€. This performance resulted mainly from the 3.7pp increase in occupancy rate. In the same period, the number of room nights sold increased 14.0% in the total Group's hotel properties and RevPar also revealed an improvement of 14.2%.

As a result of the positive business indicators performance and of the Top Line increase, combined with the optimization and cost rationalization measures implemented over the past few years, EBITDA, in 1H16, showed an improvement of 6.4% over the same period last year. It should be noted that the first half of 2016 already includes the contribution of the new hotel "The House Ribeira Porto Hotel" (opened in April) thus, on a comparable basis, the EBITDA improvement amounted to 12.6%. It should be pointed out that the new Hotel, opened following a capital light approach, has already presented a positive contribution in the second full month of operation, as a result of high occupancy rates.

Excluding rents, it should be highlighted that the Hospitality segment EBITDAR, in 1H16, was positive 0.16M€, reverting the negative values recorded in 1H15. Pointing out the turnover seasonality, the first and fourth quarters usually register negative EBITDARs that are more than compensated by the positive results of the second and, mainly, the third quarters' activity.

Hospitality Capex amounted to 1.19M€ reflecting the investment in the opening of the new hotel "The House Ribeira Porto Hotel". As such, EBITDA-Capex decreased 37.2% compared to 1Q15.

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As above-mentioned, during 2Q16, a new hotel “The House Ribeira Porto Hotel” was opened. Developed following a capital light approach, it is a unit with 56 rooms, a multifunctional area with bar and lounge, located in Ribeira, the heart of the historic centre of Porto. It targets an urban, modern, demanding and informed audience that seeks the authenticity of Porto city.

3.4. ENERGY

Profit and Loss Account						
Million euro						
Energy	2Q 2016	2Q 2015	Δ 16/15	1H 2016	1H 2015	Δ 16/15
Total Operational Income	9.87	13.05	-24.4%	21.62	28.83	-25.0%
Turnover	9.77	13.01	-24.9%	21.51	28.59	-24.8%
Other Operational Income	0.10	0.04	>100%	0.12	0.24	-51.3%
Total Operational Costs	-7.94	-10.57	+24.9%	-17.33	-23.13	+25.1%
Cost of Goods Sold	-6.19	-8.73	+29.1%	-13.67	-19.29	+29.1%
External Supplies and Services	-1.13	-1.04	-7.9%	-2.19	-2.01	-8.5%
Staff Costs	-0.59	-0.63	+5.1%	-1.27	-1.47	+14.0%
Other Operational Expenses	-0.03	-0.17	+85.4%	-0.21	-0.36	+40.9%
EBITDA	1.93	2.48	-22.0%	4.29	5.70	-24.7%
Capex	-0.01	0.21	-	0.20	1.27	-84.2%
EBITDA-Capex	1.95	2.26	-14.0%	4.09	4.43	-7.6%

In 1H16, Top Line of the Energy segment reported a decrease of 24.8% to 21.5M€. This performance is explained by: (i) the reduction of selling energy prices as a result of the evolution of oil price; and (ii) the lower number of cogeneration plants in operation, due to the discontinuation, in 4Q15, of a cogeneration plant and the change, also in 4Q15, of the licensing framework in another plant.

As expected, EBITDA, in the period, registered a decrease of 24.7%, when compared to the same period last year, to 4.29M€, as a result of the above-mentioned reasons that impacted Top Line.

It should be noted that 1H15 was the best quarter ever in the history of the segment. In effect, over the previous semester, Top Line reduced only 2.2% and EBITDA improved 22.4%.

Capex amounted to 0.2M€, 84.2% lower than 1H15. The EBITDA-Capex level showed a decrease of 7.6% to 4.09M€.

3.5. REFRIGERATION & HVAC

Profit and Loss Account						
Million euro						
Refrigeration & HVAC	2Q 2016	2Q 2015	Δ 16/15	1H 2016	1H 2015	Δ 16/15
Total Operational Income	14.52	11.08	+31.1%	28.93	23.99	+20.6%
Turnover	14.43	11.13	+29.7%	28.71	23.76	+20.8%
Other Operational Income	0.08	-0.05	-	0.22	0.23	-3.7%
Total Operational Costs	-13.95	-10.76	-29.6%	-27.47	-23.26	-18.1%
Cost of Goods Sold	-7.64	-5.54	-38.0%	-13.44	-9.39	-43.2%
Change in Stocks of Finished Goods	2.95	1.16	>100%	4.01	0.69	>100%
External Supplies and Services	-5.94	-3.36	-76.7%	-11.71	-8.36	-40.1%
Staff Costs	-2.99	-3.08	+2.9%	-5.82	-6.01	+3.2%
Other Operational Expenses	-0.32	0.06	-	-0.52	-0.20	<-100%
EBITDA	0.56	0.31	+79.6%	1.45	0.73	+98.9%
Capex	0.01	0.03	-77.3%	0.06	0.12	-52.1%
EBITDA-Capex	0.56	0.28	+98.6%	1.39	0.61	>100%

In order to present comparable information, the contribution of the General Maintenance business (UPK), subject to a Management Buy Out in 4Q15, was excluded from the 2015 segment results.

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1H16 Top Line amounted to 28.71M€, a 20.8% increase over the same period last year, due to the improved domestic operation. Backlog, on the Portuguese operation, at the end of semester, amounted to, approximately, 27.4M€, representing 6.3 months of turnover.

International Top Line of Refrigeration & HVAC (consolidating exports and direct sales abroad) represented 43% of the consolidated turnover, 13pp above the level registered in 1H15.

Due to the Top Line performance in Portugal, EBITDA amounted to 1.45M€, registering an improvement to almost the double when compared to 1H15 and reaching a margin of 5.1%, 2.0pp above 1H15.

EBITDA in the domestic operation (excluding the discontinued operations) amounted to 1.66M€ in 1H16, a 1.11M€ improvement when compared to last year.

Capex stood at low levels, 0.06M€ (52.1% lower than 1H15) and most of the increase of EBITDA-Capex is a result of the EBITDA positive performance.

3.6. OTHER ASSETS

Sonae Capital owns a set of non-strategic assets and thus available for sale, including Real Estate Assets and Financial Shareholdings.

Addressing current market trends and the demand profile for real estate assets included in current portfolio (diversified group of 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 widespread geographical dispersion), during the 1H16, 38 sales deeds regarding City Flats were signed and 1 sale deed signed over a land plot.

As at 30 June 2016, capital employed in this set of real estate assets amounted to 115.4M€.

During the quarter, after the non-opposition disclose by the Portuguese Competition Authority, Sonae Capital has taken another important step towards the conclusion of the sale of the shareholding participation in Norscut, for a total value of, approximately, 42M€, generating at the Consolidated Net Result and Equity levels an impact of 16.1M€ and 23.1M€, respectively.

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4. CORPORATE INFORMATION

4.1. CORPORATE INFORMATION - 2Q16

In April 2016, Sonae Capital has announced the sale of the 36% shareholding participation in Norscut, for a total value of, approximately, 42M€. As at 23 June 2016, the Portuguese Competition Authority issued a decision of non-opposition, being in course the normal closing process.

4.2. SUBSEQUENT CORPORATE EVENTS

There were no subsequent corporate events to register.

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5. METODOLOGICAL NOTES

The consolidated financial statements presented in this report are non-audited and have been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS"), issued by International Accounting Standards Board ("IASB"), as adopted by 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 the Business Unit level, and aligned with the best market practices, the units sold during the year 2015, namely, the hotel operation of Lagos (Aqualuz Lagos) and business of General Maintenance (UPK) of Refrigeration and HVAC segment, are now reported as discontinued operations. In accordance the restated 2015 information is presented in appendix.

This document is a translation from the Portuguese original version.

GLOSSARY

- HVAC = Heating, Ventilation and Air Conditioning.
- Operational Cash Flow = EBITDA - Capex.
- 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 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016
Total Operational Income	41.85	46.54	47.23	45.65	38.14	43.36
Turnover	38.98	39.78	46.40	44.45	37.42	43.02
Resorts	6.44	7.27	10.20	5.77	3.88	7.21
Hospitality	1.82	3.91	6.42	2.33	2.10	4.34
Fitness	3.50	3.94	3.78	3.96	4.14	4.45
Energy	15.58	13.01	11.70	10.29	11.74	9.77
Refrigeration & HVAC	12.63	11.13	13.35	19.38	14.27	14.43
Others & Eliminations	-1.00	0.52	0.94	2.72	1.28	2.81
Other Operational Income	2.87	6.76	0.84	1.20	0.72	0.35
EBITDA, excluding Guaranteed Income Provisions ⁽¹⁾	3.24	10.03	8.14	3.11	1.67	4.16
Resorts	1.04	0.88	3.33	-1.08	0.01	0.46
Hospitality	-1.94	-0.56	0.92	-1.63	-1.76	-0.59
Fitness	0.23	0.62	0.40	0.57	0.38	0.62
Energy	3.22	2.48	1.99	1.51	2.36	1.93
Refrigeration & HVAC	0.42	0.31	0.83	1.54	0.89	0.56
Others & Eliminations	0.26	6.30	0.67	2.19	-0.21	1.17
Provisions for Guaranteed Income	-0.28	-0.37	-0.16	-0.18	-0.07	-0.12
EBITDA	2.95	9.67	7.98	2.92	1.59	4.04
Amortization & Depreciation	-3.90	-3.90	-4.03	-3.89	-3.92	-3.99
Provisions & Impairment Losses	-0.07	-0.08	-0.08	0.23	-0.01	-0.05
Non-recurrent costs/income ⁽²⁾	0.76	-0.39	-0.57	0.27	-0.38	0.62
EBIT	-0.26	5.29	3.30	-0.47	-2.72	0.63
Net Financial Expenses	-2.20	-2.29	-2.58	-1.53	-2.38	-1.71
Investment Income and Results from Assoc. Undertakings	1.21	0.79	1.01	0.13	1.05	15.32
EBT	-1.25	3.78	1.74	-1.87	-4.04	14.24
Taxation	-0.86	-0.10	0.16	0.39	0.16	-0.54
Net Profit - Continued Businesses	-2.11	3.68	1.90	-1.48	-3.88	13.70
Net Profit - Discontinued Businesses	-0.56	-0.15	0.30	-0.18	0.00	0.00
Net Profit - Total	-2.68	3.53	2.20	-1.66	-3.88	13.70
Attributable to Equity Holders of Sonae Capital	-2.93	3.12	1.86	-2.35	-4.19	13.33
Attributable to Non-Controlling Interests	0.25	0.41	0.34	0.69	0.31	0.37

(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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