

**EARNINGS  
ANNOUNCEMENT**  
30 SEPTEMBER 2016



**SONAE CAPITAL**

## EARNINGS ANNOUNCEMENT

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### 1. CEO MESSAGE & MAIN HIGHLIGHTS

*"This was an important quarter in Sonae Capital's business portfolio reconfiguration with the conclusion of the road concessions shareholdings sale process, Norscut and Operscut. The correspondent cash-in during the quarter has allowed for another important Net Debt reduction. Additionally, the different business units continued to improve their competitive position and the process to sell non-strategic assets is evolving according to our expectations.*

*It should be highlighted, in respect to the improvement of the competitive position, when compared to the same period last year, the Top Line growth registered by Fitness (+21.7%), Hospitality (+14.4%) and Ref. & HVAC (+51.9%) with the respective consequences also visible at the EBITDA level. It should also be pointed out that the most recent Hotel, opened in April, following a capital light approach and targeted to capture the growing Oporto touristic demand, has registered a positive contribution in the quarter. In fact, the Hospitality business experienced a quite positive quarter, showing an improved performance across all Hotels in the most critical business indicators, namely, Occupancy rate and Price. The businesses that support the Troia Resort, driven by the strong dynamism observed during the summer campaign, have also presented significant improvements allowing to partially offset the lower number of deeds as a result of the already announced Golden Visa market slowdown. Additionally, it's worth to point out the Fitness expansion plan that is being implemented, with the opening of a new club, during the 3Q16 (totalling 3 in 2016) and a few more openings are expected until the end of the year. On the other hand, Energy Top Line and EBITDA - as expected due to the reduction in the number of plants in operation - registered a decrease when compared to the same period last year.*

*It's important to highlight, once again, the positive cash flow generation and the 78.2M€ Net Debt reduction when compared to the same period last year, including the dividend distribution relative to 2015 exercise and paid in the 2Q16. At the end of the quarter, Net Debt stood at 106.4M€. The reinforcement of our Capital Structure, to conservative values, allows us to address, in a comfortable position, the materialization of our corporate strategy.*

*In conclusion, the promotion of each business competitive position, the on-going process to sell the real estate non-strategic assets and the development of new business opportunities that fit with the defined corporate strategy, will continue to be the Team focus.*

*Cláudia Azevedo, CEO*

#### **THIRD QUARTER NET RESULTS OF 3.4M€. PERFORMANCE SHOWS POSITIVE PROGRESSES IN THE MAJORITY OF THE BUSINESSES, VISIBLE IN THE 12.7% TOP LINE GROWTH.**

Consolidated TOP LINE stood at 52.3M€, registering a growth of 12.7%:

- It should be highlighted the continued improved performance of Fitness (+21.7%) and Hospitality (+14.4%) segments. It should also be pointed out the 51.9% improvement registered by Ref.&HVAC segment, following the strategic repositioning conducted throughout 2015;
- Resorts Top Line reached 9.3M€. During the quarter there were celebrated 4 deeds of real estate residential units in Troia Resort and there are still 11 Promissory Purchase & Sale contracts and Reservation agreements in stock;
- As anticipated, driven by the discontinuity of a cogeneration plant in operation and the change of the licensing regime in another plant, both

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during 2015, and also the non favourable oil prices evolution, Energy Top Line registered a reduction of 29.1% to 8.3M€.

Consolidated EBITDA amounted to 8.0M€, being worth to point out:

- The growth registered by Fitness (+93.8%) and Hospitality (+51.7%); as well as,
- Driven by the strong dynamism of the businesses that support Troia Resort, the growth experienced by Resorts (+1.1%) notwithstanding the lower number of deeds when compared to last year;
- The Real Estate Assets segments (included in Other & Eliminations) has shown an improvement of 16.1% mainly due to the number of "City Flats" sold during the period that have almost sold out the entire available stock;
- Energy segment, despite the 29.1% Top Line reduction, registered a decrease of only 12.9% and has continued to improve the quarterly YoY variations (1Q, -26.7%; 2Q, -22.2%; and 3Q, -12.9%);
- Ref.&HVAC segment registered an EBITDA of 0.22M€, correspondent to a margin of 1.1%.

3Q16 Consolidated NET RESULTS amounted to positive 3.38M€, representing an improvement of 54.0% compared to the 3Q15. It should also be pointed out, driven by the on-going reductions of both the Net Debt level and the respective cost, the 0.32M€ Net Financial charges reduction.

### THE FIRST NINE MONTHS RESULTS CONFIRM THE DEFINED STRATEGY WITH SIGNIFICANT PROFITABILITY IMPROVEMENT.

TOP LINE grew 6.0% with the majority of the businesses showing a two-digit growth when compared to last year, notwithstanding the reductions in Energy (already explained) and Resorts, due to the slowdown of real estate sales in Troia.

Consolidated EBITDA amounted to 13.63M€, 33.8% below the same period last year, being worth to highlight, last year, the extraordinary contribution from the capital gain on the sale of an important real estate asset, "Duque de Loulé".

NET RESULTS stood at positive 13.20M€, registering a growth of 10.15M€ compared to the same period last year, driven by the performance of Results from Investment & Associated undertakings, correspondent to the capital gain relative to the sale of Norscut and Operscut shareholdings.

FREE CASH FLOW (levered) reached 58.0M€, 21.0% above last year, as a result of the business units operations cash flow and, importantly, from the sale of the shareholdings above-mentioned.

Consolidated NET DEBT, driven by the Levered Free Cash Flow performance and already considering the dividends distributed during the 2Q16, registered a decrease of 42.8M€ compared to YE 2015, to 106.4M€.

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## 2. OVERALL PERFORMANCE

The financial and operational performance during the 3Q16, when compared to the same period last year, brings out the dynamism of the Group in terms of Top Line and profitability, notwithstanding the Energy negative evolution – already expected – and the slowdown of the touristic real estate sales in Troia Resort. Net Results amounted to 3.38M€, a significant improvement over the previous year and Net Debt recorded another significant reduction to 106.4M€.

### 2.1. CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and Loss Account						
Million euro						
	3Q 2016	3Q 2015	Δ 16/15	9M 2016	9M 2015	Δ 16/15
<b>Total Operational Income</b>	<b>53,29</b>	<b>47,23</b>	<b>+12,8%</b>	<b>134,79</b>	<b>135,63</b>	<b>-0,6%</b>
<b>Turnover</b>	<b>52,27</b>	<b>46,40</b>	<b>+12,7%</b>	<b>132,71</b>	<b>125,16</b>	<b>+6,0%</b>
Resorts	9,33	10,20	-8,6%	20,42	23,91	-14,6%
Hospitality	7,35	6,42	+14,4%	13,79	12,16	+13,5%
Fitness	4,60	3,78	+21,7%	13,20	11,23	+17,5%
Energy	8,29	11,70	-29,1%	29,80	40,30	-26,0%
Refrigeration & HVAC	20,28	13,35	+51,9%	48,99	37,11	+32,0%
Others & Eliminations	2,42	0,94	>100%	6,51	0,45	>100%
Other Operational Income	1,02	0,84	+21,4%	2,08	10,47	-80,1%
<b>EBITDA, excluding Guaranteed Income Provisions <sup>(1)</sup></b>	<b>8,08</b>	<b>8,14</b>	<b>-0,8%</b>	<b>13,90</b>	<b>21,41</b>	<b>-35,1%</b>
Resorts	3,28	3,33	-1,4%	3,75	5,25	-28,7%
Hospitality	1,40	0,92	+51,7%	-0,94	-1,58	+40,4%
Fitness	0,78	0,40	+93,8%	1,79	1,26	+42,1%
Energy	1,73	1,99	-12,9%	6,03	7,69	-21,7%
Refrigeration & HVAC	0,22	0,83	-73,3%	1,67	1,56	+7,5%
Others & Eliminations	0,66	0,67	-2,3%	1,61	7,23	-77,7%
Provisions for Guaranteed Income	-0,08	-0,16	+51,0%	-0,27	-0,81	+67,0%
<b>EBITDA</b>	<b>8,00</b>	<b>7,98</b>	<b>+0,2%</b>	<b>13,63</b>	<b>20,61</b>	<b>-33,8%</b>
Amortization & Depreciation	-3,99	-4,03	+1,1%	-11,89	-11,83	-0,6%
Provisions & Impairment Losses	0,00	-0,08	-	-0,05	-0,24	+77,3%
Non-recurrent costs/income <sup>(2)</sup>	-0,37	-0,57	+34,9%	-0,13	-0,21	+37,8%
<b>EBIT</b>	<b>3,64</b>	<b>3,30</b>	<b>+10,3%</b>	<b>1,56</b>	<b>8,33</b>	<b>-81,3%</b>
Net Financial Expenses	-1,64	-2,58	+36,5%	-5,73	-7,07	+19,0%
Invest. Income and Results from Assoc. Undertakings	1,81	1,01	+79,4%	18,18	3,00	>100%
<b>EBT</b>	<b>3,82</b>	<b>1,74</b>	<b>&gt;100%</b>	<b>14,01</b>	<b>4,27</b>	<b>&gt;100%</b>
Taxation	-0,43	0,16	-	-0,81	-0,80	-1,8%
<b>Net Profit - Continued Businesses</b>	<b>3,38</b>	<b>1,90</b>	<b>+77,9%</b>	<b>13,20</b>	<b>3,47</b>	<b>&gt;100%</b>
<b>Net Profit - Discontinued Businesses</b>	<b>0,00</b>	<b>0,30</b>	<b>-</b>	<b>0,00</b>	<b>-0,42</b>	<b>-</b>
<b>Net Profit - Total</b>	<b>3,38</b>	<b>2,20</b>	<b>+54,0%</b>	<b>13,20</b>	<b>3,05</b>	<b>&gt;100%</b>
Attributable to Equity Holders of Sonae Capital	3,12	1,86	+68,1%	12,26	2,05	>100%
Attributable to Non-Controlling Interests	0,26	0,34	-23,9%	0,93	1,00	-6,4%

(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

Consolidated turnover in 3Q16 amounted to 52.27M€, registering an increase of 12.7% over the same period last year, driven by a mixed combination of several effects. On the positive side, it should be highlighted: (i) Refrigeration & HVAC (+51.9%), due to the increased activity levels and the delivery of important projects, namely a shopping center in Romania; (ii) Fitness (+21.7%), supported on the increased number of active members and higher average monthly fees; and (iii) Hospitality (+14.4%), following both the better performance of current operations and the contribution of the new operation, opened in April, 'The House Ribeira'. The performance shown by these segments more than offset the lower contributions of: (i) Energy (-29.1%) mainly driven by prices evolution and the reduction of cogeneration plants in operation at the end of 2015; and (ii) Resorts (-8.6%) due to a lower number of deeds signed compared to the same period last year, notwithstanding the overall improvement of operations that support the Resort due to the strong dynamism observed during the summer campaign; In fact, excluding the touristic real estate sales, Resorts' turnover improved 19.6%.

Consolidated EBITDA in 3Q16 amounted to 8.0M€, corresponding to a margin of 15.3%, registering a marginal increase of 0.2% when compared to the 3Q15. The

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comparison to the same period last year is penalized, as in previous quarters, by the Energy segment (although YoY quarterly variations are improving) and, this quarter, by a lower profitability performance posted by Refrigeration & HVAC segment. On the other hand, it should be highlighted the good performance of the remaining segments, namely: (i) Fitness (+93.8%), driven by the Top Line performance; (ii) Hospitality, that registered an improvement of 51.7%; (iii) Resorts that, despite the lower touristic real estate sales, driven by the turnover growth of operations that support the Resort, generated an increase of 1.1% at EBITDA level; and (iv) Real Estate Assets, due mainly to the high number of City Flats sold during the period, showed an improvement of 16.1%.

3Q16 Net Results were positive 3.38M€, registering a significant improvement of 54.0% when compared to the same period last year. The following contributions should be noted: (i) in addition to the already above-mentioned EBITDA performance; (ii) the contribution of Results from Investments of 1.81M€ (an improvement of 0.8M€ compared to 3Q15), driven by the capital gain related with the sale of Operscut; and (iii) the positive net financial charges contribution as a result of a combination of lower level of Net Debt and lower financing costs (0.32M€) and lower exchange differences (0.61M€).

### 2.2. CAPEX

Capex in the first nine months amounted to 4.6M€, registering a decreased of 6.0M€ when compared to 9M15. The main investment projects in the period, in addition to the investments resulting from the normal activity of each businesses, are related to the implementation of the Fitness expansion plan (opening of new clubs) and Hospitality (opening of 'The House Ribeira'), both following a *capital light* approach.

### 2.3. CAPITAL STRUCTURE

At the end of September, Net Debt stood at 106.4M€, 28.7% below the level registered at the end of 2015. This result was driven by the Business Units cash flow from operations and, importantly, the sale of Norscut and Operscut shareholdings, which completely offset the dividends payment related to 2015 exercise that occurred in 2Q16.

It should be highlighted that, when compared to the same period last year, Net Debt shows a reduction of 78.2M€.

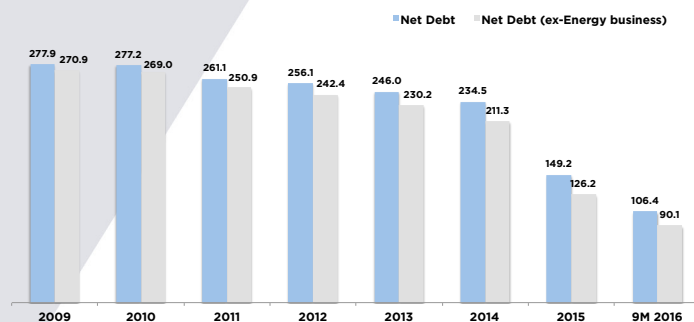
Capital structure, due to the above-mentioned decrease in the Net Debt level, set the Debt to Equity ratio at 33.8%, 14.3pp lower than the level registered at the end of 2015.

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 the period, the implied ratios of Loan to Value (LTV) and non real estate Net Debt/EBITDA businesses amounted to 13.6% and 2.32x, respectively, reflecting a conservative and comfortable capital structure considering Sonae Capital's business portfolio structure.

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Consolidated Balance Sheet			
Million euro			
	Sep 2016	Dec 2015	△ Sep16/Dec15
<b>Total Assets</b>	<b>553.3</b>	<b>574.0</b>	<b>-3.6%</b>
Tangible and Intangible Assets	249.5	258.8	-3.6%
Goodwill	60.9	60.9	+0.0%
Non-Current Investments	1.6	13.6	-88.5%
Other Non-Current Assets	25.4	31.5	-19.2%
Stocks	120.6	126.8	-4.8%
Trade Debtors and Other Current Assets	46.3	47.2	-1.8%
Cash and Cash Equivalents	49.1	35.3	+38.9%
<b>Total Equity</b>	<b>314.8</b>	<b>310.1</b>	<b>+1.5%</b>
Total Equity attributable to Equity Holders of Sonae Capital	305.2	299.9	+1.8%
Total Equity attributable to Non-Controlling Interests	9.6	10.2	-6.0%
<b>Total Liabilities</b>	<b>238.5</b>	<b>263.9</b>	<b>-9.6%</b>
<b>Non-Current Liabilities</b>	<b>147.7</b>	<b>121.0</b>	<b>+22.1%</b>
Non-Current Borrowings	130.5	103.9	+25.6%
Deferred Tax Liabilities	11.1	10.9	+1.6%
Other Non-Current Liabilities	6.1	6.1	+0.0%
<b>Current Liabilities</b>	<b>90.7</b>	<b>142.9</b>	<b>-36.5%</b>
Current Borrowings	25.0	80.6	-69.0%
Trade Creditors and Other Current Liabilities	65.8	62.3	+5.5%
<b>Total Equity and Liabilities</b>	<b>553.3</b>	<b>574.0</b>	<b>-3.6%</b>
<b>Net Capital Employed</b>	<b>421.2</b>	<b>459.3</b>	<b>-8.3%</b>
Fixed Assets	310.3	319.7	-2.9%
Non-Current Investments (net)	9.7	28.0	-65.2%
Working Capital	101.1	111.6	-9.4%
Capex (end of period)	4.6	14.6	-68.7%
% Fixed Assets	1.5%	4.6%	
<b>Net Debt</b>	<b>106.4</b>	<b>149.2</b>	<b>-28.7%</b>
% Net Capital Employed	25.3%	32.5%	
Debt to Equity	33.8%	48.1%	
<b>Net Debt excluding Energy</b>	<b>90.1</b>	<b>126.2</b>	<b>-28.6%</b>
<b>Capital Structure Ratios</b>			
Loan to Value (Real Estate)	13.6%	21.8%	
Net Debt/EBITDA (recurrent)	2.32x	2.20x	



Net Capital Employed decreased 8.3% compared to YE2015, to 421.2M€. This performance was mainly driven by the Non-Current Investments decrease, as a result of the Norscut and Operscut shareholding participations.

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## 3. SEGMENTS PERFORMANCE

### 3.1. RESORTS

Profit and Loss Account Million euro Resorts						
	3Q 2016	3Q 2015	Δ 16/15	9M 2016	9M 2015	Δ 16/15
<b>Total Operational Income</b>	<b>9.82</b>	<b>10.72</b>	<b>-8.4%</b>	<b>21.86</b>	<b>25.69</b>	<b>-14.9%</b>
<b>Turnover</b>	<b>9.33</b>	<b>10.20</b>	<b>-8.6%</b>	<b>20.42</b>	<b>23.91</b>	<b>-14.6%</b>
Other Operational Income	0.49	0.52	-6.1%	1.43	1.78	-19.4%
<b>Total Operational Costs</b>	<b>-6.53</b>	<b>-7.39</b>	<b>+11.6%</b>	<b>-18.11</b>	<b>-20.44</b>	<b>+11.4%</b>
Cost of Goods Sold	-1.29	-1.39	+7.4%	-3.05	-3.68	+17.2%
Change in Stocks of Finished Goods	-0.84	-1.43	+41.6%	-3.82	-4.22	+9.6%
External Supplies and Services	-2.76	-3.03	+9.0%	-6.84	-8.40	+18.6%
Staff Costs	-1.13	-1.18	+4.7%	-2.94	-2.96	+0.6%
Other Operational Expenses	-0.53	-0.36	-46.6%	-1.46	-1.18	-24.3%
<b>EBITDA excluding Guaranteed Income Provisions <sup>(1)</sup></b>	<b>3.28</b>	<b>3.33</b>	<b>-1.4%</b>	<b>3.75</b>	<b>5.25</b>	<b>-28.7%</b>
Provisions for Guaranteed Income	-0.08	-0.16	+51.0%	-0.27	-0.81	+67.0%
<b>EBITDA</b>	<b>3.20</b>	<b>3.17</b>	<b>+1.1%</b>	<b>3.48</b>	<b>4.45</b>	<b>-21.8%</b>
<b>Capex</b>	<b>0.70</b>	<b>0.23</b>	<b>&gt;100%</b>	<b>0.97</b>	<b>0.79</b>	<b>+22.8%</b>
<b>EBITDA-Capex</b>	<b>2.50</b>	<b>2.94</b>	<b>-14.8%</b>	<b>2.50</b>	<b>3.65</b>	<b>-31.4%</b>

(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 3Q16, 4 deeds of residential units in Troia Resort were signed (a reduction compared to the 7 deeds registered in 3Q15), amounting to 15 deeds in the first nine months of the year. Additionally, it should be added a stock of 11 promissory purchase/sale and reservation agreements with advance payments. As at 30 September 2016, a total of 366 deeds have been celebrated on residential units in Troia Resort.

Mainly driven by the number of signed deeds in the quarter, Top Line amounted to 9.33M€, showing a decrease of 8.6% when compared to 3Q15. It should be highlighted, due to the strong dynamism observed during the summer campaign, turnover excluding sales of real estate touristic apartments, grew 19.6% over the same period last year.

Consequently, EBITDA reached 3.20M€, an increase of 1.1% when compared to the same period last year, driven by the performance of the different businesses that support the Resort's activity.

Capex, in the first nine months of the year, amounted 0.97M€ and contributed, as well as EBITDA, to a reduction of EBITDA-Capex of 1.15M€ to 2.50M€.

### 3.2. FITNESS

Profit and Loss Account Million euro Fitness						
	3Q 2016	3Q 2015	Δ 16/15	9M 2016	9M 2015	Δ 16/15
<b>Total Operational Income</b>	<b>4.68</b>	<b>3.87</b>	<b>+20.7%</b>	<b>13.36</b>	<b>11.47</b>	<b>+16.5%</b>
<b>Turnover</b>	<b>4.60</b>	<b>3.78</b>	<b>+21.7%</b>	<b>13.20</b>	<b>11.23</b>	<b>+17.5%</b>
Other Operational Income	0.07	0.09	-21.1%	0.17	0.24	-29.6%
<b>Total Operational Costs</b>	<b>-3.89</b>	<b>-3.47</b>	<b>-12.2%</b>	<b>-11.57</b>	<b>-10.21</b>	<b>-13.4%</b>
Cost of Goods Sold	-0.01	-0.03	+71.2%	-0.05	-0.09	+41.5%
External Supplies and Services	-2.38	-2.21	-7.6%	-7.00	-6.41	-9.2%
Staff Costs	-1.35	-1.04	-30.4%	-3.86	-3.13	-23.4%
Other Operational Expenses	-0.16	-0.19	+19.7%	-0.66	-0.58	-13.8%
<b>EBITDA</b>	<b>0.78</b>	<b>0.40</b>	<b>+93.8%</b>	<b>1.79</b>	<b>1.26</b>	<b>+42.1%</b>
<b>Capex</b>	<b>0.48</b>	<b>0.43</b>	<b>+11.5%</b>	<b>0.95</b>	<b>0.64</b>	<b>+48.0%</b>
<b>EBITDA-Capex</b>	<b>0.30</b>	<b>-0.03</b>	<b>-</b>	<b>0.84</b>	<b>0.61</b>	<b>+36.0%</b>

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The Fitness segment continues to consolidate the improvement of its competitive position, reflected in both turnover and profitability as a consequence of the 9.9% growth in the average number of active members when compared to 3Q15.

During 3Q16, Top Line grew 21.7% to 4.60M€, as a result of the above-mentioned growth in the number of active members and the positive average monthly fee performance, which has increased 7.9% when compared to 3Q15. EBITDA amounted to 0.78M€, an improvement of 93.8% when compared to the same period last year, correspondent to a margin of 17.0%, 6.3pp above the level achieved in 3Q15. It should be highlighted that during the 3Q16, one additional new club was opened (Oporto - Foz). It should be noted that the opening of new clubs is expected to negatively impact margins until they reach a cruising speed in with respect the number of active members.

Capex in 9M16 amounted to 0.95M€, 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.

### 3.3. HOSPITALITY

Profit and Loss Account						
Million euro						
Hospitality	3Q 2016	3Q 2015	Δ 16/15	9M 2016	9M 2015	Δ 16/15
<b>Total Operational Income</b>	<b>7.54</b>	<b>6.58</b>	<b>+14.5%</b>	<b>14.21</b>	<b>12.51</b>	<b>+13.6%</b>
<b>Turnover</b>	<b>7.35</b>	<b>6.42</b>	<b>+14.4%</b>	<b>13.79</b>	<b>12.16</b>	<b>+13.5%</b>
Other Operational Income	0.19	0.16	+19.0%	0.42	0.35	+20.5%
<b>Total Operational Costs</b>	<b>-6.14</b>	<b>-5.66</b>	<b>-8.5%</b>	<b>-15.15</b>	<b>-14.09</b>	<b>-7.6%</b>
Cost of Goods Sold	-0.65	-0.65	+0.4%	-1.37	-1.34	-2.3%
External Supplies and Services	-3.53	-3.17	-11.4%	-8.73	-8.01	-8.9%
Staff Costs	-1.72	-1.72	+0.5%	-4.60	-4.33	-6.3%
Other Operational Expenses	-0.24	-0.11	<-100%	-0.46	-0.41	-12.2%
<b>EBITDA</b>	<b>1.40</b>	<b>0.92</b>	<b>+51.7%</b>	<b>-0.94</b>	<b>-1.58</b>	<b>+40.4%</b>
<b>Capex</b>	<b>0.04</b>	<b>0.04</b>	<b>+2.6%</b>	<b>1.23</b>	<b>0.11</b>	<b>&gt;100%</b>
<b>EBITDA-Capex</b>	<b>1.36</b>	<b>0.88</b>	<b>+54.1%</b>	<b>-2.18</b>	<b>-1.69</b>	<b>-28.4%</b>

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

Compared to the 3Q15 and following the previously reported trend, Hospitality's segment Top Line showed, in the 3Q16, a growth of 14.4% to 7.35M€. This performance resulted mainly from the increase in occupancy rate across all units. In the same period, the number of room nights sold increased 11.2% in the total Group's operations and RevPar also revealed an improvement of 12.2%.

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 3Q16, showed an improvement of 51.7% over the same period last year. It should be noted that the quarter already includes the contribution of the new hotel "The House Ribeira Porto Hotel" (opened in April) and on a comparable basis, the EBITDA improvement amounted to 32.2%. It should be pointed out that the new Hotel, opened following a capital light approach, already presented positive contribution in the quarter, as a result of the high occupancy rates.

Excluding rents, it should be highlighted that the Hospitality segment EBITDAR, in 3Q16, was positive 2.41M€, an increase of 15.7% when compared to the same period last year. Pointing out the turnover seasonality, 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.



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Hospitality capex stood at controllable levels (0.04M€) and contributed, as well as the operational improvement, to the EBITDA-Capex increase of 54.1% when compared to 3Q15.

### 3.4. ENERGY

Profit and Loss Account						
Million euro						
Energy	3Q 2016	3Q 2015	Δ 16/15	9M 2016	9M 2015	Δ 16/15
<b>Total Operational Income</b>	<b>8.42</b>	<b>11.75</b>	<b>-28.3%</b>	<b>30.04</b>	<b>40.58</b>	<b>-26.0%</b>
<b>Turnover</b>	<b>8.29</b>	<b>11.70</b>	<b>-29.1%</b>	<b>29.80</b>	<b>40.30</b>	<b>-26.0%</b>
Other Operational Income	0.13	0.05	>100%	0.24	0.28	-13.8%
<b>Total Operational Costs</b>	<b>-6.69</b>	<b>-9.76</b>	<b>+31.5%</b>	<b>-24.02</b>	<b>-32.89</b>	<b>+27.0%</b>
Cost of Goods Sold	-4.95	-7.85	+37.0%	-18.61	-27.13	+31.4%
External Supplies and Services	-1.11	-1.10	-0.8%	-3.29	-3.11	-5.8%
Staff Costs	-0.53	-0.66	+20.2%	-1.79	-2.13	+15.9%
Other Operational Expenses	-0.11	-0.15	+29.0%	-0.32	-0.51	+37.3%
<b>EBITDA</b>	<b>1.73</b>	<b>1.99</b>	<b>-12.9%</b>	<b>6.03</b>	<b>7.69</b>	<b>-21.7%</b>
<b>Capex</b>	<b>0.11</b>	<b>3.37</b>	<b>-96.8%</b>	<b>0.31</b>	<b>4.64</b>	<b>-93.4%</b>
<b>EBITDA-Capex</b>	<b>1.63</b>	<b>-1.38</b>	<b>-</b>	<b>5.72</b>	<b>3.05</b>	<b>+87.7%</b>

In 3Q16, Top Line of the Energy segment reported a decrease of 29.1% to 8.29M€. This performance is explained by: (i) the reduction of energy selling 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 one.

As expected, EBITDA, in the period, registered a decrease of 12.9%, when compared to the same period last year, to 1.73M€, registering a margin of 20.9%.

In 9M16, turnover registered a reduction of 26.0% to 29.8M€ and EBITDA decreased 21.7% to 6.03M€ when compared to the same period last year, as a result of the above-mentioned reasons that impacted Top Line.

Capex remained at low levels and in the first nine months of the year amounted to 0.31M€, 93.4% lower than 9M15, contributing to an improvement of 2.67M€ to the EBITDA-Capex level.

### 3.5. REFRIGERATION & HVAC

3Q16 Top Line amounted to 20.28M€, a 51.9% increase over the same period last year, due to the improved domestic operation, namely the positive performance of the refrigeration segment. The Backlog of the Portuguese operation, at the end of the period, amounted to, approximately, 26.2M€, representing 6.9 months of turnover.

3Q16 EBITDA registered a reduction of 0.61M€, due mainly to the lower contribution of international operations, as in the previous quarters, and the HVAC operation driven by the implementation and development costs of an important international project.

Top Line of the first nine months of the year increased 32.0% to 49M€. International Top Line of Refrigeration & HVAC (consolidating exports and direct sales abroad) represented 51% of the consolidated turnover, 21pp above the level registered in 9M15.

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Profit and Loss Account						
Million euro						
Refrigeration & HVAC						
	3Q 2016	3Q 2015	Δ 16/15	9M 2016	9M 2015	Δ 16/15
<b>Total Operational Income</b>	<b>20.56</b>	<b>13.54</b>	<b>+51.9%</b>	<b>49.49</b>	<b>37.53</b>	<b>+31.9%</b>
<b>Turnover</b>	<b>20.28</b>	<b>13.35</b>	<b>+51.9%</b>	<b>48.99</b>	<b>37.11</b>	<b>+32.0%</b>
Other Operational Income	0.28	0.18	+52.0%	0.50	0.42	+21.0%
<b>Total Operational Costs</b>	<b>-20.34</b>	<b>-12.71</b>	<b>-60.1%</b>	<b>-47.82</b>	<b>-35.97</b>	<b>-32.9%</b>
Cost of Goods Sold	-6.91	-7.11	+2.9%	-20.35	-16.50	-23.3%
Change in Stocks of Finished Goods	-0.82	1.19	-	3.19	1.88	+69.5%
External Supplies and Services	-9.31	-3.79	<-100%	-21.01	-12.15	-72.9%
Staff Costs	-3.09	-2.75	-12.6%	-8.91	-8.75	-1.8%
Other Operational Expenses	-0.22	-0.24	+11.2%	-0.73	-0.44	-66.4%
<b>EBITDA</b>	<b>0.22</b>	<b>0.83</b>	<b>-73.3%</b>	<b>1.67</b>	<b>1.56</b>	<b>+7.5%</b>
<b>Capex</b>	<b>0.00</b>	<b>0.02</b>	<b>-94.7%</b>	<b>0.06</b>	<b>0.14</b>	<b>-58.1%</b>
<b>EBITDA-Capex</b>	<b>0.22</b>	<b>0.81</b>	<b>-72.8%</b>	<b>1.61</b>	<b>1.41</b>	<b>+14.3%</b>

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.

Due to the Top Line performance in Portugal, EBITDA in the 9M16 amounted to 1.67M€, registering an improvement of 7.5% when compared to 9M15 and reaching a margin of 3.4%. EBITDA in the domestic operation (excluding the discontinued operations) amounted to 2.26M€ in 9M16, a 1.05M€ improvement when compared to the same period last year.

Capex stood at low levels, 0.06M€ (58.1% lower than 9M15) and EBITDA-Capex positive evolution is a result of the EBITDA 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, during the 3Q16, 24 sales deeds regarding City Flats were signed and an additional 3 sales deeds were signed over a land plot and two real estate assets. In the first nine months of the year, a total of 68 sales deeds of real estate assets were signed, of which 62 related to City Flats.

As at 30 September 2016, capital employed in this set of real estate assets amounted to 112.6M€.

During 3Q16, the sale process of the shareholdings associated to road concessions (Norscut and Operscut) were concluded with the full reimbursement of the respective price of, approximately, 43M€.

## **EARNING ANNOUNCEMENT**

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### 4. CORPORATE INFORMATION

#### 4.1. CORPORATE INFORMATION - 3Q16

There was no corporate information to register.

#### 4.2. SUBSEQUENT CORPORATE EVENTS

There were no subsequent corporate events to register.

## EARNINGS ANNOUNCEMENT

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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 & 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.

# EARNING ANNOUNCEMENT

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### APPENDIX

Consolidated Profit and Loss Account							
Million euro							
	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016
<b>Total Operational Income</b>	<b>41.85</b>	<b>46.54</b>	<b>47.23</b>	<b>45.65</b>	<b>38.14</b>	<b>43.36</b>	<b>53.29</b>
<b>Turnover</b>	<b>38.98</b>	<b>39.78</b>	<b>46.40</b>	<b>44.45</b>	<b>37.42</b>	<b>43.02</b>	<b>52.27</b>
Resorts	6.44	7.27	10.20	5.77	3.88	7.21	9.33
Hospitality	1.82	3.91	6.42	2.33	2.10	4.34	7.35
Fitness	3.50	3.94	3.78	3.96	4.14	4.45	4.60
Energy	15.58	13.01	11.70	10.29	11.74	9.77	8.29
Refrigeration & HVAC	12.63	11.13	13.35	19.38	14.27	14.43	20.28
Others & Eliminations	-1.00	0.52	0.94	2.72	1.28	2.81	2.42
Other Operational Income	2.87	6.76	0.84	1.20	0.72	0.35	1.02
<b>EBITDA, excluding Guaranteed Income Provisions <sup>(1)</sup></b>	<b>3.24</b>	<b>10.03</b>	<b>8.14</b>	<b>3.11</b>	<b>1.67</b>	<b>4.16</b>	<b>8.08</b>
Resorts	1.04	0.88	3.33	-1.08	0.01	0.46	3.28
Hospitality	-1.94	-0.56	0.92	-1.63	-1.76	-0.59	1.40
Fitness	0.23	0.62	0.40	0.57	0.38	0.62	0.78
Energy	3.22	2.48	1.99	1.51	2.36	1.93	1.73
Refrigeration & HVAC	0.42	0.31	0.83	1.54	0.89	0.56	0.22
Others & Eliminations	0.26	6.30	0.67	2.19	-0.21	1.17	0.66
Provisions for Guaranteed Income	-0.28	-0.37	-0.16	-0.18	-0.07	-0.12	-0.08
<b>EBITDA</b>	<b>2.95</b>	<b>9.67</b>	<b>7.98</b>	<b>2.92</b>	<b>1.59</b>	<b>4.04</b>	<b>8.00</b>
Amortization & Depreciation	-3.90	-3.90	-4.03	-3.89	-3.92	-3.99	-3.99
Provisions & Impairment Losses	-0.07	-0.08	-0.08	0.23	-0.01	-0.05	0.00
Non-recurrent costs/income <sup>(2)</sup>	0.76	-0.39	-0.57	0.27	-0.38	0.62	-0.37
<b>EBIT</b>	<b>-0.26</b>	<b>5.29</b>	<b>3.30</b>	<b>-0.47</b>	<b>-2.72</b>	<b>0.63</b>	<b>3.64</b>
Net Financial Expenses	-2.20	-2.29	-2.58	-1.53	-2.38	-1.71	-1.64
Investment Income and Results from Assoc. Undertakings	1.21	0.79	1.01	0.13	1.05	15.32	1.81
<b>EBT</b>	<b>-1.25</b>	<b>3.78</b>	<b>1.74</b>	<b>-1.87</b>	<b>-4.04</b>	<b>14.24</b>	<b>3.82</b>
Taxation	-0.86	-0.10	0.16	0.39	0.16	-0.54	-0.43
<b>Net Profit - Continued Businesses</b>	<b>-2.11</b>	<b>3.68</b>	<b>1.90</b>	<b>-1.48</b>	<b>-3.88</b>	<b>13.70</b>	<b>3.38</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-0.56</b>	<b>-0.15</b>	<b>0.30</b>	<b>-0.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Profit - Total</b>	<b>-2.68</b>	<b>3.53</b>	<b>2.20</b>	<b>-1.66</b>	<b>-3.88</b>	<b>13.70</b>	<b>3.38</b>
Attributable to Equity Holders of Sonae Capital	-2.93	3.12	1.86	-2.35	-4.19	13.33	3.12
Attributable to Non-Controlling Interests	0.25	0.41	0.34	0.69	0.31	0.37	0.26

(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

## **EARNINGS ANNOUNCEMENT**

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