

RESULTS  
ANNOUNCEMENT  
2016



*The consolidated financial information disclosed in this report is based on unaudited financial statements, 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.*

# 1. Main Highlights

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Consolidated turnover increasing 0.8% y.o.y with Service Revenues increasing 1.1%, boosted by a 8.4% growth in 4Q on the technology area

NOS with strong y.o.y growth in operating revenues (+4.9%) and EBITDA (+4.4%), despite the impact of higher premium sports content costs

Turnover of 116.7 million euros at the Technology area with international markets representing 53.6%

Positive Cash Flow of 53.6 million euros driven by the sale of the 2.14% direct stake on NOS and corresponding dividends, already considering the investments on the technology area, including the acquisition of the participation units in 3 venture capital funds

# 2. Sonaecom Consolidated Results

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Telecommunications area, which includes a 50% stake in ZOPT - consolidated through the equity method - now with a 52.15% stake in NOS post the sale of Sonaecom's 2.14% direct stake, in June 2016, continues with a strong performance.

Consolidated Operating revenues grew significantly and generated a solid growth at EBITDA level, despite the impact as from last quarter by the new sports content contracts and the consequent higher programming costs. RGUs, led by additional coverage, convergent bundles and B2B accounts continued to present a strong growth.

In the Technology area, portfolio expansion initiatives continued to be deployed. The creation of Bright Pixel, launched in April, positioned as a company builder studio, represents a significant reinforcement targeting early stage investment opportunities. During the first semester, Sonaecom IM and S21sec strengthened their position in European cybersecurity markets through the acquisition of SysValue. This acquisition means that Sonaecom IM now holds, through its portfolio companies, the leading pure play cybersecurity position in Portugal, and is now extracting synergies between Grupo S21sec Gestión and SysValue. In July, it was announced the acquisition of InovRetail, a data analytics company that supports the retailer's decision-making process and, in August, it was announced an agreement with Novo Banco, S.A. to be the leading investor in a transaction involving the acquisition of the participation units in 3 venture capital funds (Armlar Venture Funds), having the completion of this agreement occurred in December, after the necessary approval from Banco de Portugal. This last transaction reinforced the portfolio with sizeable stakes in leading edge companies such as Outsystems and Feedzai.

## Turnover

Consolidated turnover in 2016 reached 130.5 million euros, increasing 0.8% when compared to 2015. This growth was driven by a 1.1% increase in service revenues and a 0.2% increase in sales. For the third consecutive quarter, the service revenues presented positive evolution, when compared to the same quarter last year.

## Operating costs

Operating costs amounted to 131.2 million euros, 2.3% above 2015. Personnel costs grew 0.5% driven by the increase in the average number of employees. Commercial costs increased 2.1% to 36.5 million euros, driven by the increase in cost of goods sold, aligned with the higher level of sales but also driven by marketing costs. The increase in other operating costs is mainly explained by the higher level of Outsourcing services.

## EBITDA

Total EBITDA stood at 17.9 million euros, 16.6% below 2015, on the back of underlying EBITDA decrease but also driven by the 4.0% decrease at equity results, which are mostly impacted by ZOPT contribution which, in turn, depends on NOS net income evolution.

## Net results

Sonaecom's EBIT decreased 76.9% to 2.5 million euros, explained by the lower level of EBITDA and the higher level of depreciations.

Net financial results reached negative 5.3 million euros in 2016, negatively impacted by NOS direct stake fair value adjustment at market price until its sale, amounting to negative 15.7 million euros, and positively impacted by both the 1.8 million euros of dividend received and the capital gain generated by the sale to ZOPT of the 2.14% direct stake in NOS. In 2015, the fair value adjustment was positive by 22.1 million euros and the dividend received was 1.5 million euros.

Sonaecom's earnings before tax (EBT) decreased to a negative 2.8 million euros, mainly driven by the lower net financial results.

Tax results were positive by 22.2 million euros positively impacted by the liquidation of two subsidiaries Sonaecom BV e Sonaetelecom BV.

Net results group share stood at 48.1 million euros, which compares with 34.6 million euros in 2015.

Net results include Indirect results of 28.5 million euros related with the acquisition of the Armilar Venture Funds. Excluding this, Net Results group share amounted to 19.7 million euros.

### Operating CAPEX

Sonaecom's operating CAPEX increased to 10.5 million euros, reaching 8.1% of turnover, 1.5 p.p. above 2015.

### Capital structure

The cash position increased 35.2 million euros since December 2015 reaching 204.2 million euros. This performance in 2016 was mainly driven by the sale of the 2.14% direct stake on NOS, by 82.8 million euros, to ZOPT, that contracted debt to finance this acquisition, but also driven by the 20.1 million euros of dividends received from NOS and ZOPT, partially offset by the 17.7 million euros of dividends paid and the acquisitions in technology area (mainly the Armilar Venture Funds).

## 2.1 Telecommunications

NOS operating revenues were 1,515 million euros in 2016, growing 4.9% y.o.y.

EBITDA reached 556.7million euros, increasing 4.4% when compared to 2015 and representing a 36.7% EBITDA margin.

CAPEX amounted to 392.7 million euros in 2016, a decrease of 3.8% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA-CAPEX increased 31.4%.

Net Financial Debt to EBITDA stood at 2.0x at the end of 2016 and the average maturity of the company's net financial debt reached 3.15 years.

NOS published its 2016 results on 2<sup>nd</sup> March, 2017, which are available at [www.nos.pt](http://www.nos.pt).

During 2016, the NOS share price decreased 22.2% from €7.246 to €5.638, whilst PSI20 decreased by 11.9%.

### Operational Indicators

Operational Indicators ('000)	4Q15	4Q16	Δ 16/15	3Q16	q.o.q.	2015	2016	Δ 16/15
Total RGUs	8 464.8	9 076.8	7.2%	8 941.5	1.5%	8 464.8	9 076.8	7.2%
Convergent RGUs	2 853.7	3 387.2	18.7%	3 271.0	3.6%	2 853.7	3 387.2	18.7%
IRIS & UMA subscribers	865.0	982.6	13.6%	955.1	2.9%	865.0	982.6	13.6%
3,4 and 5P subscribers	968.4	1 061.8	9.6%	1 040.0	2.1%	968.4	1 061.8	9.6%

### Financial indicators

Million euros

NOS HIGHLIGHTS	4Q15	4Q16	Δ 16/15	3Q16	q.o.q.	2015	2016	Δ 16/15
Operating Revenues	376.4	390.9	3.8%	381.0	2.6%	1 444.3	1 515.0	4.9%
EBITDA	123.3	125.0	1.4%	145.2	-13.9%	533.1	556.7	4.4%
EBITDA margin (%)	32.7%	32.0%	-0.8pp	38.1%	-6.1pp	36.9%	36.7%	-0.2pp
Net Income	9.2	12.0	30.5%	27.5	-56.4%	82.7	90.4	9.3%
CAPEX	113.7	100.0	-12.0%	96.6	3.6%	408.3	392.7	-3.8%
EBITDA-CAPEX	9.6	24.9	160.6%	48.7	-48.7%	124.8	164.1	31.4%

## 2.2 Technology

The Technology area pursuing its active portfolio strategy, aiming at strengthening its position as a technological reference at an international scale, in selected IT areas, during 2016, managed to launch Bright Pixel, to close Sysvalue and InovRetail acquisitions, invest in a minority stake at Stylesage and be the leading investor in a transaction involving the acquisition of the participation units in Armilar Venture Funds.

This area currently comprises, alongside with minority stakes and Bright Pixel, five controlled companies in the IT/IS sector that generated circa 53.6% of its revenues outside the Portuguese market with 40% out of the total 980 employees based abroad.

**WeDo Technologies** is a worldwide leader in Revenue Assurance and Fraud Management software that works with more than 200 telecommunications operators from more than 100 countries. 77.6% of its turnover is generated in the international market.

WeDo's market leadership is recognized by Stratecast (Stratecast Global Communication Services Providers Financial Assurance Market Leadership), and the excellence of its products and implementations are recognized by Falcon Business Research (Best Revenue Assurance & Fraud Management Solution) and by Informa BSS&OSS Latam Awards (Best Revenue Assurance Solution).

During 2016, WeDo hosted some events in which it revealed details of its new RAID solutions and features. Hosted 5 regional events: Kuala Lumpur (Malaysia), Santiago (Chile), Miami (USA), New Delhi (India) and Mexico City (Mexico), which counted with 286 attendees from 50 Telecom Operators. At its 11th annual Worldwide User Group and Summit in May, WeDo had a record audience attracting over 450 attendees and 55 operators, including a large community of Revenue Assurance (RA) and Fraud Management (FM) managers, representing more than 45 countries around the world.

During this year, the company won fifteen new telecom customers (5 in Europe, 2 in Asia Pacific, 2 in North America, 1 in the Caribbean's, 4 in EEMEA and 1 in South America), enlarging its global footprint in six new countries: Tunisia, Cyprus, Bahamas, Trinidad & Tobago, Sri Lanka and Congo. From these new customers, 80% were related to sales from Revenue Assurance and Fraud Management software.

It is also worth to note that WeDo obtained the renewal of its Security Certifications according with the ISO 27001 and SSAE16 SOC2 norms during this year, as well as the ISO 9001 global quality certification.

**S21Sec** is a leading multinational cybersecurity player, focused exclusively on the delivery of cyber security services and development of supporting technologies. Since its foundation, the company has grown through constant R&D investment and today works with a global customer base, leveraging its teams in Spain, Portugal and Mexico, supported by a network of selected partners that ensure local support and touch points in other key markets. During 2016, S21sec launched its new brand strategy, with the corporate claim "S21sec, Your Cybersecurity Company", giving emphasis to the company's unfettered customer focus, long range experience and deep expertise in the market. This milestone was also used to introduce  $\Sigma$ Sigma21, a revamped and unique services portfolio which integrate, on a single Delivery platform, the company's Advanced Cybersecurity Services (ACS), SOC-CERT and Professional Services. Aiming at enhancing touch points and showcasing commitment with customers, S21sec used its revamped website to publish a 24x7 Emergency point-of-contact. Any entity that is experiencing a cyber incident, or is in the process of experiencing one, can use such channel to request immediate expert support. The company also announced the latest version of Lookwise Device Manager (LDM), a world-class product for the ATM Protection market. It was also the year when S21sec definitively strengthened its position in Portugal, with the acquisition of Sysvalue, and also strengthened its international reach by formalising a distributor agreement with Sphere Alliance International, a group of specialised ATM spare parts and services companies with activities in the Americas, Europe and Asia. Strategic agreements to distribute its flagship product, Lookwise Device Manager for ATM, were also signed with Prosegur and Eurotechzam. S21sec also continued to demonstrate its commitment to the government sector and its collaboration with law enforcement agencies by becoming a founding member of the European Cyber Security Organisation (ESCO), a public-private partnership with the European Commission, and by working with Europol to run expert banking fraud training. Coupled with this, S21Sec was also a founding member of European Cooperation Network on Critical Infrastructure Protection (EUCONCIP) and partner of Europol's acclaimed "No more ramson" project.

**Saphety** is a solutions provider for business processes optimization that has a strong position in electronic invoicing and EDI (Electronic Data Interchange) market, as well as in data synchronization for GS1 worldwide organizations.

This period has been marked by a good business development activity, with some important new contracts including Validoo Sweden (GS1), ADIF Spain, *Serviços Partilhados do Ministério da Saúde*, Brisa and several operators in the healthcare cluster. Saphety's customer base has now over 8,500 customers and 130,000 users in about 34 countries. As a result of this commercial activity, international revenues increased 34.2% when compared to 2015, namely on SaphetySYNC line of business (+18%), with international markets representing circa 42.2% of total revenues. Also relevant, the profitability grew when compared to 2015.

During 2016, Saphety launch the 1<sup>st</sup> EBP (Electronic Billing Presentment) project at Oi, SaphetyDOC was homologated as an eInvoice platform by Colombian authorities and Saphety's activity was also certified in ISO27001 standard, reinforcing its commitment with the worldwide best practices.

**Bizdirect** is a technology company specialized in IT solutions commercialization, consulting and management of corporate software licensing contracts and Microsoft solutions integration.



During 2016, its Licensing business unit, focused in Microsoft contract management, grew 16.8% in revenues versus 2015 and its Nearshore business model, supported by Bizdirect Competence Center in Viseu, has more than doubled the turnover compared to the same period of 2015.

International revenues represented 9.3% of total Turnover and Bizdirect notoriety in European market is growing with new target countries being achieved: Netherlands, France, Finland and Hungary. Nearshore already counts with 25 international customers from 15 countries.

**InovRetail** is a company whose core business is the development of advanced analytics tools, aiming to assist retailers in improving performance, by making more informed decisions. The company's main product is the predictive analytics engine, Smart Measure, that provides highly reliable forecasts of sales, promotions impacts and stock levels, based on machine learning algorithms that combine data from the retailers' stores and sales, as well as from over 100 external sources. The next steps include accelerating growth in existing markets, as well as penetrating new ones, through the investment in building up the team, improving the SaaS platform and reinforcing R&D.

**Bright Pixel**, publicly launched in April, is a company builder studio whose goal is to transform the creation of new ventures and the way companies address innovation. Bright Pixel is managing a venture lifecycle going from experimentation and lab phases that has the objective to identify ideas and projects that should be brewed in its incubation programme. Bright Pixel invests and supports the development of internally brewed projects as well as assisting their first batch of invited startups in their product development roadmap and market rollout. Currently, we can highlight *Probe.ly* and *Graf.ly*, two projects that have been selected to Lisbon Challenge and Web Summit, as well as Eat Tasty and Meshapp, now rolling out their projects to several geographies. *Probe.ly* was the winner start-up of Lisbon Challenge Fall 2016 with a €75k investment from Caixa Capital. Bright Pixel is also investing in events, like the recently held Pixels Camp, to link its activity to the tech community as well as promoting a close relationship with its partners, by developing quick proof of concepts aimed at resolving technology and business needs in themes such as retail, media, cyber-security and telecommunications.

**StyleSage** is a strategic analytics SaaS platform that helps fashion, home and beauty retailers and brands with critical pre, in and post season decisions globally. Every day, StyleSage pulls product data from competitors' ecommerce websites from around the world. Then, with groundbreaking technology in machine learning and visual recognition, StyleSage cleans, organizes, and analyzes the massive amounts of collected data into a cloud-based dashboard that empowers brands and retailers to make informed, data-driven decisions in areas such line planning, markdown optimization, and global expansion.

**Armlar Venture Funds** are the 3 Venture Capital funds in which Sonae IM owns participation units acquired to Novo Banco. With this transaction, concluded in December 2016, Sonae IM reinforced its portfolio with sizeable stakes in leading edge companies such as Outsystems and Feedzai, both consistently presenting meaningful and sustainable levels of growth.

## Financial indicators

TECHNOLOGY AREA	4Q15	4Q16	Δ 16/15	3Q16	q.o.q.	2015	2016	Δ 16/15
<b>Turnover</b>	<b>26.2</b>	<b>28.8</b>	<b>9.8%</b>	<b>27.3</b>	<b>5.4%</b>	<b>114.8</b>	<b>116.7</b>	<b>1.6%</b>
Service Revenues	20.4	22.1	8.4%	20.6	7.6%	83.8	84.7	1.1%
Sales	5.8	6.6	14.5%	6.7	-1.2%	31.0	32.0	3.1%
Other Revenues	1.0	0.4	-58.2%	0.1	174.1%	1.9	1.0	-46.9%
<b>Operating Costs</b>	<b>23.7</b>	<b>27.7</b>	<b>17.0%</b>	<b>26.2</b>	<b>5.5%</b>	<b>106.8</b>	<b>113.0</b>	<b>5.8%</b>
Personnel Costs	9.4	10.8	14.7%	11.0	-1.4%	38.9	41.6	6.8%
Commercial Costs <sup>(1)</sup>	5.6	6.7	19.4%	6.5	4.4%	31.5	32.4	2.8%
Other Operating Costs <sup>(2)</sup>	8.6	10.1	17.8%	8.8	15.0%	36.4	39.1	7.3%
<b>EBITDA</b>	<b>3.5</b>	<b>1.5</b>	<b>-56.8%</b>	<b>1.2</b>	<b>24.2%</b>	<b>9.7</b>	<b>4.7</b>	<b>-52.1%</b>
Underlying EBITDA <sup>(3)</sup>	3.5	1.5	-56.8%	1.2	24.2%	9.9	4.7	-52.8%
Equity method <sup>(4)</sup>	0.0	0.0	-14.4%	0.0	-	-0.2	0.0	99.5%
Underlying EBITDA Margin (%)	13.5%	5.3%	-8.2pp	4.5%	0.8pp	8.6%	4.0%	-4.6pp
Operating CAPEX <sup>(5)</sup>	2.3	2.1	-9.8%	3.0	-30.3%	7.5	9.7	28.3%
Operating CAPEX as % of Turnover	8.9%	7.3%	-1.6pp	11.0%	-3.7pp	6.6%	8.3%	1.7pp
Underlying EBITDA - Operating CAPEX	1.2	-0.6	-	-1.8	68.1%	2.3	-5.0	-
<b>Total CAPEX</b>	<b>2.3</b>	<b>34.4</b>	<b>-</b>	<b>4.6</b>	<b>-</b>	<b>7.5</b>	<b>44.6</b>	<b>-</b>

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated at Technology area; (4) Includes the 50% holding in Big Data and the 50% holding in S21Sec ciberseguridad in 2015 (5) Operating CAPEX excludes Financial Investments.

## Turnover

Turnover increased 1.6% y.o.y., to 116.7 million euros. Service Revenues increased 1.1% to 84.7 million euros while Sales increased by 3.1% to 32.0 million euros. It should also be highlighted the 4Q16 8.4% positive evolution of Service Revenues when compared to 4Q15.



### **Operating costs**

Operating costs increased 5.8%, reaching 113.0 million euros, driven by higher costs across all lines. Staff costs increased 6.8% driven by the growth in the number of employees. Commercial costs increased 2.8% driven by cost of goods sold, aligned with the higher level of sales, and other operating costs increased 7.3%, mainly driven by higher levels of outsourcing costs.

### **EBITDA**

Underlying EBITDA reached 4.7 million euros, falling 52.8% y.o.y., and reaching a margin of 4.0%.

### **Underlying EBITDA-operating CAPEX**

Underlying EBITDA-operating CAPEX stood at negative 5.0 million euros, decreasing when compared to 2015, explained by the lower level of underlying EBITDA and the higher level of CAPEX.

## **2.3 Media**

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During 2016, Público continued to follow its digital strategy, reinforcing its digital skills and presence in online platforms, and continued to be recognized by SND (Society for News Design), that already attributed 7 awards to the offline and online editions. The offline version has received a special mention in the infographic category while the online version was awarded with 5 special mentions to digital works, being the only Portuguese media agent in the winners list.

This year was also marked by the reinforcement of Público's presence at Brazil, through the co-organization of an event with Globo and by the news coverage of Euro 2016. Since October, with a new Editorial Direction, Público is better prepared to cope with its ambition of being the reference Portuguese speaking news organization.

The positive performance of online revenues (both in advertising and subscriptions) coupled with the cost reduction, resulting from the restructuring initiatives implemented at the end of 2015, positively impacted the recurrent EBITDA, that, despite negative of 2.5 million euros, increased 24.3%, when compared to 2015.

## **3. Shareholder Remuneration**

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The Board of Sonaecom has approved the proposal of a 7.7 euro cents gross dividend per share, representing a pay-out ratio of 50% of the Consolidated Net Income Group Share and a dividend yield of 3.0%, based on the closing price as at December, 31<sup>st</sup> 2016. This proposal is subject to the final approval of the General Shareholders Meeting.

## 4. Appendix

### Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	4Q15	4Q16	Δ 16/15	3Q16	q.o.q.	2015	2016	Δ 16/15
<b>Turnover</b>	<b>29.8</b>	<b>32.4</b>	<b>8.7%</b>	<b>30.5</b>	<b>6.2%</b>	<b>129.5</b>	<b>130.5</b>	<b>0.8%</b>
Service Revenues	21.9	23.8	8.7%	21.7	9.4%	89.5	90.5	1.1%
Product Sales	7.9	8.6	8.7%	8.8	-1.7%	40.0	40.0	0.2%
Other Revenues	1.1	0.6	-45.2%	0.2	163.3%	2.4	1.5	-36.2%
<b>Operating Costs</b>	<b>30.8</b>	<b>32.8</b>	<b>6.7%</b>	<b>30.6</b>	<b>7.1%</b>	<b>128.2</b>	<b>131.2</b>	<b>2.3%</b>
Personnel Costs	14.0	13.7	-2.3%	13.5	1.5%	51.3	51.5	0.5%
Commercial Costs <sup>(1)</sup>	6.8	8.0	17.3%	7.4	8.0%	35.8	36.5	2.1%
Other Operating Costs <sup>(2)</sup>	9.9	11.1	12.1%	9.7	14.1%	41.2	43.2	4.9%
<b>EBITDA</b>	<b>1.7</b>	<b>1.4</b>	<b>-16.2%</b>	<b>5.8</b>	<b>-75.9%</b>	<b>21.5</b>	<b>17.9</b>	<b>-16.6%</b>
Underlying EBITDA <sup>(3)</sup>	0.2	0.2	25.7%	0.1	96.0%	3.6	0.8	-77.9%
Equity method <sup>(4)</sup>	1.5	1.2	-20.9%	5.7	-79.1%	17.8	17.1	-4.0%
Underlying EBITDA Margin (%)	0.6%	0.6%	0.1pp	0.3%	0.3pp	2.8%	0.6%	-2.2pp
Depreciation & Amortization	5.2	7.5	42.5%	3.4	120.7%	10.8	15.5	43.2%
<b>EBIT</b>	<b>-3.6</b>	<b>-6.1</b>	<b>-69.8%</b>	<b>2.4</b>	<b>-</b>	<b>10.7</b>	<b>2.5</b>	<b>-76.9%</b>
<b>Net Financial Results</b>	<b>-0.5</b>	<b>-0.1</b>	<b>84.7%</b>	<b>-0.2</b>	<b>60.5%</b>	<b>24.8</b>	<b>-5.3</b>	<b>-</b>
Financial Income	-2.0	0.6	-	1.4	-52.8%	25.6	14.9	-42.0%
Financial Expenses	-1.5	0.7	-	1.5	-53.8%	0.9	20.2	-
<b>EBT</b>	<b>-4.1</b>	<b>-6.2</b>	<b>-51.2%</b>	<b>2.2</b>	<b>-</b>	<b>35.4</b>	<b>-2.8</b>	<b>-</b>
Tax results	-1.8	19.8	-	0.3	-	-2.3	22.2	-
<b>Direct Results</b>	<b>-5.8</b>	<b>13.7</b>	<b>-</b>	<b>2.5</b>	<b>-</b>	<b>33.2</b>	<b>19.3</b>	<b>-41.7%</b>
<b>Indirect Results<sup>(5)</sup></b>	<b>-</b>	<b>28.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.5</b>	<b>-</b>
<b>Net Income</b>	<b>-5.8</b>	<b>42.1</b>	<b>-</b>	<b>2.5</b>	<b>-</b>	<b>33.2</b>	<b>47.8</b>	<b>44.1%</b>
Group Share	-5.7	42.1	-	2.5	-	34.6	48.1	39.1%
Attributable to Non-Controlling Interests	-0.2	0.0	93.2%	0.0	-	-1.5	-0.4	75.7%

(1) Commercial Costs = COGS + Mktg & Sales Costs; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated by Sonaecom;

(4) Includes the 50% holding in Unipress, the 45% holding in SIRS, the 50% holding in BigData, the 50% holding in ZOPT and the 50% holding in S21Sec ciberseguridad in 2015;

(5) Includes goodwill related with AVP funds.



## Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	4Q15	4Q16	Δ 16/15	3Q16	q.o.q.	2015	2016	Δ 16/15
<b>Total Net Assets</b>	<b>1,092.7</b>	<b>1,104.5</b>	<b>1.1%</b>	<b>1,053.7</b>	<b>4.8%</b>	<b>1,092.7</b>	<b>1,104.5</b>	<b>1.1%</b>
Non Current Assets	773.6	812.8	5.1%	741.5	9.6%	773.6	812.8	5.1%
Tangible and Intangible Assets	28.9	30.1	4.1%	30.8	-2.3%	28.9	30.1	4.1%
Goodwill	26.9	23.7	-11.9%	27.6	-14.3%	26.9	23.7	-11.9%
Investments	711.5	746.6	4.9%	676.3	10.4%	711.5	746.6	4.9%
Deferred Tax Assets	6.1	9.3	52.7%	6.5	43.2%	6.1	9.3	52.7%
Others	0.3	3.1	-	0.3	-	0.3	3.1	-
Current Assets	319.0	291.7	-8.6%	312.2	-6.6%	319.0	291.7	-8.6%
Trade Debtors	40.1	47.1	17.5%	40.1	17.4%	40.1	47.1	17.5%
Liquidity	181.1	210.3	16.1%	248.9	-15.5%	181.1	210.3	16.1%
Others	97.8	34.3	-65.0%	23.2	47.8%	97.8	34.3	-65.0%
<b>Shareholders' Funds</b>	<b>1,025.2</b>	<b>1,033.1</b>	<b>0.8%</b>	<b>989.9</b>	<b>4.4%</b>	<b>1,025.2</b>	<b>1,033.1</b>	<b>0.8%</b>
Group Share	1,026.9	1,033.3	0.6%	991.5	4.2%	1,026.9	1,033.3	0.6%
Non-Controlling Interests	-1.7	-0.2	90.9%	-1.6	90.2%	-1.7	-0.2	90.9%
<b>Total Liabilities</b>	<b>67.5</b>	<b>71.3</b>	<b>5.7%</b>	<b>63.8</b>	<b>11.8%</b>	<b>67.5</b>	<b>71.3</b>	<b>5.7%</b>
Non Current Liabilities	15.0	19.7	31.3%	11.0	78.9%	15.0	19.7	31.3%
Bank Loans	8.6	3.8	-56.1%	4.4	-14.8%	8.6	3.8	-56.1%
Provisions for Other Liabilities and Charges	4.2	4.9	16.3%	4.2	17.0%	4.2	4.9	16.3%
Others	2.2	11.1	-	2.4	-	2.2	11.1	-
Current Liabilities	52.4	51.6	-1.6%	52.8	-2.2%	52.4	51.6	-1.6%
Loans	2.2	1.2	-42.8%	1.1	15.8%	2.2	1.2	-42.8%
Trade Creditors	19.0	15.6	-17.8%	19.0	-18.0%	19.0	15.6	-17.8%
Others	31.3	34.7	11.1%	32.6	6.4%	31.3	34.7	11.1%
Operating CAPEX <sup>(1)</sup>	2.5	2.4	-3.6%	3.3	-28.5%	8.6	10.5	23.0%
Operating CAPEX as % of Turnover	8.3%	7.3%	-0.9pp	10.9%	-3.6pp	6.6%	8.1%	1.5pp
Total CAPEX	2.5	34.7	-	4.9	-	8.6	45.5	-
Underlying EBITDA - Operating CAPEX	-2.3	-2.2	5.7%	-3.2	32.6%	-4.9	-9.7	-97.6%
Gross Debt	12.1	6.0	-50.0%	6.5	-7.2%	12.1	6.0	-50.0%
Net Debt	-169.1	-204.2	-20.8%	-242.4	15.7%	-169.1	-204.2	-20.8%

(1) Operating CAPEX excludes Financial Investments.

## Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	4Q15	4Q16	Δ 16/15	3Q16	q.o.q.	2015	2016	Δ 16/15
<b>Underlying EBITDA-Operating CAPEX</b>	<b>-2.3</b>	<b>-2.2</b>	<b>5.7%</b>	<b>-3.2</b>	<b>32.6%</b>	<b>-4.9</b>	<b>-9.7</b>	<b>-97.6%</b>
Change in WC	1.1	-4.4	-	3.4	-	-1.5	-4.9	-
Non Cash Items & Other	0.9	2.9	-	-0.7	-	3.6	2.1	-41.9%
<b>Operating Cash Flow</b>	<b>-0.3</b>	<b>-3.7</b>	<b>-</b>	<b>-0.5</b>	<b>-</b>	<b>-2.8</b>	<b>-12.5</b>	<b>-</b>
Investments	0.0	-35.0	-	-0.7	-	0.0	46.8	-
Dividends	0.0	0.0	-	10.3	-100.0%	17.4	20.1	15.7%
Financial results	0.9	0.9	-4.6%	-0.3	-	1.8	-0.5	-
Income taxes	-0.9	-0.2	80.3%	-0.1	-16.8%	-2.7	-0.1	96.0%
<b>FCF<sup>(1)</sup></b>	<b>-0.2</b>	<b>-37.9</b>	<b>-</b>	<b>8.6</b>	<b>-</b>	<b>13.6</b>	<b>53.6</b>	<b>-</b>

(1) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

Sonaecom SGPS is listed on the Euronext Stock Exchange. Information is available on Reuters under the symbol SNC.LS and on Bloomberg under the symbol SNC:PL.

## SAFE HARBOUR

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These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the telecommunications industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions.

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