

**EARNINGS  
ANNOUNCEMENT**  
31 MARCH 2017



**SONAE CAPITAL**

# EARNINGS ANNOUNCEMENT

31 MARCH 2017

## 1. CEO MESSAGE & MAIN HIGHLIGHTS

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*"During the first quarter of 2017 we remained focused on the implementation of the defined Corporate strategy, namely: (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.*

*Our businesses' performance continued to show progress, visible in terms of turnover and profitability, being especially notable the improvements in Fitness and Hospitality. The performance in the Energy segment should also be highlighted, the best of the last four quarters, even though the recent acquisitions had not contributed to the current result. Following the current trend, we continue to expect an overall good performance for our businesses, including the Refrigeration & HVAC segment, 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, the number of booked contracts allows us to be comfortable about next quarters' performance, mitigating the lower number of sales deeds signed in the first quarter. In addition, concerning the sales of Real Estate Assets, although no significant amounts have been recorded in the first quarter, the Promissory Purchase and Sale Agreements already signed in stock, provides good prospects for the current year.*

*Net Debt level reveals a conservative capital structure taking into consideration the Group's type of assets. The recent acquisition, already in April, in renewable Energy, does not jeopardize this objective and will allow significant improvement and higher stability of the Group's main financial indicators."*

*Cláudia Azevedo, CEO*

### 1Q17 MAIN HIGHLIGHTS

- Strong growth in turnover in both Fitness (+42.0%) and Hospitality (+26.8%) segments;
- Stock of 15 Reservations/Promissory Purchase and Sale Agreements of residential units in Troia Resort, corresponding to 5.8M€;
- Booked Promissory Purchase and Sale Agreements of Real Estate Assets (excluding residential units in Troia) amounted to 18.85M€, in addition to the deeds signed in the first quarter amounting to 0.7M€;
- Backlog in Refrigeration & HVAC Portuguese operation amounts to 24.3M€, representing, approximately, 7 months of turnover;
- Improved profitability of the Energy segment when compared to the previous quarters, already including the operation of two photovoltaic plants of 1MW each, acquired at the end of 2016 and not yet including the acquisition of a 1MW Cogeneration operation fueled by landfill biogas, acquired at the end of the quarter;
- Acquisition, already in April, of 15MW in Renewable Energy, extending the range of operated technologies, which will significantly increase the segment's turnover and profitability providing higher stability to the Group's financial indicators;
- Net Debt remains under control and adequate to the Group's business portfolio and type of assets: LTV of 10.2% and Net Debt/Ebitda of 2.39x.

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## 2. OVERALL PERFORMANCE

Consolidated Profit and Loss Account			
Million euro	1Q 2017	1Q 2016	Δ 17/16
<b>Total Operational Income</b>	<b>34.31</b>	<b>37.59</b>	<b>-8.7%</b>
<b>Turnover</b>	<b>33.64</b>	<b>36.86</b>	<b>-8.7%</b>
Troia Resort	2.39	3.88	-38.3%
Hospitality	2.67	2.10	+26.8%
Fitness	5.88	4.14	+42.0%
Energy	9.79	11.74	-16.6%
Refrigeration & HVAC	11.91	13.71	-13.1%
Others & Eliminations	1.00	1.28	-21.9%
Other Operational Income	0.66	0.73	-9.6%
<b>EBITDA, excluding Guaranteed Inc. Prov. (1)</b>	<b>0.59</b>	<b>1.47</b>	<b>-60.0%</b>
Troia Resort	-0.99	0.01	-
Hospitality	-1.54	-1.76	+12.0%
Fitness	0.90	0.38	>100%
Energy	2.10	2.36	-10.9%
Refrigeration & HVAC	0.42	0.69	-40.1%
Others & Eliminations	-0.30	-0.21	-38.5%
Provisions for Guaranteed Income	-0.06	-0.07	+19.7%
<b>EBITDA</b>	<b>0.53</b>	<b>1.40</b>	<b>-62.1%</b>
Amortization & Depreciation	-4.07	-3.90	-4.4%
Provisions & Impairment Losses	0.29	-0.01	-
Non-recurrent costs/income (2)	-0.24	-0.38	+36.5%
<b>EBIT</b>	<b>-3.49</b>	<b>-2.89</b>	<b>-20.6%</b>
Net Financial Expenses	-1.00	-1.73	+42.0%
Investment Income and Results from Assoc. Undert.	0.07	1.05	-92.9%
<b>EBT</b>	<b>-4.42</b>	<b>-3.57</b>	<b>-23.7%</b>
Taxation	-0.28	0.16	-
<b>Net Profit - Continued Businesses</b>	<b>-4.70</b>	<b>-3.41</b>	<b>-37.8%</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-0.15</b>	<b>-0.47</b>	<b>+67.9%</b>
<b>Net Profit - Total</b>	<b>-4.85</b>	<b>-3.88</b>	<b>-24.9%</b>
Attributable to Equity Holders of Sonae Capital	-5.05	-4.19	-20.4%
Attributable to Non-Controlling Interests	0.20	0.31	-35.5%

(1) EBITDA excluding the estimated PV of potential costs for the period of the Guaranteed Inc. from RE sales at Troia Resort  
(2) Non-recurrent items mainly related to restructuring costs and one-off income

The Group's consolidated turnover in 1Q17 amounted to 33.6M€, registering a decrease of 8.7% over the previous year, also impacting Ebitda (-62.1%), being worth to highlight:

- The sustained growth in turnover in the Fitness segment (+42.0%), due to the continued increase of active members (+27%) and average monthly fees (+6%), resulting in a 2.4x growth of the Ebitda level;
- Improvement of the Hospitality segment main operational indicators, namely Occupancy Rate (+3pp) and RevPar (+18.5%), registering a growth of 26.8% and 12.0% in turnover and Ebitda, respectively;
- Energy: an expected decrease in turnover of 16.6% due to the discontinuation of a cogeneration operation in 1Q16. However this was the best quarter of the last four in both turnover and profitability;
- Ref. & HVAC: registered an expected decrease of 13.1% in turnover following the lower level of activity due to the delivery, at the end of the year, of a large volume of orders.

However, the number of contracts in backlog at the end of the quarter indicates a good forecast for the forthcoming quarters. The lower level of activity when compared to the previous year, also associated with the end of a major international site carried out throughout 2016, contributed to a natural Ebitda reduction of 40.1%;

- Troia Resort, due to both the Easter time lag (in 1Q16 vs 2Q17) and lower number of deeds signed, registered a decrease in turnover of 38.3%, with a significant impact on its profitability. During 1Q17, 2 deeds of real estate units were signed at Troia Resort, comparing to 6 in the same period last year, partially mitigated by a 6.6% higher average value of sales. However, a total of 10 sales were completed in the quarter and, as of today, 15 promissory purchase and sale agreements and reservations, corresponding to 5.8M€, remain in stock. It is forecasted for the next quarter the deeds signature for a large part of these contracts;
- Lower Real Estate Assets sales (only 0.7M€ in deeds were signed) mainly due to the excellent 2016 in terms of City Flats apartments sales that practically sold out the available stock. It should be pointed out that PPSAs regarding a diverse portfolio of real estate assets are still in the portfolio totaling 18.85M€, forecasting once again a positive performance for the next quarters.

Consolidated Net Results in the quarter amounted to negative 4.85M€, showing a decrease of 0.97M€ when compared to the same period last year due to: (i) the above mentioned Ebitda reduction of 0.87M€; (ii) the expected reduction of 0.98M€ in Investment Income due to the sale in 2016 of shareholdings in road concessionaires; (iii) higher Tax costs as a result of the different EBT of the Group's companies; and (iv) partially offset by a significant improvement in Financial Results (+0.73M€) due to lower net debt level and lower financing costs.

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Capex/Capital Structure			
Million euro	Mar 2017	Dec 2016	Δ 17/16
<b>Net Capital Employed</b>	<b>389.0</b>	<b>386.4</b>	<b>+0.7%</b>
Fixed Assets	284.1	284.1	-0.0%
Non-Current Investments (net)	5.9	4.7	+26.2%
Working Capital	99.8	98.2	+1.7%
Capex (end of period)	5.2	12.7	-58.8%
% Fixed Assets	1.8%	4.5%	
<b>Net Debt</b>	<b>73.1</b>	<b>66.0</b>	<b>+10.7%</b>
% Net Capital Employed	18.8%	17.1%	
Debt to Equity	23.2%	20.6%	
Net Debt excluding Energy	48.9	44.0	+11.3%
<b>Capital Structure Ratios</b>			
Loan to Value (Real Estate)	10.2%	8.6%	+1.6pp
Net Debt/EBITDA (recurrent)	2.39x	2.38x	+0.01x

Consolidated Balance Sheet			
Million euro	Mar 2017	Dec 2016	Δ 17/16
<b>Total Assets</b>	<b>479.3</b>	<b>500.4</b>	<b>-4.2%</b>
Tangible and Intangible Assets	244.6	246.3	-0.7%
Goodwill	39.4	37.8	+4.2%
Non-Current Investments	1.8	1.7	+3.7%
Other Non-Current Assets	29.8	29.4	+1.4%
Stocks	102.9	103.2	-0.3%
Trade Debtors and Other Current Assets	54.0	49.4	+9.3%
Cash and Cash Equivalents	6.7	32.2	-79.2%
Assets held for sale	0.0	0.2	-98.3%
<b>Total Equity</b>	<b>315.8</b>	<b>320.4</b>	<b>-1.4%</b>
Total Equity attributable to Equity Holders of Sonae Capital	305.7	310.4	-1.5%
Total Equity attributable to Non-Controlling Interests	10.1	9.9	+1.8%
<b>Total Liabilities</b>	<b>163.5</b>	<b>180.0</b>	<b>-9.2%</b>
<b>Non-Current Liabilities</b>	<b>99.5</b>	<b>120.7</b>	<b>-17.6%</b>
Non-Current Borrowings	73.8	94.3	-21.7%
Deferred Tax Liabilities	19.7	19.6	+0.4%
Other Non-Current Liabilities	6.0	6.8	-12.2%
<b>Current Liabilities</b>	<b>64.0</b>	<b>59.3</b>	<b>+7.9%</b>
Current Borrowings	6.0	4.0	+51.9%
Trade Creditors and Other Current Liabilities	57.1	54.5	+4.9%
Liabilities associated to assets held for sale	0.8	0.8	-1.3%
<b>Total Equity and Liabilities</b>	<b>479.3</b>	<b>500.4</b>	<b>-4.2%</b>

- Capex for the period amounted to 5.2M€, a significant increase of 4.2M€ over the previous year, mainly due to investments in the Energy segment, namely the acquisition of a Cogeneration operation fueled by landfill biogas;
- Free Cash Flow (net of financing costs) amounted to negative 6.1M€ as a result of the Working Capital investment mainly in the Ref. & HVAC segment, Capex and the absence of a significant amount of Real Estate asset sales.
- Following the FCF performance, Net Debt increased to 73.1M€ when compared to the end of 2016, maintaining an appropriate capital structure taking into consideration Sonae Capital's portfolio of assets and businesses;
- Maintenance of a balanced capital structure:
  - Net Capital Employed increased 0.7% when compared to the end of 2016 to 389.0M€, driven by the increase of 1.7% in Working Capital;
  - As a result of the Net Debt increase, the Debt to Equity ratio rose to 23.2%, +2.5pp compared to the end of 2016;
  - Loan To Value (LTV) and Net Debt/Ebitda of non-Real Estate businesses, of 10.2%, and 2.39x, respectively.

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## 3. SEGMENTS PERFORMANCE

### 3.1. TROIA RESORT



Profit and Loss Account - Troia Resort			
Million euro	1Q 2017	1Q 2016	Δ 17/16
<b>Total Operational Income</b>	<b>2.72</b>	<b>4.57</b>	<b>-40.5%</b>
<b>Turnover</b>	<b>2.39</b>	<b>3.88</b>	<b>-38.3%</b>
Other Operational Income	0.32	0.69	-52.9%
<b>Total Operational Costs</b>	<b>-3.71</b>	<b>-4.57</b>	<b>+18.8%</b>
Cost of Goods Sold	-0.37	-1.22	+70.1%
Change in Stocks of Finished Goods	-0.19	-0.47	+58.6%
External Supplies and Services	-1.80	-1.72	-4.6%
Staff Costs	-0.94	-0.85	-10.3%
Other Operational Expenses	-0.41	-0.30	-35.6%
<b>EBITDA, excluding Guaranteed Inc. Prov. (1)</b>	<b>-0.99</b>	<b>0.01</b>	-
Provisions for Guaranteed Income	-0.06	-0.07	+19.7%
<b>EBITDA</b>	<b>-1.05</b>	<b>-0.07</b>	<b>&lt;-100%</b>
EBITDA Margin (% Turnover)	-43.8%	-1.7%	-42.1 pp
<b>Capex</b>	<b>0.16</b>	<b>0.16</b>	<b>+3.2%</b>
<b>EBITDA-Capex</b>	<b>-1.21</b>	<b>-0.22</b>	<b>&lt;-100%</b>

(1) EBITDA excluding the estimated PV of potential costs for the period of the Guaranteed Inc. from RE sales at Troia Resort

- During 1Q17, 2 deeds of residential units in Troia Resort were signed, a decrease from the 6 registered in 1Q16. However, as a result of the good sales performance in the quarter, 15 promissory purchase and sale agreements and reservations, amounting to 5.8M€, remain in stock.
- As of March 31, 2017, 377 sales deeds on residential units of the Troia Resort complex had been signed.

- As a result of the lower number of deeds and the Easter effect, which was celebrated in the 2Q this year (vs the first quarter LY), turnover amounted to 2.39M€, 38.3% below 1Q16. Consequently, EBITDA registered a negative value of 1.05M€.
- Capex remained at similar levels compared to the previous year; therefore the reduction of the EBITDA-Capex indicator is mainly due to the operational performance.

### 3.2. FITNESS



Profit and Loss Account - Fitness			
Million euro	1Q 2017	1Q 2016	Δ 17/16
<b>Total Operational Income</b>	<b>5.95</b>	<b>4.19</b>	<b>+42.1%</b>
<b>Turnover</b>	<b>5.88</b>	<b>4.14</b>	<b>+42.0%</b>
Other Operational Income	0.07	0.04	+55.2%
<b>Total Operational Costs</b>	<b>-5.05</b>	<b>-3.80</b>	<b>-32.7%</b>
Cost of Goods Sold	-0.05	-0.02	<-100%
External Supplies and Services	-2.97	-2.28	-30.5%
Staff Costs	-1.72	-1.23	-39.9%
Other Operational Expenses	-0.31	-0.28	-11.9%
<b>EBITDA</b>	<b>0.90</b>	<b>0.38</b>	<b>&gt;100%</b>
EBITDA Margin (% Turnover)	15.3%	9.2%	+6.1 pp
<b>Capex</b>	<b>0.53</b>	<b>0.26</b>	<b>&gt;100%</b>
<b>EBITDA-Capex</b>	<b>0.37</b>	<b>0.13</b>	<b>&gt;100%</b>
<b># Health Clubs in Operation</b>	<b>17</b>	<b>13</b>	

- Keeping up the positive performance and strengthening of the competitive position, reflected in the increase of the number of active members (+27%), as well as the positive evolution of the average monthly fees (+6%). As a result, turnover increased 42% over the same period last year.
- Performance at the turnover level is also reflected in the EBITDA performance (0.90M€), which has more than doubled comparing to the 1Q16.
- During the year, Solinca will keep the focus on the competitive position improvement, looking for opportunities to increase the number of fitness clubs in operation. This is already reflected in the 1Q17 Capex increase compared to the same period last year, although the Ebitda-Capex figure continues to show a considerable improvement.
- 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, more 4 than last year due to the opening of 5 new clubs (Guimarães, Maia Jardim, Foz, Ermesinde and Laranjeiras) and the sale of another one (Lagos).

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## 3.3. HOSPITALITY

PORTO PALÁCIO  
CONGRESS HOTEL & SPA  
★★★★★

AQUALUZ  
HOTEL & SPA  
Troia

THE ARTIST  
PORTO HOTEL  
& BISTRO

THE HOUSE  
RIBEIRA HOTEL  
★★★★★

Profit and Loss Account - Hospitality			
Million euro	1Q 2017	1Q 2016	Δ 17/16
<b>Total Operational Income</b>	<b>2.79</b>	<b>2.22</b>	<b>+25.4%</b>
<b>Turnover</b>	<b>2.67</b>	<b>2.10</b>	<b>+26.8%</b>
Other Operational Income	0.12	0.12	+0.3%
<b>Total Operational Costs</b>	<b>-4.33</b>	<b>-3.98</b>	<b>-8.9%</b>
Cost of Goods Sold	-0.28	-0.24	-14.8%
External Supplies and Services	-2.54	-2.33	-9.0%
Staff Costs	-1.32	-1.30	-2.0%
Other Operational Expenses	-0.19	-0.11	-72.9%
<b>EBITDA</b>	<b>-1.54</b>	<b>-1.76</b>	<b>+12.0%</b>
EBITDA Margin (% Turnover)	-57.9%	-83.4%	+25.6 pp
<b>Capex</b>	<b>0.22</b>	<b>0.18</b>	<b>+19.1%</b>
<b>EBITDA-Capex</b>	<b>-1.76</b>	<b>-1.94</b>	<b>+9.1%</b>
<b># Units</b>	<b>4</b>	<b>3</b>	

- The main operational indicators continue to show favorable evolutions, with an improvement in the overall occupancy rate and RevPar of 3pp and 18.5%, 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 in particular.
- As a result, both turnover (+26.8%) and EBITDA (+12%) show considerable growth rates.
- Excluding rents, it should be underlined that the Hospitality segment's EBITDAR was 0.41M€ negative in 1Q17, an improvement of 35.8% over 1Q16. 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 9.1% improvement in Ebitda-Capex.

## 3.4. ENERGY



Profit and Loss Account - Energy			
Million euro	1Q 2017	1Q 2016	Δ 17/16
<b>Total Operational Income</b>	<b>9.93</b>	<b>11.75</b>	<b>-15.5%</b>
<b>Turnover</b>	<b>9.79</b>	<b>11.74</b>	<b>-16.6%</b>
Other Operational Income	0.14	0.01	>100%
<b>Total Operational Costs</b>	<b>-7.83</b>	<b>-9.39</b>	<b>+16.6%</b>
Cost of Goods Sold	-5.73	-7.47	+23.4%
External Supplies and Services	-1.32	-1.06	-24.5%
Staff Costs	-0.59	-0.67	+12.3%
Other Operational Expenses	-0.20	-0.19	-5.5%
<b>EBITDA</b>	<b>2.10</b>	<b>2.36</b>	<b>-10.9%</b>
EBITDA Margin (% Turnover)	21.5%	20.1%	+1.4 pp
<b>Capex</b>	<b>3.53</b>	<b>0.22</b>	<b>&gt;100%</b>
<b>EBITDA-Capex</b>	<b>-1.43</b>	<b>2.14</b>	<b>-</b>
<b>Total Capacity (MW)</b>	<b>57.6</b>	<b>62.8</b>	<b>-8.3%</b>
Owned & Operated	47.4	52.6	-9.9%
Operated (not consolidated)	10.2	10.2	

- In 1Q17, contributions from two solar farms of 1MW each acquired at the end of 2016 are already considered. However the contribution of a Cogeneration operation fueled by landfill biogas acquired at the end of the quarter has not yet been consolidated. In addition, the acquisition of 15MW of Renewable assets at the end of April increased the owned or operated capacity to 73MW.
- 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 10 quarters (4Q19).
- As a result of the mixed entries/exits operations, turnover decreased by 16.6% and EBITDA reduced by 10.9% to 2.1M€. It should be noted that this quarter recorded the best performance of the last four quarters in a row, revealing the improvement and sustainability of the current recovery trend.
- Capex amounted to 3.53M€ mainly due to the above mentioned cogeneration operation acquisition.

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## 3.5. REFRIGERATION & HVAC

Profit and Loss Account - Refrigeration & HVAC			
Million euro	1Q 2017	1Q 2016	Δ 17/16
<b>Total Operational Income</b>	<b>12.14</b>	<b>13.86</b>	<b>-12.4%</b>
<b>Turnover</b>	<b>11.91</b>	<b>13.71</b>	<b>-13.1%</b>
Other Operational Income	0.23	0.15	+51.0%
<b>Total Operational Costs</b>	<b>-11.73</b>	<b>-13.17</b>	<b>+11.0%</b>
Cost of Goods Sold	-4.98	-5.71	+12.8%
Change in Stocks of Finished Goods	0.46	0.97	-53.1%
External Supplies and Services	-4.01	-5.64	+28.9%
Staff Costs	-3.01	-2.59	-16.3%
Other Operational Expenses	-0.18	-0.20	+11.8%
<b>EBITDA</b>	<b>0.42</b>	<b>0.69</b>	<b>-40.1%</b>
EBITDA Margin (% Turnover)	3.5%	5.1%	-1.6 pp
<b>Capex</b>	<b>0.06</b>	<b>0.05</b>	<b>+8.3%</b>
<b>EBITDA-Capex</b>	<b>0.36</b>	<b>0.64</b>	<b>-44.0%</b>

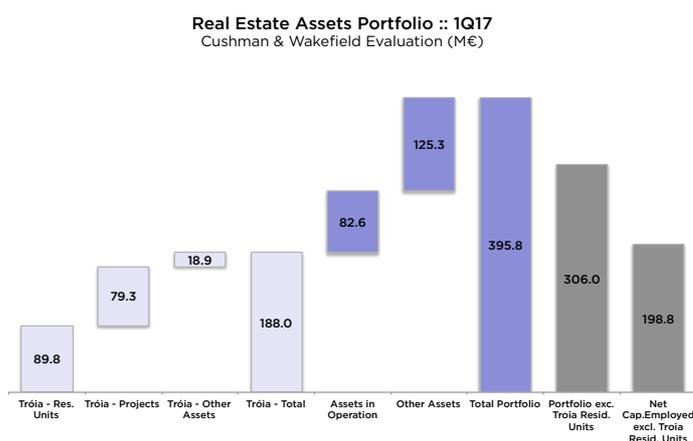
- It should be noted that the backlog on the Portuguese operation, at the end of the quarter, amounted to approximately 24.3M€, representing 7 months of turnover, indicating a recovery in activity levels for the coming quarters particularly in the Refrigeration segment.
- Following Top Line performance, EBITDA has naturally decreased 40.1% when compared to 1Q16, amounting to 0.42M€, and reaching a 3.5% margin, 1.6pp below the 1Q16.
- EBITDA in domestic operations amounted to 0.3M€ in 1Q17, corresponding to a 2.9% margin (compared to the 5.5% margin reached in 2016).

- Turnover in 1Q17 decreased 13.1% when compared to the same period last year due to: (i) an expected decrease in the Refrigeration activity due to the volume of orders delivered at the end of the previous year; and (ii) the delivery, during 2016, of an important international site that positively influenced the previous year.
- It should be highlighted that the decrease comparing to last year is concentrated in domestic operations, since the Brazilian operation registered a 77% growth.

## 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 31 March 2017, the CE in this set of real estate assets amounted to 198.8M€, which are evaluated in 306.0M€, regarding the valuation made at the end of the previous year by the independent reference entity Cushman & Wakefield;
- Deeds signed in 1Q17 totaled 0.7M€ (1 City Flat and 1 plot of land in Ramalde - Porto); and
- There are an additional 18.85M€ of PPSAs signed over a set of assets indicating a positive forecast for the coming quarters.

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## 4. CORPORATE INFORMATION

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### 4.1. CORPORATE INFORMATION 1Q17

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There is no upcoming corporate information.

### 4.2. SUBSEQUENT CORPORATE EVENTS

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- 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€. This transaction is subject to prior notification to 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) will be 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.

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## 5. METODOLOGICAL NOTES

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The quarterly consolidated financial information presented in this report is non-audited and has 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 provide the best financial information not only at the Consolidated level, but also, at each Business Unit level and aligning 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.

## GLOSSARY

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- 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

# EARNINGS ANNOUNCEMENT

31 MARCH 2017

## APPENDIX

<b>Consolidated Profit and Loss Account</b>					
Million euro	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
<b>Total Operational Income</b>	<b>37.59</b>	<b>43.00</b>	<b>52.71</b>	<b>97.25</b>	<b>34.31</b>
<b>Turnover</b>	<b>36.86</b>	<b>42.41</b>	<b>51.73</b>	<b>59.58</b>	<b>33.64</b>
Troia Resort	3.88	7.21	9.33	10.70	2.39
Hospitality	2.10	4.34	7.35	3.21	2.67
Fitness	4.14	4.45	4.60	4.89	5.88
Energy	11.74	9.77	8.29	8.43	9.79
Refrigeration & HVAC	13.71	13.83	21.45	15.84	11.91
Others & Eliminations	1.28	2.81	0.72	16.51	1.00
Other Operational Income	0.73	0.59	0.97	37.67	0.66
<b>EBITDA, excluding Guaranteed Inc. Prov. (1)</b>	<b>1.47</b>	<b>4.46</b>	<b>8.20</b>	<b>18.00</b>	<b>0.59</b>
Troia Resort	0.01	0.70	3.28	15.05	-0.99
Hospitality	-1.76	-0.59	1.40	-1.36	-1.54
Fitness	0.38	0.62	0.78	0.37	0.90
Energy	2.36	1.93	1.73	1.78	2.10
Refrigeration & HVAC	0.69	0.62	0.36	0.58	0.42
Others & Eliminations	-0.21	1.17	0.64	1.58	-0.30
Provisions for Guaranteed Income	-0.07	-0.36	-0.08	-1.31	-0.06
<b>EBITDA</b>	<b>1.40</b>	<b>4.09</b>	<b>8.12</b>	<b>16.69</b>	<b>0.53</b>
Amortization & Depreciation	-3.90	-3.97	-3.97	-3.96	-4.07
Provisions & Impairment Losses	-0.01	-0.05	0.00	0.42	0.29
Non-recurrent costs/income (2)	-0.38	0.62	-0.37	0.21	-0.24
<b>EBIT</b>	<b>-2.89</b>	<b>0.70</b>	<b>3.79</b>	<b>13.36</b>	<b>-3.49</b>
Net Financial Expenses	-1.73	-1.68	-1.58	-1.15	-1.00
Investment Income and Results from Assoc. Undert:	1.05	15.32	1.81	-1.50	0.07
<b>EBT</b>	<b>-3.57</b>	<b>14.34</b>	<b>4.02</b>	<b>10.71</b>	<b>-4.42</b>
Taxation	0.16	-0.54	-0.43	-4.99	-0.28
<b>Net Profit - Continued Businesses</b>	<b>-3.41</b>	<b>13.80</b>	<b>3.59</b>	<b>5.72</b>	<b>-4.70</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-0.47</b>	<b>-0.10</b>	<b>-0.21</b>	<b>-0.23</b>	<b>-0.15</b>
<b>Net Profit - Total</b>	<b>-3.88</b>	<b>13.70</b>	<b>3.38</b>	<b>5.50</b>	<b>-4.85</b>
Attributable to Equity Holders of Sonae Capital	-4.19	13.33	3.12	5.33	-5.05
Attributable to Non-Controlling Interests	0.31	0.37	0.26	0.16	0.20

(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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