EARNINGS ANNOUNCEMENT

31 DECEMBER 2016

SONAE CAPITAL

1. CEO MESSAGE & MAIN HIGHLIGHTS

"2016 was marked by important milestones regarding the execution of the Corporate strategy, as can be seen in: (i) the Group's business portfolio reconfiguration, with the conclusion of the road concessions shareholdings sale process, Norscut and Operscut, for a global amount of 43M€; (ii) the sale of UNOPs 7/8/9, in Troia, for 50M€, for the development of a premium touristic project, which will bring important positive externalities to the remainder of the resort, an important turning point for the development of the entire peninsula of Troia as well as its surroundings; (iii) the continuous improvement and strengthening of our current businesses competitive position; and (iv) the real estate assets sales volume (14.8M€) and the implementation of measures leading to the sale of an additional set of non-strategic real estate assets, a privileged way of financing future growth options.

The results achieved during the year confirm our commitment and effort in the implementation of the defined strategy and attest a solid performance that is visible in the significant EBITDA improvement (+28%), the Net Results which increased 13.3x to 18.7M€ and a further reduction of 83.2M€ in the Net Debt level to 66M€, a conservative figure taking in consideration the Group's business portfolio and type of assets.

Regarding the newly strengthened and improved competitive position of our businesses, it should be noted that: (i) Tróia Resort had a year distinctly marked by the sale of UNOPs 7/8/9. In addition to this, and despite the lower number of residential units sales, as a result of the expected market slowdown of the "golden visa", we registered an improvement in the average value per units sold and a clear improvement in the resort operations, due to better operations' efficiency levels and more visitors; (ii) Hospitality, where important improvements were registered notwithstanding the profitability challenges that still remain. It should be highlighted the significant increase in Turnover (+17%) and EBITDA (+28%), being specially important the beginning of an expansion process, following a capital light approach, with the opening of a new operation in Porto with positive contribution in the first (incomplete) year of operation; (iii) also, in the Fitness segment, the expansion process was speeded up with 5 new openings during the year (one in 2015), materialized in a significant growth in the number of active members (+27%), Turnover (+19%) and EBITDA (+18%), with no material impact on profitability (11.9% EBITDA margin); (iv) in the Energy business, due to less cogeneration plants in operation, an expected decrease in Top Line level (-24%, also affected by the evolution of oil prices) and EBITDA (-15%) was registered, being only partially offset with the new operations investments (2MW) carried out at the end of the year and without material impact on 2016 results; (v) finally, the Refrigeration & HVAC business registered a decline in EBITDA (-36%) totally driven by lower levels of activity and profitability of the international operations, as domestic operations continued to deliver both better Turnover (+27%) and EBITDA (+13%) when compared to last year.

In addition, as previously mentioned, it is worth mentioning the sale of a set of non-strategic real estate and financial assets, for the total amount of 57.8M€, which alongside with the sale of the Macro-Plots in Tróia and the businesses' operational performance has led to a significant 83.2M€ reduction in Net Debt to 66.0M€, allowing to face future growth options in a more optimistic way. Regarding this issue, steps are being taken to strengthen the competitive position of our strategic energy segment, such as additional acquisitions and green-field investments in cogeneration or renewable operations, once fulfilled the pre-defined internal profitability requirements. Additionally, in order to a potential integration in the Group's businesses portfolio, we continue to analyze different sectors and industries in the scope of the existing competences, a crucial step for the completion of our strategic purpose.

Notwithstanding our positive expectations regarding the development of interesting investment opportunities, the Group's results generation and, in particular, the sale of non-strategic assets allows the Company to propose, for the second consecutive year, a very significant shareholder remuneration, maintaining an adequate capital structure and the *ability to finance the identified growth options. The Board of Directors will present a shareholder remuneration proposal to the Shareholders General Meeting of 25M€ in the way of a dividend payment.*

Finally we would like to thank all the Employees for their performance and commitment towards the Company and the implementation of the Group's strategy which have enabled us to achieve solid, historical and sustained results for the future."

Cláudia Azevedo, CEO

SIGNIFICANT GROWTH OF THE MAIN FINANCIAL INDICATORS CONFIRM THE STRONG INCREASE IN OPERATIONAL PERFORMANCE ATTESTED BY CONSOLIDATED NET RESULTS OF 18.7M€ AND SUSTAINED REDUCTION OF 83.2M€ OF THE NET DEBT LEVELS

Consolidated Operational Income amounted to 232.5M€, registering an increase of 28.3% compared to last year, driven by the following factors:

- Operational income at Resorts segment increased 115%, to 37.1M€ mainly driven by the sale of UNOPs 7/8/9. During 2016, 24 deeds of real estate residential units in Troia Resort were signed compared to 32 in 2015, partially offset by a higher average sales value of 6.6%. Additionally, one sale deed of *fractional* regime, a new product launched in summer, was carried out. As of the date of this report, two more deeds have already been signed as well as 6 promissory purchase/sale and reserve agreements with advanced payments in stock;
- Fitness segment achieved a top line growth of 19.1%, due to the continued increase in the average number of active members (+27%) and higher average monthly fees (+6%);
- Refrigeration & HVAC segment´s top line showed a growth of 18.9%, supported by domestic operation, in particular by the volume of exports (work carried out from Portugal in different geographies);
- Hospitality segment registered an increase of 17.4%, with all units experiencing significant increases in occupancy rate and average prices, to which should be added the contribution of the new hotel "The House", opened in April;
- On the other hand, and as anticipated, the Energy segment reported a decrease of 24.4%, driven by the lower number of cogeneration plants and the reduction of oil prices;
- The increase of 18.1M€ registered as "Other", was mainly due to the signing of a set of sales deeds of real estate assets, mainly possible due to the sale of 81 apartments regarding City Flats, totaling 6.9M€ and an additional set of real estate assets. As of the date of this report, there are still promissory purchase/sale agreements signed on a set of real estate assets totaling 14.5M€.

Consolidated EBITDA amounted to 30.0M€, corresponding to a margin of 15.6%, an increase of 27.6% when compared to last year, driven by:

- Resorts segment, as a result of the capital gain generated by the sale of UNOPs 7/8/9 for the amount of approximately 14.5M€. It is also worth noteworthy that, as a result of the increased number of visitors and better efficiency levels, the overall improvement of businesses that support Troia Resort, namely the touristic apartment operation – Troia Residence – and Atlantic Ferries;

- Hospitality segment, due to top line increase, registered an improvement of 28.3%, with all units showing significant increases, being specially relevant the positive contribution of the hotel "The House", opened during 2016;
- Fitness segment, supported on the increased number of active members and the average monthly fees performance, notwithstanding the costs for the opening of 5 new clubs, registered an increase of 18.4%;
- Refrigeration & HVAC segment registered a decrease of 36.5% in light of the top line performance of international operations. It should also be highlighted the improvement of 12.6% of domestic operations, as a result of the increased number of projects delivered during 2016;
- Energy, as expected, reported a decrease of 15.2%. It should be noted that in 4Q16, on a like-for-like basis of cogeneration plants in operation, there was already an improvement of 17.7%;
- "Other" segment registered a decrease of 66.3% which, as explained in the previous quarters, results from the capital gain generated on the sale of real estate assets in 2015.

Consolidated Net Results amounted to 18.7M€, representing an improvement of 17.3M€ when compared to the previous year. It should also be pointed out that, in addition to the already above-mentioned 6.5M€ improvement at the EBITDA level, the increase of 13.5M€ in results from Investment & Associated Undertakings and the decrease of Net Financial Expenses by 1.8M€ driven by lower levels of Net Debt and the refinancing process in order to adjust the financial costs to Sonae Capital's risk profile.

Free Cash Flow (levered) reached 97.1M€, benefiting from the overall business units operational improvement and, most importantly, from the sale of the non-strategic financial and real estate assets.

Consolidated Net Debt, driven by the levered Free Cash Flow performance and already considering the dividends distributed during 2016, registered a decrease of 83.2M€ to 66.0M€, a conservative value in light of Sonae Capital business portfolio structure.

FOURTH QUARTER PERFORMANCE CLEARLY MARKED BY THE SALE OF UNOPs 7/8/9 FOR 50M€, AN IMPORTANT MILESTONE FOR THE DEVELOPMENT OF THE TROIA PENINSULA AND ITS SURROUNDINGS WHICH ALLOWED TO ANOTHER RELEVANT DECREASE OF THE NET DEBT LEVELS

Consolidated Operational Income totaled 97.7M€, more than the double registered last year. All business units recorded positive performances except for the Energy and Refrigeration & HVAC segments.

Consolidated EBITDA amounted to 16.4M€ compared to 2.9M€ registered in the same period last year, mainly due to the capital gain generated by the sale of abovementioned macro-plots, in Troia Peninsula, for approximately 14.5M€.

As a result of EBITDA performance and despite the recognition of 5.0M€ in taxes, in 4Q16 the Consolidated Net Results amounted to 5.5M€, registering an improvement of 7.2M€ over the same period last year.

2. OVERALL PERFORMANCE

The 2016 financial and operational performance was quite positive, combining a competitiveness improvement across all major businesses, the sale of the road concessions shareholdings (Norscut and Operscut) for the total amount of 43M€ and the sale of the first block of macro-plots in Troia, for 50M€, for the development of a premium touristic project which will bring important developments not only to the Troia Peninsula, but also to the entire surrounding region. This performance results in a better economic and financial performance than in previous years, as evidenced by EBITDA, Net Income and Net Debt.

2.1. CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and Loss Account Million euro	4Q 2016	4Q 2015	Δ 16/15	FY 2016	FY 2015	Δ 16/15
Total Operational Income	**97.73**	**45.65**	**>100%**	**232.52**	**181.28**	**+28.3%**
Turnover	**60.24**	**44.45**	**+35.5%**	**192.94**	**169.60**	**+13.8%**
Resorts	10.70	5.77	+85.6%	31.13	29.68	+4.9%
Hospitality	3.21	2.33	+38.0%	17.00	14.48	+17.4%
Fitness	4.89	3.96	+23.5%	18.09	15.19	+19.1%
Energy	8.43	10.29	-18.0%	38.23	50.58	-24.4%
Refrigeration & HVAC	18.19	19.38	-6.2%	67.18	56.50	+18.9%
Others & Eliminations	14.81	2.72	>100%	21.32	3.17	>100%
Other Operational Income	37.49	1.20	>100%	39.58	11.68	>100%
EBITDA, excluding Guaranteed Income Provisions (1)	**16.48**	**3.11**	**>100%**	**30.38**	**24.52**	**+23.9%**
Resorts	13.83	-1.08	-	17.57	4.18	>100%
Hospitality	-1.36	-1.63	+16.6%	-2.30	-3.21	+28.3%
Fitness	0.37	0.57	-34.5%	2.16	1.82	+18.4%
Energy	1.78	1.51	+17.7%	7.81	9.21	-15.2%
Refrigeration & HVAC	0.29	1.54	-81.0%	1.97	3.09	-36.5%
Others & Eliminations	1.57	2.19	-28.5%	3.18	9.43	-66.3%
Provisions for Guaranteed Income	-0.09	-0.18	+49.9%	-0.36	-0.99	+63.8%
EBITDA	**16.39**	**2.92**	**>100%**	**30.02**	**23.53**	**+27.6%**
Amortization & Depreciation	-3.98	-3.89	-2.4%	-15.87	-15.72	-1.0%
Provisions & Impairment Losses	0.42	0.23	+78.9%	0.37	0.00	-
Non-recurrent costs/income (2)	0.21	0.27	-22.2%	0.08	0.06	+33.4%
EBIT	**13.04**	**-0.47**	**-**	**14.59**	**7.87**	**+85.5%**
Net Financial Expenses	-1.05	-1.53	+31.2%	-6.78	-8.60	+21.2%
Investment Income and Results from Assoc. Undertakings	-1.50	0.13	-	16.68	3.13	>100%
EBT	**10.49**	**-1.87**	**-**	**24.49**	**2.40**	**>100%**
Taxation	-4.99	0.39	-	-5.80	-0.41	<-100%
Net Profit - Continued Businesses	**5.50**	**-1.48**	**-**	**18.69**	**1.99**	**>100%**
Net Profit - Discontinued Businesses	**0.00**	**-0.18**	**-**	**0.00**	**-0.59**	**-**
Net Profit - Total	**5.50**	**-1.66**	**-**	**18.69**	**1.40**	**>100%**
Attributable to Equity Holders of Sonae Capital	5.33	-2.35	-	17.59	-0.29	-
Attributable to Non-Controlling Interests	0.16	0.69	-76.3%	1.10	1.69	-35.0%

(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 Operational Income reached 232.5M€, registering a significant increase of 28.3% over the same period last year. It should be noted that the item Other Operational Income includes transactions related to the sale of the macro-plots in Troia, classified as tangible assets and, therefore not recognized for the purposes of turnover.

Consolidated turnover, in 2016, amounted to 192.9M€, an increase of 13.8% compared to the same period last year, registering, with the exception of Energy segment, double-digit improvements in all businesses segments. Consolidated EBITDA amounted to 30.0M€, an increase of 27.6% when compared to last year and generating a margin of 15.6%, 1.7pp above the comparable figure recorded in 2015.

The turnover performance is explained by the contribution of (i) Resorts: an increase of 4.9% which, despite the lower number of deeds - during 2016, 24 deeds were signed compared to 32 registered in 2015 - benefited from the higher average value per unit sold as well as an improvement in the resort business operations, namely Atlantic Ferries (+9.0% to 5.9M€) and Troia Residence (+36.1% of accommodation revenues); (ii) Hospitality, continued to show positive performance and double-digit growth (+17.4%), due to the improvement in the main operational indicators, namely, occupancy rate and RevPar; (iii) the Fitness segment, which grew 19.1%, mainly due to the 27% growth in the average number of active members, or 3.6% excluding openings - increasing penetration in existing health clubs - and the increase in monthly average fees by 5.7%; (iv) Energy, which as expected, declined by 24.4%, also affected by oil prices fluctuation; and (v) Refrigeration & HVAC, an increase of 18.9% or 10.7M€ over the previous year, due to the domestic operation, as international operations, due to lower levels of activity, showed a decrease of 25.9%.

Consolidated EBITDA in 2016 amounted to 30.0M€, an increase of 27.6% comparing to 2015 figures. EBITDA performance is clearly marked by the abovementioned macro-plots sale in Tróia, which generated a capital gain of approximately 14.5M€. The remaining units continued to evolve in line with the turnover performance, continuing to show efficiency gains and additional profitability. On the negative side, due to the lower level of activity, the Refrigeration & HVAC international operations (Brazil and Angola) revealed a negative performance, affecting the performance of the segment as a whole. Regarding this matter, it should be noted that domestic operations showed a positive performance both in turnover (+27.0%) and EBITDA (+12.6%) following the strengthening of export activity. "Other" segment, which includes sales of non-strategic real estate assets, registered a decrease in the EBITDA level notwithstanding the volume of sales, due to the significant margin generated in 2015 with the sale of a particular asset (Duque de Loulé), which generated a capital gain of approximately 6.0M€.

Consolidated Net Results amounted to 18.7M€, an increase of 17.3M€ when compared to the previous year. It should be highlighted (i) besides the already mentioned growth in EBITDA level (+6.5M€); (ii) the increase of 13.5M€ in Results from Investments and Associated Companies, mainly due to the capital gain generated by the sale of Norscut and Operscut; (iii) the net financial costs decrease of 1.8M€, as a result of the lower Net Debt level and lower financing costs following the Group's refinancing process towards the adjustment of costs and the Group risk profile while adjusting the maturity to support the strategic plan; and (iv) nevertheless, the higher tax charge of 5.4M€, driven by EBT.

2.2. CAPEX

Capex in 2016 amounted to 12.7M€, registering a decrease of 12.8% when compared to last year. The main Capex contributions were registered in the Energy segment (mainly related to the acquisition of two photovoltaic parks of 1MW each, totaling 5.7M€), as well as to the implementation of the Fitness expansion plan and Hospitality segment, related to the opening of the new hotel “The House”, in Oporto.

Total Capex amounted to 4.5% of total fixed assets, 0.1pp lower than in the previous year.

2.3. CAPITAL STRUCTURE

At the end of 2016, Net Debt amounted to 66.0M€, 83.2M€ below the level registered at the end of 2015 and, as in previous reporting seasons, the lowest level since the Group's spin-off in 2007. This result was mainly driven by the consolidated FCF performance that included, during the year, the conclusion of the sale process of shareholdings in road concessions (Norscut and Operscut) for the total amount of 43M€ and the sale of macro-plots, in Troia, for 50M€. It should also be highlighted, due to the amounts involved, the 9.3M€ cash in related to the non-strategic real estate assets sales.
Capital structure, mainly due to the Net Debt reduction, has also posted significant improvements, visible on the favorable evolution of 27.5pp of the Debt to Equity ratio, to 20.6%.

Consolidated Balance Sheet Million euro	Dec 2016	Dec 2015	Δ Dec16/Dec15
Total Assets	**500.4**	**574.0**	**-12.8%**
Tangible and Intangible Assets	246.4	258.8	-4.8%
Goodwill	37.8	60.9	-37.9%
Non-Current Investments	1.7	13.6	-87.4%
Other Non-Current Assets	29.4	31.5	-6.6%
Stocks	104.5	126.8	-17.6%
Trade Debtors and Other Current Assets	47.7	47.2	+1.2%
Cash and Cash Equivalents	32.7	35.3	-7.3%
Total Equity	**320.4**	**310.1**	**+3.3%**
Total Equity attributable to Equity Holders of Sonae Capital	310.4	299.9	+3.5%
Total Equity attributable to Non-Controlling Interests	9.9	10.2	-3.1%
Total Liabilities	**180.0**	**263.9**	**-31.8%**
Non-Current Liabilities	**120.7**	**121.0**	**-0.2%**
Non-Current Borrowings	94.3	103.9	-9.3%
Deferred Tax Liabilities	19.6	10.9	+79.3%
Other Non-Current Liabilities	6.8	6.1	+11.7%
Current Liabilities	**59.3**	**142.9**	**-58.5%**
Current Borrowings	4.5	80.6	-94.4%
Trade Creditors and Other Current Liabilities	54.8	62.3	-12.0%
Total Equity and Liabilities	**500.4**	**574.0**	**-12.8%**
Net Capital Employed	**386.3**	**459.3**	**-15.9%**
Fixed Assets	284.2	319.7	-11.1%
Non-Current Investments (net)	4.7	28.0	-83.3%
Working Capital	97.4	111.6	-12.7%
Capex (end of period)	12.7	14.6	-12.8%
% Fixed Assets	4.5%	4.6%	
Net Debt	**66.0**	**149.2**	**-55.8%**
% Net Capital Employed	17.1%	32.5%	
Debt to Equity	20.6%	48.1%	
Net Debt excluding Energy	**43.9**	**126.2**	**-65.2%**
Capital Structure Ratios			
Loan to Value (Real Estate)	8.6%	21.8%	
Net Debt/EBITDA (recurrent)	2,38x	2,20x	

Taking into consideration the different type of assets that constitute 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 2016, the implied ratios of Loan to Value (LTV) and non real estate Net Debt/EBITDA businesses amounted to 8.6% and 2.38x, respectively, reflecting a conservative and comfortable ratios in light of Sonae Capital business portfolio structure.

Net Capital Employed decreased by 15.9% over the previous year to 386.3M€, as a result of 11.1% reduction in fixed assets, 83.3% in Non-Current Investments (due to the Norscut and Operscut shareholding disposal) and 12.7% in working capital. Capex amounted to 12.7M€, representing 4.5% of total fixed assets.

3. SEGMENTS PERFORMANCE

3.1. RESORTS

Profit and Loss Account Million euro Resorts	4Q 2016	4Q 2015	Δ 16/15	FY 2016	FY 2015	Δ 16/15
Total Operational Income	**47.41**	**6.45**	**>100%**	**69.26**	**32.14**	**>100%**
Turnover	**10.70**	**5.77**	**+85.6%**	**31.13**	**29.68**	**+4.9%**
Other Operational Income	36.70	0.68	>100%	38.13	2.46	>100%
Total Operational Costs	**-33.58**	**-7.52**	**<-100%**	**-51.69**	**-27.96**	**-84.8%**
Cost of Goods Sold	-24.09	-0.50	<-100%	-27.14	-4.18	<-100%
Change in Stocks of Finished Goods	-3.59	-1.27	<-100%	-7.41	-5.49	-34.9%
External Supplies and Services	-3.24	-3.38	+4.3%	-10.07	-11.78	+14.5%
Staff Costs	-0.98	-0.82	-19.7%	-3.92	-3.77	-3.8%
Other Operational Expenses	-1.68	-1.56	-7.7%	-3.14	-2.74	-14.8%
EBITDA excluding Guaranteed Income Provisions (1)	**13.83**	**-1.08**	**-**	**17.57**	**4.18**	**>100%**
Provisions for Guaranteed Income	-0.09	-0.18	+49.9%	-0.36	-0.99	+63.8%
EBITDA	**13.74**	**-1.26**	**-**	**17.21**	**3.19**	**>100%**
EBITDA Margin (% Turnover)	128.3%	-21.8%	+150.1 pp	55.3%	10.7%	+44.6 pp
Capex	**0.24**	**0.64**	**-63.1%**	**1.21**	**1.44**	**-15.7%**
EBITDA-Capex	**13.50**	**-1.90**	**-**	**16.00**	**1.75**	**>100%**

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

The year 2016, in the Resorts segment, will be indelibly marked by the important macro-plots UNOPs 7/8/9 sale, for 50M€, for the development of a premium touristic project. This project is extremely important for the future development of the Resort and incorporates important positive externalities for the businesses and assets already in play. In addition, it will be a decisive contribution to the development, not only, of the entire peninsula of Tróia, but also for the entire surrounding region.

With respect to the current activity, during the year 2016, 24 deeds of residential units were signed in the Troia Resort (6 in 1Q16, 5 in 2Q16, 4 in 3Q16 and 9 in 4Q16), and one additional deed in the *Fractional* regime should be included, a product launched during the summer. As of the date of this report, two additional deeds have already been signed and six promissory purchase/sale and reservations, with an advance payment, remains in stock. It should be noted that, as expected and already mentioned in previous reports, during the course of 2016 there was a slowdown in the "golden visa" market, partially mitigated by the recovery of other European markets, namely the domestic market and the improvement of the average value of the units sold. As of December 31, 2016, a total of 375 deeds had already been celebrated on residential units in Troia Resort.

Top Line amounted to 31.1M€, an increase of 4.9% when compared to 2015, benefiting from a positive sales mix and the overall improvement in the contribution of the operations that support the Resort, motivated by the increased number of visitors. In line with this, it should be highlighted the growth of Atlantic Ferries (+9.0% to 5.9M€) and Troia Residence (+ 36.1% in accommodation revenues).

EBITDA reached 17.21M€, 5.4x the EBITDA of the previous year mainly due to the capital gain generated with the sale of the macro-plots of, approximately, 14.5M€. The improved profitability of the operations that support the resort, namely Atlantic Ferries (+41% to 2.08M€), only partially compensated the lower margin generated by real estate sales.

For prudence reasons and following the traditional conservative approach that should govern the accounting principles, it is accounted as Provisions, at the time of the sale, the present value of potential costs for the entire period of the guaranteed income from troiaresort real estate sales (the difference between the guaranteed rate of return and a conservative expectation on commercial operation). Driven by the sales registered in 2016

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and the favorable sales mix, given the slowdown in the "golden visa" market the value amounted to 0.36M€, compared to the 0.99M€ registered in 2015.

Capex in 2016, stood at controllable levels, below 2015 and contributed, as well as the EBITDA level, to the EBITDA-Capex increase of 14.25M€.

3.2. FITNESS

The Fitness segment continues to consolidate the improvement of its competitive position, as confirmed by a 27% growth in the average number of active members.

It should be highlighted that during 2016, 5 new HC were opened namely in, Guimarães, Maia, Porto-Foz, Laranjeiras and Ermesinde. Currently, the brand Solinca operates 17 health clubs. It should also be noted that, on a comparable basis, excluding openings, the average number of active members shows a positive performance of 3.6% increasing the penetration in existing clubs.

During 2016, Top Line grew 19.1% to 18.09M€ being worth mentioning the positive average monthly fee performance, which has increased 5.7%. EBITDA amounted to 2.16M€, an improvement of 18.4% when compared to last year, correspondent to a margin of 11.9%, in line with last year, regardless of the necessary effort in costs with the expansion plan and the time it takes a new club to reach a mature level of activity.

Profit and Loss Account Million euro Fitness	4Q 2016	4Q 2015	Δ 16/15	FY 2016	FY 2015	Δ 16/15
Total Operational Income	**4.96**	**4.01**	**+23.4%**	**18.32**	**15.48**	**+18.3%**
Turnover	**4.89**	**3.96**	**+23.5%**	**18.09**	**15.19**	**+19.1%**
Other Operational Income	0.06	0.05	+20.6%	0.23	0.29	-20.4%
Total Operational Costs	**-4.59**	**-3.45**	**-33.0%**	**-16.16**	**-13.66**	**-18.3%**
Cost of Goods Sold	-0.05	-0.03	-96.3%	-0.10	-0.12	+10.6%
Change in Stocks of Finished Goods	0.00	0.00	-	0.00	0.00	-
External Supplies and Services	-2.73	-2.18	-25.2%	-9.73	-8.59	-13.3%
Staff Costs	-1.55	-1.03	-50.4%	-5.41	-4.16	-30.1%
Other Operational Expenses	-0.25	-0.21	-19.7%	-0.91	-0.79	-15.4%
EBITDA	**0.37**	**0.57**	**-34.5%**	**2.16**	**1.82**	**+18.4%**
EBITDA Margin (% Turnover)	7.6%	14.3%	-6.7 pp	11.9%	12.0%	-0.1 pp
Capex	**0.87**	**0.67**	**+30.0%**	**1.84**	**1.31**	**+40.5%**
EBITDA-Capex	**-0.50**	**-0.10**	**<-100%**	**0.32**	**0.51**	**-38.3%**

Capex 2016 amounted to 1.84M€, 40.5% higher than in 2015, mainly as a result of the expansion plan implementation.

3.3. HOSPITALITY

Following the trend observed in previous years and the evolution of the market, the Top Line of the segment in 2016 consolidated the positive trajectory and presented an increase of 17.4% compared to the previous year, to 17.0M€. This performance resulted mainly from the increase in occupancy rate of 4pp and in ARR of 7.6%. In the same period, the number of nights sold grew by 15.8% in the total Group's operations and RevPar improved by 17.3%.

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 2016, showed an improvement of 28.3% (0.91M€) over the same period last year. It should be noted that the new hotel "The House Ribeira Porto Hotel" in Oporto, inaugurated during the year, has already contributed positively to the EBITDA level, with occupancy rates and average prices in line with the market.

Profit and Loss Account Million euro Hospitality	4Q 2016	4Q 2015	Δ 16/15	FY 2016	FY 2015	Δ 16/15
Total Operational Income	**3.37**	**2.49**	**+35.0%**	**17.58**	**15.00**	**+17.2%**
Turnover	**3.21**	**2.33**	**+38.0%**	**17.00**	**14.48**	**+17.4%**
Other Operational Income	0.16	0.17	-6.3%	0.58	0.52	+11.8%
Total Operational Costs	**-4.73**	**-4.12**	**-14.6%**	**-19.88**	**-18.21**	**-9.2%**
Cost of Goods Sold	-0.34	-0.27	-26.2%	-1.71	-1.61	-6.3%
External Supplies and Services	-2.76	-2.49	-11.0%	-11.49	-10.50	-9.4%
Staff Costs	-1.43	-1.25	-14.6%	-6.03	-5.58	-8.1%
Other Operational Expenses	-0.20	-0.12	-63.3%	-0.65	-0.53	-23.8%
EBITDA	**-1.36**	**-1.63**	**+16.6%**	**-2.30**	**-3.21**	**+28.3%**
EBITDA Margin (% Turnover)	-42.3%	-70.0%	+27.7 pp	-13.5%	-22.2%	+8.6 pp
Capex	**0.13**	**0.04**	**>100%**	**1.36**	**0.16**	**>100%**
EBITDA-Capex	**-1.48**	**-1.67**	**+11.3%**	**-3.66**	**-3.37**	**-8.7%**

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

Excluding rents, it should be highlighted that the Hospitality segment EBITDAR in the period was positive 2.46M€, an increase of 1.05M€ compared to 2015, with all units showing positive performances.

Capex in the segment amounted to 1.36M€ reflecting essentially the investment in opening the new hotel "The House Ribeira Porto Hotel" during 2Q16, contributing to a decrease of 8.7% in EBITDA-Capex compared to last year.

3.4. ENERGY

Profit and Loss Account Million euro Energy	4Q 2016	4Q 2015	Δ 16/15	FY 2016	FY 2015	Δ 16/15
Total Operational Income	**8.76**	**10.45**	**-16.2%**	**38.80**	**51.03**	**-24.0%**
Turnover	**8.43**	**10.29**	**-18.0%**	**38.23**	**50.58**	**-24.4%**
Other Operational Income	0.32	0.16	+99.8%	0.57	0.45	+27.6%
Total Operational Costs	**-6.97**	**-8.94**	**+22.0%**	**-30.99**	**-41.82**	**+25.9%**
Cost of Goods Sold	-4.85	-6.94	+30.1%	-23.46	-34.07	+31.1%
External Supplies and Services	-1.14	-1.07	-5.7%	-4.43	-4.19	-5.8%
Staff Costs	-0.53	-0.74	+28.7%	-2.32	-2.87	+19.2%
Other Operational Expenses	-0.46	-0.18	<-100%	-0.78	-0.69	-12.8%
EBITDA	**1.78**	**1.51**	**+17.7%**	**7.81**	**9.21**	**-15.2%**
EBITDA Margin (% Turnover)	21.1%	14.7%	+6.4 pp	20.4%	18.2%	+2.2 pp
Capex	**6.90**	**1.60**	**>100%**	**7.21**	**6.24**	**+15.5%**
EBITDA-Capex	**-5.12**	**-0.08**	**<-100%**	**0.60**	**2.96**	**-79.7%**

In 2016, as expected, Energy Top Line decreased 24.4% to 38.23M€. This performance is explained by: (i) the reduction of energy selling prices as a result of the evolution of oil prices; and (ii) the lower number of cogeneration plants in operation, due to the discontinuation of two cogeneration plants, one in 2015 and the other in 2016, and the change of licensing framework in another one.

In line with top line performance, EBITDA registered a decrease of 15.2% to 7.81M€, nevertheless, the EBITDA margin registered a better performance compared to last year of 2.2 pp, to 20.4%.

It should be noted that, in 4Q, on comparable basis, EBITDA already shows a positive evolution of 17.7% compared to same period last year.

The level of Capex motivated, mainly, by the acquisition of two photovoltaic parks of 1MW each (total 5.7M€) rose to 7.21M€, 15.5% above the previous year, contributing to a deterioration of the EBITDA-Capex level of 2.36M€.

3.5. REFRIGERATION & HVAC

In 2016, the Turnover of the Refrigeration & HVAC segment amounted to 67.2M€, registering an 18.9% increase when compared to the previous year. The volume of the international operations in Refrigeration & HVAC (consolidating exports and Direct Sales abroad) represented 38% of the consolidated Turnover, 9pp above the level registered in 2015.

It is important to point out the negative performance of the international operations (Brazil, Angola and Mozambique) compared to the domestic operations. International operations were severely affected by a shortening in activity which, alongside with a revision of margins in ongoing projects, penalized the 2016 consolidated EBITDA performance.

In the domestic operation, the Turnover amounted to 60.76M€, representing an increase of 27.0% compared to the previous year. To this result it should be noted the contribution of the core segment Refrigeration as well as the delivery of an important project in Romania, notwithstanding the lower margin generated when compared to other segments. Regarding EBITDA, the domestic operation generated 3.24M€, correspondent to a 5.5% margin or an increase of 12.6% when compared to the previous year.

Profit and Loss Account Million euro Refrigeration & HVAC	4Q 2016	4Q 2015	Δ 16/15	FY 2016	FY 2015	Δ 16/15
Total Operational Income	**18.41**	**19.67**	**-6.5%**	**67.90**	**57.20**	**+18.7%**
Turnover	**18.19**	**19.38**	**-6.2%**	**67.18**	**56.50**	**+18.9%**
Other Operational Income	0.22	0.29	-25.8%	0.72	0.71	+1.7%
Total Operational Costs	**-18.11**	**-18.14**	**+0.1%**	**-65.93**	**-54.11**	**-21.9%**
Cost of Goods Sold	-6.84	-6.60	-3.6%	-27.19	-23.10	-17.7%
Change in Stocks of Finished Goods	-1.24	-1.69	+26.7%	1.95	0.19	>100%
External Supplies and Services	-5.55	-6.86	+19.0%	-26.57	-19.01	-39.8%
Staff Costs	-3.69	-2.84	-29.9%	-12.59	-11.59	-8.7%
Other Operational Expenses	-0.79	-0.15	<-100%	-1.53	-0.59	<-100%
EBITDA	**0.29**	**1.54**	**-81.0%**	**1.97**	**3.09**	**-36.5%**
EBITDA Margin (% Turnover)	1.6%	7.9%	-6.3 pp	2.9%	5.5%	-2.6 pp
Capex	**0.01**	**0.02**	**-31.7%**	**0.07**	**0.16**	**-55.5%**
EBITDA-Capex	**0.28**	**1.52**	**-81.5%**	**1.90**	**2.93**	**-35.4%**

Additionally, it should be noted that, at the end of the year the Backlog in the domestic operations amounted to 25.5M€ (equivalent to 5 months of the domestic operations Turnover).

Investment was kept at low levels therefore the values of EBITDA-CAPEX of 1.9M€ resulted mostly from the EBITDA performance.

SONAE CAPITAL

3.6. OTHER ASSETS

Within the classification of non-strategic assets, and in this sense available for sale, the Sonae Capital Group includes Real Estate and Financial Assets.

Concerning financial participations, it is worth mentioning the conclusion of the road concessions shareholdings sale process, namely, Norscut and Operscut, for approximately 43M€, an important milestone in value crystallization and in the disposal of non-strategic assets.

In response to the current market trends and demand characteristics for the assets included in the current real estate portfolio, during the year, 81 sales deeds over City Flats apartments were signed, which practically cleared the stock available for sale.

On top of this, an additional set of real estate assets, amounting to 14.8M€ (of which 6.6M€ had already been received during 2015) were sold, and promissory purchase/sale agreements were signed on an additional set of assets, in the total amount of 14.5M€.

As of 31 December, the capital employed in this block of real estate assets amounted to 107.4M€.

In line with our commitment to provide to the market the best possible financial information, we also update the valuation report on the Sonae Capital Group's real estate assets, led by Cushman & Wakefield, an independent reference entity (the Evaluation Summary Report is available on the Company website www.sonaecapital.pt). With reference to 31 December 2016, Sonae Capital's real estate assets (excluding properties located in the Boavista Complex owned by the WTC real estate investment fund, in which the Group has participation units) was valued at 397.5M€. The current valuation, when compared to the previous valuation made on September 30, 2014 for the same assets base, shows a slight increase of 0.3%, demonstrating the resilience of our real estate assets portfolio.

It should also be noted that Troia Resort assets were valued at 188.7M€, an increase of 2.6% over the previous report for the same assets base. For a better perception of the asset typology, we maintain the same reporting structure, individualizing the Exploration Assets (other than from the Resort), which, among hotels and health clubs, were valued at 82.6M€ (+13.5% than the previous evaluation). The remaining assets, disperse in typology and geography, were valued at 126.3M€, a decrease of 9.5% on a comparable basis to the previous report.

4. OUTLOOK

The year 2016 is indelibly marked by the sale of the road concessions shareholdings and the Macro-plots, in Tróia, both of crucial importance for the materialization of the defined corporate strategy. The strengthening of our business and its competitive position provide confidence and an additional amount of ambition to proceed and accelerate the implementation of the defined strategy for each one of our businesses. Once accomplished an adequate and even conservative capital structure, 2017 will be a year of special relevance in the pursuit of new businesses opportunities within the competence areas of the Group in order to materialize our strategic purpose and create value for our shareholders.

At the business level, important steps will continue to be taken in sustaining and improving the competitive position of each of them, namely:

In **Troia Resort** we will remain committed in value and selling the existing stock while addressing the improvement of all resort's operations. Benefiting from the accumulated experience and the positive externalities that resulted from the sale of UNOPs 7/8/9 to foster a quality touristic development, we will maintain the focus on the selling process of the non-developed areas, assuring the development of reference real estate projects suitable to each of the remaining macro-plots

In the **Energy** business, the Group will continue to be aware of new business opportunities, both in Portugal and in other markets, as long as they comply with pre-defined profitability and risk criteria. If in Portugal we will have to be aware of a wide range of technologies, internationally we will focus on the existing competences associated with Cogeneration.

In **Hospitality**, we will maintain the focus on the profitability and competitive position improvement of the current operations, looking for opportunities to copy The House's successful model, and at the same time searching for alternative solutions that might improve the global competitive positioning.

Also in the **Fitness**, after the opening of 5 new health clubs in 2016, new opportunities for value creation will be sought, while continuing to implement the defined expansion plan following a ‘capital light’ approach.

In the **Refrigeration & HVAC** business, after the restructuring and strategic repositioning process completion, we will continue to focus on value creation opportunities in this segment, with special emphasis on the Refrigeration segment and in the internationalization process based on exports.

With the continued expectation of the country's economic and financial conditions improvement, as well as financial markets in general, we will also keep in evidence - through a specific Unit for this purpose - the disposal of the **Real Estate** assets portfolio, one of the key triggers for an effective Corporate Strategy implementation. This issue has particular relevance because one of the Group and each business unit guidelines and objectives will continue to be the financial discipline and the adequate net debt allocation to each type of businesses and assets within the Group.

Lastly, and as stated at the beginning, due to the results achieved in 2016 and based on the expected future results, namely, the continued disposal of non-strategic assets, we will take firm steps to materialize our Corporate Strategy.

5. PROPOSED ALLOCATION OF NET INCOME

Regarding the achievement of what is considered a well balanced capital structure and the gains registered on the sale of non-strategic assets, the Sonae Capital Board of Directors has approved a proposal of dividends distribution in the total gross amount of 25 million euro to shareholders. This dividend results from the allocation of net results and the distribution of free reserves, correspondent to a gross dividend of 0.10€ euro per share.

From the total dividends of 25 million euro, the amount of dividends that would be attributable to the shares that, at the dividends distribution date, are held by the Company or by any of its subsidiaries should remain as Free Reserves.

This proposal is subjected to final approval of the Shareholders' General Meeting.

6. CORPORATE INFORMATION

6.1. CORPORATE INFORMATION 4Q16

In December 2016, a promissory purchase agreement was signed for a set of real estate assets in Troia, designated as UNOP 7, 8 and 9, for the global amount of 50M€. The sale and purchase agreement shall be executed once a set of contractual conditions has been verified.

6.2. SUBSEQUENT CORPORATE EVENTS

There were no subsequent corporate events to register.

7. 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 to this, the 2015 information was restated and is presented in appendix.

The present 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

APPENDIX

Consolidated Profit and Loss Account Million euro	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016
Total Operational Income	**41.85**	**46.54**	**47.23**	**45.65**	**38.14**	**43.36**	**53.29**	**97.73**
Turnover	**38.98**	**39.78**	**46.40**	**44.45**	**37.42**	**43.02**	**52.27**	**60.24**
Resorts	6.44	7.27	10.20	5.77	3.88	7.21	9.33	10.70
Hospitality	1.82	3.91	6.42	2.33	2.10	4.34	7.35	3.21
Fitness	3.50	3.94	3.78	3.96	4.14	4.45	4.60	4.89
Energy	15.58	13.01	11.70	10.29	11.74	9.77	8.29	8.43
Refrigeration & HVAC	12.63	11.13	13.35	19.38	14.27	14.43	20.28	18.19
Others & Eliminations	-1.00	0.52	0.94	2.72	1.28	2.81	2.42	14.81
Other Operational Income	2.87	6.76	0.84	1.20	0.72	0.35	1.02	37.49
EBITDA, excluding Guaranteed Income Provisions (1)	**3.24**	**10.03**	**8.14**	**3.11**	**1.67**	**4.16**	**8.08**	**16.48**
Resorts	1.04	0.88	3.33	-1.08	0.01	0.46	3.28	13.83
Hospitality	-1.94	-0.56	0.92	-1.63	-1.76	-0.59	1.40	-1.36
Fitness	0.23	0.62	0.40	0.57	0.38	0.62	0.78	0.37
Energy	3.22	2.48	1.99	1.51	2.36	1.93	1.73	1.78
Refrigeration & HVAC	0.42	0.31	0.83	1.54	0.89	0.56	0.22	0.29
Others & Eliminations	0.26	6.30	0.67	2.19	-0.21	1.17	0.66	1.57
Provisions for Guaranteed Income	-0.28	-0.37	-0.16	-0.18	-0.07	-0.12	-0.08	-0.09
EBITDA	**2.95**	**9.67**	**7.98**	**2.92**	**1.59**	**4.04**	**8.00**	**16.39**
Amortization & Depreciation	-3.90	-3.90	-4.03	-3.89	-3.92	-3.99	-3.99	-3.98
Provisions & Impairment Losses	-0.07	-0.08	-0.08	0.23	-0.01	-0.05	0.00	0.42
Non-recurrent costs/income (2)	0.76	-0.39	-0.57	0.27	-0.38	0.62	-0.37	0.21
EBIT	**-0.26**	**5.29**	**3.30**	**-0.47**	**-2.72**	**0.63**	**3.64**	**13.04**
Net Financial Expenses	-2.20	-2.29	-2.58	-1.53	-2.38	-1.71	-1.64	-1.05
Investment Income and Results from Assoc. Undertakings	1.21	0.79	1.01	0.13	1.05	15.32	1.81	-1.50
EBT	**-1.25**	**3.78**	**1.74**	**-1.87**	**-4.04**	**14.24**	**3.82**	**10.49**
Taxation	-0.86	-0.10	0.16	0.39	0.16	-0.54	-0.43	-4.99
Net Profit - Continued Businesses	**-2.11**	**3.68**	**1.90**	**-1.48**	**-3.88**	**13.70**	**3.38**	**5.50**
Net Profit - Discontinued Businesses	**-0.56**	**-0.15**	**0.30**	**-0.18**	**0.00**	**0.00**	**0.00**	**0.00**
Net Profit - Total	**-2.68**	**3.53**	**2.20**	**-1.66**	**-3.88**	**13.70**	**3.38**	**5.50**
Attributable to Equity Holders of Sonae Capital	-2.93	3.12	1.86	-2.35	-4.19	13.33	3.12	5.33
Attributable to Non-Controlling Interests	0.25	0.41	0.34	0.69	0.31	0.37	0.26	0.16

(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

Net Debt	**228.53**	**200.59**	**184.65**	**149.20**	**146.12**	**156.08**	**106.39**	**65.99**

SONAE CAPITAL

CONTACTS

Anabela Nogueira de Matos
Representative for Capital Market Relations
E-mail: anm@sonaecapital.pt
Tel.: +351 220129528
Fax: +351 220107900

Nuno Parreiro
Investor Relations Officer
E-mail: ir@sonaecapital.pt
Tel.: +351 220107903
Fax: +351 220107935

Sonae Capital, SGPS, SA
Lugar do Espido, Via Norte
Apartado 3053
4471 – 907 Maia
Portugal

www.sonaecapital.pt