

SDC INVESTIMENTOS, SGPS, S.A. INFORMS ON THE FINANCIAL LIABILITIES RESTRUCTURING PROCESS

SDC – INVESTIMENTOS, SGPS, S.A., public company (“SDCI”), informs on the latest steps taken towards the completion of the process of restructuring financial liabilities which encumbers SDCI and its direct and indirect subsidiaries (“SDCI Group”), comprehending:

- a) The agreement between its subsidiary, SDC Concessões, SGPS, S.A. (“SDC Concessões”), and Globalvia Inversiones, SAU, for the disposal of shares held in the companies operating in the Beira Interior motorway Concession and the Sub-Concession of Transmontana motorway, which results in the reduction of the Group’s consolidated liabilities by 71 million Euros; such agreement was the subject of an autonomous communication this very same day; and
- b) The completion of a new negotiation process with the creditor financial institutions of the SDCI Group, under which SDCI, in collaboration with Investéder, Investimentos, Lda. (“Investéder”), agreed to the possibility after the completion of the disposal referred to in the previous paragraph, of the assignment of part (approximately 46 million Euros) of the resulting cash inflow to the regularization of overdue financial liabilities:
 - b.1) To achieve the immediate restructuring or extinction of other outstanding liabilities amounting to approximately 39 million Euros;
 - b.2) To benefit from a six months grace period on capital and interest of its remaining financial liabilities, amounting to approximately 175 million Euros;
 - b.3) To, in due course, negotiate a repayment plan for the liabilities referred to in b.2 above, within the said six month period, in terms that take into account the potential capacity of the SDCI Group to generate cash flow and the effective and contingent liabilities of the Group; and

b.4) To obtain exemption from a significant part of the guarantees and liabilities that still encumber the SDCI Group in respect to obligations originally assumed by Soares da Costa Construção, SGPS, S.A. and its subsidiaries amounting to 239 million Euros.

The agreements reached with the creditor financial institutions of the SDCI Group, as referred to in paragraph (b) above, have taken as fundamental assumptions, first of all the recognition that, despite all the efforts, up to now all previous attempts to implement a sustainable solution for the financial restructuring of the SDCI Group were unsuccessful (namely those communicated on the 30th April and 11th November 2015) and, secondly, the identification of a possible alternative restructuring solution based on the agreement established between Investéder (a company which capital is at this stage fully owned by the Executive Directors of SDCI, António Castro Henriques and Gonçalo Andrade Santos), pursuant to which Investéder made itself available to acquire the loans held on the SDCI Group by several credit institutions by entering into a principle agreement with SDCI, contemplating the indicated in b.2) and b.3) above.

The agreement in principle established with Investéder requires certain conditions in order to be effective, namely: (i) the completion of the operation referred to in a) above; and (ii) the conclusion of the processes of restructuring of liabilities and exemption of guarantees and liabilities referred to in b.1) and b.4). SDCI expects these conditions to have been gathered by the end of the first half of 2017.

It should be noted that the above mentioned agreements are a direct consequence of the efforts made since February 2014 to provide the SDCI Group with a sustainable structure of assets and liabilities, as previously announced.

As such, since February 2014 to the present date, all undertakings by the SDCI Management aimed to progressively reduce SDCI Group's financial liabilities through the sale of assets under the best possible conditions. In this context, from February 2014 to this date, SDCI has successively executed several asset disposal transactions, which were promptly disclosed to the market, when justified.

It was thus, in perfect consistency with past developments, proved

necessary to dispose of assets in road concessions, which will entail a substantial reduction in the number of activities that the SDCI Group will carry out.

In this context, with the effective implementation of the aforementioned operations, the SDCI Group will concentrate its activity in the other business areas to which it is currently dedicated, giving priority to the management and increase of value of real estate assets held, furthered by: (i) the follow-up of efforts to mitigate legal and tax contingencies to which the SDCI Group is subject as has been disclosed, (ii) the ongoing monitoring of the situation of Soares da Costa Construção, SGPS, SA, taking into account SDCI's minority shareholder and creditor positions (iii) the continued promotion of the SDCI Group's financial restructuring process, continuing the efforts to ensure the essential conditions to its sustainability.

SDC Investimentos, SGPS, SA

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