



# PRESS RELEASE

**FY 2016**

(Audited accounts)

16 June 2016



## 1. EXECUTIVE SUMMARY

Having implemented a significant restructuring, 2016 was transformational for Orey Group. The net loss registered in 2016 fiscal year reached Euro 12.8 million. This negative result is primarily due to (1) an accounting loss related to the sale of its shareholding in Banco Inversis amounting to Euro 5.9 million; (2) non-recurring costs amounting to Euro 3.2 million, primarily related to the restructuring programme including curtailment costs and penalties for early termination of certain supplier contracts and (3) Euro 4 million losses related to the global activity.

Orey's shareholding in Banco Inversis, which was acquired on 8 January 2016 for the global price of Euro 21.7 million, was eventually sold for Euro 30 million in July 2016 and generated a positive return of Euro 8.3 million. However, given that at the end of 2015 this stake was registered in Orey's balance sheet for Euro 35.2 million, the sale of this investment generated a non-recurring accounting loss in fiscal year 2016 as referred above. The proceeds of the sale of Banco Inversis were primarily used to amortise financial debt, namely the Euro 19.6 million credit facility that was issued to fund the acquisition of this stake.

This sale had a relevant strategic impact, leaving Orey with an oversized structure, namely staff, but also in terms of operations. Against this backdrop, using the net proceeds of the Banco Inversis sale, Orey implemented a comprehensive restructuring plan aimed at adjusting its operating structure to the new circumstances and significantly improving the operating cash-flow profile. Moreover, in the wake of Inversis sale, Orey's balance sheet became excessively exposed to non-liquid and long-term maturity assets that did not generate cash on a recurring basis, as the Brazilian distressed assets and private equity accounted for the majority of the balance sheet. From a liability perspective, Orey's balance sheet was excessively exposed to short-term maturities with high cost of funding that meant a significant recurring cash disbursement.

As referred before, against this backdrop, during 2016 and early 2017 Orey implemented a reorganizational plan (1) to significantly reduce costs to rebalance the P&L; (2) reposition its commercial offering and (3) implemented new balance sheet structure to the through asset sales and renegotiated terms and conditions of the most important debt facilities, including bonds and bank debt, aimed at increasing maturities and reducing cost of debt. The reorganisation plan also covered other areas, namely extensive contact with Orey Financial customers aimed at re-establishing the commercial relationship and a special focus on initiatives to rejuvenate the commercial team and increase its motivation.

Whereas this cost cutting and reorganisation plan is now mostly executed, the focus is now investing on organic growth.

In terms of growth-related initiatives in the financial area, it should be highlighted that Orey has already done extensive work around its online business for the mass and affluent markets, including: (1) the launch of a redesigned website; (2) the launch of a brand repositioning campaign; (3) significant investment in marketing namely programmatic marketing, and (4) a strong commercial activity with a focus on thematic campaigns. Other growth initiatives include relaunching the offline brokerage service

and relaunching the asset management division, focusing on portfolio and fund management. Orey will also be pursuing new customer segments, namely the institutional and private segments.

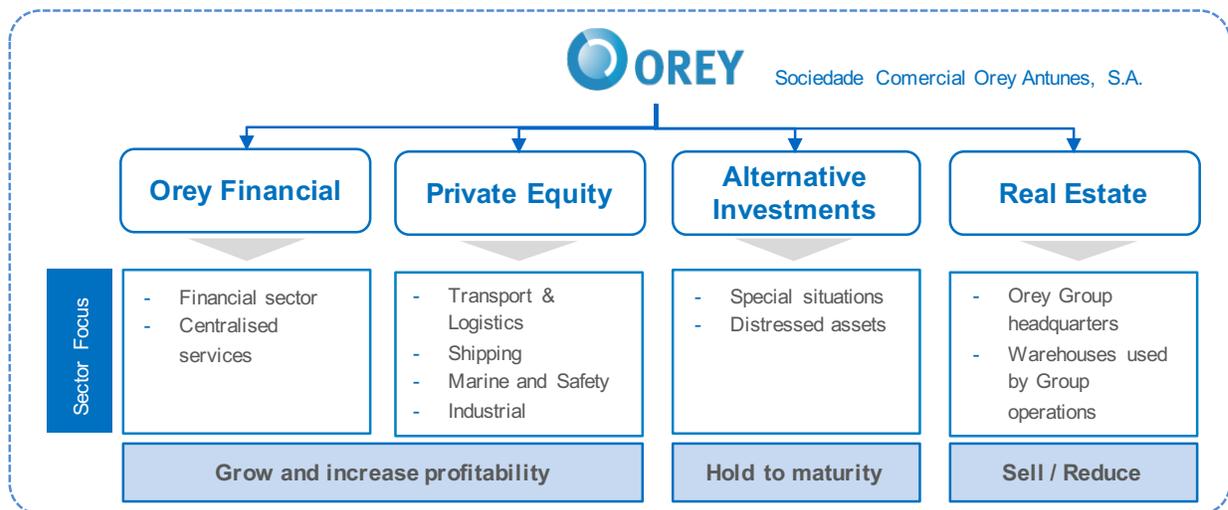
From a balance sheet standpoint, the initiatives are now aimed at simplifying the corporate structure, including reducing the number of vehicles and jurisdictions where Orey is present. Additionally, notwithstanding the significant improvement in operating cash-flow, this is not yet enough to cover debt service and, as such, the Group continues exposed to short-term external funding. Against this backdrop, Orey called a General Bondholder meeting of the Best Of bond with the objective of harmonising the terms and conditions of the bond with the ability to generate cash-flow and to make its maturity compatible with the materialisation of Orey's investments in A. Araújo in Brasil, which are held through the investment vehicle in credit rights (FIDC – Fundo de Investimento em Direitos Creditícios) while at the same time maintaining the senior profile and claim over SCOA's balance sheet.

While, as referred to above, 2016 was a transformational year for Orey Group, 2017 is an year of investing in growth when Orey will also continue to be focused on cost reduction and will further streamline operations to ensure sustainability of operating cash-flow. Orey will pursue growth opportunities in the financial areas aiming at achieving the proper scale for this business segment, repositioning itself in the market and reducing our operational risk profile and dependence on external partners. In the non-financial segment, the objective for 2017 is to enhance growth and profitability profile while increasing cash-flow generation.

## 2. BUSINESS REVIEW

Sociedade Comercial Orey Antunes, S.A. (“SCOA”, “Orey” or “Grupo Orey”), is a century-old company, incorporated in 1886, that began its activity in the industrial, iron, steel and machinery sectors and established itself as a reference player in the areas of shipping services, logistics and transportation. More recently Orey has been positioning itself as an investment company, having extended its operations to the financial sector, which is considered strategic. In the financial area, the Orey Group has focused on Portuguese and Spanish geographies. However, Orey maintains a well diversified presence both in terms of business areas as well as in multiple countries, including Portugal and Spain and Brazil, Angola and Mozambique.

The holding company, SCOA, is focused on the strategic management of the entire group, including the implementation of the strategic asset allocation process according to the investment criteria and diversification objectives for each asset class.



During 2016 and early 2017 the Orey Group has implemented a deep and comprehensive reorganisation program of its activities and businesses, with the objectives of (1) improving its operating results; (2) reducing its indebtedness and adapting it to the cash flow generation profile and (3) promoting the growth of its various activities. This reorganisation programme is ongoing, although now with a stronger focus on growth, particularly in the financial area.

## 2.1. FINANCIAL SEGMENT

The financial activity of the Orey Group is carried out through its subsidiary Orey Financial - Instituição Financeira de Crédito, S.A. ("Orey Financial" or "OF"), which is present in Portugal and Spain. Following the sale of Orey's position in Banco Inversis, Orey centralised its Spanish financial activities in OF, focusing mainly on online brokerage and advisory activities.

### 2.1.1. OREY FINANCIAL

Orey Financial, which positions itself as an independent financial entity, has been operating in the market since 2004, aiming to provide the best financial solutions according to the needs and characteristics of each client. In Portugal, Orey Financial has a Financial Credit Institution ("IFIC") license. On 5 December 2016, OF submitted to Banco de Portugal a request to change its classification to Financial Brokerage Firm ("SFC"), with the aim of optimising its invested capital structure while maintaining its core brokerage business and investment services. Orey Financial has also been present in Spain since 2008, where it offers brokerage services through a local branch.

The rationale for this change lies in the fact that the core business developed by Orey Financial falls within the scope of the activities allowed to a SFC thus achieving an optimisation of capital invested without significantly affecting its revenues. As such, given the marginal contribution of the services offered outside the scope of its core business and the absence of future plans to develop services in these areas, the maintenance of the IFIC license is not justified. In addition, this change will allow Orey Financial to reduce its share capital. With the abovementioned license downgrade, Orey Financial will continue to carry out the following activities (accounting for 78% of revenues): (1) brokerage; (2) granting of investment credit; (3) investment consulting and (4) discretionary management of investment portfolios.

As at 31 December 2016, total assets under management / custody and net commissions on a consolidated basis of Orey Financial were as follows:

	<i>Thousand Euros</i>		
Total Orey Financial	31.Dec.2016	31.Dec.2015	16 vs 15
Assets under Management / Custody	141 308	159 000	-11,1%
Orey Financial Net Commissions*	2 348	6 122	-61,7%

\* Total commissions, including those not directly linked to assets under management / custody

Also as at 31 December 2016, assets under management / custody were distributed as follows:

Assets under Management / Custody	Thousand Euros		
	31.Dec.2016	31.Dec.2015	16 vs 15
Online brokerage	48 171	49 469	-2,6%
Investment consulting and discretionary management	58 038	58 763	-1,2%
Real estate investment funds	10 897	12 362	-11,8%
Private equity funds	24 202	24 602	-1,6%
Liability management	0	13 804	-100,0%
<b>Total</b>	<b>141 308</b>	<b>159 000</b>	<b>-11,1%</b>

During 2016, the most relevant aspects of OF's activity can be summarised as follows:

**Online Brokerage:** OF's brokerage area underwent a comprehensive restructuring process in 2016, with two main phases: an initial phase, focusing on the reduction of operational and structural costs and, in the last quarter of the year, a second phase which focused on the reduction of transaction costs and the launch of new services. Against this backdrop, Orey Financial also adjusted the commercial conditions of the services. The objective was to reduce prices and meet market conditions, as due to strong competition and the appearance of some of the main players of the commercial banking sector prices were put under pressure. This compromised the overall competitiveness of Orey Financial. This new positioning was communicated in a reactivation campaign where the conditions of existing clients were improved. Meanwhile, Orey restructured its trading and launched a new service, the Markets Flash Portal, with the objective of providing customers with more and better information, as well as a more efficient and focused follow-up. On another note the 42.8% annual decline in the derivatives market in Portugal, should be highlighted as this impacted all players in the market. However, a slight reversal of this trend was observed in the last quarter of the year, when volume showed some resilience and recovery. The performance of the online brokerage area in Portugal was marked by a decline in assets under custody (-20.6% y.o.y), in transactions volume (-69.7% y.o.y), namely in CFD's and Forex, and in net commissions (-70.9% y.o.y). On the other hand, the increase of 4.7% y.o.y in the number of clients, should be noted which reflects the interest by investors in the use of a transactional platform when taking platform-related decisions.

Online brokerage PT	Thousand Euros		
	31.Dec.2016	31.Dec.2015	16 vs 15
Assets under Custody	16 112	20 289	-20,6%
Transaction volumes - CFD e FX	3 409 446	11 250 338	-69,7%
Net commissions	924	3 174	-70,9%
<b># clients</b>	<b>4 283</b>	<b>4 091</b>	<b>4,7%</b>

Regarding the activity of OF's Spanish branch, despite having a registered a +9.9% y.o.y growth in assets under custody, there was a reduction of 42.5% y.o.y in net commissions, accompanied by a 51.7% y.o.y decline in CFD and Forex transactions. On the other hand, there was an increase in new customers (+8% y.o.y), reflecting the same dynamic as in Portugal.

<i>Thousand Euros</i>			
Online brokerage SP	31.Dec.2016	31.Dec.2015	16 vs 15
Assets under Custody	32 059	29 180	9,9%
Transaction volumes - CFD e FX	1 957 881	4 052 062	-51,7%
Net commissions	604	1 050	-42,5%
# clients	3 159	2 926	8,0%

**Advisory:** In a year marked by unprecedented risk events, such as the result of the British referendum, which will lead to the exit from the United Kingdom of the European Union, the investment advisory service focused on meeting the investment needs of clients, having in mind the economic backdrop in the different economic blocs and the strategic orientation defined for this advising. In line with 2016, the offer of diversified investment strategies and fixed rate products, with return objectives focused on the medium / long term, was in line with the current capital market situation, with investment advice for portfolios exposed to riskier assets, in line with the respective risk profile of the investors. The investment advisory service provided by Orey Financial implies greater involvement, availability and sharing of information with the client in the management of its portfolio when compared to a discretionary management service. This type of advisory service is not suited to the investment profile of all clients, and this resulted in a decline of 2.6% and 1.2% in the number of active clients and in assets under management, respectively.

<i>Thousand Euros</i>			
Investment consulting and discretionary management	31.Dec.2016	31.Dec.2015	16 vs 15
Assets under Management	58 038	58 763	-1,2%
Net Commissions	315	521	-39,6%
# clients	370	380	-2,6%

**Private Equity funds:** OF has concentrated its activity in this area in the fund Orey Capital Partners Transports and Logistics S.C.A. SICAR, a buyout fund:

<i>Thousand Euros</i>			
Private equity funds	31.Dec.2016	31.Dec.2015	16 vs 15
Assets under Management	24 202	24 602	-1,6%
Net Commissions	427	465	-8,2%

In order to offer a broad service to its customers who demand one-stop-shop approach, Orey Financial also operates in the areas of Credit Concession, namely investment credit, Real Estate Investment Funds, Corporate Finance and Liabilities Management.

## 2.2. NON-FINANCIAL SEGMENT

### 2.2.1. PRIVATE EQUITY

Since the establishment of the private equity fund Orey Capital Partners Transports and Logistics S.C.A. SICAR ("OCP SICAR") Orey has put all its investments in the area of shipping services, transportation and logistics, naval security, industrial and naval techniques and industrial representations in this fund, seeking to maximise the group synergies amongst these companies.

The main strategy of this fund has been to seek to attract capital from external investors thus increasing the Group's presence in these business areas and to promote the know-how and specialisation of the management teams. OCP SICAR is a venture capital investment company managed by Orey Capital Partners GP S.à r.l. ("OCP GP").

Orey is focused on promoting the growth and profitability of its non-financial assets held in Private Equity, either through organic growth or through new contracts and projects. In this context, Orey's approach will be (1) to own these assets on a going-concern basis; (2) promote their cash-flow generation ability and (3) increase the cash repatriation to the holding company.

### 2.2.2. ALTERNATIVE INVESTMENTS / DISTRESSED ASSETS

Alternative Investments are those where returns do not depend on the market, but rather on other factors, namely portfolio management capacity and other external factors. These include hedge funds, special situations funds, distressed funds and all kinds of non-classical investments.

Orey has identified business opportunities resulting from the acquisition and management of distressed assets with potential surpluses that are locked in complex legal and business processes. Currently the two investments in this area are to A. Araújo and OP Incrível, both related to distressed situations in Brazil. They have a duration of more than one year and their return is only realisable at the end of the process.

Regarding the investment project in the bankruptcy estate of A. Araújo, an Extraordinary Meeting of Bondholders of Araras Finance BV, was held on 14 September 2016 a quorum of 84.3%. At this meeting, 94.3% of the Bondholders present, approved the proposal to postpone the final maturity of the bonds from 30 November 2016 to 20 November 2019, and to repay these bonds at 115% of par (105% if to reimbursed in 30 November 2017, 110% if reimbursed on 30 November 2018 and pro-rata on any interim date). At the same meeting, the following changes were also approved at the level of the corporate and corporate structure of the assets assigned to Operation Distressed Araras: (1) payment to Araras Finance BV of the various loans granted by Araras to FAWSPÉ since fiscal year 2011 with 32

senior shares on the Fundo de Investimento em Direitos Creditícios (FIDC), a credit investment fund that aggregates and manages investments in the bankruptcy estate of A. Araújo; (2) replacement of the guarantee provided by FAWSPE to the securities holders of the Araras securities by a pledge on the 32 senior shares received by Araras as payment in kind and (3) transformation of Araras Finance BV into a NV-type company, which requires the opening of the company's capital to other investors.

The FIDC, incorporated in Brazil during 3Q16, aggregates the management of investments in the bankruptcy estate of A. Araújo. This fund consists of 38.3 senior shares and 7.5 junior shares. Of the 38.3 senior shares, 32 were subscribed by the FAWSPE and transferred to Araras Finance BV to liquidate the various loans granted by Araras Finance BV to FAWSPE since fiscal year 2011. The remaining 6.3 senior shares and 7.5 junior shares are now held directly and indirectly by Orey Investments Holding BV. Thus, the FIDC has a total of 45.8 shares, of which 38.3 are senior and 7.5 are junior.

It should also be noted that: (1) neither SCOA nor any of its subsidiaries have a legal or constructive obligation to settle the bond issued by Araras Finance BV, which is the sole responsibility of this vehicle and is secured by the pledge made on the 32 senior shares of the FIDC held by Araras Finance BV; (2) the Orey Group does not hold a majority of the voting rights in FIDC or Araras Finance BV; (3) Orey Group does not control any of these assets and (4) Orey Group does not have the direct ability to impact their returns given that the management of this investment is subject to a delegated management.

### 2.2.3. REAL ESTATE

The Real Estate segment includes any direct and indirect investments of Orey in real estate assets in any geographies. These investments can be made to pursue either lease or promotion opportunities. The real estate segment aims at optimising the productivity of the investments and is responsible for managing all technical, commercial and administrative aspects of this activity. The real estate assets of Orey are held through two vehicles: SCOA and Orey Gestão Imobiliária, S.A. (“OGI”). The incorporation of OGI was aimed at improving the efficiency of the group in managing real estate assets, through more efficient use of the various investments by Group companies and by increasing the revenues obtained from external leases. Today, the Group strategy towards the real estate segment is to pursue divestment opportunities for the non-core real estate assets and to reinvest the proceeds in the financial area and in debt reduction.

The Group’s real estate portfolio is as follows:

Real Estate Investments	Área (m <sup>2</sup> )	Owner
Rua Roberto Ivens nº317, R/C e 1º, Matosinhos	407	OGI
Two warehouses in the logistic complex of Leziria Park no Forte da Casa, Vila Franca de Xira	4370	OGI
Rua Luisa Holstein, 18/ Rua Maria Isabel Saint-Léger, Alcântara	794	SCOA
Campo Caído, Gondar Guimarães	66	OGI
Rua Luisa Holstein, 20/ Rua Maria Isabel Saint-Léger, Alcântara	2134	OF

### 3. FINANCIAL REVIEW

The performance of the Orey Group during the year 2016 was marked by the following factors:

- (1) The contribution of Orey Financial to consolidated revenues was Euro 1.77 million;
- (2) Investment activities of the Group contributed with a loss of Euro 0.72 million to net revenues, having declined circa Euro 13.12 million y.o.y (Euro 13.84 million in 2015). This decline reflects primarily the Euro 5.88 million loss on the sale of Orey's stake in Banco Inversis, compared with a Euro 13.51 million gain registered in 2015 on the recognition of the forward contract related to the right and obligation to acquire this stake. This decline was partially compensated for by the booking of the appreciation of Orey's distressed assets in Brazil due to the perspectives on the realisation of the investments and the appreciation the Brazilian Real against the Euro (from 4.3117 to 3.4305, in 2015 and 2016, respectively);
- (3) The consolidated activity product reached Euro 0.96 million, reflecting primarily the decline in the financial segment revenues and the performance of the investment activities, including the capital loss on the sale of Orey's stake in Banco Inversis;
- (4) The structural operational expenses of the Group evolved favourably during 2016, having declined 23% y.o.y to Euro 9.31 million. This positive performance was primarily explained by a reduction in the staff costs (-38% y.o.y), in general and administrative expenses (-11% y.o.y), which more than compensated the increase in other operational expenses (69% y.o.y) and in marketing costs (1% y.o.y). This decline in total operational expenses reflects the rollout of the reorganisation plan and the cost cutting efforts that the Group has been implementing since end of 2015 and took place despite extraordinary costs related to the reorganisation process. Excluding the impact of non-recurring costs, operating expenses would have declined 49.4% y.o.y to Euro 6.12 million.
- (5) EBITDA loss and net loss reached Euro 7.91 million and Euro 12.79 million, in 2016, respectively;
- (6) The increase in net interest expenses is mainly due to the evolution of the group's average consolidated debt, taking into account the loan contracted with Andbank in January 2016, to finance the acquisition of the shareholding in Banco Inversis, which was subsequently fully paid off when the stake was sold. It should be noted that the average cost of Orey Group's debt decreased significantly mainly due to the reduction in the cost associated with Orey Best Of bonds, as a result of the change in terms and conditions that took place in June 2016.

INCOME STATEMENT	SCOA CONSOLIDATED		
	2016	2015	Var. 2015
Orey Financial. Net Interest Margin	30 669	84 706	(64%)
Orey Financial. Net Comissions	1 820 492	5 176 025	(65%)
Orey Financial. Other Operating Income	(77 690)	220 221	(135%)
<b>Orey Financial operating income</b>	<b>1 773 471</b>	<b>5 480 952</b>	<b>(68%)</b>
Other Operating Income	356 613	2 203 612	(84%)
Banco inversis	(5 875 965)	13 509 879	(143%)
Private Equity	524 008	(96 434)	643%
Brazil	5 714 958	(2 684 694)	313%
Capital Gains	( )	907 501	(100%)
<b>Investment operating revenues</b>	<b>719 614</b>	<b>13 839 864</b>	<b>(95%)</b>
<b>Consolidated operating revenues</b>	<b>2 493 085</b>	<b>19 320 817</b>	<b>(87%)</b>
Staff costs	(4 069 018)	(6 527 167)	38%
General administrative costs	(4 075 436)	(4 735 100)	14%
Marketing	(372 602)	(368 875)	(1%)
Other operating costs	(794 916)	(475 812)	(67%)
<b>Consolidated operating expenses</b>	<b>(9 311 973)</b>	<b>(12 106 953)</b>	<b>23%</b>
<b>Consolidated operating income</b>	<b>(6 818 888)</b>	<b>7 213 864</b>	<b>(195%)</b>
Other income and operational revenues	1 971 588	381 171	417%
Other costs and expenses	(3 064 575)	(1 448 631)	(112%)
<b>Other results</b>	<b>(1 092 988)</b>	<b>(1 067 460)</b>	<b>(2%)</b>
<b>EBITDA</b>	<b>(7 911 875)</b>	<b>6 146 404</b>	<b>(229%)</b>
<b>Net interests</b>	<b>(2 723 843)</b>	<b>(2 662 362)</b>	<b>(2%)</b>
Depreciation and amortisation	(143 280)	(259 391)	45%
Provisions and impairments, net	(1 317 506)	(122 618)	(974%)
<b>Pre tax profit</b>	<b>(12 096 504)</b>	<b>3 102 033</b>	<b>(490%)</b>
Taxes	(274 704)	(186 633)	(47%)
<b>Net income of the period</b>	<b>(12 371 208)</b>	<b>2 915 401</b>	<b>(47%)</b>
Net profit attributable to shareholders	(12 793 359)	3 048 793	(520%)
Net profit attributable to non-controlling interests	422 151	(133 392)	416%

(Currency unit - Euro)

Regarding the proforma statement of the financial position (proforma balance sheet) it should be highlighted that:

- (1) In 31 December 2016, total assets were Euro 62,98 million, Euro 63.13 million lower y.o.y. This decline is primarily explained by: (1) the sale of Orey's shareholding in Banco Inversis (Euro 35,25

- million lower y.o.y) and (3) the change in the presentation method of the investments in A. Araújo distressed assets;
- (2) As regards concerns the liabilities it should be noted that during 2016 Orey renegotiated the terms and conditions of the Orey Best Of bonds, with the objective of increasing the maturity of these bonds and reducing their cost; as such, Orey now has higher flexibility in its funding sources. As a result, the only bond that Orey has with a short term maturity amounts to Euro 1.9 million, with all the remaining bonds being medium or long term;
  - (3) Orey's equity position at 31 December 2016 was Euro 12,69 million;
  - (4) During 2016 SCOA undertook several initiatives to strengthen its balance sheet, including the changes in terms and conditions of the OTLI, Best Of and Araras bonds. The success of this initiatives contributed to the improvement of the group cash-flow profile and to the strengthening of its balance sheet. Additionally, Orey sold out of several assets, including the shareholding position in Banco Inversis. The product of these asset sales was reinvested in the operational reorganisation of the Group and in the funding of the operations in various companies of the Group. Notwithstanding the success of these financial and operational restructuring initiatives, there still is a mismatch between asset duration and the maturities of the liabilities, namely because the investments in Brazil and undetermined returns and maturities. Additionally, notwithstanding the improvement in operating cash-flow, this does not yet cover debt service and, as such, the Group continues to be exposed to short-term funding from external entities. Even though Orey is carrying out several initiatives and negotiations, which are expected to have a favourable outcome, at this point Orey is still to guarantee the needed facilities to enable meeting Group maturities. Against this backdrop, Orey called a General Bondholder meeting of the Best Of bond with the objective of:
    - (1) establishing a grace period for the interest between 8 July 2016 and 7 July 2017;
    - (2) changing the applicable interest rate to 1.5% per annum;
    - (3) making interest payment subject to fulfilment of the condition that a distribution of assets (in the form of dividends or reserves) to the shareholders of the Issuer is approved;
    - (4) making payment of interest unconditionally and irrevocably secured with a first ranking 6.3 senior units (quotas) and 7.5 junior units, each in the collective investment scheme governed by the laws of the Republic of Brazil Fundo de Investimentos em Direitos Creditórios Não Padronizados Araras;
    - (5) including the ability to early redeem the notes at the option of the issuer and
    - (6) making the notes perpetual securities in respect of which there is no fixed redemption date. The success of this initiative is deemed to be decisive to enable the envisaged investment in growth.

	SCOA CONSOLIDADO	
BALANCE SHEET	dez-16	dez-15
Cash and equivalents	1 200 602	6 277 220
Credit to clients	646 283	1 248 307
Goodwill	8 093 203	8 745 765
Real Estate	6 315 148	7 743 500
Other assets	3 516 791	5 506 439
Banco Inversis	-	35 245 838
<b>Private Equity</b>	<b>26 298 624</b>	<b>25 787 760</b>
Loans to associates and affiliates	4 184 418	760 745
Investments	22 114 206	9 355 911
Non-current assets held for sale, net of relat	-	15 671 105
<b>Brazil</b>	<b>16 911 522</b>	<b>35 552 442</b>
OPIncrivel	4 447 038	4 314 276
Araras	12 464 484	31 238 166
<b>Total Assets</b>	<b>62 982 173</b>	<b>126 107 271</b>
Orey Best Of	28 193 000	29 167 741
Araras	-	24 769 397
Short-term liabilities	1 894 050	4 999 564
Leases	130 413	383 410
Other liabilities	11 024 405	15 490 272
<b>Bank Loans</b>	<b>9 045 534</b>	<b>28 446 786</b>
Loans	6 256 495	22 554 990
Mortgage loans	2 789 039	5 891 796
<b>Total Liabilities</b>	<b>50 287 402</b>	<b>103 257 169</b>
Share capital	12 000 000	12 000 000
Issue premiums	6 486 204	6 486 204
Treasury shares	(324 132)	(324 132)
Revaluation reserves	105 600	639 903
Other reserves and retained earnings	7 220 458	1 347 832
Net income of the period	(12 793 359)	3 048 793
Non-controlling interests	-	(348 499)
<b>Total Equity</b>	<b>12 694 771</b>	<b>22 850 102</b>
<b>Total Liabilities and Equity</b>	<b>62 982 173</b>	<b>126 107 271</b>

(Currency unit - Euro)

## 4. FINANCIAL STATEMENTS

### 4.1. CONSOLIDATED STATUTORY STATEMENT OF FINANCIAL POSITION (audited accounts)

ASSETS	Dec 16			Dec-15 Re-Statement	Dec-15 Stated
	GROSS ASSETS	IMPAIRMENT DEPREC.	NET ASSETS	NET ASSETS	NET ASSETS
Cash and balances at central banks	90 365	-	90 365	103 709	78 833
Balances at other credit institutions	5 643 889	-	5 643 889	30 107 537	9 532 756
Financial assets held for trading	67 037	-	67 037	83 646	85 216
Other financial assets at fair value through profit and loss	6 541	-	6 541	13 992 992	478 580
Other financial assets	14 142 387	-	14 142 387	11 720 697	15 594 390
Available-for-sale financial assets	-	-	-	56 138	323 978
Placements with credit institutions	147 562	-	147 562	182 146	725
Loans & advances to customers	646 283	10 274	636 009	1 248 307	1 312 344
Loans to associates and affiliates	-	-	-	760 745	1 764 187
Investment properties	982 500	-	982 500	3 470 000	5 259 300
Other tangible assets	22 591 755	11 192 921	11 398 834	10 595 944	17 021 752
Intangible assets	2 782 744	2 239 954	542 791	790 632	575 123
Goodwill	60 080 618	2 941 899	57 138 719	35 233 827	36 074 520
Investments in associates and affiliates	94 480	-	94 480	9 355 911	8 939 075
Current tax assets	599 079	-	599 079	446 232	414 830
Deferred tax assets	55 615	-	55 615	10 448	8 877
Expenses to be recognised and debtors accruals	33 667 129	-	33 667 129	26 094 953	24 015 234
Other assets	25 012 610	2 836 928	22 175 682	14 970 769	16 839 716
<b>Total Assets</b>	<b>166 610 592</b>	<b>19 221 976</b>	<b>147 388 616</b>	<b>159 224 632</b>	<b>138 319 436</b>

LIABILITIES AND EQUITY	Dec 16	Dec-15 Re-Statement	Dec-15 Stated
Financial liabilities at fair value through profit or loss account	1 868 546	5 648	8 034
Amounts owed to other credit institutions	20 587 184	31 039 041	17 108 208
Debt securities	41 492 678	72 519 501	61 423 774
Loans to associates and affiliates	-	728 500	-
Provisions	3 549 397	2 716 949	2 594 588
Current tax liabilities	-	146 734	294 353
Deferred tax liabilities	116 549	647 221	702 651
Creditor accruals and income pending recognition	5 093 262	1 879 315	1 256 661
Non recourse instruments issued by SPV's	27 498 500	-	-
Other liabilities	29 874 352	26 691 622	31 570 013
<b>Total Liabilities</b>	<b>130 080 468</b>	<b>136 374 531</b>	<b>114 958 281</b>
Share capital	12 000 000	12 000 000	12 000 000
Issue premiums	6 486 204	6 486 204	6 486 204
Treasury shares	(324 132)	(324 132)	(324 132)
Revaluation reserves	105 600	639 903	750 207
Other reserves and retained earnings	7 218 297	1 347 832	3 140 393
Net income of the period	(12 793 359)	3 048 793	1 523 590
Non-controlling interests	4 615 538	(348 499)	(215 106)
<b>Total Equity</b>	<b>17 308 148</b>	<b>22 850 102</b>	<b>23 361 155</b>
<b>Total Liabilities and Equity</b>	<b>147 388 616</b>	<b>159 224 632</b>	<b>138 319 436</b>

*(Currency unit - Euro)*

RÚBRICAS EXTRAPATRIMONIAIS	Dec 16	Dec-15	Dec-15
Extrapatrimoniais	251 530 212	257 343 628	257 343 628

## 4.2. CONSOLIDATED STATUTORY INCOME STATEMENT (audited accounts)

Income Statement	December-16	December-15
Interests & similar income	1 313 856	407 706
Interests & similar costs	(5 413 581)	(10 543 373)
<b>Net Interest Income</b>	<b>(4 099 725)</b>	<b>(10 135 667)</b>
Services and commissions income	2 001 384	5 416 703
Services and commissions costs	(180 892)	(240 678)
<b>Net Commissions</b>	<b>1 820 492</b>	<b>5 176 025</b>
Return on financial instruments	1 160 727	13 730 100
Results of the sale of other financial assets	-	907 501
Income from foreign exchange differences	7 593 835	(6 085 626)
Other operating results	14 842 457	22 933 409
<b>Net Operating Revenues</b>	<b>21 317 785</b>	<b>26 525 742</b>
Staff costs	(12 183 697)	(9 960 817)
General administrative costs	(11 527 645)	(9 922 959)
Depreciation / amortisation for the period	(2 056 653)	(2 014 128)
<b>Overheads</b>	<b>(25 767 995)</b>	<b>(21 897 904)</b>
Provisions net of items written back and written off	(916 032)	(122 618)
Impairment of other assets net of reversals and recoveries	(2 420 921)	(1 431 018)
Results of associates and joint ventures	(4 014 154)	746 041
<b>Income before Taxes and Non-controlling Interests</b>	<b>(11 801 317)</b>	<b>3 820 243</b>
Deferred taxes	(31 885)	56 091
Current taxes on profits	(538 006)	(960 934)
<b>Consolidated Net Income</b>	<b>(12 371 208)</b>	<b>2 915 400</b>
Net profit attributable to shareholders	<b>(12 793 359)</b>	<b>3 048 792</b>
Net profit attributable to non-controlling interests	422 151	(133 392)
Basic earnings per share	(1,079)	0,257
Diluted earnings per share	(1,079)	0,257

(Currency unit - Euro)

## 4.3. METHODOLOGY FOR PRESENTING STATUTORY ACCOUNTS

Following the General Shareholders Meeting held on 1 June 2009, which approved the transfer of the Group's non-financial businesses to the Private Equity Fund, OCP SICAR, the year 2011 marked the beginning of the implementation of a new consolidation methodology that reflected the positioning of the Group as an investment holding company. Subsequently, in the first half of 2012, the non-financial sub-holdings were transferred to the Private Equity Fund and were recorded in the financial position as financial investments. These shareholder agreements were set up following Orey's transformation process, which resulted in the implementation of a joint control model, replacing the solitary control that was being adopted by the Group.

Currently, these agreements are in force only in the subgroups (1) Horizon View, navigation, transport and logistics in Portugal and Spain, and (2) Orey Industrial, industrial representations in Portugal. In the sub-groups (1) Lynx, navigation, transport, and logistics in Angola and Mozambique, and (2) Orey Safety, naval security, firefighting and individual protection, there are no shareholder agreements. It should be noted that in 2014 and 2015 the Lynx sub-group was recorded as an asset held for sale while Orey Safety was registered as a financial investment. The latter was, at that time, subject to a shareholder's agreement.

Due to the requirements over the conditions to be reflected in shareholders' agreements so that these holdings can be registered as joint ventures and given that (1) Orey Group decided not to make any changes to the shareholder agreements in force in Horizon View and Orey Industrial; (2) there are no shareholder agreements in effect at Lynx and Orey Safety and (3) the conditions necessary for Lynx to continue to be recorded as an asset held for sale are not valid any longer, all of these holdings were fully accounted for in SCOA's consolidated financial statements.

In 2013, SCOA changed the account presentation model, moving towards the model used by financial institutions, both in the individual accounts and in the consolidated accounts. This change occurred insofar as the Company understands that its consolidated accounts mainly reflect the financial companies' records, in Portugal and abroad, or other companies with activity that fit this presentation model.

Regarding the statutory consolidated accounts, the distressed assets segment consists of two insolvency projects called OP Incrível and A. Araújo. These projects have a duration of more than one year and their return is only possible at the end of the process. Given that these projects are of uncertain return, in accordance with current international regulations, the expenses inherent thereto must be fully recognised as a cost in the year in which they occur and an estimation of the income and margin should be made, thus reflecting the likely return from this business.



Press release available at the  
institutional website of Orey  
[www.orey.com](http://www.orey.com)

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