



PRESS RELEASE

1H 2015

(Non-audited accounts)

31 August 2015



1. EVOLUTION OF BUSINESS AREAS

1.1. FINANCIAL AREA

The Financial Area comprises all financial activities of the Group including Orey Financial and its respective organisational structure. The Group is carrying out the acquisition process of a stake in Banco Inversis, which will be integrated into this area.

1.1.1. OREY FINANCIAL

For the first half of 2015 the activity of Orey Financial continued to demonstrate strong growth in net commissions and operating revenues.

Orey Financial . Key performance indicators . Individual	1H15	1H14	y.o.y
Assets under Management / Custody			
Online brokerage	60,034	59,853	0.3%
<i>Portugal</i>	26,209	30,032	-12.7%
<i>Spain</i>	33,825	29,822	13.4%
Investment consulting and discretionary management	64,675	68,895	-6.1%
Real estate investment funds	12,271	12,065	1.7%
Private equity funds	25,207	34,621	-27.2%
Alternative funds / distressed assets	17,539	19,498	-10.0%
Assets under Management / Custody	179,726	194,933	-7.8%
Orey Financial Net Commissions*	3,445	2,809	22.7%
Online brokerage			
Portugal			
Assets under Custody	26,209	30,032	-12.7%
Customers (Thousands)	3.86	3.36	15.0%
Transaction volumes - CFD e FX	7,515,884	3,661,449	105.3%
Net commissions	1,896	1,359	39.5%
Spain			
Assets under Custody	33,825	29,822	13.4%
Customers (Thousands)	2.72	2.17	25.8%
Transaction volumes - CFD e FX	2,777,106	1,768,416	57.0%
Net commissions	594	573	3.7%

Euro thousand

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

Total net commissions of Orey Financial pre-consolidation grew 22.7% y.o.y to Euro 3.45 million. It should also be noted that growth is accelerating when compared with recent quarters. Net commissions grew 22.7% y.o.y in 1H15, which compares very favourably with growth of 10% y.o.y in 1Q15 and with

a decline of 2% y.o.y in 2014. This solid performance reflects the growth achieved at the level of online brokerage, which has been underpinned by the very consistent and solid execution in Portugal.

When assessing the market performance in Portugal, it should be noted that the value traded through CFDs increased 42.9% in 1H15 compared with 1H14, to Euro 38.57 billion according to the statistical data of CMVM (Relatório Estatístico relativo à atividade de receção de ordens por conta de outrem). Orey Financial recorded a growth of traded value (+101% in 1H15 compared with 1H14), reaching a trading value in 1H15 of Euro 7.35 billion, representing a market share of 19.1%, which compares favourably with the share of 13.6% recorded in 1H14.

As regards 1H15 evolution of online brokerage in Portugal, it should be underlined that despite the decrease in assets under custody (-12.7% y.o.y), the volume of transactions increased considerably (+105.3%), including in CFDs and Forex, with this business area having presented significant growth. Consistently with this trend, net commissions increased by 39.5% y.o.y as a result of increased transaction volume with the main focus on the Forex market. The movements in exchange rates caused by the decrease in inflation rates, interest rates and economic growth in the euro area, coupled with political and economic instability caused by the situation in Greece, contributed to a decline of the Euro against its major currency counterparties and led to an increase in transactions by investors.

As regards activity of the Spanish branch, the growth trend remained through the period, with a significant increase in new customers (+25.8% in 1H15 compared with 1H14). At the same time, assets under custody increased by 13.4% compared with the same period last year. Net commissions followed this trend, growing by 3.7% y.o.y, underpinned by the increase in transactions in CFD and Forex.

As at 30 June 2015, assets under management / custody of Orey Financial stood at Euro 179.73 million, an increase of 3.7% from the end of 2014. This growth was mainly driven by: (1) assets under custody of the online brokerage business (+9.2% in 1H15 compared with 2014 to Euro 60.03 million), and (2) assets under management (+3.0% in 1H15 compared with 2014 to Euro 64.68 million).

1.1.2. BANCO INVERISIS

The acquisition process of Banco Inversis is still ongoing and Orey expects it to be concluded before the end of 2015.

On 21 July 2015, Orey placed a request to acquire a significant stake in Banco Inversis to the Bank of Spain and to the CNMV (Comisión Nacional del Mercado de Valores). Orey is awaiting the issuance of the non-opposition decision of these bodies, the last authorisation needed to effectively complete this acquisition.

In this context, Orey did not consolidate or appropriate any of the results of Inversis during the first half of 2015.

1.2. ASSET MANAGEMENT

Orey's asset management segment seeks to manage actively and opportunistically by leveraging the track record of the Group in order to crystallise the value of existing portfolio and invest in new opportunities. This track record covers not only asset management expertise, but also specific knowledge in the areas of transport and logistics and also security and industrial.

1.2.1. PRIVATE EQUITY

The presence of Orey in Private Equity is made through the fund Orey Capital Partners - Transports and Logistics - SCA, SICAR, a Luxembourg company which is an investment company in venture capital managed by Orey Capital Partners GP.

SICAR is a sector fund that aims to invest in companies operating in the sectors of transport and logistics and also security and industrial. It has operations in Iberia, Brazil and Africa, specifically Angola and Mozambique. Orey aims at generating returns higher than 10% on its portfolio, with a target of 15%.

During the first half of 2015, SICAR continued to prioritise cash generation and an active management of working capital and treasury. This strategy is already yielding early results and as such SICAR debt level during the first half showed a slight reduction.

There was no significant change in the valuation of the fund as at 30 June 2015, which stood at Euro 26.54 million. At the end of 2014 the SICAR had a value of 25.26 million euros, using market multiples valuation methodology.

1.2.2. ALTERNATIVE INVESTMENTS / DISTRESSED ASSETS

The alternative investments of FAWSPÉ and OpIncrível relates to the management and trading of distressed assets in Brazil which have strong surplus potential. These investments have maturities of over one year and their value is realised only at the end of court proceedings involving the underlying assets.

During 1H15, Orey continued to work with its legal advisors to free the underlying assets and in the preservation of their value.

1.2.3. REAL ESTATE

Real estate covers the direct or indirect investments in real estate properties. These investments are made for income generation or for property development.

The real estate assets of the Group are classified as Tangible Fixed Assets and as Investment Properties.

Orey has been working to crystallise the value of these assets in a favourable context in terms of real estate liquidity. It should be noted that on 16 April 2015 the Group completed the sale of the property located in Rua dos Remolares, in Lisbon, for the amount of Euro 1.75 million and used the proceeds for amortisation of bank debt.

1.3. OREY SERVIÇOS E ORGANIZAÇÃO

Orey Serviços e Organização is a shared services company. Shared services are considered to be a strategic area for Orey.

During the first half of 2015 this company achieved revenues of Euro 1.4 million, on a stand-alone basis, and net income of approximately Euro 28 thousand.

2. PERFORMANCE REVIEW

The P&L performance of Orey group during the 1H15 was marked by the following factors:

- The contribution of Orey Financial to consolidated revenues declined by 6% y.o.y to Euro 2.92 million despite commissions growing 9% over the same period.
- The contribution of the investment activity increased by 100% to Euro 4.83 million. This performance is primarily explained by the margin recognition in alternative investments operations in Brazil in the amount of Euro 4.25 million in 1H15.
- Private equity contributed negatively to consolidated revenues, having posted a loss of Euro 0.61 million that represented a decrease of 170% y.o.y. This performance was mainly due to the activities in Angola and Mozambique. There was also a decrease in other operating income of 53% compared with 1H14.
- Group operating costs fell 6% y.o.y to Euro 5.38 million. This performance is primarily explained by the decrease in general administrative expenses (-22% y.o.y) and to a lesser extent by the reduction in other operating costs (-5% y.o.y). These declines more than offset the increase in personnel costs, which grew by 9% in 1H15 compared with 1H14.
- Orey's consolidated proforma EBITDA amounted to Euro 2.05 million (+43% y.o.y). This performance primarily reflected margin recognition in Brazilian distressed assets, though was partly offset by the negative contribution of private equity assets.
- The increase in net interest expenses mainly relates to the increase of the consolidated debt of the Group.

INCOME STATEMENT	1H15	1H14	y.o.y
Orey Financial . Strict net interest income	43,710	189,221	-77%
Orey Financial . Net commissions	2,872,971	2,625,013	9%
Orey Financial . Other operating income	481	279,000	-100%
Financial operating revenues	2,917,162	3,093,233	-6%
Orey Serviços e Organização . Revenues	786,803	932,350	-16%
Real Estate rents	166,875	171,696	-3%
Other operating income	205,090	440,726	-53%
Private Equity (equity method)	(605,678)	868,459	-170%
Brazil margin (revenues less direct costs)	4,250,000	-	0%
Capital gains	28,000	(292)	9689%
Investment operating revenues	4,831,089	2,412,939	100%
Consolidated operating revenues	7,748,251	5,506,173	41%
Staff costs	(3,143,694)	(2,882,413)	9%
General administrative costs	(1,974,467)	(2,536,883)	-22%
Consolidated operating expenses	(5,380,085)	(5,694,557)	-6%
Consolidated operating income	2,368,166	(188,385)	-1357%
Other income and operational revenues	86,090	1,863,548	-95%
Other costs and expenses	(402,133)	(241,563)	66%
Other results	(316,042)	1,621,985	-119%
EBITDA	2,052,124	1,433,600	43%
Net interests	(1,411,196)	(1,011,409)	40%
Depreciation and amortisation	(145,971)	(155,935)	-6%
Provisions and impairments, net	(120,000)	402,267	-130%
Profit before tax and minority interests	374,957	668,523	-44%
Taxes	(150,110)	(445,821)	-66%
Profit attributable to non-controlling interests	42,496	42,746	-1%
Consolidated net profit of Orey Group	267,342	265,448	1%

(Currency unit - Euro)

The highlights of the consolidated proforma statement of financial position are as follows:

- Total assets and equity amounted to Euro 108.88 million and Euro 22.53 million, respectively.
- The growth of total assets (+ Euro 6.85 million compared with 1H14) is mainly explained by the growth associated with cash and cash equivalents (+ Euro 2.12 million), private equity (+ Euro 1.34 million) and distressed assets in Brazil (+ Euro 5.21 million). The decrease in real estate assets is explained by the sale that was carried out in April 2015 of a property located in Lisbon for the amount of Euro 1.75 million.

It should also be noted that Orey carried out a bond issue in the amount of Euro 5 million in the first half of the year 2015 to finance Group activities.

ASSETS	1H15	1H14
Cash and equivalents	10,283,104	8,157,639
Credit to clients	1,183,267	1,312,344
Goodwill	8,745,765	8,745,765
Real Estate	13,573,199	15,258,100
Other assets	5,962,020	5,963,821
Private equity	26,543,015	25,206,312
<i>Loans to associates and affiliates</i>	<i>1,570,745</i>	<i>1,764,187</i>
<i>Investments</i>	<i>9,224,914</i>	<i>8,942,075</i>
<i>Non-current assets held for sale, net of related liabilities</i>	<i>15,747,356</i>	<i>14,500,050</i>
Brazil	42,591,268	37,383,045
<i>Credits</i>	<i>14,629,007</i>	<i>15,594,390</i>
<i>Investments</i>	<i>27,962,261</i>	<i>21,788,655</i>
Total Assets	108,881,637	102,027,026

LIABILITIES AND EQUITY	1H15	1H14
Orey Best of	29,982,818	29,881,363
Araras	22,092,893	19,912,089
Bond issued	5,011,873	-
Leases	3,916,249	4,053,463
Other liabilities	12,543,880	13,153,906
Bank loans	12,808,500	11,665,049
<i>Loans</i>	<i>3,794,181</i>	<i>5,999,246</i>
<i>Mortgage loans</i>	<i>9,014,319</i>	<i>5,665,802</i>
Total Liabilities	86,356,214	78,665,871

3. FINANCIAL STATEMENTS

3.1 CONSOLIDATED STATUTORY STATEMENT OF FINANCIAL POSITION (non-audited accounts)

ASSETS	1H15			Dec 14
	GROSS ASSETS	IMPAIRMENT DEPREC.	NET ASSETS	NET ASSETS
Cash and balances at central banks	11,599	-	11,599	10,419
Balances at other credit institutions	10,692,287	-	10,692,287	8,146,495
Financial assets held for trading	84,654	-	84,654	85,216
Other financial assets at fair value through profit and loss	479,060	7,909	471,151	478,580
Other financial assets	14,629,007	-	14,629,007	15,594,390
Available-for-sale financial assets	323,978	-	323,978	323,978
Placements with credit institutions	79,218	-	79,218	725
Loans & advances to customers	1,183,267	-	1,183,267	1,312,344
Loans to associates and affiliates	1,570,745	-	1,570,745	1,764,187
Investment properties	3,537,300	-	3,537,300	5,259,300
Other tangible assets	12,546,944	2,111,259	10,435,685	10,428,461
Intangible assets	1,747,563	1,746,439	1,124	68,417
Goodwill	10,733,880	1,988,115	8,745,765	8,745,765
Investments in associates and joint enterprises	9,355,848	130,935	9,224,914	8,939,075
Current tax assets	141,463	-	141,463	82,577
Deferred tax assets	8,973	-	8,973	8,877
Expenses to be recognised and debtors accruals	28,701,362	-	28,701,362	22,063,287
Other assets	3,682,909	254,660	3,428,249	2,822,130
Sub-Total Assets	99,510,056	6,239,316	93,270,740	86,134,223
Non-current assets held for sale	52,185,213	-	52,185,213	52,185,213
Total Assets	151,695,269	6,239,316	145,455,954	138,319,436

LIABILITIES AND EQUITY	1H15	Dec 14
Financial liabilities held for trading	5,306	8,034
Amounts owed to other credit institutions	17,224,749	15,718,512
Debt securities	57,087,585	49,793,452
Provisions	2,714,331	2,590,112
Current tax liabilities	136,516	190,255
Deferred tax liabilities	702,457	702,651
Creditor accruals and income pending recognition	1,042,211	1,256,661
Other liabilities	7,579,518	8,167,746
Sub-Total Liabilities	86,492,674	78,427,422
Non-current liabilities held for sale	36,437,857	36,530,859
Total Liabilities	122,930,531	114,958,281
Share capital	12,000,000	12,000,000
Issue premiums	6,486,204	6,486,204
Treasury shares	(324,132)	(324,132)
Revaluation reserves	740,961	750,207
Other reserves and retained earnings	3,612,650	3,140,393
Net income of the period	267,342	1,523,590
Non-controlling interests	(257,602)	(215,106)
Total Equity	22,525,423	23,361,155
Total Liabilities and Equity	145,455,954	138,319,436

Monetary unit - Euro

3.2 CONSOLIDATED STATUTORY INCOME STATEMENT (non-audited accounts)

INCOME STATEMENT	1H15	1H14
Interest & similar income	96,586	361,881
Interest & similar costs	(1,446,159)	(3,464,996)
Net Interest Income	(1,349,573)	(3,103,114)
Service revenues and commission income	2,990,469	2,896,221
Service and commission costs	(117,498)	(271,208)
Net Commissions	2,872,971	2,625,013
Return on financial instruments	481	279,000
Results of the sale of other financial assets	-	388,920
Results of the sale of other tangible assets	27,953	206,522
Currency revaluation results	(16,790)	(217,419)
Other operating results	4,841,791	4,787,675
Net Operating Revenues	6,376,833	4,966,596
Staff costs	(3,143,694)	(2,882,413)
General administrative costs	(1,974,467)	(2,536,883)
Depreciation / amortisation for the period	(145,971)	(155,935)
Overheads	(5,264,132)	(5,575,231)
Provisions net of items written back and written off	(120,000)	402,267
Impairment of other assets net of reversals and recoveries	(12,067)	5,507
Results of associates and joint enterprises (equity method)	398,339	868,459
Income before Taxes and Non-controlling Interests	1,378,974	667,599
Deferred taxes	-	(75,810)
Current taxes on profits	(150,110)	(370,011)
Consolidated Net Income	1,228,863	221,777
Results from financial assets held for sale	(1,004,017)	-
Results from non-controlling interests	(42,496)	(42,746)
Consolidated Net Profit of Orey Group	267,342	264,523
Basic Earnings per Share	0.023	0.022
Diluted Earnings per Share	0.023	0.022

(Monetary unit- Euros)



Press release available at the
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