

INVESTOR PRESENTATION

November 2015



1.

SONAE OVERVIEW



History

START-UP OF THE BUSINESS



50's

Foundation of Sonae -
Sociedade Nacional de
Estratificados (18th
August 1959)



60's

Belmiro de Azevedo was hired
(1965)



70's

Diversification of Sonae, through the
acquisition of NOVOPAN
(particleboard manufacturing unit)
and additional investments aimed at
surface coated particle board production
(Agglomerite)

History

DIVERSIFICATION THROUGH ACQUISITIONS AND THE SET UP OF NEW BUSINESSES

80's



Launch of Sonae in the **capital markets** (1983)
Set up of **Modelo Continente Hipermercados SARL**
(with the French group Promodès as joint shareholder)
Opening of the **1st Hypermarket** in Portugal: Continente
(1985 - Matosinhos)

Inauguration of **Porto Sheraton Hotel** and acquisition of **STAR** (travel agency)
Set up of the Group Holding: Sonae Investments, SGPS
Start up of Sonae Real Estate (as a separated business unit)
Opening of the **first two Shopping Centres** built and managed by Sonae (1989 - Portimão and Albufeira)

History

DIVERSIFICATION THROUGH ACQUISITIONS AND THE SET UP OF NEW BUSINESSES

90's



Launch of the newspaper **Público** (1990)
Set up of **Sonae Distribuição Brasil**
Sonae Indústria acquires a controlling position in **Tafisa** (1993 - wood panels)
Set up of **Sonae Tourism**

Sonae: the 1st Portuguese company to be a member of **WBCSD** (World Business Council for Sustainable Development)
Opening of **Centro Colombo**, the largest Shopping Centre in Iberian Peninsula
Acquisition of **Torralta** (Tróia tourism)
Launch of **Optimus** (1998 - telco operator)

History

DEVELOPMENT OF STRATEGIC BUSINESSES AND EXPANSION INTO TELECOMMUNICATIONS

INTERNATIONAL GROWTH AND REORGANISATION OF THE BUSINESS PORTFOLIO



00's

Sonae Sierra opens **AlgarveShopping**

WeDo (business assurance company) commercial launching

Launch of **Sierra Funds**

Partnership between **MDS** (insurance company) and **Cooper Gay** (insurance broker)

Spin-off of Sonae Indústria (2005)

Disposal of Sonae Distribuição Brasil to the Wal-Mart Group

SonaeCom **takeover bid** for PT and PT Multimédia (2006)

Paulo Azevedo becomes the **CEO** of Sonae (2007)

Acquisition of Carrefour Portugal by Sonae Distribuição

Launch of **Continente loyalty card**

Presentation of the **corporate strategy** and **reorganisation** of business areas (Sonae MC, Sonae SR and Sonae RP)

Spin-off of Sonae Capital (2007)

History

INTERNATIONAL GROWTH AND REORGANISATION OF THE BUSINESS PORTFOLIO



History

INTERNATIONAL GROWTH AND REORGANISATION OF THE BUSINESS PORTFOLIO



2014

Roll-out of **new store concepts** for Worten, Sport Zone, MO and Zippy

Sonaecom launches a tender offer for the acquisition of a maximum of 24.16% of its share capital. The level of acceptance reaches 62%, corresponding to 54,906,831 Sonaecom shares

Launch of a **convertible bonds** offer due in 2019 with a principal amount of € 210.5 M

Rebranding of book.it to **note!**

Sport Zone opens first international store in franchising (Ceuta, Spain)

Launch of 1st **ZU** store, specialised in pets and cats

Franchising of Well's and note!

Sonae IM pursues its strategy of active portfolio management: sells Mainroad to NOS, acquires a 60% participation of S21Sec and invests in Movvo

Meu Super reaches 140 stores in 2014 year-end

History

INTERNATIONAL GROWTH AND REORGANISATION OF THE BUSINESS PORTFOLIO



2015

Meu Super reaches 150 stores in 1Q15

Sport Zone enters the **Indian** market

Belmiro de Azevedo announces the decision of not being a candidate to **Sonae's Board of Directors** elected in 2015. Paulo de Azevedo becomes Chairman and Co-CEO of Sonae. Ângelo Paupério is elected as Co-CEO

Continente celebrates 30 years

Sonae RP concludes **sale and leaseback transactions** amounting to 185 M€

Sonae MC announces the creation of an **affiliation agreement** with the central purchasing body **IFA Group**

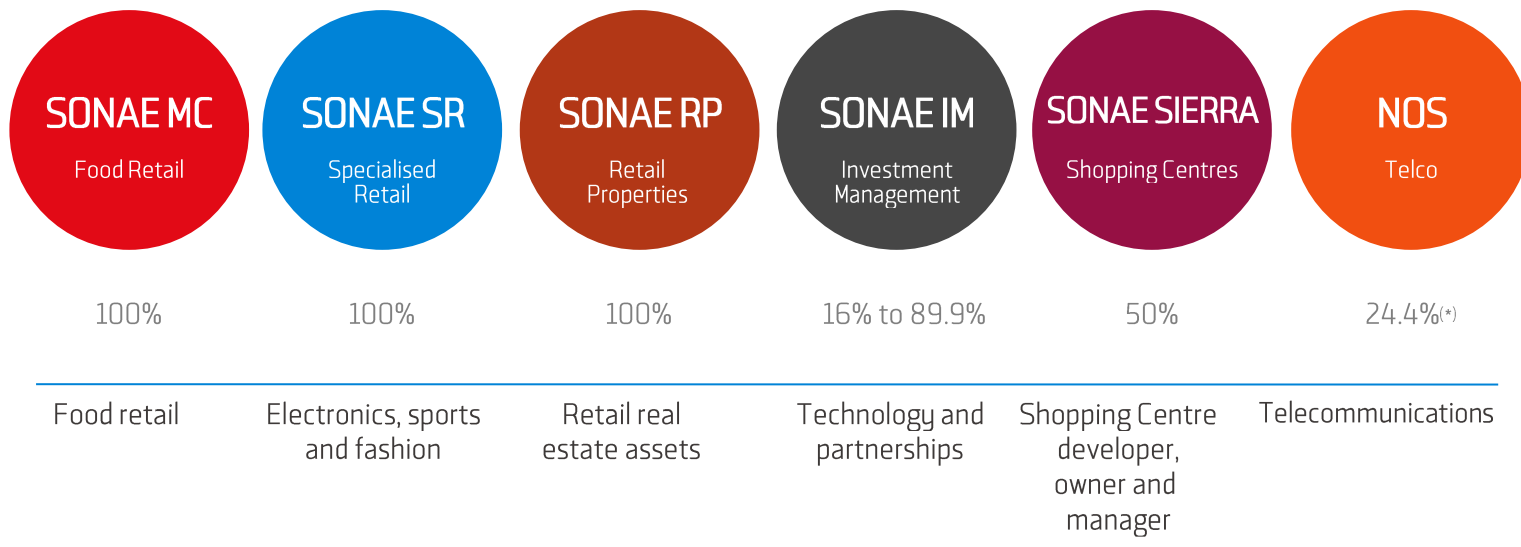
Sonae launches **Cartão Universo**, a credit and fidelity card with a highly innovative value proposition

Group structure

MARKET LEADER IN PORTUGAL IN FOOD AND SPECIALISED RETAIL FORMATS

BOARD CONTROL OF SHOPPING CENTRES AND TELECOMMUNICATIONS BUSINESSES

SONAE

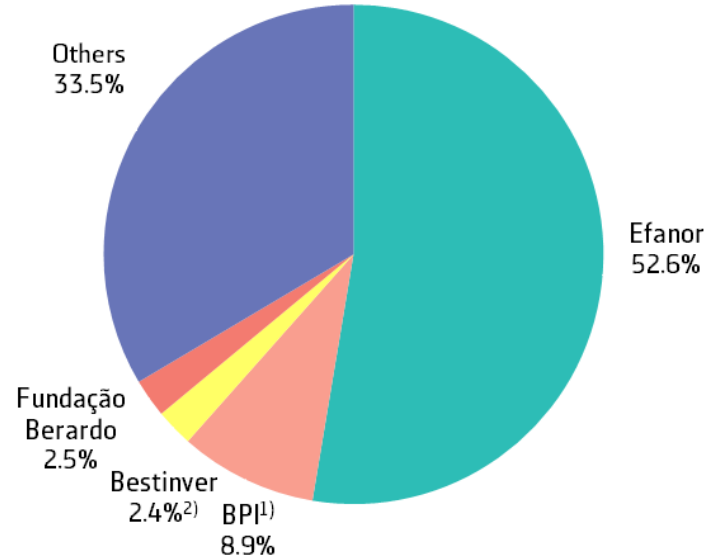


^(*) Through Sonaecom.

Shareholdings

A STABLE SHAREHOLDER STRUCTURE

Reference shareholder, Efanor, a family holding company



FREE FLOAT OF CIRCA 40%

¹⁾ BPI stake includes Equity swap of circa 122 million Sonae shares (~6% of share capital)



SHARE CAPITAL
2,000 million

AVERAGE DAILY VOLUME (9M15)
~3.90 million shares

MARKET CAP (as of 30.09.2015)
~2.20 billion euros

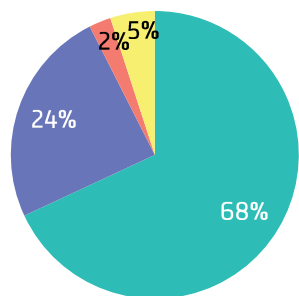
²⁾ As of 25 May 2015;
Note: Sonae own shares represent less than 0.01% of Sonae's share capital.

Group breakdown

BREAKDOWN PER BUSINESS

Turnover breakdown (9M15)

% Total Turnover



- Sonae MC
- Sonae SR
- Sonae RP
- Sonae IM (incl. SSI and Media)

TURNOVER

M€

	2014	9M14	9M15
Sonae	4,974	3,610	3,639
Sonae MC	3,461	2,537	2,549
Sonae SR	1,290	913	917
Sonae RP	126	95	92
Sonae IM	252	186	187

INVESTED CAPITAL

Breakdown of invested capital per business (M€)

	2014	9M15	% in total
Sonae	3,083	3,157	-
Sonae MC	486	541	17.1%
Sonae SR	116	189	6.0%
Sonae RP	1,200	1,045	33.1%
Sonae IM	156	139	4.4%
Other ¹	1,126	1,243	39.4%

Invested Capital = Total net debt + total shareholders' funds.

¹ NOS + Sonae Sierra + Others.

UNDERLYING EBITDA MARGIN

% Turnover

	2014	9M14	9M15
Sonae	7.6%	7.2%	6.2%
Sonae MC	7.0%	6.7%	6.0%
Sonae SR	1.2%	-0.3%	-1.0%
Sonae RP	92.2%	90.5%	90.1%
Sonae IM	7.5%	6.1%	4.9%

UNDERLYING EBITDA

M€

	2014	9M14	9M15
Sonae	380	259	226
Sonae MC	241	171	152
Sonae SR	15	-3	-9
Sonae RP	116	85	83
Sonae IM	19	11	9

Corporate strategy

VALUE CREATION THROUGH INTERNATIONAL EXPANSION AND THE STRENGTHENING OF THE CORE BUSINESSES

CORPORATE STRATEGIC PILLARS



- NEW GROWTH AVENUES
- PROFIT FROM “WORLD CLASS” COMPETENCIES

- Current core business with leader formats in mature markets
- Widen competencies, knowledge and experience pool
- New sources of value creation



- ADOPT THE MOST APPROPRIATE INVESTMENT STYLE
 - FRANCHISING
 - PARTNERSHIPS
 - MINORITY STAKES

- Use capital light models (renting vs. owning; partnerships vs. full control; and franchising)
- Add local knowledge
- Reduce capital employed needs



- INNOVATE
- GENERATE NEW BUSINESSES
- STRENGTHEN COMPETITIVE POSITION

- Capitalise on assets and competencies in own market to launch new projects in adjacent areas
- Reinforce competitive position
- Grow “share-of-wallet”

Strategy

CORPORATE STRATEGY REFLECTED IN EACH RETAIL BUSINESS STRATEGY

SONAE MC

FOCUS ON LEADERSHIP AND PROFITABILITY

- Consolidate market leadership
- Grow convenience channel
- Explore new adjacent business opportunities
- Continue to implement efficiency projects
- Look for international growth opportunities

SONAE SR

INTERNATIONAL GROWTH AND MULTI-CHANNEL PUSH

- Launch/grow Iberian e-commerce operations
- Explore franchising, JVs and wholesale opportunities as a means to accelerate growth
- Consolidate market positions in Portugal and improve profitability
- Continue to use Portugal as a test plant for new formats

SONAE RP

ACTIVE ASSET MANAGEMENT

- Plan to release invested capital by reducing freehold ownership of sales area in food retail
- Focus on Asset Management of retail real estate assets and operational efficiency
- Seek Property Development opportunities

House of Brands

SONAE'S MISSION IS TO CREATE LONG-TERM ECONOMIC AND SOCIAL VALUE, TAKING THE BENEFITS OF PROGRESS AND INNOVATION TO A GROWING NUMBER OF PEOPLE

MORE THAN
80
RETAIL BRANDS
...WERE BORN AT SONAE

MORE THAN
90.000
PRODUCTS

REPRESENTING
41%
OF SONAE MC
TURNOVER
(as of 9M15)

REPRESENTING
28%
OF SONAE SR
TURNOVER
(as of 9M15)

THE CREATION OF OWN BRANDS IS PARAMOUNT FOR SONAE'S BUSINESS STRATEGY

SONAE MC



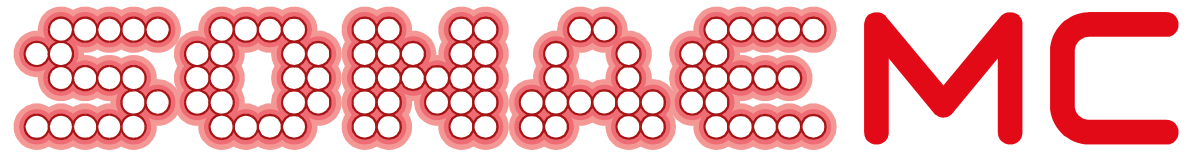
SONAE SR



A close-up photograph of a showerhead spraying water against a clear blue sky. The water droplets are captured in mid-air, creating a dynamic, sparkling effect. In the bottom right corner, there is a decorative graphic consisting of several overlapping circles in various shades of blue and teal. The overall composition is clean and modern.

2.

OPERATIONAL REVIEW



STRENGTHENING OF **LEADING POSITION** IN FOOD RETAIL MARKET,
WHILE **PROTECTING PROFITABILITY**

A leading brand in Portugal



Considered over the last 13 years as one of the most trusted brands in Portugal by consumers (survey “Trusted brands” carried out by Reader’s Digest)



EXPOSURE TO DIVERSE FOOD FORMATS

SINGLE BRANDING OF SONAE MC STORES UNDER “CONTINENTE” COMPLETED DURING 2011

CONTINENTE

HYPERS



First mover advantage, prime locations

- 40 stores (of which 24 are anchored with leading shopping centres)
- Average 7.1 thousand sqm
- Price and diversity (~50k SKUs)
- Light bazaar + textiles representing ~15% of sales

CONTINENTE

MODELO

SUPERS



Typically located in medium sized population centres

- 122 stores, average 2 thousand sqm
- # SKUs well above competitors
- Light bazaar representing less than 10% of sales (no textiles)

CONTINENTE

BOM DIA

SUPERS



Location and convenience (urban)

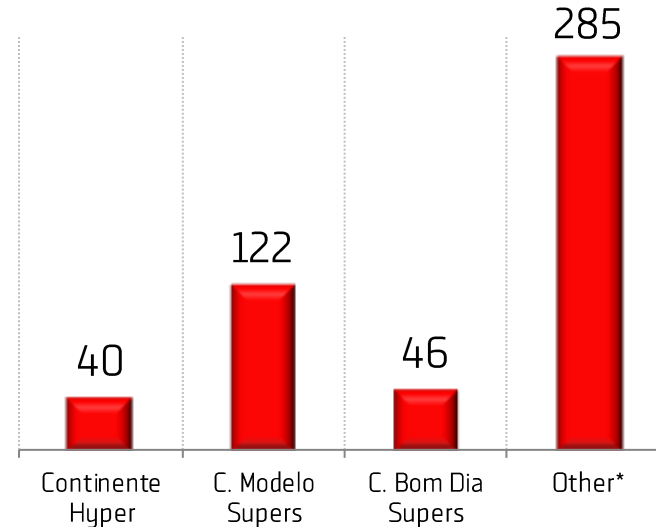
- 46 small, convenience food stores
- Average sales area of 1 thousand sqm
- Renewed concept based on quality and variety of fresh products, ideal for more frequent daily shopping
- Growth opportunity in large cities

Retail area

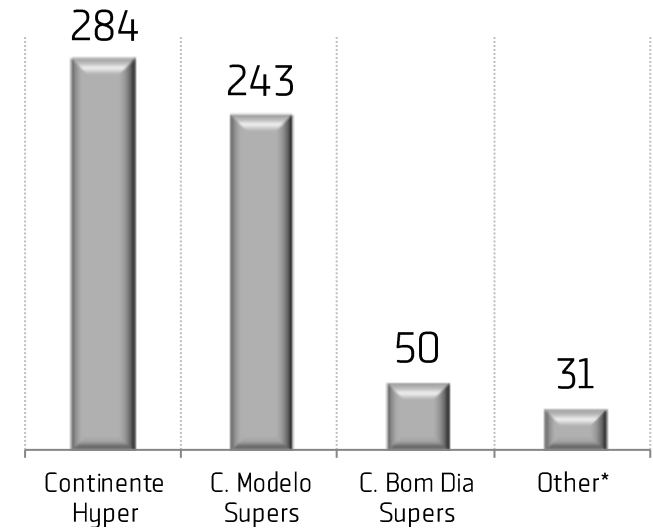
658,000 sqm
OF RETAIL SPACE,
MAINLY
DISTRIBUTED
BETWEEN HYPERS
AND SUPERS

SONAE MC RETAIL SPACE BY FORMAT (9M15)

STORES (total= 493)



'000 sqm (total=608 thousand)



* Mainly parapharmacies
and coffee shops

+ 214 stores (50,000 sqm) under franchising including 183
Meu Super stores

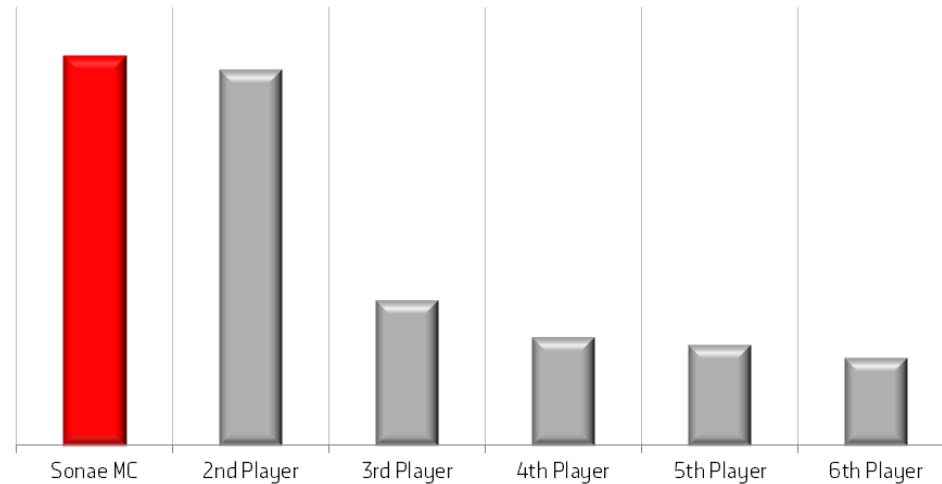
Market share growth

LEADERSHIP IN THE PORTUGUESE FOOD RETAIL MARKET



FOOD RETAIL MARKET SHARES (9M15)

CONTINENTE



Source: Homescan Nielsen, cumulative YTD evolution - 6th September 2015

SONAE MC continues deeply focused on offering the **best value proposition** of the market



Continente Loyalty card

A DIFFERENTIATING TOOL AMONG RETAILERS IN THE PORTUGUESE MARKET

PERFORMANCE
LEVERAGES
ON THE VALUE
AND SUCCESS
OF THE LOYALTY
PROGRAM

SUPERIOR CUSTOMER INSIGHT IN PORTUGAL

- Targeted promotions, with discounts provided as “credit” in repeated purchase
- Superior customer profiling and knowledge of consumer habits



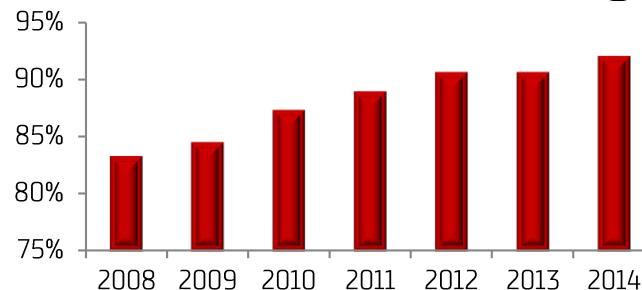
NUMBER OF ACTIVE LOYALTY CARDS

3.4 million

3 out of 4 Portuguese households

% OF SALES ASSOCIATED WITH LOYALTY CARD

**9M15
> 90%**



Cartão Universo

INNOVATIVE PROJECT THAT AGGREGATES THE VARIOUS LOYALTY AND PAYMENT CARDS OF SONAE BUSINESSES

LAUNCHED IN
NOVEMBER 2015

UNIVERSALLY ACCEPTED MASTERCARD WITH NO ANNUAL FEES

NEW LOYALTY FEATURES AND INNOVATIVE PAYMENT SOLUTIONS

- Innovative open loop payment and loyalty card
- Discounts platform for Portuguese families, including Sonae stores as well as the growing network of partners within the Continente fidelity programme
- Managed in partnership with MasterCard and BNP Paribas Personal Finance, S.A., which recognises on its balance sheet the credit granted, as well as the responsibility for risk management



ALL CARDS
MERGING
INTO ONE
SINGLE CARD



CASHBACK
OF 1%



VARIOUS
PAYMENT
OPTIONS



DISCOUNTS
OUTSIDE
SONAE
UNIVERSE
(GALP)

E-commerce website

A renewed user experience: new stores, new navigation & new services!

Sales

CAGR: +11%
2014

Deliveries

>450.000
2014

Registered users

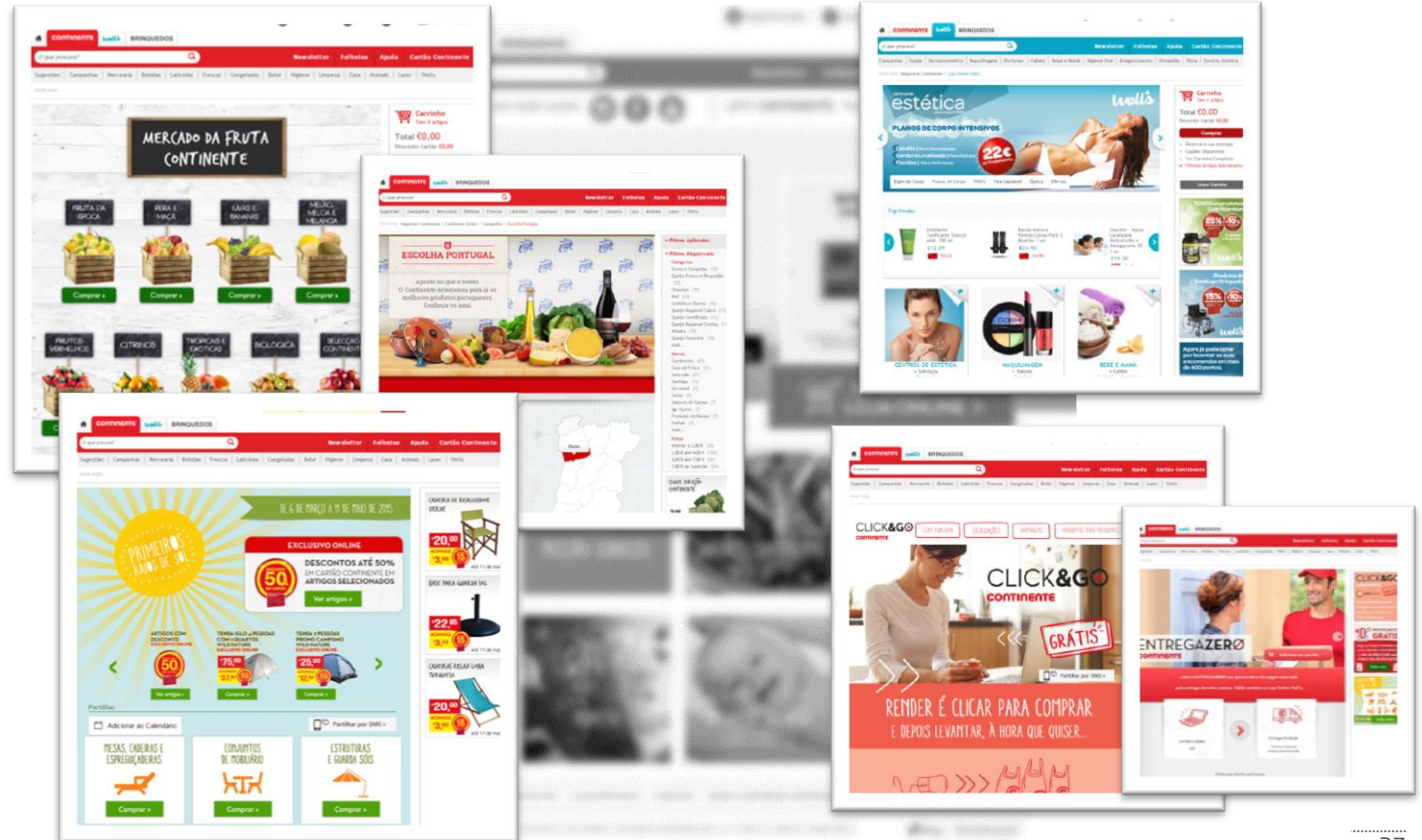
CAGR: +135%
2014: >350.000

Buying users

CAGR: +15%
2014: >60.000

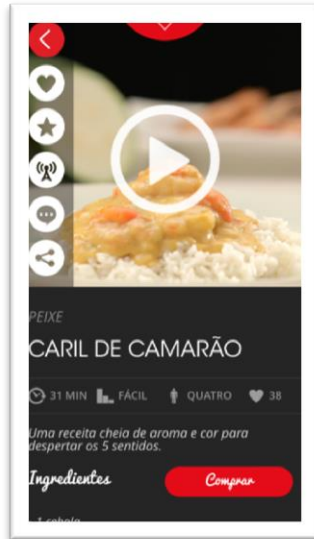
Pageviews

>120 M
2014

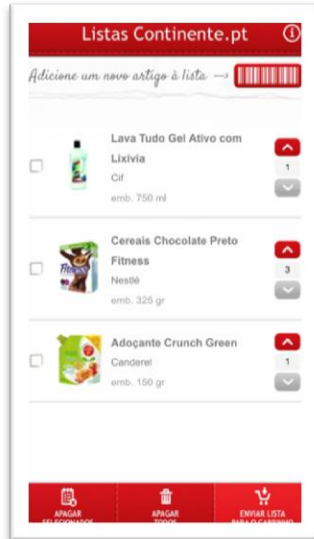


Mobile experience

Wi-fi



APP Yammi
Oct 2014



APP Listas
Jul 2014



APP Continte
Abril 2014

Downloads

Acum: >250.000

Users

Dec'14: 76.000



Coverage

111 stores

Users

>100.000

New adjacent business opportunities

LEVERAGE ON KNOW-HOW IN RETAIL

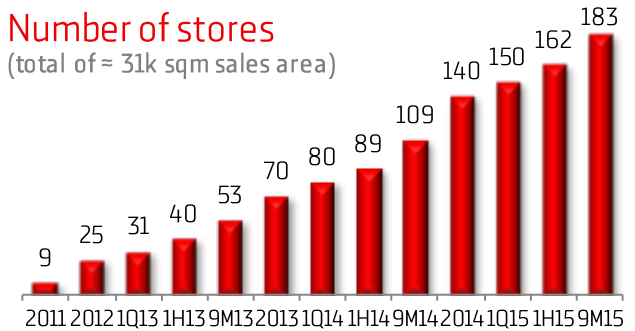
FRANCHISING



Meu Super reaches 183 stores in the end of September 2015

- Franchised local food retail stores
- **Convenience stores**, located in residential areas - sales area between 150sqm and 500sqm
- Franchisees with guaranteed competitive prices for a wide range of products, with access to **Continente's private label**, **Continente's loyalty card** and local suppliers products (particularly perishables)
- Franchisees do not pay royalties nor start commissions and benefit from the **know-how of the leading retailer in Portugal** (to study the business viability and store operation)
- Logistics are supported by wholesale **distribution networks**

Number of stores
(total of ≈ 31k sqm sales area)



New adjacent business opportunities

OWN STORES and FRANCHISING



Well's, specialised in health, wellness and optics, is the market leader in Portugal with **148 own stores** + **14 stores** under franchising agreements (9M15)

Health and well-being

- Parapharmacy, beauty products, health and well-being care
- Eye glasses and optical services

Additional services

- Spa
- Cosmetic
- Nutrition
- Dental care
- Orthopedics
- Hairdresser
- ... among other services

Franchising

- In October 2014, Well's opened its 1st store under franchising agreement in Lisbon
- Well's stores in franchising benefit from information systems that are integrated within Sonae

New adjacent business opportunities

LEVERAGE ON KNOW-HOW IN RETAIL



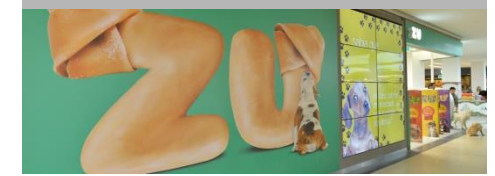
Coffee shops and small snack-bars

- Typically next to Sonae MC supers
- Variety and quality with a fast service fresh products and great price
- 108 own stores + 5 franchising stores (9M15)



Book shops, stationery and tobacco

- 250 sqm of average store size
- 23 own stores + 5 franchising stores (9M15)



Products and services for dogs and cats

- extensive multi-brand range of products, including food, hygiene products, textiles, toys and accessories
- vet services, bathing, grooming and pet training

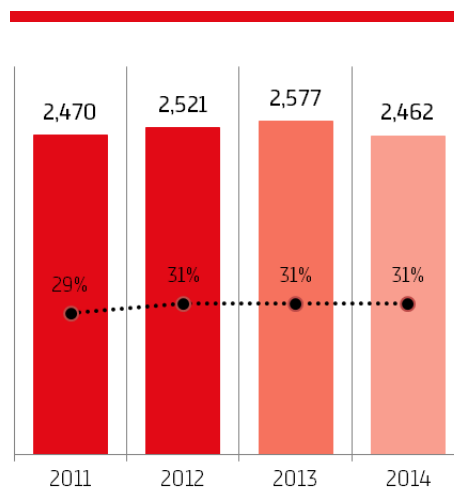
Discounts available through **Continente's** loyalty card

Private label

PERFORMANCE REFLECTS THE STRONG AND CONTINUOUS INVESTMENT IN PRIVATE LABEL

WHOLESALE ACTIVITY INCREASING TO 28 COUNTRIES

OWN REFERENCES AND % FMCG SALES



OWN LABEL PROGRAMME IS MANAGED INTERNALLY AND NOW COMPRISES MOST PRODUCT CATEGORIES

INVESTMENT IN OWN BRANDS

- Broadening of private label range
- An important offer within the current adverse consumer environment (allowing customers to trade-down into a trusted brand)
- Larger volumes and increased know-how



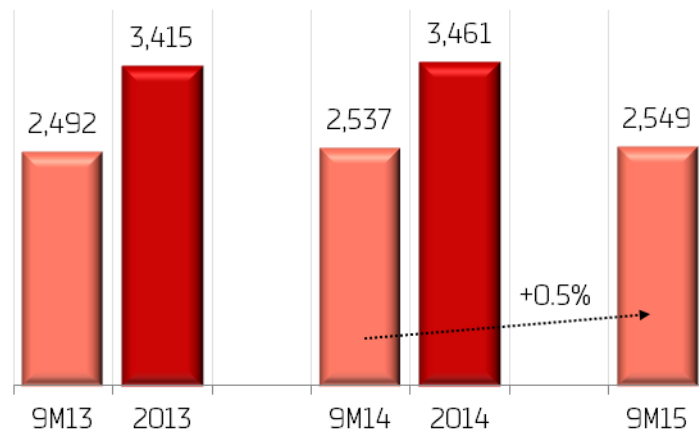
Profitable growth

GROWING MARKET SHARE, WHILE REINFORCING REFERENCE PROFITABILITY



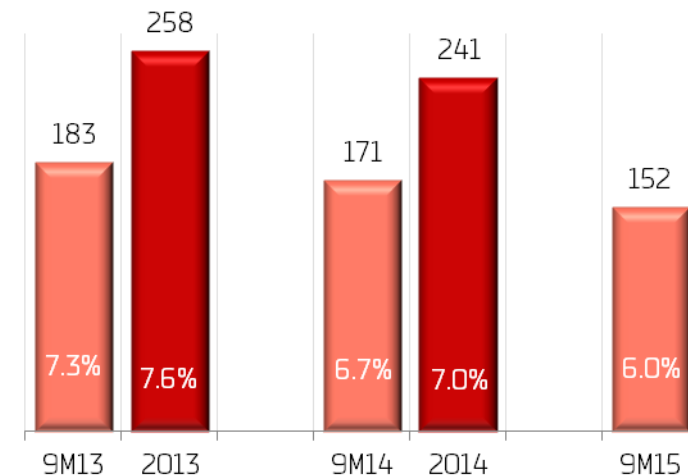
9M15 TURNOVER GROWING by 0.5% y.o.y. thanks to store network expansion, the high variety of products, the very effective promotional activity and the focus in continuously improving the quality of products and services

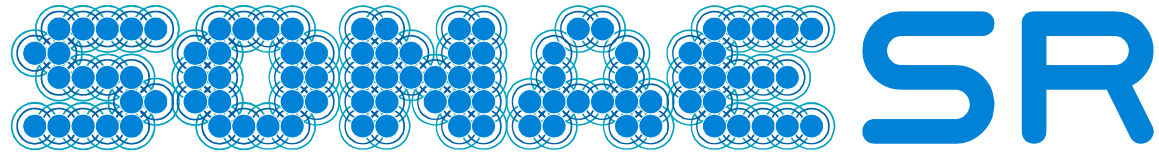
TURNOVER (M€)



9M15 UNDERLYING EBITDA MARGIN OF 6.0%, which translates into an underlying EBITDA of 152 M€, achieved despite the very intense promotional activity

UNDERLYING EBITDA (M€ and % sales)





INTERNATIONAL EXPANSION AND CONSOLIDATION OF MARKET LEADERSHIP IN PORTUGAL

Breakdown per retail format

Revenues

Number and size of the stores

Electronics



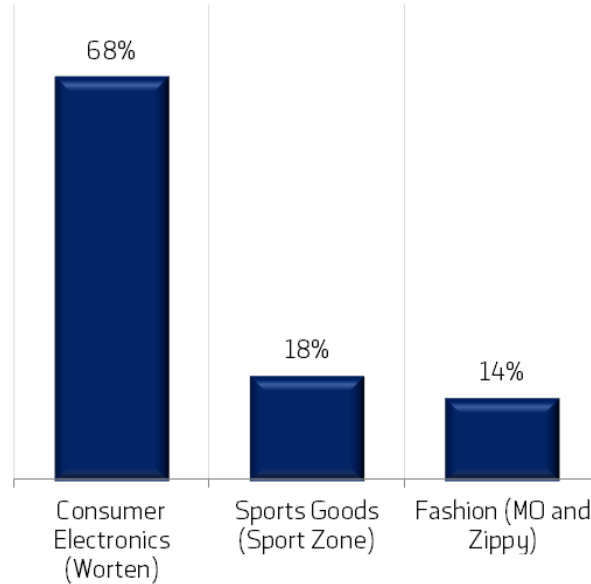
Sports



Fashion: Apparel and Kids apparel



REVENUES 9M15 in % of total SR



	9M15	Stores	Total '000 sqm	Average sqm/store
Worten	Portugal	183	122	669
	Spain	44	67	1,515
Sport Zone	Portugal	81	66	818
	Spain	34	33	966
	India	3	1	12
	France	1	1	24
MO	Portugal	113	56	492
	Spain	4	1	352
	Saudi Arabia	5	2	348
	Other countries	2	1	296
Zippy	Portugal	38	12	316
	Spain	27	8	287
	Turkey	2	1	254
	Other countries	46	10	217

Total	Portugal	415	256
	Spain	109	109
	Other countries	59	15

Total Sonae SR 583 379

Main financial indicators

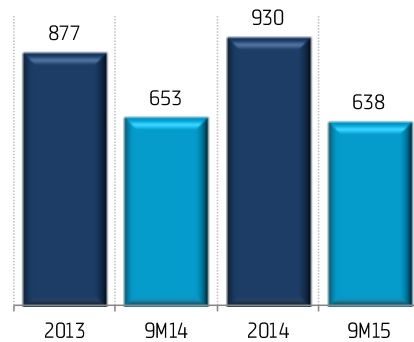
“Lfl” sales trend - Portugal

1Q13	2Q13	3Q13	4Q13
-5.0%	-11.0%	-2.0%	4.9%

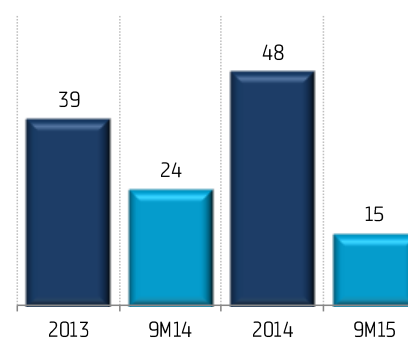
1Q14	2Q14	3Q14	4Q14
6.0%	12.6%	7.0%	-0.8%

1Q15	2Q15	3Q15
2.2%	-4.5%	-5.5%

TURNOVER Portugal (M €)



EBITDA Portugal (M €)



Portugal

STORES

415

including 13 under franchising

Worten	183
Sport Zone	81
MO	113
Zippy	38

S. AREA

256k sqm

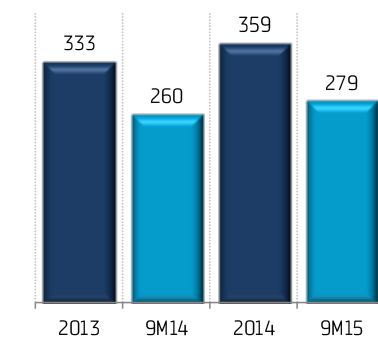
“Lfl” sales trend – International

1Q13	2Q13	3Q13	4Q13
-17.0%	-12.0%	-5.0%	5.7%

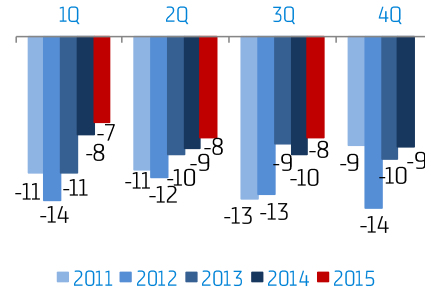
1Q14	2Q14	3Q14	4Q14
7.0%	3.8%	-3.0%	-3.3%

1Q15	2Q15	3Q15
3.2%	2.5%	5.1%

TURNOVER International (M €)



EBITDA International (M€)



International

STORES

168

including 62 under franchising

Worten Spain	44
Sport Zone Spain	34
Sport Zone Others	4
MO Spain	4
MO others	7
Zippy Spain	27
Zippy others	48

S. AREA

122k sqm

International Expansion

INTERNATIONALI-
SATION MOSTLY
BASED ON NEW
EXPANSION MODELS:

**JOINT-VENTURES
FRANCHISING
WHOLESALE**

**62 franchising stores
outside Portugal**

FRANCHISING CONTRACTS

24 COUNTRIES

ZIPPY

- Armenia
- Azerbaijan
- Chile
- Dominican Rep
- Ecuador
- Egypt
- Georgia
- Jordan
- Kurdistan
- Kazakhstan
- Lebanon
- Libya
- Morocco
- Qatar
- Saudi Arabia
- St Maarten
- Turkey
- Venezuela

**SPORT
ZONE**

- Ceuta
- India
- France
- Portugal

MO

- Bulgaria
- Canary Islands
- Mozambique
- Portugal
- Saudi Arabia

worten

- Portugal

WHOLESALE

43 COUNTRIES

ZIPPY

- Andorra
- Belgium
- Bosnia
- Bulgaria
- China
- Cyprus
- Colombia
- Costa Rica
- Czech Republic
- Finland
- Germany
- Greece
- Guatemala
- Ireland
- Italy
- Libya
- Montenegro
- Nicaragua
- Poland
- Portugal
- Russia
- San Salvador
- Slovakia
- Spain
- Ukrania

**SPORT
ZONE**

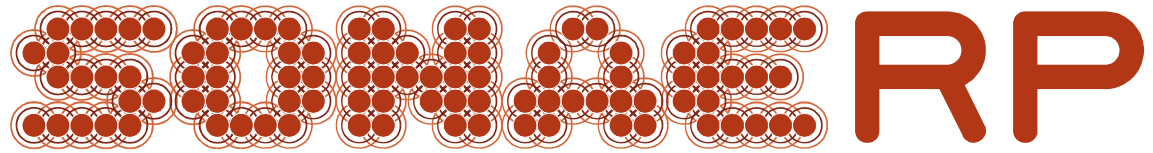
- Andorra
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Ecuador
- Egypt
- France
- Germany
- Holland
- Ireland
- Italy
- Lithuania
- Mexico
- New Zeland
- Poland
- Portugal
- Slovakia
- Slovenia
- Spain
- Switzerland
- Turkey
- UK

worten

- Angola
- Cape Verde
- France
- Holland
- Israel
- Morocco
- Spain
- UK
- USA

MO

- Belgium
- Cyprus
- Czech Republic
- France
- Romania
- Slovakia
- Spain



ACTIVE MANAGEMENT OF RETAIL REAL ESTATE ASSETS



Assets Portfolio

Properties anchored by CONTINENTE

Properties are presented as factions in Shopping Centres (27 of our 40 hypermarkets) or stand alone stores. Stores are located strategically in highly populated areas.

In the case of stand alone stores, the building generally includes a large Continente store (food retail anchor), two or three non food retail units operated by Sonae SR and several other smaller retail units (light bazaar + textiles represent ~15% of sales)



Properties anchored by CONTINENTE MODELO

Properties are strategically spread throughout Portugal territory in relevant populated areas (average store size: 2 thousand sqm)

The building usually includes a Continente Modelo store (food retail anchor), two non food retail units operated by Sonae SR and several other smaller retail units (light bazaar represents less than 10% of sales - no textiles)



Properties CONTINENTE BOM DIA

Convenience stores mostly located in Porto and Lisbon metropolitan areas (average store size: 1 thousand sqm)

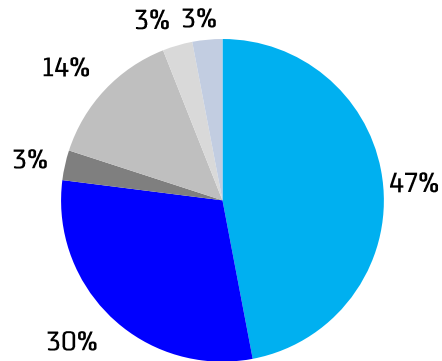
Operating exclusively a food retail store (concept based on quality and variety of fresh products, ideal for more frequent daily shopping)

Growth opportunity in large cities



Strategy of Asset Monetisation

GROSS BOOK VALUE
(9M15)
1.43 billion Euros



- Continente
- Continente Modelo
- Continente Bom Dia
- Logistics & Offices
- Others
- Assets W/out Income

Note: Information organised by anchor.

From 2010 to 2011 Sonae completed 8 sale & leaseback transactions

Total Cash-In = 153 M€
Capital gain = 56 M€

Amidst new market conditions, and facing increased interest in its assets, Sonae accomplished relevant sale and leaseback transactions since 2014...

2014

4 SALE & LEASEBACK TRANSACTIONS
Total Cash-In = 14.5 M€
Total net asset value = 13.0 M€

2015

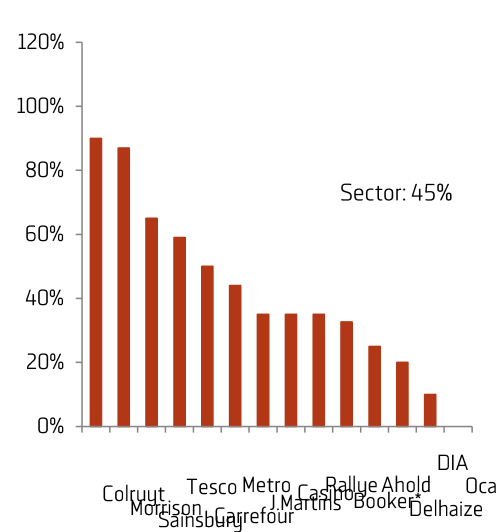
4 SALE & LEASEBACK TRANSACTIONS
Total Cash-In = 184.7 M€
Total net asset value = 132.0 M€

...which enabled releasing capital from mature real estate assets within Sonae RP while also maintaining adequate operational flexibility

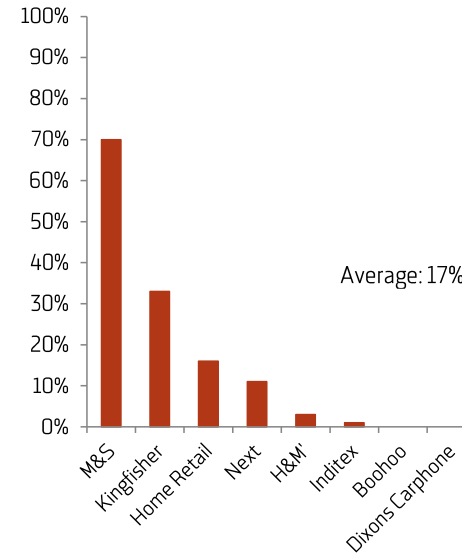
Sonae Freehold Level

Despite the transactions carried out over the last year Sonae retail real estate level of freehold as of 9M15 is still above other retailers in Europe

FOOD RETAIL
% of space owned freehold



GENERAL RETAIL
% of space owned freehold



SONAE MC
62% freehold

SONAE SR
27% freehold

Hypermarkets
Continente
27 stores owned

Supermarkets

Continente Modelo
73 stores owned

Continente Bom Dia
15 stores owned



3.

EQUITY CONSOLIDATED BUSINESSES

SONAE SIERRA (Shopping Centres)

50% ownership

NOS (Telecoms)

Ownership through Sonaecom



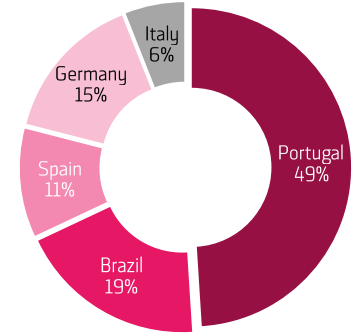
Resilient Performance

A SELF SUSTAINABLE COMPANY
 WITH INCREASING EXPOSURE TO EMERGING MARKETS

INTERNATIONAL SHOPPING CENTRE SPECIALIST, 50% OWNED JOINT-VENTURE WITH GROSVENOR

- Stakes in **46** Shopping Centres
- Net Asset Value of **~1.11 billion euros**

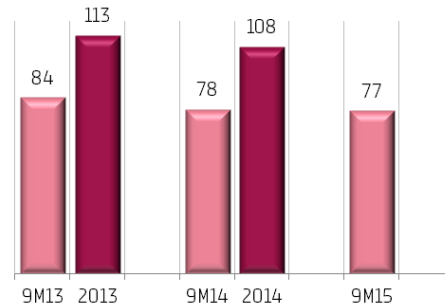
OMV BREAKDOWN 9M15
 Assets owned and Co-owned - OMV (100% basis)



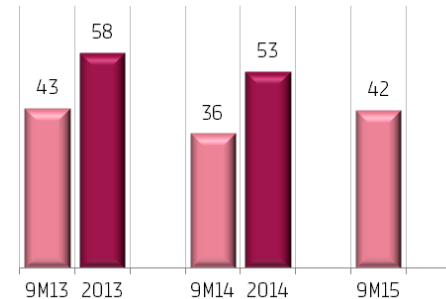
IN 9M15*:

- **Occupancy rate** = 95.1%
- **Tenant sales** increased by 1.5% y.o.y. in Europe and decreased by 6.5% in Brazil (growing by 5.1% y.o.y. in local currency)
- **Positive LfL in Europe** (2.6%) and in Brazil (5.1%)

EBITDA (M€)



DIRECT PROFITS (M€)



Occupancy rate growth reflecting the **benchmark quality** of Sonae Sierra assets

MARKET VALUATIONS:

In 9M15, indirect results totaled 52 M€, doubling in comparison to 9M14, benefiting from yields compression

(* As per Sonae Sierra's published accounts (100%))

Strategy of Recycling Capital and Services Provision

TO GROW IN EMERGING MARKETS AND SERVICES BUSINESS

Recycle capital from mature, non-controlled assets to other projects with **development potential**

REDUCING THE EXPOSURE TO MATURE ASSETS

Munster (Germany)	2012
Parque Principado (Spain)	2013
Valecenter (Italy)	2013
Airone (Italy)	2013
Le Terraze (Italy)	2014
La Farga (Spain)	2014

STRENGTHENING OF SERVICES PROVISION

- Profiting from the **expertise as retail property developer and property manager**
- Signing of new contracts for the **management, letting and development** of third-party owned shopping centres
- **4 shopping centre developments** in pipeline:
 - **ParkLake** (Romania)
 - **Zenata** (Morocco)
 - **Designer Outlet** (Spain)
 - **Cucuta** (Colombia)

PRESENCE IN 4 CONTINENTS AND 12 COUNTRIES

Portugal
Spain
Italy
Germany
Romania
Greece
Brazil
Algeria
Colombia
Morocco
China
Turkey

Note: Shopping Centres owned/co-owned and services rendered.

Value Creation

CONSOLIDATION UNLOCKS A SIGNIFICANT VALUE CREATION

*On February 20th 2014:

Following Sonaecom's voluntary tender offer for the acquisition of own shares (price equivalent to €2.45 per Sonaecom share, to be composed of NOS shares with a price of €5.08), Sonaecom's direct participation in NOS was reduced from 7.28% to 2.14%.

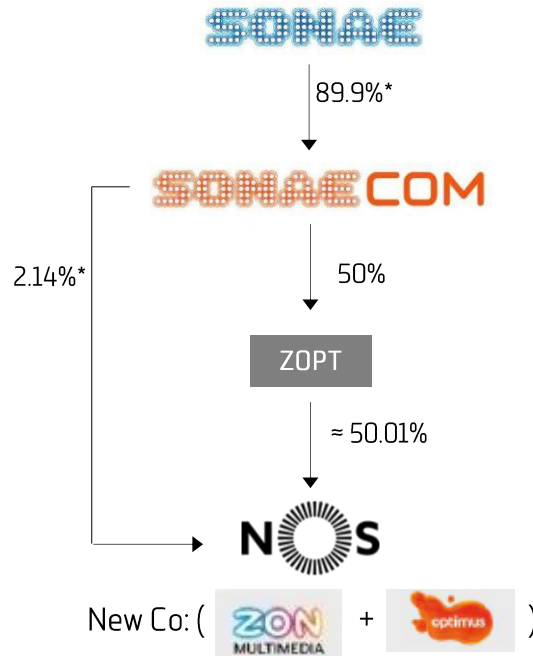
Sonae further increased its participation in Sonaecom's capital from 74% to almost 90%.

On May 9th 2014, Sonae held 89.9% of Sonaecom's voting rights.

On May 16th 2014, **NOS** was launched, a single brand for all segments and for all services, replacing ZON OPTIMUS.

NOS strong operational trends are generating market share gains and improvements in the company's financial performance.

August 27th 2013: ZON OPTIMUS (NOS) was created



Merger by incorporation of Optimus into Zon

NOS market performance



Following the merger between Optimus and Zon, and the subsequent creation of NOS, and since September 9th 2013, the day when new shares issued were listed, to September 30th 2015, the company's market capitalisation has grown 73%, corresponding to a share price increase from €4.27 to €7.37



4.

RECENT FINANCIAL PERFORMANCE



Overview

Resilient
turnover performance

Efficiency gains allowing for
reference operating
profitability

KEY FINANCIALS 9M15

TURNOVER

3.64bn

UNDERLYING EBITDA

226m

UNDERLYING EBITDA Mg.

6.2%

TOTAL NET DEBT

-102m_{y.o.y.}

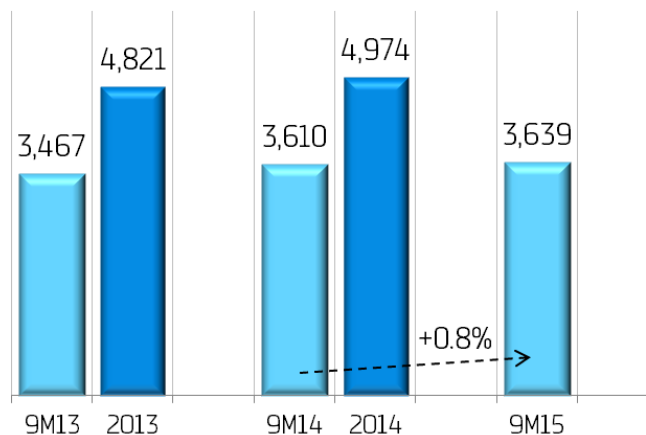


Turnover

**CONSOLIDATED
TURNOVER
GREW** by 0.8%
TO €3.64 BN IN 9M15
WITH ALMOST ALL
BUSINESSES
CONTRIBUTING
POSITIVELY

... THANKS TO THE POSITIVE CONTRIBUTIONS OF
SONAE MC, SONAE SR and SONAE IM

CONSOLIDATED TURNOVER
Million Euros



TURNOVER PER BUSINESS (M€)

	9M14	9M15	y.o.y.
SONAE	3,610	3,639	0.8%
SONAE MC	2,537	2,549	0.5%
SONAE SR	913	917	0.4%
SONAE RP	95	92	-2.5%
SONAE IM	186	187	0.5%

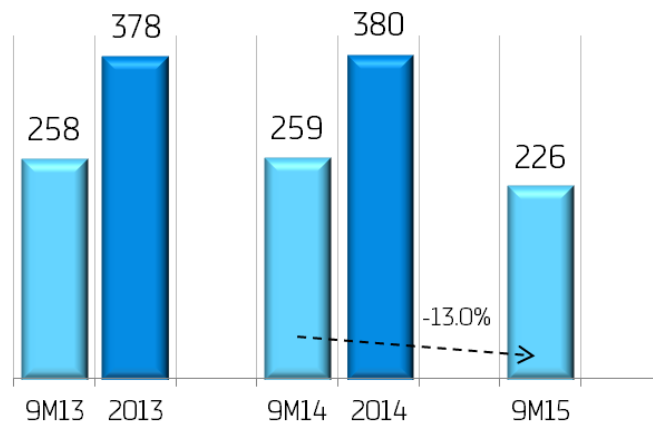
	2013	2014	y.o.y.
SONAE	4,821	4,974	3.2%
SONAE MC	3,415	3,461	1.3%
SONAE SR	1,210	1,290	6.6%
SONAE RP	124	126	1.9%
SONAE IM	223	252	13.1%

EBITDA

IN A DIFFICULT
MACRO
ENVIRONMENT,
GROUP'S
UNDERLYING
EBITDA REACHES
€226M in 9M15

... SUPPORTED BY THE IMPLEMENTATION OF OPERATIONAL
EFFICIENCY PROGRAMMES

UNDERLYING EBITDA
Million Euros



UNDERLYING EBITDA PER BUSINESS (M€)

	9M14	9M15	y.o.y.
SONAE	259	226	-13.0%
SONAE MC	171	152	-11.0%
SONAE SR	-3	-9	-
SONAE RP	85	83	-2.9%
SONAE IM	11	9	-19.2%

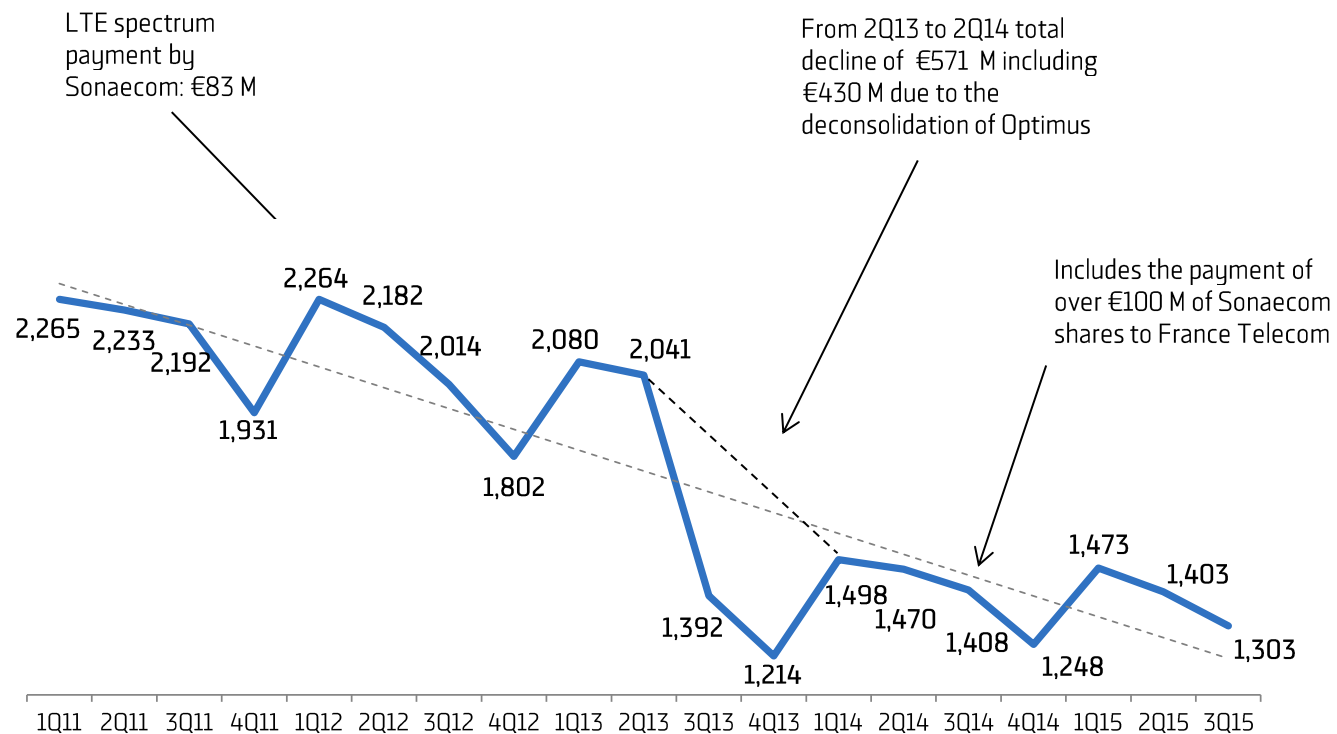
	2013	2014	y.o.y.
SONAE	378	380	0.6%
SONAE MC	258	241	-6.8%
SONAE SR	0	15	-
SONAE RP	115	116	1.6%
SONAE IM	15	19	28.1%

Capital Structure

Net Financial Debt	9M15
Retail Units	695
Holding & Other	19
Sonae IM	589
TOTAL FINANCIAL NET DEBT	1,303

All refinancing needs for 2016 already secured

FINANCIAL NET DEBT



Sonae further reinforced its capital structure, and concluded several financing operations with maturities up to 7 years

Capital Structure

June 4th 2014
Sonae issued €210.5 M in
convertible bonds

COVERTIBLE BONDS

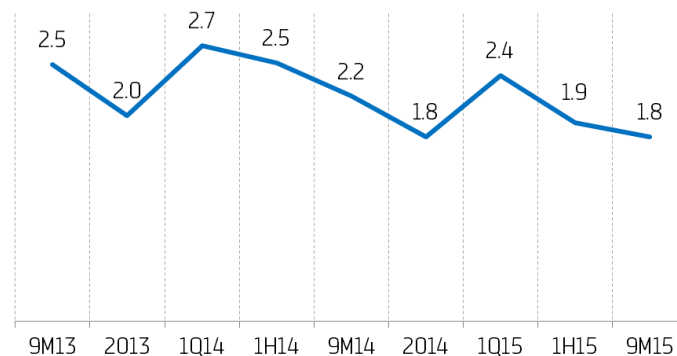
- 210.5 M€
- 122 million shares
- Initial conversion price 1.726 €/share
- Premium 35%
- Maturity 5 years – redeemed at par at maturity
- Coupon 1.625% per annum, payable semi-annually in arrear



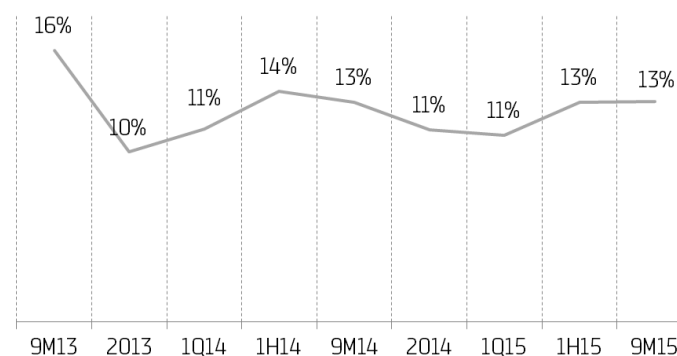
Capital Structure

AN APPROPRIATE CAPITAL STRUCTURE IN EACH BUSINESS TO SUPPORT ACTIVITIES AND INVESTMENTS

RETAIL
NET DEBT/REC. EBITDA



HOLDING
LOAN-TO-VALUE(*)



(*) Holding net debt as % of Sonae's gross asset value (Retail businesses @ market multiples, except for SR SP (invested capital @ book value) + Sonae RP @ book value + Sonae IM equity value (@ book value; % share) + share of Sonae sierra NAV + share of Sonaecom market cap)

Shareholder Remuneration

DIVIDEND PAYER ON A REGULAR BASIS

OBJECTIVE
TO MAINTAIN
AN ADEQUATE
SHAREHOLDER
REMUNERATION

The resilience of the cash flows generated gives confidence on the ability to maintain shareholder remuneration policy

3.65 cents

DIVIDEND PER
SHARE 2014

+5% vs. 2013
+10.3% vs. 2012

3.6%

DIVIDEND YIELD

Considering
Share Price as of
2014.12.31 (€1.024)

58%

PAY-OUT RATIO

Considering 2014 direct
Net Profits attributable
to equity holders

Valuation

SIGNIFICANT DISCOUNT VS “SUM-OF-THE-PARTS” VALUATION

SONAE Market Valuation (€M)	
Sonae MC enterprise value	1,747
Sonae SR enterprise value	693
Specialised Retail - Portugal	578
Specialised Retail - Spain (invested capital @ book value)	115
Sonae RP (invested capital @ book value)	1,045
Retail businesses avg. net debt	-741
Retail businesses' equity value	2,744
Investment Management's equity value	162
SSI & Media enterprise value	130
Other Inv. Management businesses (@ book value; % share)	31
NOS (market value; % share)	927
Sonae Sierra's equity value (NAV; % share)	555
Sonae's GAV (Gross Asset Value)	4,388
Holding net debt (incl. shareholder loans)	-563
Sonae NAV (Net Asset Value)	3,825
Sonae NAV per share	1.91

€1.91

SONAE NAV per share

Assumptions:

Sonae MC: valuation based on sector's EV/EBITDA & EV/Sales applied to last 12 months Sales & EBITDA reported;

Sonae SR Portugal: valuation based on sector's EV/EBITDA & EV /Sales applied to last 12 months Sales & EBITDA reported;

Investment Management: valuation based on invested capital @ book value, minus debt;

SSI & Media: valuation based on sector's EV/EBITDA & EV/Sales applied to last 12 months Sales & EBITDA reported;

NOS: valuation as per market price on last trading day;

Sonae Sierra: valuation as per disclosed quarterly NAV.

Valuation

SONAE IS ACTIVELY COVERED BY 6 SELL SIDE ANALYSTS

+ 6.3%

9M15 share price appreciation

BROKER	Date	Recommendation	Price Target
Haitong	Nov 15	Buy	1.45
Fidentiis	Out 15	Buy	1.55
BPI	Sept 15	Buy	1.75
Caixa BI	Sept 15	Buy	1.55
Equita	Aug 15	Hold	1.70
Barclays	Aug 15	Hold	1.30
Average			1.55

Average price target of **€1.55**

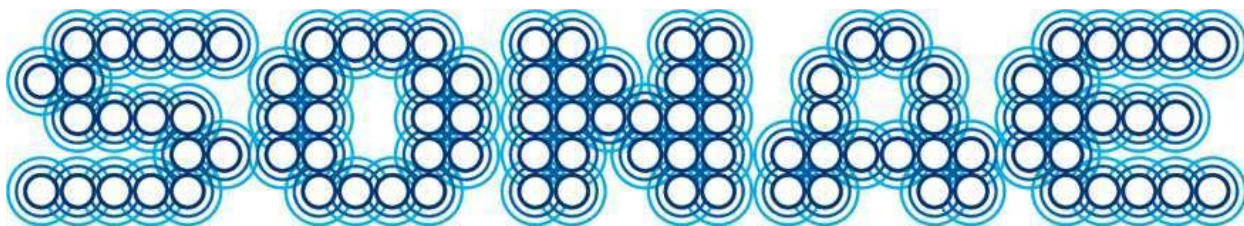
+ 42.5%

when compared with share price as of 30.09.2015 (€1.09)

CONCLUSION

AN ATTRACTIVE INVESTMENT OPPORTUNITY

- Growing **leading market positions** in Portugal, while protecting operational profitability
- An **internationalisation strategy** based on a “capital light” approach, enabling future growth and value creation
- **Significant deleveraging** made possible by organic cash flow generation and asset monetisation
- **Undervalued** share price, driven by macro concerns
- Attractive **dividend yield**
- Proven **management track record**



INVESTOR PRESENTATION

November 2015

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SONAE is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SONPL

SAFE HARBOUR

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These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions.

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