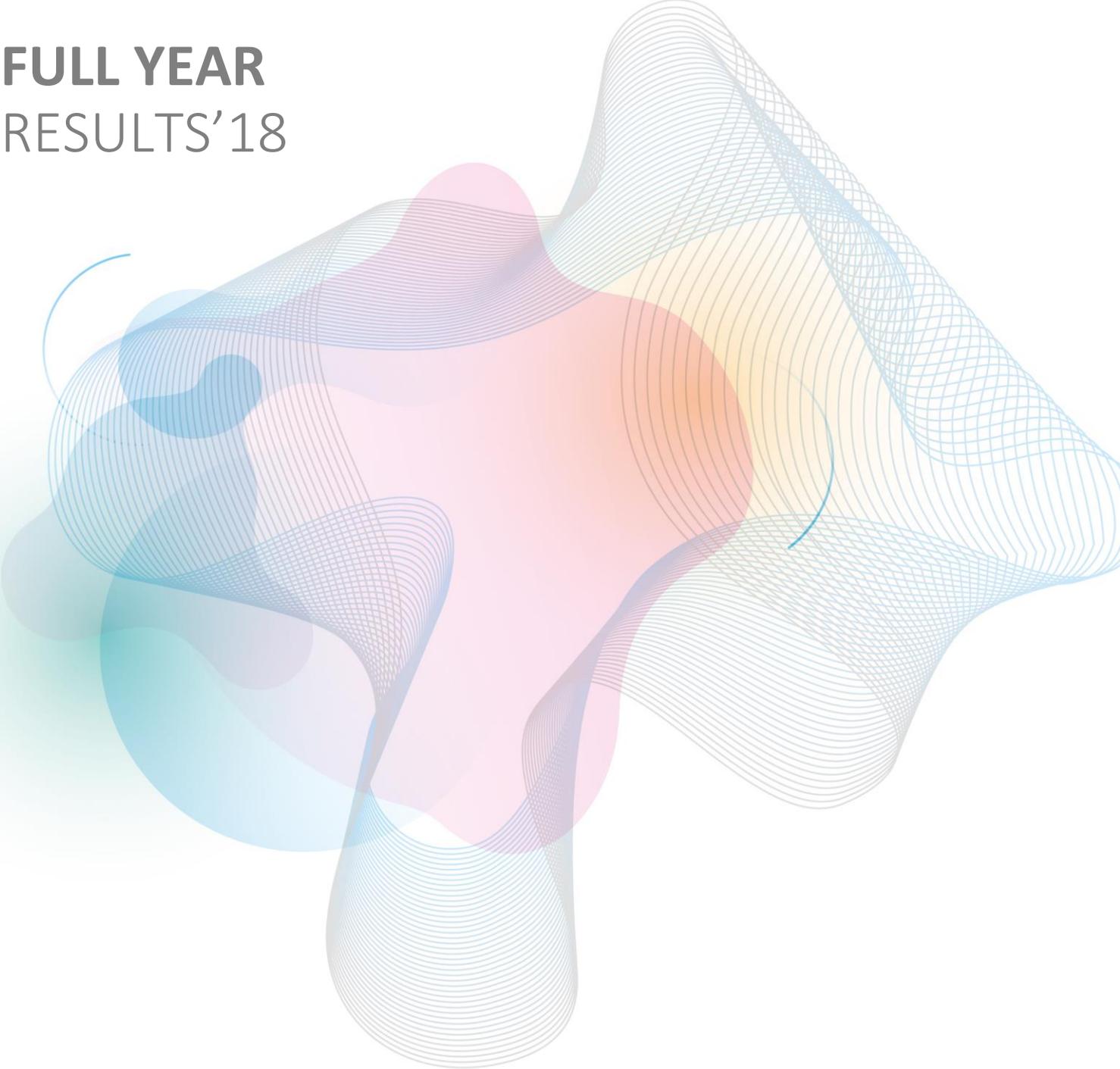


SONAE

**FULL YEAR
RESULTS'18**



IMPROVING LIFE



Highlights and CEO's message

- Sonae consolidated turnover reached €5,951 M at the end of 2018 with 8.1% growth when compared to 2017
- Sonae consolidated underlying EBITDA grew 8.4% y.o.y. to €372 M
- 4Q18 Sonae Sierra statutory P&L is fully consolidated into Sonae's accounts, including €39 M capital gain from the sale of assets
- The Board of Directors will propose at the Shareholders' AGM a 5.0% dividend increase to 4.41 euro cents per share, corresponding to a dividend yield of 5.4% and €88 M

"2018 was a successful year for Sonae, marked by significant growth, improved profitability and the conclusion of an important stage of our strategic development.

Consolidated turnover reached €6 bn (+8.1%), with a positive contribution of all business units, in particular Sonae MC (+7.0%) and Worten (+7.6%), both showing also strong LfL growth levels.

In terms of profitability, recurrent EBITDA increased by 12.2% to €425 M and EBITDA reached €483 M, corresponding to a growth of 26.7%. I would also like to highlight the performance of Sonae MC, which, in a challenging market environment, maintained its benchmark profitability levels.

The Group's net income exceeded €220 M, growing by 33.7%, with a particularly positive evolution of direct income which increased 58.3% versus 2017.

2018 was also marked by the endeavor to optimize the Group's organisational structure, with a special focus on strengthening management teams, ensuring competencies and complementarities that enable greater levels of autonomy, agility and inherent accountability, thus creating the conditions to better respond to the growing challenges of ever-changing competitive landscapes.

In terms of portfolio management, we began the year by concluding the merger between SportZone and JD Sprinter, which led to the creation of ISRG, a strong Iberian operator benefitting from important synergies and already delivering very positive results. Also of considerable importance was the additional investment in Sonae Sierra, enhancing the Group's international profile and creating the conditions to accelerate the implementation of our capital recycling strategy and take advantage of existing real estate value creation opportunities in an international context. Finally, we must highlight the continued strong investment, in both capital and skills, in our growth avenues, particularly in the areas of health and wellness, technology for retail and telecommunications, and new financial services.

This intense activity coincided with the last year of the current Board of Director's mandate of which I was part as Co-CEO and ensured that the transfer of responsibilities now taking place was made with increased comfort and confidence. I am certain that our company is prepared for the challenges ahead and I have the deepest conviction and sincere wishes that the new executive team led by Cláudia Azevedo will continue to enhance the success of this unique project that unites us all, which is Sonae."

Ângelo Paupério, Sonae Co-CEO

Sonae performance and capital structure

Sonae aggregated businesses overview						
Million euros	2017	2018	y.o.y.	4Q17	4Q18	y.o.y.
Turnover						
Sonae Retail ⁽¹⁾	5,658	6,229	10.1%	1,583	1,788	13.0%
Sonae Sierra ⁽²⁾	222	222	0.0%	61	63	3.6%
NOS ⁽²⁾	1,559	1,576	1.1%	399	409	2.5%
Sonae IM	126	155	22.7%	31	43	36.8%
Sonae FS ⁽³⁾	79	90	14.7%	23	26	14.3%
Underlying EBITDA						
Sonae Retail ⁽¹⁾	357	387	8.6%	118	141	19.8%
Sonae Sierra ⁽²⁾	106	109	2.6%	29	30	3.7%
NOS ⁽²⁾	575	592	2.8%	127	130	2.7%
Sonae IM	5	7	41.9%	2	2	1.4%
Sonae FS ⁽³⁾	10	15	41.5%	4	5	19.4%

(1) Sonae Retail figures: a) include Sonae MC, Sonae RP, Maxmat, Worten and Sonae S&F; b) include Sport Zone figures in 2017 and in 2018 Iberian Sports Retail Group figures following its creation in January 31st 2018; and c) exclude discontinued operations, namely Berg, from Sonae S&F;

(2) Aggregated turnover and Underlying EBITDA equals 100% of the figures reported by NOS and Sonae Sierra;

(3) Includes 100% turnover and underlying EBITDA of MDS.

Sonae consolidated results						
Million euros	2017 ⁽¹⁾	2018 ⁽¹⁾	y.o.y.	4Q17 ⁽¹⁾	4Q18 ⁽¹⁾	y.o.y.
Turnover	5,506	5,951	8.1%	1,546	1,714	10.9%
Underlying EBITDA	343	372	8.4%	118	139	17.6%
margin	6.2%	6.3%	0.0 p.p.	7.6%	8.1%	0.5 p.p.
Equity method results ⁽²⁾	35	53	49.8%	-1	6	-
Non-recurrent items	2	58	-	-1	68	-
EBITDA	381	483	26.7%	116	213	84.0%
margin	6.9%	8.1%	1.2 p.p.	7.5%	12.4%	4.9 p.p.
D&A ⁽³⁾	-201	-225	-11.8%	-58	-69	-18.6%
EBIT	180	258	43.4%	57	144	-
Net financial results	-34	-36	-6.2%	-7	-10	-53.9%
EBT	146	222	51.8%	51	134	-
Taxes	-15	-14	6.5%	-21	-19	8.2%
Direct results ⁽⁴⁾	132	209	58.3%	30	115	-
Indirect results	42	46	8.3%	5	6	17.4%
Net income	174	255	46.1%	35	121	-
Non-controlling interests	-8	-33	-	-3	-25	-
Net income group share	166	222	33.7%	33	96	-

(1) Restated figures due to: a) the creation of Iberian Sports Retail Group in January 31st 2018, Sport Zone was registered as discontinued operation and from February onwards ISRG started to be consolidated through the Equity Method; b) the sale of 1,773 shares from MDS SGPS to IPLF Holding, MDS started to be consolidated through the Equity Method and was included under Sonae FS, in June 2017 (up to June 2017, MDS is registered as a discontinued operation); c) the discontinued operations namely Berg from Sonae S&F.

(2) Equity method results: includes direct income related to investments consolidated by the equity method (mainly Sonae Sierra and NOS/Zopt) and discontinued operations results;

(3) Depreciations & amortisations including provisions & impairments;

(4) Direct results before non-controlling interests.

In 2018, the **aggregated figures** from Sonae businesses continued to show a strong performance globally both in terms of turnover and underlying EBITDA. The evolution of each business is explained in detail in the following pages.

From a statutory point of view, Sonae consolidated P&L figures include 4Q18 Sonae Sierra statutory accounts¹⁾ (full consolidation), following Sonae's shareholding increase from 50% to 70% at the end of 3Q18. Up to the end of 9M18, Sonae Sierra was considered through the equity method in the P&L of Sonae.

Sonae turnover increased by 8.1% y.o.y reaching €6.0 bn. This top line performance benefitted from positive contributions of Sonae's retail businesses, not only from the impact of solid LfL sales performances but also from the expansion of the store network. On a pro-forma basis, and excluding Sonae Sierra's total turnover (€44 M) from 4Q18 figures, Sonae consolidated turnover would have grown by 7.3% y.o.y..

Similar to top line growth, Sonae underlying EBITDA grew 8.4% y.o.y. to €372 M and consequently margin was flat y.o.y. at 6.3%. On a pro-forma basis, excluding Sonae Sierra's underlying EBITDA of €11 M, consolidated underlying EBITDA would have increased 5.2% y.o.y., corresponding to a 6.1% margin.

Sonae EBITDA had a more significant increase, +€102 M to €483 M, mainly fuelled by capital gains from both Sonae Sierra's sale of assets (+€39 M) and Sonae RP's sale and leaseback transactions (+€37 M), and the positive impact of the JV with JD/Sprinter (ISRG) when compared to SportZone's last year figures (+€12 M, registered under equity method results). This EBITDA performance was the main reason for the **Direct result** increase of 58% to €209 M, +€77 M when compared to 2017 and consequently **Net income group share surpassed €220 M.**

The impact of the transition from Equity Method to full consolidation of Sonae Sierra accounts has now been updated to include the recycling of results from currency translation reserves (from equity to results). This has a negative non-cash impact of €74 M registered in Indirect Results and has no impact on previously reported shareholders' funds.

1) Please see additional information on page 13

Sonae performance and capital structure

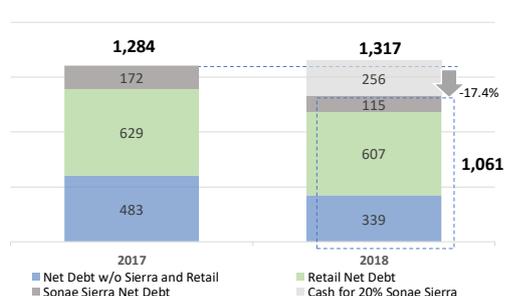
Sonae net invested capital

Million euros	2017	2018	y.o.y.
Net invested capital	3,248	4,605	41.8%
Sonae shareholders funds	2,135	3,289	54.0%
Sonae financial net debt	1,112	1,375	23.6%
Sonae net debt⁽¹⁾	1,112	1,317	18.4%
Net debt / Invested capital	34.3%	28.6%	-5.7 p.p.

(1) Financial net debt + net shareholder loans.

Sonae Net debt stood at €1,317 M at the end of 2018, influenced by the 20% stake acquisition in Sonae Sierra, both due to the €256 M cash-out and to the consolidation of the company's net debt (€115 M), as already reported in 9M18 results announcement.

Sonae pro-forma net debt (€M)



On a pro-forma basis, including the full consolidation of Sonae Sierra's net debt as of the end of 2017, net debt decreased by €223 M y.o.y. to €1,061 M (-17.4%).

Sonae's average gearing at book value decreased to 0.5x in 4Q18 compared to 0.6x in 4Q17, due to the group's reinforced capital structure which is now composed of 71% equity (already with Sonae Sierra's balance sheet fully consolidated since 3Q18), a 5.0 p.p. increase when compared to last year. On the contrary, average gearing at market value slightly increased up to 0.7x in 4Q18 vs 0.6x in 4Q17, mainly due to the share price performance in the period.

Gearing



Excluding Sonae Sierra, Sonae was able to maintain a low average cost of debt of around 1%. Since the end of 2018, Sonae has already refinanced €200 M in long term facilities, which enables Sonae to secure a comfortable average maturity profile of around 4 years.

Sonae Capex	2017	2018	% of Turnover
Capex	316	702	11.8%
Sonae Retail	273	311	5.4%
Sonae MC	164	181	4.4%
Worten	45	45	4.1%
Sonae Sports & Fashion	21	29	8.0%
Sonae RP	41	52	55.3%
Maxmat	1	3	4.0%
Sonae IM	19	45	28.9%
Sonae FS	2	1	4.0%
Sonae Sierra	-	81	n.a.
Acquisition of 20% Sonae Sierra	-	256	n.a.

Total Capex in 2018 amounted to €702 M, which includes the €256 M cash out related with the 20% stake acquisition in Sonae Sierra, the consolidation of capex from Sonae Sierra in the 4Q as well as capex related with both maintenance and expansion of the different retail businesses.

Sonae Retail results

Sonae MC

Turnover and underlying EBITDA margin evolution (€M; %)



In the favourable macroeconomic backdrop of 2018, and despite the strong competitive environment, **Sonae MC was again able to deliver a top line growth of 7.0% y.o.y.**, the highest annual increase over the last decade and surpassing €4 bn in sales. This performance was supported by a LfL sales growth of 2.8% in the FY18, significantly above the inflation for the same period (0.7%) as well as by the network store expansion. It is also worth highlighting the fast-developing e-commerce platform with double-digit growth figures during 2018 driven by both additional customers and higher average tickets.

Total store network ended the year with 1,085 stores (including franchisees) implying 122 news stores, which included 3 Continente Modelo and 13 Continente Bom Dia own stores (sales area increased by approximately 36k sqm). Since the beginning of 2019, Sonae MC has already opened additional 3 Continente Bom Dia and 1 Continente Modelo.

Regarding the **4Q18**, and despite the tough comparable of 4Q17 (LfL 3.2%), Sonae MC was able to reach a LfL sales growth of 3.6%, fuelled by positive figures in all formats, especially in the proximity segment (Continente Bom Dia stores) and clearly above food inflation in the period (0.3%).

Underlying EBITDA improved €15 M to €228 M in 2018 and €5 M in the 4Q18, while margins remained stable in both periods, at 5.5% and 6.3%, respectively. In the most important quarter of the year, which includes the Christmas season, Sonae MC proved once again its solid profile and value proposition and was able to reinforce its market leadership. This positive overall performance reflects a sound top line delivery coupled with cost discipline, despite the persistently demanding environment and the ongoing investments in the expansion program.

The **Health & Wellness** segment remained one of the main areas of growth and, already in January 2019, the acquisition of a 60% stake in the Spanish para-pharmacy and perfumery retailer Arenal was concluded.

Sonae Retail results

Sonae RP

Turnover and underlying EBITDA margin evolution (€M; %)

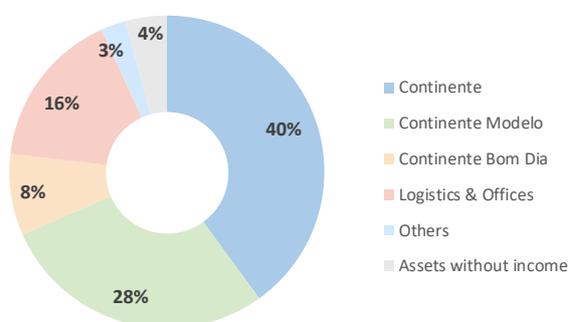


In the last 2 months of 2018, Sonae RP completed 2 sale & leaseback transactions corresponding to 6 assets and total proceeds of €82.8 M, including capital gains of €37 M. With these 2 transactions, Sonae MC's freehold stood at 43% at the end of 2018.

Sonae RP's portfolio at the end of year represented a gross book value of €1,247 M and a net book value of €873 M (-6.3% when compared to the end of September).

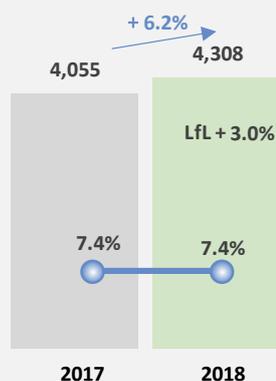
In 2018, **Sonae RP's turnover** increased 2.1% y.o.y. to €94 M, and the **underlying EBITDA** stood at €81.4 M, corresponding to a margin of 86.5%.

RP Portfolio
% of Gross Book Value



Sonae MC – New Perimeter

Turnover and underlying EBITDA margin evolution (€M; %)



The new perimeter of Sonae MC is mostly comprised of the historical Sonae MC segment, Maxmat and Sonae RP's operational assets. This new perimeter which will become a segment of Sonae consolidated accounts from 2019 onwards, performed in line with the previously mentioned. After the 2 sale & leaseback transactions mentioned above, Sonae MC's new perimeter freehold is 45%.

During 2018, Turnover increased €253 M, +6.2% y.o.y. to **reach €4,308 M**, fuelled by a **LfL sales growth of 3.0%**.

Underlying EBITDAR reached €421 M, implying a +€26 M growth y.o.y. and an increase in margin of 0.1 p.p. y.o.y. to 9.8%. The **underlying EBITDA margin**, stabilised y.o.y. at 7.4% and €319 M.

Sonae Retail results

Worten

Turnover and underlying EBITDA margin evolution (€M; %)



Worten registered a strong 4Q contributing to €1.1 bn in total turnover in FY18, 7.6% above the €1 bn threshold surpassed in FY17. This performance was underpinned by the 5.6% LfL sales growth and the e-commerce double digit growth (both in Portugal and in Spain). Despite the tough comparable (4Q17 LfL 10.2%), LfL sales grew 5.6% in the 4Q18 (robust growth in both countries) with Worten's top line reaching €343 M, implying a total sales growth of 8.1% y.o.y., with an important contribution from the Black Friday period.

The store network expanded with additional 17 new stores (including 1 franchised and 6 own stores in the 4Q) reaching a total of 257 Worten stores in Iberia by year end. Nonetheless, capex/turnover has been reduced by 0.3p.p.. This store expansion coupled with a strong Black Friday impact led to a stable underlying EBITDA at €35 M and a margin of 3.2%.

Sonae S&F

Fashion Turnover and underlying EBITDA margin evolution* (€M; %)



*Restated fashion accounts (do not include discontinued operations, namely Berg). In 2017 there were no fashion figures reported.

Sonae Fashion

A challenging year for the whole fashion sector with a positive 4Q for Sonae S&F, growing above market references.

The business recorded a 7.2% LfL growth and total sales of €104 M in the 4Q18, implying a total growth of 7.9% when compared to 4Q17. With this quarterly performance, Sonae S&F sales reached €369 M in 2018, representing a 1.9% growth when compared to 2017.

Regarding profitability, the 4Q enabled a positive contribution and evolution when compared to last year (underlying EBITDA of €12 M, +€2.5 M y.o.y.), although not sufficient to reach a yearly increase. The underlying EBITDA reached €14.9 M at YE18 with a margin of 4.0%, -1.4p.p. when compared to 2017.

ISRG Turnover and underlying EBITDA mg evolution* (€M; %)



*9M17 are pro-forma figures for comparable reasons.

Iberian Sports Retail Group

In the approx. 9 months¹ of the first year of the JV, turnover reached €411 M, an improvement mostly driven by Sprinter and JD sales performance. The group's EBITDA stood at €22 M, with an impact from Sport Zone stores' conversion to the Sprinter model in Spain. Equity method results included in Sonae accounts stood at -€5.2 M in 2018, a €12 M increment vs 2017.

¹. Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures refer to Feb 1st - Nov 2nd.

Sonae FS results

Turnover and underlying EBITDA mg evolution (€M; %)



Sonae FS ended a very good year with positive evolutions in key indicators: production surpassed the €1 bn threshold (+22.8% vs 2017), turnover jumped 27.3% y.o.y to €31 M and underlying EBITDA almost doubled to €5.7M.

The **Universo** operation continues to enhance its role in the payments market and to be the main responsible for the strong performance of this business unit. During the 4Q, the Universo card reached almost 50k additional subscribers, totalling 747k at the end year, thus net adds of 142k in 2018, an impressive figure for an operation that was launched 3 years ago. Market share in the credit card payments market also continued at high levels, ending with 12.9%¹ in December.

Sonae IM results

Portfolio (at the end of 2018)

Controlling stakes	Minority stakes
WeDo Technologies	AVP Funds
S21Sec Nextel	Stylesage
Saphety	Probe.ly
Bizdirect	Ometria
InovRetail	Arctic Wolf
Bright Pixel	Secucloud
Excellium	Continuum Security
	Nextail
	Case on it
	Jscramber
	Reblaze
	ciValue
	Visenze

In the last quarter of 2018, Sonae IM continued to implement its active portfolio management strategy. Besides the reinforcement in some portfolio companies and some early stage investments, Sonae IM acquired a minority stake in a Singapore retail tech company called **Visenze** and added a controlling stake in a cybersecurity company – **Excellium** - in Luxembourg, which represents an important step in the building of the European cybersecurity group now covering Iberia and key central European markets. Already in March 2019, Sonae IM has come to an agreement to sell Saphety (100%) to the members of its management team.

Turnover and underlying EBITDA mg evolution (€M; %)



In operational terms, **Sonae IM's turnover amounted to €155 M in the FY18, growing 22.7% y.o.y.**, fuelled by all of the portfolio companies and the integration of Nextel (cybersecurity company that merged with S21Sec in 3Q18 – the resulting company is the most important “pure player” in the cybersecurity sector both in terms of turnover and in number of cybersecurity experts).

Regarding the **profitability** level, the underlying EBITDA kept its upward trend with +€2 M y.o.y. to €6.6 M in the FY18. This performance was driven by improved efficiency across almost all companies.

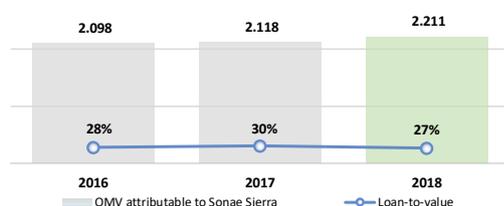
¹ Sonae FS estimate.

Sonae Sierra results

Operational Indicators			
	2017	2018	y.o.y.
Footfall (million visitors)	438	451	2.9%
Europe & New Markets	342	356	4.2%
Brazil	96	95	-1.7%
Occupancy rate (%)	96.0%	96.4%	0.3 p.p.
Europe	97.1%	97.1%	0.0 p.p.
Brazil	92.5%	93.4%	0.9 p.p.
Like-for-Like (Lfl) tenant sales	4.2%	2.6%	
Europe	3.2%	2.3%	-
Brazil (local currency)	6.8%	3.4%	-
Tenant sales (million euros)	4,897	4,787	-2.2%
Europe (million euros)	3,534	3,608	2.1%
Brazil (million euros)	1,363	1,179	-13.5%
Brazil (million reais)	4,896	5,063	3.4%
Nº of shopping centres owned and/or managed (EOP)	66	64	-2
Europe	56	54	-2
Brazil	10	10	0
Nº of shopping centres owned/co-owned (EOP)	45	44	-1
Europe	36	35	-1
Brazil	9	9	0
GLA under Management ('000 sqm)	2,423	2,482	2.4%
Europe & New Markets	1,941	2,004	3.2%
Brazil	481	477	-0.8%

Proportional basis - management accounts						
Million euros	2017	2018	y.o.y.	4Q17	4Q18	y.o.y.
Turnover	222	222	0.0%	61	63	3.6%
EBIT	105	108	2.8%	29	30	3.9%
EBIT margin	47.2%	48.5%	1.3 p.p.	47.9%	48.1%	0.2 p.p.
Direct results	65	67	3.0%	19	17	-12.6%
Indirect results	45	44	-3.9%	13	18	33.4%
Net results	110	110	0.1%	33	35	6.3%
... attributable to Sonae	55	62	12.9%	16	24	48.8%

Open Market Value (OMV)* and leverage (billion euros)



* Sierra ownership.

Sonae concluded the agreement with Grosvenor for the **acquisition of an additional 20% stake** for €255.9 M, in the end of the 3Q18. Following this transaction, Sonae owns 70%, thus fully consolidates Sonae Sierra's balance sheet in the 3Q18 and its P&L from 4Q18 onwards (statutory accounts) ¹⁾.

Sonae Sierra's management accounts (on a proportional basis) show that the company continues to deliver solid performance with EBIT increasing by €2.9 M to €108 M. Consequently, **Direct results** increased to €67 M, +3.0% y.o.y., underpinned by a strong performance of the shopping centre portfolio in both in Europe and Brazil coupled with good growth of the services division (EBIT +11% y.o.y.), which was partially offset by the adverse currency effect of the Brazilian real (€3.5 M). **Indirect results** stood at €44 M mainly reflecting gains on sales of properties and valuation increases in Sierra's portfolio of assets.

During 2018, Sonae Sierra progressed with its **capital recycling strategy with almost €600 M of OMV of assets sold** (100% basis) such as the share reduction in Serra Shopping, GranCasa, Max Center, Valle Real and the full sale of Coimbrashopping (Portugal) and Nuremberg assets. In addition, Sonae Sierra acquired the remaining 50% stake of ParkLake shopping center in Romania.

As for its **development pipeline execution**, Sonae Sierra opened the Fashion City Outlet in Greece (4Q), achieved significant advances in the expansion of Norteshopping and the Designer Outlet in Malaga and, already in 2019, opened the first shopping centre in Colombia (Cucuta).

Sonae Sierra's NAV stood at €1,455 M at the end of December 2018, +1.6% (or 3.7% on a constant currency basis) when compared to the 2017 year-end position as a result of the positive operating performance and changes in its portfolio valuations, partially offset by dividends paid and adverse currency impact. Sierra is forecasting to pay €115 M dividends during 1H19.

1) Please see additional information on page 13

NOS results

Financial Indicators						
Million euros	2017	2018	y.o.y.	4Q17	4Q18	y.o.y.
Operating revenues	1,559	1,576	1.1%	399	409	2.5%
EBITDA	575	592	2.8%	127	130	2.7%
EBITDA margin	36.9%	37.5%	0.6 p.p	31.7%	31.8%	0.1 p.p
Net results	122	141	15.8%	17	18	8.6%
Capex	377	376	-0.4%	114	95	-16.4%
Total FCF before Dividends, Financial investments and Own shares acquisition	133	180	35.2%	-3	0	-

Operational Indicators			
('000)	4Q17	4Q18	y.o.y.
Total RGUs (Net adds)	46	35	-
Convergent RGUs (Net adds)	19	31	-
Mobile (Net adds)	29	9	-
Pay TV (Net adds)	1	2	-
Total RGUs	9,412	9,605	2.1%
Convergent RGUs	3,651	3,902	6.9%
Convergent customers	721	767	6.3%
ARPU/Unique subscriber with fixed access (euros)	44	44	-

NOS published its FY18 results on March 8th 2019, available on its website www.nos.pt.

Operating revenues amounted to €1,576 M in 2018, +1.1% above last year with telco revenues growing 1.5% to €1,506 M. In the 4Q18, operating revenues grew 2.5% y.o.y. to €409 M. **Regarding profitability**, consolidated EBITDA improved 2.8% y.o.y. to €592 M in 2018 benefitting from a 4.0% growth of core telco EBITDA. Net results stood at €141 M in 2018, +16% y.o.y..

Total capex stood at €376 M in 2018 mostly related to telco investments, corresponding to 23.8% of revenues and -0.4% when compared to 2017. **Total Free Cash-Flow before Dividends, Financial investments and Own shares acquisition amounted to €180 M** (+35.2% y.o.y.), benefitting from a strong operating cash flow of €196 M, which enabled a 1.8x Net Debt/EBITDA and should support a strong dividend distribution profile.

As for operational indicators, NOS ended 2018 with 9,605 thousand total RGUs, with 35.1 thousand net adds in the 4Q18. Even though the level of convergent penetration is already at 50.3%, NOS managed to register y.o.y. growth of 6.3% to 767 thousand convergent customers, corresponding to 3.9 million convergent RGUs and an average of 5 services per household. Meanwhile, the operational transformation program is on track to deliver enhanced customer experience and higher operational efficiency.

Corporate information

Main corporate events in the 4Q18

October 4th

Sonae announced the launch of Sonae MC IPO on Euronext Lisbon with a price range of €1.40 to €1.65 per share (prospectus also published in CMVM).

October 11th

Sonae announced that, due to adverse conditions in international markets, the institutional offering did not take place, which hence determined that the initial public offering of Sonae MC Shares was not executed.

October 23rd

Sonae announced to the market Invesco Ltd. qualified shareholding amounting to 2.06% of Sonae's share capital.

November 6th

Sonae announced the automatic extension of its cash settled equity swap, originally entered on 15th November 2007, for an additional 12-month period, up until November 2019.

November 29th

Sonae announced that Sonae MC concluded the sale and leaseback transaction of 5 food retail assets located in Portugal. This transaction totalled €55 M and has generated an estimated capital gain of €25.3 M.

November 30th

Sonae announced to the market Magallanes qualified shareholding amounting to 1.92% of Sonae's share capital.

December 11th

Sonae announced on transaction regarding the acquisition of 60% of Arenal perfumerias.

December 17th

Sonae announced that Sonae MC concluded the sale and leaseback transaction of a food retail asset located in Portugal. This transaction totalled €27.8 M and has generated an estimated capital gain of €12.2 M.

Subsequent events

February 27th

Sonae informed on Efanor announcement - intention to propose at the upcoming electoral Shareholders General Meeting (April 2019) the new Board of Directors for the 2019/2022 mandate.

Outlook and dividend proposal

Outlook 2019

In 2019, Sonae will keep pursuing its strategy based on three key pillars and as a holding company, **will continue to be focused on unlocking value across the portfolio. A new BoD will be elected for the 2019-2022 mandate.**

From January 1st onwards, Sonae will report its consolidated accounts in accordance with the IFRS 16 accounting standard. This will not affect cash but for comparable reasons in 1Q19, 2018 figures by quarter will be reported with IFRS impact. Sonae will explain to the market the impacts of IFRS 16 in due time.

Sonae MC will be a new segment in Sonae's accounts, comprising the historical Sonae MC segment, Maxmat and Sonae RP's operational assets. The food retail market should remain positively impacted by a positive macro environment, despite the strong competitive situation. Under this framework, Sonae MC will continue to be focused on developing its value proposition, the expansion of its proximity store network (Continente Bom Dia stores), while ensuring price leadership. Health & Wellness will be under the spotlight with the consolidation and expansion of Arenal, the Spanish para-pharmacy and perfumery network.

Worten will continue to lead the way in digital transformation, benefitting from a slower but still positive macro context both in Portugal and Spain while also maintaining its focus on the improvement of its overall profitability. Moreover, Worten will also further explore a potential growth avenue, namely through its recently launched marketplace.

Sonae Sports & Fashion brands will continue to implement their strategies mainly focused on creating the conditions to achieve a visible top line and profitability growth while becoming a more fashion, more digital and more agile group. Regarding **ISRG**, 2019 will be the first entire year of full integration of both operations therefore important for continuing the success of this JV.

Sonae FS expects to further expand its product and services portfolio, through Universo in the credit, insurance and payments market.

Sonae IM will continue its active portfolio management with a special focus on growth stage but also investing from seed to late stages. Sonae IM's investment targets are retail, telco and cybersecurity companies with B2B business models based on strong innovative technology.

Sonae Sierra will continue to focus on the delivery of its three core strategic principles and on further extending its international presence. In terms of developments, Sierra has already opened a new development in Colombia, is planning to conclude the Designer Outlet in Malaga and to continue with the execution of its other ongoing expansions and developments. In terms of capital recycling, Sierra is expecting to continue to selectively recycle capital from its portfolio, whilst committing to the long-term strategic growth of its most dominant flagship assets in Iberia.

NOS will continue with to make significant progress in terms of its Transformation Plan, which will bring further benefits in 2019, while remaining a leading player in the Portuguese telecoms and entertainment market.

Dividend proposal

In view of the Net Results for the financial year 2018 and according to our dividend policy, the Board of Directors will propose at the Shareholders' Annual General Meeting the payment of a gross dividend of 0.0441 euros per share, 5% above the dividend distributed last year. This dividend corresponds to a dividend yield of 5.4%, based on the closing price as at December 31st 2018 (which stood at €0.81), and to a payout ratio of 42% of the consolidated direct income attributable to equity holders of Sonae.

Additional information

Methodological notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not subject to audit procedures.

Note: Sonae implemented the following changes in its reporting structure:

- (i) from 1Q17, Maxmat is reported under “Sonae Retail”, together with Sonae MC, Worten, Sonae Sports & Fashion and Sonae RP;
- (ii) MDS started to be consolidated through the Equity Method and was included in Sonae FS, in June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding. From 1Q16 until June 2017, MDS was registered as a discontinued operation;
- (iii) from 1Q17 until January 2018, Sport Zone figures were reported as a discontinued operation. From February 2018 onwards, ISRG started to be consolidated through the Equity Method;
- (iv) following the acquisition of a further 20% in Sonae Sierra, Sonae Sierra statutory balance sheet started to be fully consolidated in the 3Q18 and the statutory P&L in the 4Q18;
- (v) discontinued operations, namely Berg, in Sonae S&F in 2018 were also considered in 2017 for comparable reasons.

4Q18 Sonae Sierra statutory accounts

Statutory Accounts	
Million euros	4Q18
Turnover	44
Underlying EBITDA	11
Underlying EBITDA margin	24.5%
Equity method results	11
Non-recurrent items	39
EBITDA	61
D&A ⁽¹⁾	-5
EBIT	56
Net financial results	-6
EBT	50
Taxes	-7
Direct results	43
Indirect results	1
Net income	44
Non-controlling interests	-12
Net income group share	32

(1) Depreciations & amortisations including provisions & impairments.

Sonae balance sheet

Sonae statement of financial position			
Million euros	2017	2018	y.o.y.
TOTAL ASSETS	5,605	7,772	38.7%
Non current assets	4,183	5,996	43.3%
Tangible and intangible assets	2,019	2,022	0.1%
Goodwill	634	779	22.9%
Investment properties	-	999	-
Other investments	1,434	2,040	42.2%
Deferred tax assets	72	73	2.1%
Others	24	83	-
Current assets	1,422	1,777	24.9%
Stocks	713	671	-5.9%
Trade debtors	130	142	9.1%
Liquidity	365	698	91.3%
Others	214	266	24.2%
SHAREHOLDERS' FUNDS	2,135	3,289	54.0%
Equity holders	1,967	2,161	9.9%
Attributable to minority interests	168	1,127	-
LIABILITIES	3,470	4,484	29.2%
Non-current liabilities	1,385	1,973	42.4%
Bank loans	573	1,072	86.9%
Other loans	647	516	-20.2%
Deferred tax liabilities	132	286	-
Provisions	19	41	-
Others	13	57	-
Current liabilities	2,085	2,511	20.4%
Bank loans	208	287	38.2%
Other loans	61	214	-
Trade creditors	1,192	1,287	8.0%
Others	623	723	16.0%
SHAREHOLDERS' FUNDS + LIABILITIES	5,605	7,772	38.7%

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions.
Direct results	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
(Direct) EBT	Direct results before taxes.
EoP	End of period.
Equity method results	Include direct income related to investments consolidated by the equity method (mainly Sonae Sierra and NOS/Zopt) and results from discontinued operations.
Financial net debt	Total net debt excluding shareholders' loans.
Gearing (book value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
Gearing (market value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / equity value considering the closing price of Sonae shares on the last day of each quarter.
GLA	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
Indirect results	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sonae Sierra.
Like for Like sales (Lfl)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to value (LTV) – Sonae Sierra	Net debt / (investment properties + properties under development + properties under restructuring - goodwill).
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
Net invested capital	Total net debt + total shareholders' funds.
Open market value (OMV)	Fair value of properties in operation (% of ownership), provided by independent international entities and book value of development properties (% of ownership).
Other loans	Bonds, leasing and derivatives.
Recurrent EBITDA	Underlying EBITDA + equity method results.
RGU	Revenue generating unit.
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDAR	Underlying EBITDA excluding rents.



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This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

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.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

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