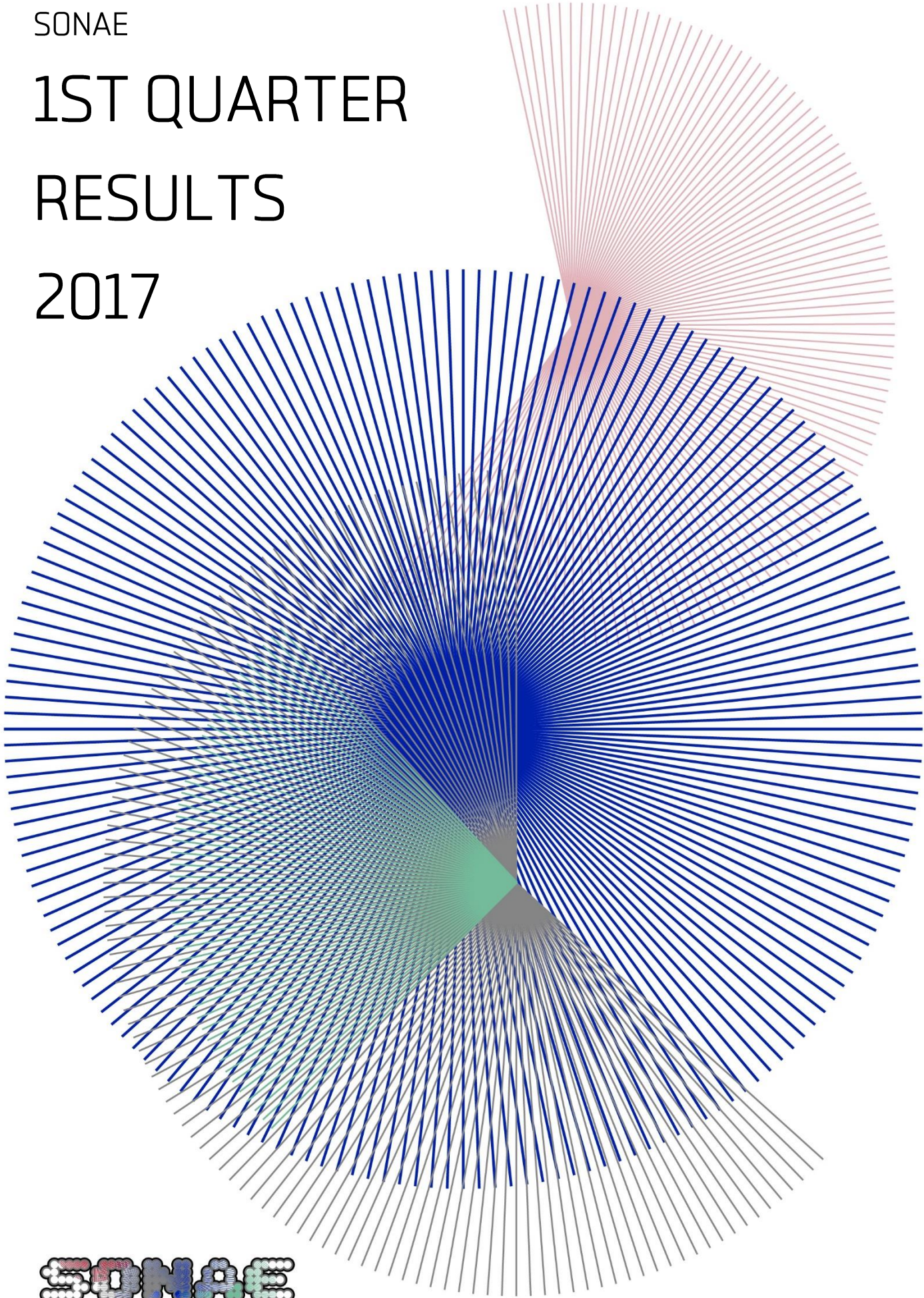


SONAE

1ST QUARTER

RESULTS

2017



# 1 HIGHLIGHTS AND CEO'S MESSAGE

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- Sonae further increased turnover at pace, +6.0% y.o.y. to €1,278 M, despite the adverse calendar effects on retail
- Sonae underlying EBITDA increased to €49 M in 1Q17, +12.7% y.o.y.
- Sonae kept a robust capital structure, with financial leverage ratio decreasing from 41.9% to 40.9%

*"The year of 2017 began well for Sonae. In a challenging quarter in year-on-year comparison, we grew in all businesses ensuring a profitability in line with our expectations. On a consolidated basis, turnover increased 6% and the underlying EBITDA grew 12.7%, highlighting the positive evolution in specialised retail.*

*Along with our positive operating performance, we moved ahead along our strategic growth avenues, concluding the acquisition of Brio, which will afford greater dimension and strengthen competencies in the dynamic area of healthy food. In the same way, in the Sports Fashion sector, we signed an agreement with JD Sprinter to create the 2nd Iberian sports player which, combining the assets and competencies that both Groups enjoy in the sector, will foment redoubled ambition in size and profitability.*

*We continue to benefit from a solid capital structure, with greater maturity on debt and lower financing costs, thus maintaining favorable conditions for the fulfilment of our growth ambitions and continuous improvement of the value propositions we present our customers."*

*Ângelo Paupério, Sonae Co-CEO*

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

### Sonae businesses overview

Million euros	1Q16	1Q17	y.o.y.
<b>Turnover</b>			
Sonae Retail	1,201	1,257	4.7%
Sonae Sierra <sup>(1)</sup>	51	54	4.4%
NOS <sup>(1)</sup>	370	381	2.9%
Sonae IM	27	33	24.0%
Sonae FS	4	5	28.8%
<b>Underlying EBITDA</b>			
Sonae Retail	51	55	6.4%
Sonae Sierra <sup>(1)</sup>	26	25	-1.5%
NOS <sup>(1)</sup>	138	144	4.2%
Sonae IM	0.5	0.7	29.2%
Sonae FS	-1.2	0.7	-

(1) Consolidated in statutory accounts using the equity method.

### Sonae consolidated results

Million euros	1Q16	1Q17	y.o.y.
<b>Turnover</b>	<b>1,206</b>	<b>1,278</b>	<b>6.0%</b>
<b>Underlying EBITDA</b>	<b>44</b>	<b>49</b>	<b>12.7%</b>
Underlying EBITDA margin	3.6%	3.8%	0.2 p.p.
Equity method results <sup>(1)</sup>	13	14	12.2%
o.w. S. Sierra (direct results)	7	8	2.0%
o.w. NOS	5	7	46.7%
Non-recurrent items	62	-1	-
<b>EBITDA</b>	<b>119</b>	<b>62</b>	<b>-47.7%</b>
EBITDA margin	9.8%	4.9%	-5.0 p.p.
D&A <sup>(2)</sup>	-50	-48	3.0%
<b>EBIT</b>	<b>69</b>	<b>14</b>	<b>-79.9%</b>
Net financial activity	-14	-8	44.7%
<b>EBT</b>	<b>55</b>	<b>6</b>	<b>-88.8%</b>
Taxes	-11	2	-
<b>Direct results <sup>(3)</sup></b>	<b>43</b>	<b>9</b>	<b>-80.3%</b>
<b>Indirect results</b>	<b>-15</b>	<b>0</b>	<b>-</b>
<b>Net income</b>	<b>29</b>	<b>9</b>	<b>-70.1%</b>
Non-controlling interests	1	0	-
<b>Net income group share</b>	<b>30</b>	<b>8</b>	<b>-72.1%</b>

(1) Equity method results: includes direct income related to investments consolidated by the equity method (mainly Sonae Sierra and NOS);

(2) Depreciations & amortisations including provisions & impairments;

(3) Direct results before non-controlling interests.

### Sonae net invested capital

Million euros	1Q16	1Q17	y.o.y.
<b>Net invested capital</b>	<b>3,127</b>	<b>3,375</b>	<b>7.9%</b>
<b>Sonae shareholders funds</b>	<b>1,818</b>	<b>1,995</b>	<b>9.7%</b>
<b>Sonae net debt <sup>(1)</sup></b>	<b>1,309</b>	<b>1,380</b>	<b>5.4%</b>
Net debt / Invested capital	41.9%	40.9%	-1.0 p.p.

(1) Financial net debt + net shareholder loans.

### Sonae businesses highlights

- All businesses posting a positive top line trend;
- Underlying EBITDA increasing in all businesses (except for Sonae Sierra, due to recent asset sales).

From a statutory standpoint, **Sonae consolidated turnover** amounted to €1,278 M in 1Q17, posting an increase of 6.0% when compared to 1Q16, with all businesses contributing positively to this evolution.

**Sonae underlying EBITDA** increased by 12.7%, to €49 M, driven by Retail and by Sonae FS. **Sonae underlying EBITDA margin** reached 3.8%, representing an increase of 20bps y.o.y..

**Sonae EBITDA** totalled €62 M, corresponding to an **EBITDA margin** of 4.9%, down from 9.8% in 1Q16 due to the positive impact, last year, of non-recurrent items (benefiting mostly from the capital gains related to the sale and leaseback transactions completed by Sonae RP in 1Q16), notwithstanding the higher underlying EBITDA and Equity method results in 1Q17.

**Sonae net financial activity** stood at negative €8 M, improving by €6 M when compared to 1Q16, driven by the y.o.y. decrease in the cost of outstanding debt. The average interest rate of outstanding debt stood at 1.3% on March 31<sup>st</sup> 2017, maintaining the level registered at the end of 2016, albeit decreasing significantly when compared to 2.0% registered one year ago. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

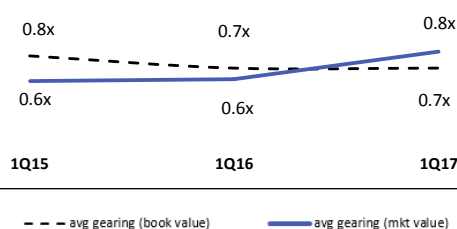
**Sonae direct results** amounted to €9 M, decreasing by €34 M when compared to the 1Q16, driven by non-recurrent items, as underlying EBITDA, Equity method results, D&A, net financial activity and taxes posted a favourable evolution. **Sonae indirect results** improved by €15 M. It should be noted that **indirect results** line included the negative effect of NOS mark-to-market in 1Q16.

Sonae continued to reinforce its capital structure. **Sonae shareholders' funds** stood at €1,995 M in 1Q17, €177 M above 1Q16 and, importantly, **net debt to invested capital** decreased by 100bps y.o.y., to 40.9%.

**Sonae net debt** totalled €1,380 M, increasing 5.4% comparing to 1Q16, mostly driven by investment acceleration.

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

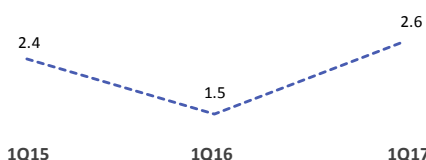
### Gearing



Million euros	1Q16	1Q17	y.o.y.
<b>Net financial debt</b>	<b>1,306</b>	<b>1,379</b>	<b>5.6%</b>
Retail	640	857	33.9%
Sonae IM	2	1	-56.9%
Holding & other	664	521	-21.6%
<b>Sonae net debt</b>	<b>1,309</b>	<b>1,380</b>	<b>5.4%</b>

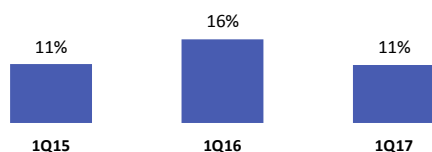
### Capital Structure

Net debt to EBITDA - Retail



### Capital Structure

Loan-to-value (%) - Holding



### Sonae Capex

Million euros	1Q16	1Q17	% of Turnover
<b>Capex</b>	<b>58</b>	<b>54</b>	<b>4.2%</b>
<b>Sonae Retail</b>	<b>57</b>	<b>51</b>	<b>4.0%</b>
Sonae MC	35	28	3.3%
Worten	6	6	2.8%
Sports and Fashion	7	8	5.3%
Sonae RP	9	8	36.9%
Maxmat	0.1	0.3	2.1%
<b>Sonae IM</b>	<b>2</b>	<b>3</b>	<b>7.4%</b>
<b>Sonae FS</b>	<b>0.03</b>	<b>0.03</b>	<b>0.6%</b>

**Average gearing at book value** reached 0.7x, slightly decreasing in comparison with 1Q16. **Average gearing at market value** stood at 0.8x, increasing by 0.2x y.o.y. driven by Sonae's share price decrease (from €1.059, at the end of 1Q16, to €0.948, at the end of 1Q17, after recovering from a minimum of €0.630 in July 2016), notwithstanding the slightly lower average net debt.

Sonae continues to focus on presenting a **robust capital structure**, optimising funding costs whilst maintaining sufficient back up liquidity and an improved maturity profile. Sonae continued to fulfil its practice of being fully financed for the coming 18 months and at the same time improving its general funding conditions. As of 1Q17, the average maturity profile remained above 4 years.

**Retail net financial debt** reached €857 M in 1Q17, €217 M above 1Q16, mostly due to the absence, this year, of cash-in related to sale and leaseback transactions, as well as the acceleration of investment and the cash-out related to the acquisition of 50% of Salsa, coupled with the consolidation of Salsa's debt. **Retail net debt to EBITDA** stood at 2.6x, driven mostly by Retail net debt evolution.

**Holding net debt** totalled €521 M, decreasing 21.6% y.o.y. and benefiting from the sale of the direct participation at NOS, which took place in June 2016. **Loan-to-value** ratio of the Holding stood at 11%, benefiting from the lower Holding net debt.

**Sonae Capex** decreased by €4 M when compared to 1Q16, to €54 M. Sonae Retail, which decreased Capex y.o.y. by 10.5%, to €51 M, contributed significantly for this evolution, namely through Sonae MC, as the remaining divisions kept their investment levels broadly stable.

### 3 SONAE RETAIL RESULTS

#### Sonae Retail businesses performance

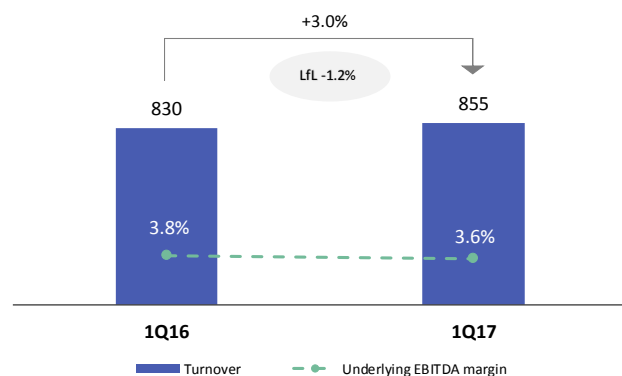
Million euros	1Q16	1Q17	y.o.y
<b>Turnover</b>	<b>1,201</b>	<b>1,257</b>	<b>4.7%</b>
Sonae MC	830	855	3.0%
Worten	216	218	0.6%
Sports & Fashion	115	144	25.9%
Sonae RP	24	23	-6.0%
Maxmat	15	17	10.6%
<b>Underlying EBITDA</b>	<b>51</b>	<b>55</b>	<b>6.4%</b>
Sonae MC	32	30	-3.4%
Worten	2	3	18.0%
Sports & Fashion	-4	1	-
Sonae RP	21	20	-7.0%
Maxmat	0	1	89.4%
<b>Underlying EBITDA margin (%)</b>	<b>4.3%</b>	<b>4.3%</b>	<b>0.1 p.p.</b>

**Sonae retail turnover** grew by 4.7% in 1Q17, reaching €1,257 M. This was driven by all businesses except for Sonae RP, which was impacted by a lower level of freehold. Most importantly, retail turnover was able to post a positive performance, despite the negative calendar effect in 1Q17 (no Easter, one weekend less and the leap year), which has a strong influence in the sector's performance.

**Sonae retail underlying EBITDA** increased from €51 M to €55 M, +6.4% y.o.y.. This evolution benefited from Worten, Sports & Fashion and Maxmat, which together more than off-set Sonae MC smaller contribution in the amount of €2 M, together with Sonae RP lower underlying EBITDA.

#### SONAE MC

##### Turnover and underlying EBITDA evolution



**Sonae MC turnover** increased by 3.0% in 1Q17, reaching €855 M and continuing to further increase its market share, which has been growing consistently over the last 6 quarters. The **LfL sales growth** stood at negative 1.2%, driven by the previously mentioned calendar effects. Most importantly, we can say with certainty that the **LfL sales growth** as of April 2017 year-to-date (annulling Easter calendar effect and partially annulling the weekend effect) was positive.

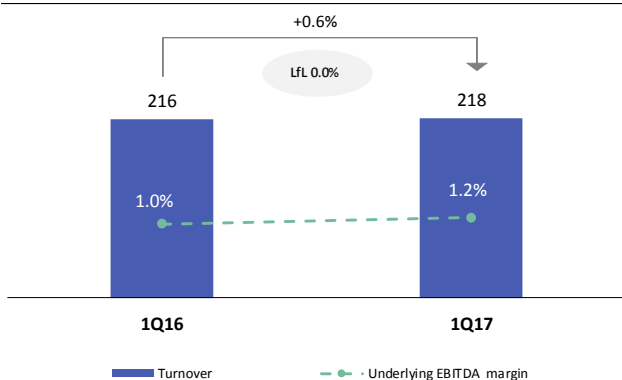
**Sonae MC underlying EBITDA margin** reached 3.6%, decreasing 20bps when compared to 1Q16. This reflected the still demanding competitive environment, marked by intense promotional activity, Sonae MC continuous investment in improving its value proposition – in which a considerable effort in price perception is included – as well as the store network expansion through convenience formats. It should be noted that the calendar effect has also had a negative effect in profitability evolution.

Already in 2Q17, Sonae reached an agreement to acquire 100% of BRIO's share capital. BRIO is the first organic supermarket chain launched in Portugal and includes 6 stores with convenience locations in Lisbon area. This acquisition represents a further step in **Sonae MC** strategic aim of growing its presence in the Health and Wellness segment and follows the agreement for the acquisition of a 51% stake in Go Natural restaurants and the opening of the first supermarket entirely dedicated to healthy food, both in December 2016. Following this transaction, **Sonae MC** will complete a network of 7 stores in this segment.

### 3 SONAE RETAIL RESULTS (continued)

#### WORTEN

##### Turnover and underlying EBITDA evolution



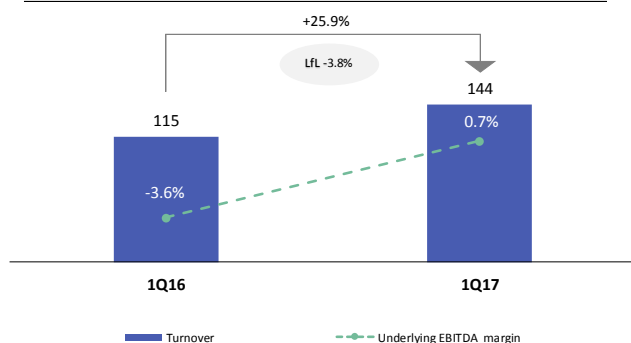
**Worten turnover** amounted to €218 M in 1Q17, increasing by 0.6% y.o.y., impacted by negative calendar effect, and corresponding to a neutral **LfL sales growth** performance. Particularly in Portugal, Worten continued to reinforce its leadership with market share gains, both in offline and especially in the online channel. We would like to add that **Worten LfL sales growth** as of April year-to-date (annulling Easter calendar effect and partially annulling the weekend effect) grew more than 3%.

Regarding its store network, **Worten** continues to work on square metres optimisation, which also encompasses the opening of new stores. It is worth highlighting the very positive performance of the **e-commerce operation**, both in Portugal and Spain, driven by the recently renewed e-commerce platforms. Importantly, the Portuguese e-commerce operation grew by 62% and the Spanish operation grew more than 30% y.o.y. in 1Q17.

**Underlying EBITDA** performance increased by 18.0% when compared with 1Q16, reaching €3 M in 1Q17, backed by a material improvement in Spain.

#### SPORTS & FASHION

##### Turnover and underlying EBITDA evolution



In the **Sports & Fashion** division, **turnover** increased by 25.9% in 1Q17, to €144 M, despite the negative calendar effects, particularly Easter, which affects all the brands, especially Zippy. The top line performance benefited both from the original portfolio, as well as from the contribution of recent acquisitions. Most importantly, the division continued to register a positive trend in sales per sqm.

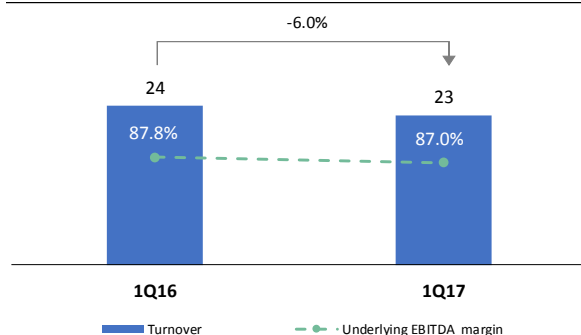
In the original portfolio, **LfL sales growth** as of April year-to-date (annulling Easter calendar effect and partially annulling the weekend effect) was clearly positive. Also considering the performance as of April year-to-date, it is worth noting the performances of MO, which increased LfL sales by 10%, and of Zippy, which increased LfL sales by 8% in Iberia.

The **Sports & Fashion underlying EBITDA** increased €5 M when compared to the same period of 2016, reaching €1 M and benefiting from the positive evolution of all the businesses included in the portfolio, notwithstanding the greater contribution of recent acquisitions.

### 3 SONAE RETAIL RESULTS (continued)

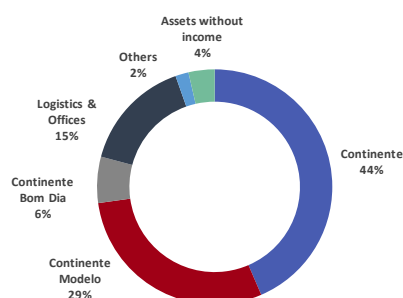
#### SONAE RP

##### Turnover and Underlying EBITDA evolution



##### RP Portfolio

as % of Gross Book Value



**Sonae RP** is responsible for the management of Sonae's retail real estate portfolio. As of March 31<sup>st</sup> 2017, its portfolio presented a gross book value amounting to €1,319 M, equivalent to a net book value of €914 M and included 21 Continente stores, 62 Continente Modelo stores and 26 Continente Bom Dia stores.

In the last few years, **Sonae RP** implemented an asset monetisation strategy to reduce freehold levels. Particularly in 1Q16, 3 sale and leaseback transactions in the amount of €230 M were accomplished, equivalent to a capital gain of €64 M (which had a positive impact in non-recurrent items line). In 1Q17, Sonae RP did not complete any sale and leaseback transaction. Accordingly, **Sonae MC's freehold** stood at 50%, keeping the target reached at the end of 2016. In the specialised retail (Worten and Sports & Fashion), the freehold stood at 21%.

**Sonae RP turnover** totalled €23 M, less €1 M when compared to the 1Q16, posting a small reduction driven mostly from the freehold reduction between the two periods.

The **underlying EBITDA** stood at €20 M, corresponding to an **underlying EBITDA margin** of 87.0%.

## 4 SONAE SIERRA RESULTS

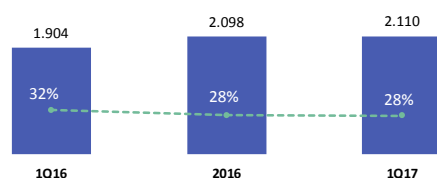
### Operational Indicators

	1Q16	1Q17	y.o.y.
<b>Footfall (million visitors)</b>	<b>103</b>	<b>101</b>	<b>-2.0%</b>
Europe & New Markets	78	78	-0.4%
Brazil	25	23	-7.2%
<b>Occupancy rate (%)</b>	<b>95.0%</b>	<b>96.3%</b>	<b>1.3 p.p.</b>
Europe	96.0%	97.0%	1.0 p.p.
Brazil	92.2%	94.3%	2.1 p.p.
<b>Like-for-Like (Lfl) tenant sales</b>			
Europe	5.3%	0.1%	-
Brazil (local currency)	-0.1%	4.6%	-
<b>Tenant sales (million euros)</b>	<b>963</b>	<b>1,058</b>	<b>9.8%</b>
Europe (million euros)	710	736	3.6%
Brazil (million euros)	253	322	27.3%
Brazil (million reais)	1,087	1,077	-0.9%
<b>Nº of shopping centres owned and/or managed (EOP)</b>	<b>68</b>	<b>64</b>	<b>-4</b>
Europe	57	54	-3
Brazil	11	10	-1
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>44</b>	<b>46</b>	<b>2</b>
Europe	35	37	2
Brazil	9	9	0
<b>GLA under Management ('000 sqm)</b>	<b>2,333</b>	<b>2,293</b>	<b>-1.7%</b>
Europe & New Markets	1,828	1,811	-0.9%
Brazil	505	481	-4.7%

### Financial Indicators

Million euros	1Q16	1Q17	y.o.y.
<b>Turnover</b>	<b>51</b>	<b>54</b>	<b>4.4%</b>
<b>EBIT</b>	<b>25</b>	<b>25</b>	<b>-1.3%</b>
EBIT margin	49.4%	46.7%	-2.7 p.p.
Direct results	15	15	1.7%
Indirect results	2	1	-53.1%
<b>Net results</b>	<b>17</b>	<b>16</b>	<b>-4.2%</b>
... attributable to Sonae	8	8	-4.2%

### Open Market Value (OMV)<sup>(1)</sup> and leverage billion euros



<sup>(1)</sup> Includes investment properties at open market value and development properties at cost.

■ OMV attributable to Sonae Sierra    - - - Loan-to-value

Sonae Sierra continued its **development activity**, having in pipeline the following projects: Nuremberg (Germany), Málaga McArthurGlen Designer Outlet (Spain), NorteShopping Expansion (Portugal), Colombo Expansion (Portugal), Jardín Plaza Cucuta (Colombia) and Zenata (Morocco). **ORES Socimi**, the property investment vehicle recently launched with Bankinter, began trading and made its first acquisitions in Iberia. Accordingly, in March 31<sup>st</sup> 2017, the **Investment and Development Properties** attributable to Sonae Sierra reached €2,110 M, €12 M above 2016 year-end, driven by the on-going investments, the latest acquisitions and the positive exchange rate effect in the Brazilian real.

In operational terms, Europe and Brazil continued to deliver a positive performance. In Europe, despite the adverse seasonal effect of Easter, **tenant sales** grew by 3.6%, corresponding to a **LfL tenant sales** of 0.1%, and in Brazil, -0.9% and 4.6% respectively. The **occupancy rate** improved in both regions, leading to a growth in global **occupancy rate** to 96.3% by the end of March 2017, a value that compares with 95.0% on March 31<sup>st</sup> 2016.

We would like to highlight that 1Q17 was an important period for **Sonae Sierra's refinancing activity**. The company refinanced more than €230 M in credit lines (corresponding to 2 shopping centres in Portugal) and improved overall credit conditions.

**Sonae Sierra turnover** totalled €54 M, an increase of 4.4% when compared to the same period of 2016. The **EBIT** performance was nearly flat, reaching €25 M in 1Q17, mostly due to the positive impact of ParkLake, which partially compensates the 2016 assets disposals, corresponding to an **EBIT margin** of 46.7%. **Direct results** reached €15 M, posting a neutral performance when compared with 1Q16. **Indirect results** stood at €1 M in 1Q17. Since Sonae Sierra only values its assets on a semi-annual basis, the **indirect results** were not impacted by real estate valuations.

**NAV** reached €1,441 M at the end of 1Q17, almost €23 M above December 2016, reflecting the net result of the period and the positive impact of the Brazilian Real appreciation. **Loan-to-value** stood at 28%, in line with 2016 year-end.



## 5 NOS RESULTS

### Financial Indicators

Million euros	1Q16	1Q17	y.o.y.
<b>Operating revenues</b>	<b>370</b>	<b>381</b>	<b>2.9%</b>
<b>EBITDA</b>	<b>138</b>	<b>144</b>	<b>4.2%</b>
EBITDA margin	37.2%	37.7%	0.5 p.p
<b>Net results</b>	<b>24</b>	<b>31</b>	<b>28.7%</b>
<b>Capex</b>	<b>95</b>	<b>87</b>	<b>-8.4%</b>

### Operational Indicators

('000)	1Q16	1Q17	y.o.y.
<b>Total RGUs (Net adds)</b>	<b>130</b>	<b>78</b>	<b>-</b>
Convergent RGUs (Net adds)	134	111	-
Mobile (Net adds)	50	31	-
Pay TV (Net adds)	18	8	-
<b>Total RGUs</b>	<b>8,595</b>	<b>9,155</b>	<b>6.5%</b>
Convergent RGUs	2,988	3,498	17.1%
Convergent customers	615	697	13.5%
ARPU/Unique subscriber with fixed access (euros)	44	45	2.2%

**NOS** published its results on April 27<sup>th</sup> 2017, which are available at [www.nos.pt](http://www.nos.pt).

**NOS** continued to present a solid growth in the main areas of the business.

**Operating revenues** increased by €11 M in 1Q17, to €381 M, sustaining the positive top line performance across all segments.

**EBITDA** amounted to €144 M in 1Q17, improving by 4.2% versus 1Q16 and corresponding to an EBITDA margin of 37.7%.

**Net results** registered a significant increase, improving by 28.7% when compared to the same period of 2016, to €31 M.

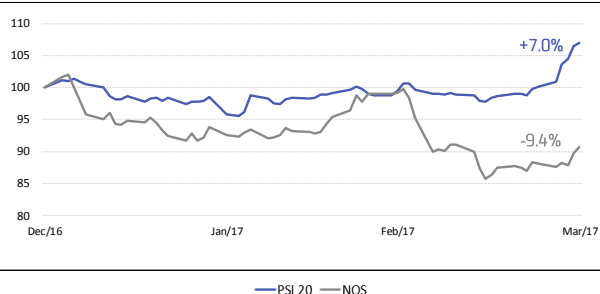
**NOS** continued to grow its customer base and the number of **RGUs**, which increased by 6.5%, to 9,155 thousand, as a result of growth in all segments. **Convergent RGUs** increased to 3,498 thousand, + 17.1% y.o.y..

**NOS Free Cash Flow** reached €58 M in 1Q17, performing a considerable increase when compared to €10 M generated in 1Q16 (and €6 M in 4Q16). This was the result of a stronger Operating Cash Flow, coupled with the positive effect of the sale of Optimus FttH network to Vodafone in the amount of €24 M.

During the 1Q17, **NOS** market capitalisation decreased by 9.4%, corresponding to a share price decrease from €5.64 to €5.11.

The PSI-20, the main Portuguese index, increased its market capitalisation by 7.0% in the same period.

Share Price Performance

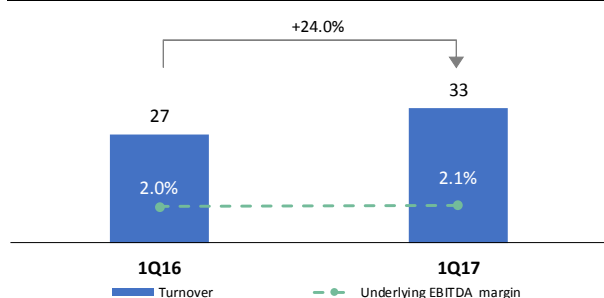


## 6 SONAE IM RESULTS

### Portfolio

Controlling stakes	Minority stakes
WeDo Technologies S21Sec Saphety Bizdirect InovRetail Bright Pixel	AVP Funds Stylesage Movvo

### Turnover and Underlying EBITDA evolution



**Sonae IM** has been implementing an active portfolio strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail and telecommunications, leveraging the strong Group's expertise in these two verticals and aiming to develop innovative solutions, with an international focus.

**Sonae IM's** core areas of interest include business analytics solutions, mobility solutions for retail, in-store technologies, fraud assurance and cybersecurity solutions.

**Turnover** increased by 24.0%, to €33 M, in 1Q17. **Underlying EBITDA** increased by €0.2 M, to €0.7 M, reaching an **underlying EBITDA margin** of 2.1%.

## 7 SONAE FS RESULTS

### Financial Indicators

Million euros	1Q16	1Q17	y.o.y.
Production	151	180	19.2%
Turnover	4	5	28.8%
Underlying EBITDA	-1.2	0.7	-
Underlying EBITDA margin	-27.9%	12.2%	40.1 p.p.

**Sonae FS** was created at the end of 2015 with the objective of fostering financial services in Sonae retail. Sonae FS offer includes: Credit, mostly through the Universo credit card, with special payment options at Sonae stores while having global acceptance across the Mastercard network. Additionally, Universo grants access to the several loyalty cards of Sonae retail banners. Credit offer also includes personal loans, store credit to customers and products sale at Universo online store; pre-paid cards (Cartões Dá), with B2B and B2C offers; Continente Money Transfer, a reliable service for money transfers across the globe; and insurance, presently focused on credit insurance. **Sonae FS** also includes MDS (which will be accounted for using the equity method), a global insurance & reinsurance brokerage and associated risk consulting services with direct operations in Iberia, Brazil and Portuguese speaking countries in Africa. MDS is the largest broker in Portugal and the largest independent broker in Brasil.

**Sonae FS turnover** increased by 28.8%, to €5 M, in 1Q17. **Underlying EBITDA** reached €0.7 M, representing an EBITDA margin of 12.2%.

In a period of slightly more than one year after its launching, **Universo card** operation has been growing considerably major key performance indicators such as the **number of subscribers**, which increased by 83.0%, surpassing 455 thousand subscribers, and the **total production**, which stood at €124 M, increasing by 45.3% y.o.y..

## 8 CORPORATE INFORMATION

### Main corporate events in the 1Q17

#### March 9<sup>th</sup> 2017

Sonae agreed with JD Sports Fashion Plc (JD Group), and JD Sprinter Holdings (JD Sprinter), a Memorandum of Understanding (MoU) which would see the combination of the JD Group's existing businesses in Iberia and JD Sprinter, with Sport Zone's business.

This MoU establishes the key parameters for the creation of an Iberian Sports Retail Group that will have as shareholders the JD Group, Sonae and the family shareholder of JD Sprinter, with shareholdings of approximately 50%, 30% and 20%, respectively.

#### March 17<sup>th</sup> 2017

Sonae Sierra and Bankinter launched their recently created Socimi on the Alternative Stock market. This listed real estate investment company was created in December 2016 on a 50:50 basis, and its major investment focus is on hypermarkets and supermarkets, retail parks and high street retail. Shopping centres will not be included in the asset portfolio.

### Subsequent events

#### April 26<sup>th</sup> 2017

Sonae announced that it reached an agreement with the shareholders of BRIO – Produtos de Agricultura Biológica, S.A. (BRIO) for the acquisition of 100% of BRIO's share capital. BRIO is the first organic supermarket chain launched in Portugal and operates six supermarkets specialised in organic food, all of them with convenient locations in the Lisbon area.

#### April 28<sup>th</sup> 2017

In the Annual General Assembly, which took place on April 28<sup>th</sup> 2017, the company's shareholders approved, amongst other items, the distribution of a gross dividend per share, relative to the 2016 financial year, in the amount of 0.04 euros. This dividend, which was paid on May 15<sup>th</sup> 2017, corresponded to a dividend yield of 4.6%, based on the closing price as at December 31<sup>st</sup> 2016, and to a payout ratio of 54% of the consolidated direct income attributable to equity holders of Sonae.

#### May 3<sup>rd</sup> 2017

Sonae announced to the market Magallanes Value Investors' qualified shareholding amounting to 2.03% of Sonae's share capital.

## 9 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.

### Glossary

<b>Capex</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct results</b>	Results before non-controlling interests excluding contributions to indirect results.
<b>(Direct) EBIT</b>	Direct EBT - financial results.
<b>EBITDA</b>	Underlying EBITDA + equity method results (mainly Sonae Sierra direct results and ZOPT net results) + non-recurrent items.
<b>(Direct) EBT</b>	Direct results before non-controlling interests and taxes.
<b>EBITDA margin</b>	EBITDA / turnover.
<b>EoP</b>	End of period.
<b>Financial net debt</b>	Total net debt excluding shareholders' loans.
<b>Gearing (book value)</b>	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
<b>Gearing (market value)</b>	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.
<b>GLA</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
<b>Indirect results</b>	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.
<b>Investment properties</b>	Shopping centres in operation owned and co-owned by Sonae Sierra.
<b>Liquidity</b>	Cash & equivalents + current investments.
<b>Like for Like sales (Lfl)</b>	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.
<b>Loan to value (LTV) - Holding</b>	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
<b>Loan to value (LTV) - Shopping Centres</b>	Net debt / (investment properties + properties under development).
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.

<b>Net debt</b>	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
<b>Net invested capital</b>	Total net debt + total shareholders' funds.
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by independent international entities.
<b>Other income</b>	Dividends.
<b>Others + E&amp;A (Eliminations &amp; adjustments)</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
<b>Other loans</b>	Bonds, leasing and derivatives.
<b>RGU</b>	Revenue generating unit.
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
<b>Underlying EBITDA</b>	Recurrent EBITDA from the businesses consolidated using the full consolidation method.

Note: Sonae implemented, this quarter, the following changes in its reporting structure: (i) MDS will start to be consolidated through the Equity Method and included in Sonae FS after the formalisation of a single share transaction; (ii) Maxmat is reported under "Sonae Retail", together with Sonae MC, Worten, Sports & Fashion and Sonae RP; and (iii) Media and Tlantic are reported under "Others + E&A". In order to assure comparability, the 'Profit and Loss Statement' historical figures were restated accordingly.

**Sonae statement of financial position**

Million euros	1Q16	1Q17	y.o.y.
<b>TOTAL ASSETS</b>	<b>5,072</b>	<b>5,489</b>	<b>8.2%</b>
<b>Non current assets</b>	<b>3,742</b>	<b>4,037</b>	<b>7.9%</b>
Tangible and intangible assets	1,791	1,969	10.0%
Goodwill	601	624	3.8%
Investment properties	1	0	-
Other investments	1,252	1,357	8.4%
Deferred tax assets	66	68	3.8%
Others	33	19	-41.6%
<b>Current assets</b>	<b>1,330</b>	<b>1,453</b>	<b>9.2%</b>
Stocks	617	693	12.3%
Trade debtors	102	118	15.6%
Liquidity	269	286	6.2%
Others	343	357	4.2%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,818</b>	<b>1,995</b>	<b>9.7%</b>
Equity holders	1,686	1,825	8.2%
Attributable to minority interests	132	170	29.0%
<b>LIABILITIES</b>	<b>3,254</b>	<b>3,494</b>	<b>7.4%</b>
<b>Non-current liabilities</b>	<b>1,430</b>	<b>1,580</b>	<b>10.5%</b>
Bank loans	576	723	25.6%
Other loans	706	703	-0.5%
Deferred tax liabilities	72	111	55.0%
Provisions	39	21	-45.4%
Others	37	22	-42.1%
<b>Current liabilities</b>	<b>1,824</b>	<b>1,914</b>	<b>5.0%</b>
Bank loans	249	239	-4.1%
Other loans	56	11	-80.6%
Trade creditors	985	1,027	4.3%
Others	534	638	19.5%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5,072</b>	<b>5,489</b>	<b>8.2%</b>

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## SAFE HARBOUR

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.

Report available at Sonae's institutional website  
[www.sonae.pt](http://www.sonae.pt)

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SONAE is listed on the Euronext Stock Exchange.  
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