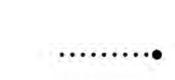
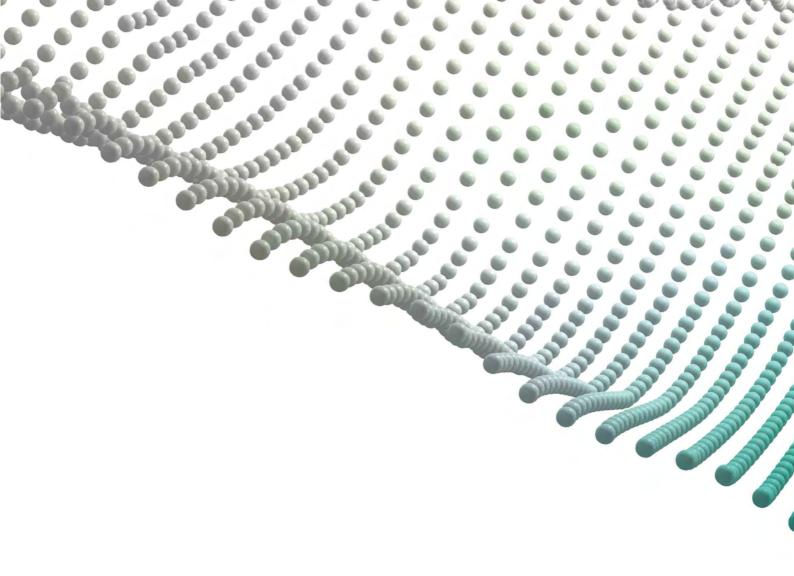


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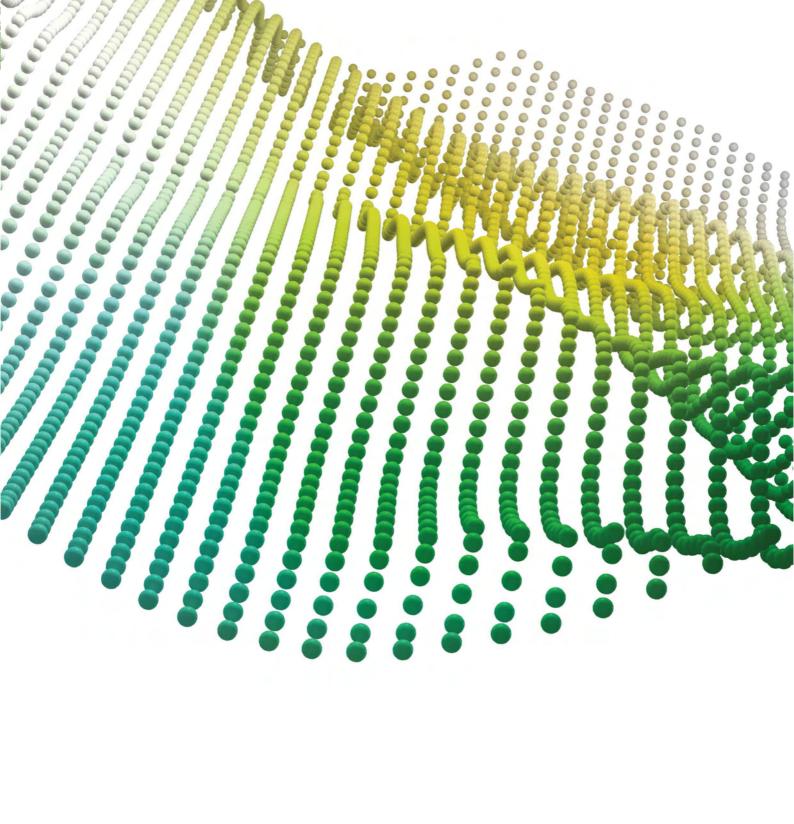






 CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015 AND 2014

(Amounts expressed in euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

ASSETS	Notes	31 Dec 2015	31 Dec 2014 Restated Note 4	01 Jan 2014 Restated Note 4
NON-CURRENT ASSETS:			11010	
Tangible assets	10	1,543,114,788	1,801,947,881	1,827,164,403
Intangible assets	11	244,450,349	230,959,888	202,854,156
Investment properties		919,609	960,206	1,001,735
Goodwill	12	624,543,913	610,590,464	610,187,858
Investments in joint ventures and associates	6	1,214,889,100	1,202,626,712	1,144,792,015
Other investments	7, 9 and 13	29,549,661	30,566,117	31,991,837
Deferred tax assets	20	63,869,618	89,951,943	123,159,864
Other non-current assets Total Non-Current Assets	9 and 14	31,610,627 3,752,947,665	29,100,433 3,996,703,644	31,970,613 3,973,122,481
CURRENT ASSETS:				
Inventories	15	634,764,894	602,976,230	588,949,862
Trade account receivables	9 and 16	96,577,303	79,543,281	78,261,378
Other debtors	9 and 17	78,506,544	63,602,768	102,461,173
Taxes recoverable	18	78,953,427	59,602,785	72,028,213
Other current assets	19	86,583,787	104,049,629	71,537,318
Investments	9 and 13	82,430,974	61,662,961	202,484,454
Cash and cash equivalents	9 and 21	282,751,583	588,596,792	366,308,918
Total Current Assets		1,340,568,512	1,560,034,446	1,482,031,316
Non-Current Assets held for sale	22	131,044,138	-	-
TOTAL ASSETS		5,224,560,315	5,556,738,090	5,455,153,797
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	23	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	23	(123,493,932)	(136,273,735)	(126,945,388)
Legal reserve	23	244,211,592	196,260,390	188,285,864
Reserves and retained earnings	23	(637,533,495)	(531,794,080)	(517,589,162)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		175,306,228	143,838,207	-
Equity attributable to the equity holders of the Parent Company		1,658,490,393	1,672,030,782	1,543,751,314
Equity attributable to non-controlling interests	24	136,303,721	160,200,533	342,976,312
TOTAL EQUITY		1,794,794,114	1,832,231,315	1,886,727,626
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9 and 25	566,306,612	284,308,122	241,163,840
Bonds	9 and 25	697,562,099	612,965,560	1,113,399,900
Obligation under finance leases	9, 25 and 26	3,231,481	4,754,587	7,980,489
Other loans	9 and 25	5,764,682	4,981,858	53,936
Other non-current liabilities	9 and 28	36,028,880	44,060,068	51,247,881
Deferred tax liabilities Provisions	20 33	72,759,772 38,810,058	94,392,315 36,489,900	121,095,969 50,659,919
Total Non-Current Liabilities		1,420,463,584	1,081,952,410	1,585,601,934
CURRENT LIABILITIES:		, -, -, -, -, -, -, -, -, -, -, -, -, -,		
Loans	9 and 25	258,655,767	113,873,438	65,791,907
Bonds	9 and 25	49,962,081	826,032,837	159,962,358
Obligation under finance leases	9, 25 and 26	3,691,782	4,720,839	4,314,843
Other loans	9 and 25	1,953,298	1,450,607	3,869,633
Trade creditors	9 and 30	1,161,697,200	1,151,006,417	1,162,317,682
Other creditors	9 and 31	199,513,809	209,573,983	313,313,588
Taxes and contributions payable	18	92,269,879	91,254,837	55,757,125
Other current liabilities	32	238,474,811	240,917,211	214,668,594
Provisions	33	3,083,990	3,724,196	2,828,507
Total Current Liabilities	************************	2,009,302,617	2,642,554,365	1,982,824,237
TOTAL LIABILITIES		3,429,766,201	3,724,506,775	3,568,426,171
TOTAL EQUITY AND LIABILITIES		5,224,560,315	5,556,738,090	5,455,153,797

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
Sales	36	4,825,931,588	4,795,621,661
Services rendered	36	188,311,035	178,504,839
Income or expense relating to investments	37	(6,366,703)	8,786,829
Gains and losses on investments recorded at fair value through results	13 and 38	22,135,189	(3,129,894)
Financial income	38	19,337,242	10,445,566
Otherincome	39	683,825,179	525,725,408
Cost of goods sold and materials consumed	15	(3,955,037,096)	(3,781,374,723)
Changes in stocks of finished goods and work in progress		(46,783)	(98,002)
External supplies and services	40	(654,546,532)	(640,768,083)
Staff costs	41	(665,354,195)	(651,134,468)
Depreciation and amortisation	10 and 11	(173,003,291)	(170,831,196)
Provisions and impairment losses	33	(13,074,208)	(11,572,691)
Financial expense	38	(73,668,281)	(87,498,526)
Other expenses	42	(89,278,783)	(66,910,853)
Share of results of joint ventures and associated companies	6	88,531,189	64,408,422
Profit/(Loss) before taxation		197,695,550	170,174,289
Taxation	43	(20,919,599)	(24,660,421)
Profit/(Loss) after taxation	***************************************	176,775,951	145,513,868
Attributable to:			
Equity holders of the parent company		175,306,228	143,838,207
Non-controlling interests	24	1,469,723	1,675,661
		176,775,951	145,513,868
Profit/(Loss) per share			
Basic	45	0.097429	0.078888
Diluted	45	0.090784	0.075445

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
Net Profit / (Loss) for the period		176,775,951	145,513,868
Items that maybe reclassified subsequently to profirt or loss:			
Exchange differences arising on translation of foreign operations		(5,082,830)	770,930
Participation in other comprehensive income (net of tax) related to joint		4	
ventures and associated companies included in consolidation by the equity method	6.4	(51,195,018)	6,448,699
Changes on fair value of available-for-sale financial assets	7 and 13	-	1,298,489
Changes in hedge and fair value reserves		(1,499,185)	1,327,112
Deferred taxes related with other components of comprehensive income		365,245	(643,225)
Others		109,304	(189,587)
		(57,302,484)	9,012,418
Items that maybe reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale assets	7 and 13	2,247,800	-
		(55,054,684)	9,012,418
Total comprehensive income for the period		121,721,267	154,526,286
Attributable to:			
Equity holders of parent company		123,215,319	151,822,696
Non controlling interests		(1,494,052)	2,703,589

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Reserves and Retained Earnings													
(Amounts expressed in euro)	Notes	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings	Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 24)	Total Equity
						Attributable to E	quity Holders of	Parent Company					(Note 24)	
Balance as at 1 January 2014		2,000,000,000	(126,945,388)	188,285,864	2,759,902	(1,773,499)	723,822	-	(818,244,626)	(816,534,401)	318,979,514	1,563,785,589	344,325,829	1,908,111,418
Effect of Restatement	4	=	=	-	-	-	-	-	(20,034,275)	(20,034,275)	=	(20,034,275)	(1,349,517)	(21,383,792)
Balance as at 1 January 2014 - Restated		2,000,000,000	(126,945,388)	188,285,864	2,759,902	(1,773,499)	723,822	_	(838,278,901)	(836,568,676)	318,979,514	1,543,751,314	342,976,312	1,886,727,626
Total compreensive income for the period		=	-	-	615,916	649,375	643,044	-	6,076,154	7,984,489	143,838,207	151,822,696	2,703,589	154,526,285
Appropriation of consolidated net profit of 2013														
Transfer to legal reserves and retained earnings		-	-	7,974,526	-	-	=	-	311,004,988	311,004,988	(318,979,514)	=	-	=
Dividends distributed		-	-	-	-	-	-	-	(65,351,598)	(65,351,598)	=	(65,351,598)	(270,007)	(65,621,605)
Income distribution		-	-	=	=	-	-	-	=	-	-	=	(1,732,571)	(1,732,571)
Acquisition of own shares	23	-	(20,679,050)	-	-	-	-	-			-	(20,679,050)		(20,679,050)
Obligation fulfield by share attribution to employees	29	-	11,350,703	-	-	-	-	-	355,396	355,396	-	11,706,099	60,527	11,766,626
Partial disposal or aquisitions of affiliated companies	24	-	-	-	-	-	-	-	28,598,855	28,598,855	-	28,598,855	(183,537,317)	(154,938,462)
Valuing bond conversion option in Sonae shares	25	-	-	-	-	-	-	22,313,000		22,313,000	-	22,313,000	-	22,313,000
Others		-	-	-	-	-	-	-	(130,534)	(130,534)	-	(130,534)	-	(130,534)
Balance as at 31 December 2014 - Restated		2,000,000,000	(136,273,735)	196,260,390	3,375,818	(1,124,124)	1,366,866	22,313,000	(557,725,640)	(531,794,080)	143,838,207	1,672,030,782	160,200,533	1,832,231,315
Balance as at 1 January 2015		2,000,000,000	(136,273,735)	196,260,390	3,375,818	(1,124,124)	1,366,866	22,313,000	(557,725,640)	(531,794,080)	143,838,207	1,672,030,782	160,200,533	1,832,231,315
Total compreensive income for the period		=	=	Ē	(2,240,017)	1,124,124	(1,093,916)	Ē	(49,881,100)	(52,090,909)	175,306,228	123,215,319	(1,494,052)	121,721,267
Appropriation of consolidated net profit of 2014														
Transfer to legal reserves and retained earnings		-	=	47,951,202	-	=	-	-	95,887,005	95,887,005	(143,838,207)	-	-	-
Dividends distributed		-	-	· · · ·	-	-	-	-	(68,258,971)	(68,258,971)	-	(68,258,971)	(1,569,568)	(69,828,539)
Reserves distributed		=	-	-	-	-	-	-	(72,420,965)	(72,420,965)	=	(72,420,965)	-	(72,420,965)
Income distribution		-	-	-	-	-	-	=	-	-	=	-	(1,031,352)	(1,031,352)
Acquisition of own shares	23	-	(139,401)	-	-	-	-	-	-	-	-	(139,401)	-	(139,401)
Obligation fulfield by share attribution to employees	29	-	9,365,882	-	-	-	-	-	(5,380,063)	(5,380,063)	-	3,985,819	(4,655)	3,981,164
Partial cancellation of Cash Settled Equity Swap	23	-	3,553,322	-	-	-	=	-	760,722	760,722	=	4,314,044	=	4,314,044
Partial disposal or aquisitions of affiliated companies	24	-	-	-	-	=	-	-	(4,186,728)	(4,186,728)	=	(4,186,728)	(28,557,533)	(32,744,261)
Capital increase		-	-	-	-	=	-	-	-	-	=	-	8,763,414	8,763,414
Others		-	-	=	-	-	=	-	(49,506)	(49,506)	-	(49,506)	(3,066)	(52,572)
Balance as at 31 December 2015		2,000,000,000	(123,493,932)	244,211,592	1,135,801	-	272,950	22,313,000	(661,255,246)	(637,533,495)	175,306,228	1,658,490,393	136,303,721	1,794,794,114

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2015 AND 2014

 $(Translation\ of\ consolidated\ financial\ statements\ originally\ issued\ in\ Portuguese.\ In\ case\ of\ discrepancy\ the\ Portuguese\ version\ prevails)$

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
OPERATING ACTIVITIES			
Cash receipts from trade debtors		5,013,539,109	4,980,380,801
Cash paid to trade creditors		(4,054,184,888)	(4,034,044,307)
Cash paid to employees		(671,314,787)	(640,032,077)
Cash flow generated by operations		288,039,434	306,304,417
Income taxes (paid) / received		(33,892,523)	12,701,881
Other cash receipts and (payments) relating to operating activitie) C	(6,746,260)	37,451,125
Net cash flow from operating activities (1)		247,400,651	356,457,423
INVESTMENT ACTIVITIES	***************************************	247,400,031	330,437,423
Cash receipts arising from:			
Investments	46	_	18,285,861
Tangible assets	10	184,933,799	14,519,345
Intangible assets		186,131	285
Interests and similar income		8,815,606	6,635,049
Loans granted		64,417,098	9,578,370
Dividends		17,806,327	19,377,628
Others		13,130,359	4,758,634
***************************************		289,289,320	73,155,172
	nanananananananan un		
Cash Payments arising from:	4.5	(24 550 474)	
Investments	46	(31,550,174)	-
Tangible assets and investment properties		(172,207,335)	(137,832,733)
Intangible assets		(38,568,231)	(39,323,091)
Loans granted		(49,092,000)	(9,763,370)
Others		(1,241,818)	(2,693,211)
		(292,659,558)	(189,612,405)
Net cash used in investment activities (2) FINANCING ACTIVITIES		(3,370,238)	(116,457,233)
Cash receipts arising from:			
Loans obtained		3,740,823,091	3,165,793,536
Capital increases, additional paid in capital and share premiums	46	30,174,078	1,829,278
Others	25	-	22,313,000
		3,770,997,169	3,189,935,814
Cash Payments arising from:			
Loans obtained		(4,026,948,010)	(2,916,082,403)
Investments	46	(82,957,645)	(120,583,329)
Interests and similar charges		(66,697,109)	(77,941,467)
Dividends and distributed reserves	47	(152,941,623)	(71,564,160)
Purchase of own shares	23	(139,401)	(18,208,035)
Others		(2,299,493)	(2,156,783)
	***************************************	(4,331,983,281)	(3,206,536,177)
Net cash used in financing activities (3)	***************************************	(560,986,112)	(16,600,363)
Not increase in each and each equivalents $(4) = (1) \cdot (2) \cdot (2)$		/216 DEE 600\	222 200 227
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(316,955,699)	223,399,827
Effect of foreign exchange rate	21	1,175,450 588,271,612	997,671 365,869,456
Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	21	270,140,463	588,271,612
cash and cash equivalents at the end of the period	Z1	270,140,463	500,271,012

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE, SGPS, SA

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts stated in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 5 to 7 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 48.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are as follows:

2.1 Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable to economic periods beginning on 1 January 2015, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRS - IC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as at the consolidated financial statements issuance date.

The accompanying consolidated financial statements have been prepared from the books and accounting records of the company, subsidiaries, joint ventures and associates, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and investment properties, which are stated at fair value.

Additionally, for financial reporting purposes, fair value measurement is categorized in Level 1, 2 and 3, according to the level in which the used assumptions are observable and its significance, in what concerns fair value valuation, used in the measurement of assets/liabilities or its disclosure.

Level 1 – Fair value is determined based on active market prices for identical assets/liabilities;

Level 2 - The fair value is determined based on other data other than market prices identified in Level 1 but they are possible to be observable; and

Level 3 - Fair value measurements derived from valuation techniques, whose main inputs are not based on observable market data.

New accounting standards and their impact in these consolidated financial statements:

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2015:

With mandatory application during the year 2015:	Effective date (for financial years beginning on/after)
IFRIC 21 – (Levies)	01 Jul 2014
Annual Improvements to IFRS (cycle 2011-2013)	01 Jan 2015

These standards were applied for the first time by the Group in 2015 and there is no significant impact on these financial statements.

The following standards, interpretations, amendments and revisions were endorsed by the European Union and are mandatory in future financial years:

With mandatory application after 2015:	Effective date (for financial years beginning on/after)
IAS 19 (Amendment) – (Defined benefit Plans: Employee Contributions)	01 Feb 2015
Annual Improvements to IFRS (cycle 2010-2012)	01 Feb 2015
Annual Improvements to IFRS (cycle 2012-2014)	01 Jan 2016
IFRS 11 (Amendments) – Accounting for Acquisitions of Interests in Operations	Joint 01 Jan 2016
IAS 1 (Amendment) – Presentation of Financial Statements (Disclosures)	01 Jan 2016
IAS 16 and IAS 38 (Amendment) – (Clarification of Acceptable Method Depreciation and Amortisation)	ds of 01 Jan 2016
IAS 16 (Amendments) – Tangible Assets and IAS 41 (Amendments) – Bearer Pla	ants 01 Jan 2016
IAS 27 (Amendments) – Equity Method in Separate Financial Statements	01 Jan 2016

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The Group did not proceed to the early adoption of any of these standards on the financial statements for the year ended on the 31 December 2015, since their application is not yet mandatory. There is no estimated significant impact on the accounts resulting from their application.

The following standards, interpretations, amendments and revisions were not endorsed by the European Union:

With mandatory application after 2015:	Effective date (for financial years beginning on/after)
IFRS 9 – (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 14 – (Regulatory Deferral Accounts)	01 Jan 2016
IFRS 15 – (Revenue from Contracts with Customers)	01 Jan 2018
IFRS 16 – Leases (recognition and measurement principles)	01 Jan 2019
IFRS 10, IFRS12 and IAS 28 (Amendment) – (Clarification of several issues regarding the application of the consolidation requirement by investment entities)	
IFRS 10 e IAS 28 (Amendment) – (Elimination of the inconsistency between the requirements of these standards when dealing with the sale or contribution of assets between an investor and its associate or joint venture)	

The Group did not proceed with the early implementation of any of these standards in the financial statements for the year ended 31 December 2015 due to the fact that their application is not mandatory, lying in the process of analyzing expected effects of those standards that, with exception of IFRS 9, IFRS 15 and IFRS 16 are not expected to reflect significant impacts.

2.2 Consolidation Principles

The consolidation methods adopted by Sonae are as follows:

a) Investments in Sonae companies

Investments in companies in which Sonae owns, directly or indirectly, control are included in the consolidated financial statements using the full consolidation method.

Sonae has control of the subsidiary when the company fulfils the following conditions cumulatively: i) has power over the subsidiary; ii) is exposed to, or has rights, to variable results from its involvement with the subsidiary; and iii) the ability to use its power to affect its returns.

Sonae reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the control conditions listed above.

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Equity and net profit attributable to minority shareholders are shown separately, under the caption non-controlling interests, in the consolidated statement of financial position and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 5.

The comprehensive income of an associated is attributable to the Sonae Group owners and non-controlling interests, even if the situation results in a deficit balance at the level of non-controlling interests.

Assets and liabilities of each Sonae subsidiary are measured at their fair value at the acquisition date or control assumption, such measurement can be completed within twelve months after the date of acquisition. The excess of the consideration transferred plus the fair value of any previously held interests and non-controlling interests over the fair value of the identifiable net assets acquired is recognized as goodwill (Note 2.2.c.)). Any excess of fair value of identifiable assets over consideration transferred, previously held interest and non-controlling interests recognized as income in profit or loss for the period of acquisition in the caption "Other income", after reassessment of the estimated fair value attributed to the net assets acquired. The Sonae Group will choose on transaction-by-transaction basis, the fair measurement of non-controlling interests, (i) according to the non-controlling interests share assets, liabilities and contingent liabilities of the acquired, or (ii) according to their fair value.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of gain of control or up to the effective date of loss of control, as appropriate.

Adjustments to the financial statements of Sonae companies are performed, whenever necessary, in order to adapt accounting policies to those used by Sonae. All intra-group transactions, balances, income and expenses and distributed dividends are eliminated on the consolidation process.

b) Investments in jointly controlled companies and associated companies

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement instead of rights to the assets and obligations for the liabilities of the joint arrangement. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties who share control.

In situations where the investment or financial interest and the contract concluded between the parties allows the entity holds joint control directly on the active or detention rights obligations inherent liabilities related to this agreement, it is considered that such joint agreement does not correspond to a joint venture but rather a jointly controlled operation. As at 31 December 2015 and 2014 the Group not held jointly controlled operations.

Financial investments in associated companies are investments where Sonae has significant influence. Significant influence (presumed when contributions are above 20%) is the power to participate in the financial and operating decisions of the entity, without, however, holding control or joint control over those decisions.

Investments in joint ventures and associates are recorded under the equity method.

Under the equity method, investments are recorded at cost, adjusted by the amount corresponding to Sonae in comprehensive income (including net profit for the period) of jointly controlled entities and associates, against the Group's comprehensive income or gains or losses for the year as applicable, and dividends received.

The excess of cost of acquisition over the fair value of identifiable assets and liabilities of each joint venture and associate at the acquisition date is recognized as goodwill (Note 2.2.c)), and is kept under which is included in the caption Investment in jointly controlled and associated companies. Any excess of Sonae's share in the fair value of the identifiable net assets acquired over cost are recognized as income in the profit or loss for the period of acquisition, after reassessment of the estimated fair value of the net assets acquired under the caption "Share of results of joint ventures and associates undertakings".

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An assessment of investments in jointly controlled and associated companies is performed when there is an indication that the asset might be impaired being any impairment loss recorded in the income statement. Impairment losses recorded in prior years that are no longer justifiable are reversed.

When Sonae's share of losses exceeds the carrying amount of the investment, the investment is reported at null value and recognition of losses is discontinued, unless Sonae is committed beyond the value of its investment. In these situations impairment is recorded for that amount.

Sonae's share in not performed gains not related arising from transactions with jointly controlled and associated companies are eliminated in proportion to Sonae's interest in the above mentioned entities against the investment on the same entity. Unrealized losses are as well eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

When the not performed gains or losses on transactions correspond to business activities, and taking into consideration the inconsistency existing between currently the requirements of IFRS 10 and IAS 28, Sonae, taking into account the defined in amendment to IFRS 10 and IAS 28 proceeds to full gain/loss recognition in situations where there is loss of control of that business activity as a result of a transaction with a joint venture.

Investments in jointly controlled and associated companies are disclosed in Note 6.

c) Goodwill

The excess of consideration transferred in the acquisition of investments in subsidiaries, jointly controlled and associated companies plus the amount of any non-controlling interests (in the case of affiliated companies) over Sonae's share in the fair value of the identifiable assets, liabilities and contingent liabilities of those companies at the date of acquisition, when positive, is shown as goodwill (Note 12) or as Investments in jointly controlled and associated entities (Note 6). The excess of the consideration transferred in the acquisition of investments in foreign companies the amounts of any non-controlling interests (in the case of affiliated companies) over the fair value of their identifiable assets, liabilities and contingent liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to the Sonae's functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Currency translation reserves".

Future contingent consideration is recognized as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the goodwill, but only as long as they occur during the measurement period (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances prior to that existed at the acquisition date, otherwise these changes must be recognized in profit or loss on the income statement.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders' funds captions, and without giving rise to any additional goodwill and without any gain or loss recognised.

When a disposal transaction generates a loss of control, assets and liabilities of the entity are derecognised, any interest retained in the entity sold is be remeasured at fair value and any gain or loss calculated on the sale is recorded in results.

Goodwill is not amortised, but it is subject to impairment tests on an annual basis or whenever there are indications of impairment to check for impairment losses to be recognized. Net recoverable amount is determined based on business plans used by Sonae management or on valuation reports issued by independent entities namely for real estate assets. Goodwill impairment losses recognized in the period are recorded in the income statement under the caption "Provisions and impairment losses".

Impairment losses related with goodwill will not be reversed.

The goodwill, if negative is recognized as income in the profit or loss for the period, at the date of acquisition, after reassessment of the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

d) Translation of financial statements of foreign companies

Assets and liabilities denominated in foreign currencies in the financial statements of foreign companies are translated to euro using exchange rates at date of the statement of financial position. Profit and loss and cash flows are converted to euro using the average exchange rate for the period. Exchange rate differences originated after 1 January 2004 are recorded as equity under "Translation Reserves" in "Other Reserves and Retained Earnings". Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Retained Earnings".

Goodwill and fair value adjustments arising from the acquisition of foreign companies are recorded as assets and liabilities of those companies and translated to euro using exchange rates at the statement of financial position date.

Whenever a foreign company is sold (totally or partially), accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income, when there is a control loss; in the case where there is no control loss, it is transferred to non-controlling interests.

Exchange rates used on translation of foreign group, jointly controlled and associated companies are listed below:

	31 Dec	2015	31 Dec 2014		
	End of exercice	Average of exercise	End of exercice	Average of exercise	
US Dollar	0.91853	0.90177	0.82366	0.75375	
Swiss Franc	0.92293	0.93717	0.83167	0.82331	
Pound Sterling	1.36249	1.37800	1.28386	1.24073	
Brazilian Real	0.23193	0.27451	0.31049	0.32063	
Australian Dollar	0.67128	0.67815	0.67435	0.67961	
Chilean Peso	0.00130	0.00138	0.00136	0.00132	
Mexican Peso	0.05287	0.05693	0.05597	0.05665	
Singapore Dollar	0.64863	0.65611	0.62274	0.59477	
Turkish Lira	0.31481	0.33228	0.35311	0.34430	
Polish Zloty	0.23453	0.23915	0.23402	0.23895	

2.3 Tangible assets

Tangible assets acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition or production cost, or revalued acquisition cost, in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Tangible assets acquired after that date is recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis, according to the estimated life cycle for each group of goods, starting from the date the asset is available for use in the necessary conditions to operate as intended by the management, and recorded against the income statement caption "Depreciation and amortization" in the consolidated income statements.

Impairment losses identified in the recoverable amounts of tangible assets are recorded in the year in which they arise, by a corresponding charge against, the caption "Provisions and impairment losses" in the profit and loss statement.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Buildings	10 to 50
Plant and machinery	10 to 20
Vehicles	4 to 5
Tools	4 to 8
Fixture and fittings	3 to 10
Other tangible assets	4 to 8

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Maintenance and repair costs relating to tangible assets are recorded directly as expenses in the year they are incurred.

Tangible assets in progress represent fixed assets still under construction-development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or become ready for use.

Gains or losses on sale or disposal of tangible assets are calculated as the difference between the selling price and the carrying amount of the asset at the date of its sale-disposal. These are recorded in the income statement under either "Other income" or "Other expenses".

2.4 Investments properties

The group's investment properties are mainly property held by Sonae Sierra and its subsidiaries which are recorded under the equity method (Note 6).

Investment properties consist, mainly, in buildings and other constructions held to earn rentals or capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or for sale in the ordinary course of business.

Investment properties are recorded at their fair value based on half-yearly valuations performed by an independent assessor. Changes in fair values of investment properties are accounted for in the period in which they occur, in the income statement.

Assets which qualify as investment properties are recognized as such when they start being used or, in the case of the investment properties in progress, when their development is considered irreversible, as mentioned in the above conditions. Until the moment the asset is qualified as investment property, the same asset is booked at historical or production cost in the same way as a tangible asset (Note 2.3). Since that moment, the investment properties in progress are recorded at their fair value. The difference between cost (of acquisition or production) and the fair value at that date is accounted for in the consolidated income statement.

Expenses incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes are recognised as an expense in the statement of profit and loss for the year to which they relate. The improvements estimated to generate additional economic benefits are capitalised.

2.5 Intangible assets

Intangible assets are stated at acquisition or production cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them, if they are controlled by Sonae and if their cost can be reasonably measured.

Research expenditure associated with new technical knowledge is recognized as an expense recorded in the income statement when it is incurred.

Expenditure on development is recognized as an intangible asset if Sonae demonstrates the technical feasibility and its intention to complete the asset, its ability to sell or use it and the probability that the

asset will generate future economic benefits. Expenditure on development which does not fulfil these conditions is recorded as an expense in the period in which it is incurred.

Internal costs associated with maintenance and development of software is recorded as an expense in the period in which they are incurred. Only costs directly attributable to projects for which the generation of future economic benefits for Sonae is probable are capitalized as intangible assets. According to this assumptions, the costs are initially accounted for as expenses, being capitalized as intangible assets by mean of "Own work capitalized"

The expenses incurred with the acquisition of client portfolio's (attributed value relating to the allocation of the purchasing price in business activity concentration) are stated as intangible assets and amortized on straight-line bases, during the average estimated period of portfolio's client retention.

Brands and patents are recorded at their acquisition cost and are amortized on a straight-line basis over their respective estimated useful life. When the estimated useful life is undetermined, they are not depreciated but are subject to annual impairment tests.

Amortization is calculated on a straight-line basis, as from the date the asset is first used, over the expected useful life which usually is between 3 and 7 years and recorded in the caption of " Depreciations and Amortizations", in the income statement.

2.6 Accounting for leases

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

The analysis of the transfer of risks and rewards of ownership of the asset takes into account several factors, including whether or not ownership is contractually conditioned to assume ownership of the asset, the value of minimum future payments over the contract, nature of the leased asset and the duration of the contract taking into consideration the possibility of renewal, when that renewal is considered to be probable.

Whether a lease is classified as finance or an operating lease depends on the substance of the transaction rather than the form of the contract.

a) Accounting for leases where Sonae is the lessee

Tangible assets acquired under finance lease contracts and the related liabilities are recorded in accordance with the financial method. Under this method the tangible assets, the corresponding accumulated depreciation and the related liability are recorded in accordance with the contractual financial plan at fair value or, if less, at the present value of payments. In addition, interests included in lease payments and the depreciation of the tangible assets is recognized as expenses in the profit and loss statement for the period to which they relate.

In operating leases, rents are recognized as expenses in the income statement on a straight line basis over the lease period.

Possible incentives received related with leases are recorded as liabilities and recognized in a straight line over the lease period. Similarly amounts to be offset against future income are recognized as assets and reversed over the lease period.

b) Accounting for leases where Sonae is the lessor

The accounting for leases where Sonae is the lessor, the value of allocated goods is kept on Sonae statement of financial position and income is recognized on a straight line basis over the period of the lease contract.

c) The accounting treatment of Sale and Leaseback operations

The accounting treatment of Sale and Leaseback operations depends on the substance of the transaction by applying the principles explained previously on lease agreements. In case of sale of assets followed by operating lease contracts, the Company recognizes a gain related with the fair value of the asset sold deducted from the book value of the leased asset. In situations where the assets are sold for an amount higher than its fair value or when the Group receives a higher price as compensation for expenses to be incurred, namely with costs that are traditionally the owner's responsibility, such amounts is deferred over the lease period.

2.7 Non-current assets held for sale

The non-current assets (or disposal group) are recorded as held for sale if it is expected that the book value will be recovered through the sale and not through the use in the operations. This condition is achieved only if the sale is highly probable and the asset (or disposal group) is available for the immediate sale in the actual conditions. Additionally, there must be in progress actions that should allow concluding the sale within 12 months counting from the classification's date in this caption. The non-current assets (or disposal group) recorded as held for sale are booked at the lower amount of the historical cost or the fair value deducted from costs, not being amortised after being classified as held for sale.

2.8 Government grants and other public entities

O Government grants are recorded at fair value when there is reasonable assurance that they will be received and that Sonae will comply with the conditions attaching to them.

Grants received as compensation for expenses, namely grants for personnel training, are recognized as income in the same period as the relevant expense.

Grants related to depreciable assets are disclosed as "Other non-current liabilities" and are recognized as income on a straight-line basis over the expected useful lives of those underlying assets.

2.9 Impairment of non-current assets, except for Goodwill

Assets are assessed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement under Provisions and impairment losses.

The recoverable amount is the higher of an asset's fair value net of costs to sell and its value in use. Fair value net of costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

In situations where the use of the asset will be expectedly discontinued (stores to be closed on the remodeling processes) the Group performs a review of the asset's useful life after considering its impact on the value of use of that asset far terms of impairment analysis, particularly on the net book value of the assets to derecognise.

Reversal of impairment losses recognized in prior exercises is only recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment loss previously recognized has been reversed. The reversal is recorded in the income statement as Operational income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

2.10 Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses on an accruals basis.

Financial expenses related to loans obtained for the acquisition, construction or production of fixed assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended. Any income earned on funds temporarily invested pending their expenditure on the qualifying asset, is deducted from the financial expenses that qualify for capitalisation.

2.11 Inventories

Consumer goods and raw materials are stated at the lower of cost deducted from discounts obtained and net realisable value. Cost is determined on a weighted average basis.

Differences between cost and net realisable value, if negative, are shown as expenses under the caption "Cost of goods sold and materials consumed", as well as Impairment Reversions.

2.12 Provisions

Provisions are recognized when, and only when, Sonae has an obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the statement of financial position date to reflect the best estimate as of that date.

Restructuring provisions are recorded by Sonae whenever a formal and detailed restructuring plan exists and that plan has been communicated to the parties involved.

2.13 Financial instruments

Sonae classifies the financial instruments in the categories presented and conciliated with the Consolidated Statement of financial position disclosed in Note 9.

a) Investments

Investments are classified into the following categories:

- Held to maturity
- Investments measured at fair value through profit or loss
- Available-for-sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and Sonae has the intention and ability to hold them until the maturity date.

The investments measured at the fair value through profit or loss include the investments held for trading that Sonae acquires with the purpose of trading in the short term. They are classified in the consolidated statement of financial position as current investments.

Sonae classifies as available-for-sale investments those that are neither included as investments measured at fair value through profit or loss neither as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are recorded at acquisition value, usually, which is the fair value of the consideration paid for them, including transaction costs apart from investment measured at fair value through results, in which the investments are initially recognized at fair value and transaction costs are recognized in the income statement.

After initial recognition, investments measured at fair value through profit or loss are subsequently revalued at fair value, without any deduction for transaction costs which may be incurred on sale, by

reference to their listed market price at the statement of financial position date. Available-for-sale not listed and whose fair value cannot be reliably measured, are recorded at cost less impairment losses.

Gains or losses arising from a change in fair value of available-for-sale investments are recognized directly in equity, under "Investments Fair value reserve", until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss for the period. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

Equity instruments classified as available for sale are considered to be impaired if there is a significant or prolonged decline in its fair value below its acquisition cost.

Gains or losses arising from a change in fair value of investments measured at fair value through the income statement are recorded in the caption "gains and losses in investments recorded at fair value through results" of consolidated profit results.

Held to maturity investments are carried at amortised cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Loans and non-current accounts receivable

Loans and non-current accounts receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when Sonae provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 9.

c) Trade accounts receivable and other accounts receivable

"Trade accounts receivable" and "Other accounts receivable" are recorded at their nominal value and presented in the consolidated statement of financial position net of eventual impairment losses, recognized under the allowance account Impairment losses on accounts receivable, in order to reflect its net realisable value. These captions, when classified as current, do not include interests because the effect of discounting would be immaterial.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each Sonae company takes into consideration market information that indicates:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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When it's not feasible to assess the impairment for every single financial asset, the impairment is assessed on a collective basis. Objective evidence of impairment of a portfolio of receivables could include Sonae's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

d) Classification as equity or liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Sonae after deducting all of its liabilities. Equity instruments issued by Sonae are recorded at the proceeds received, net of direct issue costs.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.10. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Funding on the form of commercial paper are classified as non-current, when they have guarantees of placing for a period exceeding one year and it is the intention of the group to maintain the use of this form of financing for a period exceeding one year.

f) Loans convertible into shares

The component parts of compound instruments, namely convertible bonds, issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is estimated by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity. The conversion option classified as equity will remain in equity until the conversion option is exercised. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained profits/ other equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

g) Trade accounts payable and other creditors

Accounts payable are stated at their nominal value, as they do not bear interests and the effect of discounting is considered immaterial.

h) Confirming

Some subsidiaries within the retail business maintain agreements with financial institutions in order to enable its suppliers to an advantageous tool for managing its working capital by the confirmation by these subsidiaries of the validity of invoices and credits that these suppliers hold over these companies.

Under these agreements, some suppliers freely engage into contracts with these financial institutions that allow them to anticipate the amounts receivable from these retail subsidiaries, after confirmation of the validity of such receivables by these subsidiaries.

These retail subsidiaries consider that the economic substance of these financial liabilities does not change, therefore these liabilities are kept as accounts payable to Suppliers until the normal maturity of these instruments under the general supply agreement established between the company and the supplier, whenever (i) the maturity corresponds to a term used by the industry in which the company operates, this means that there are no significant differences between the payment terms established with the supplier and the industry , and (ii) the company does not have net costs related with the anticipation of payments to the supplier when compared with the payment within the normal term of this instrument. In some situations such subsidiaries receive a commission from the financial institutions.

In the due date of such invoice, the amount is paid by the subsidiaries to the financial institution regardless whether or not it anticipated those amounts to the suppliers.

i) Derivatives

Sonae uses derivatives in the management of its financial risks to hedge such risks and-or in order to optimize the funding costs.

Derivatives classified as cash flow hedging instruments are used by the Sonae mainly to hedge interest risks on loans obtained and exchange rate. Conditions established for these cash flow hedging instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The inefficiencies, if any, are accounted under "Financial income" or "Financial expenses" in the consolidated income statement.

Sonae's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- The hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- The effectiveness of the hedge can be reliably measured;
- There is adequate documentation of the hedging relationships at the inception of the hedge;

- The transaction being hedged is highly probable.

Cash flow hedge instruments used by the Sonae to hedge the exposure to changes in interest and exchange rates of its loans are initially accounted for at cost, if any, which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption "Hedging reserves", and then recognized in the income statement over the same period in which the hedged instrument affects profit or loss.

The accounting of hedging derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption Hedging reserve are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction or stay in equity if there is a high probability that the hedge transaction will occur. Subsequent changes in the revaluations are recorded in the income statement.

Sonae also uses financial instruments with the purpose of cash flow hedging, that essentially refer to exchange rate hedging ("forwards") of loans and commercial operations. If they configure a perfect hedging relation, hedge accounting is used. In certain situations such as loans and other commercial operations, they do not configure perfect hedging relations, and so do not receive hedge accounting treatment, although they allows in a very significant way, the reduction of the loan and receivable-payable exchange volatility, nominated in foreign currency.

Sonae may agree to become part of a derivative transaction in order to hedge cash-flows related to exchange rate risk. In some cases, these derivatives may not fulfil the criteria for hedging accounting under IAS 39, and if so changes in their fair value are recognized in the income statement.

In some derivative transactions Sonae does not apply "hedge accounting", although they intend to hedge cash-flows (currency "forward", interest's rate option or derivatives including similar clauses). They are initially accounted for at value, and subsequently adjusted to the corresponding fair value, determined by specialized software. Changes in fair value of these instruments are recognized in the income statement under "Financial income" and "Financial expenses".

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics of the host contract, and these are not stated at fair value, gains and losses which are not realizable are recorded in the Income Statement.

Sonae may agree to become part of a derivative transaction in order to fair value hedge some interest rate exposure. In these cases, derivatives are recorded at fair value through profit or loss and the effective portion of the hedging relationship is adjusted in the carrying amount of the hedged instrument, if not stated at fair value (namely loans recorded at amortised cost), through profit or loss.

j) Own shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in "Other reserves", included in "Others reserves and retained earnings".

k) Cash and cash equivalents

Amounts included under the caption "Cash and cash equivalents" correspond to amounts held in cash and term bank deposits and other treasury applications, which mature in less than three months, and where the risk of change in value is insignificant.

The caption "Cash and cash equivalents" in the consolidated cash flow statement also includes bank overdrafts, which are reflected in the consolidated balance sheet caption in "Other loans".

All the amounts included in this caption can be reimbursed at demand as there are no pledges or guarantees over these assets.

2.14 Shared based-payments

Share-based payments result from deferred performance bonus plans that are referenced to Sonae share price and/or that of its publicly listed affiliated companies and vest within a period of 3 years after being granted.

When the plans set out by Sonae are settled through the delivery of treasury shares, the value of this responsibility is determined at the time of assignment based on the fair value of shares allotted and recognized during the period of deferment of each plan. The responsibility is posted in equity, in the caption "Other revenues and retained earnings" against "staff costs".

When the settlement is made in cash, the value of these responsibilities are determined on the grant date (usually in April of each year) and subsequently remeasured at the end of each reporting period, based on the number of shares or options granted and the corresponding fair value at the closing date. These obligations are stated as staff costs and other current and non-current liabilities on a straight line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates.

2.15 Contingent assets and liabilities

Contingent assets are not recorded in the consolidated financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the consolidated financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

2.16 Income tax and other tax

The tax charge for the year is determined based on the taxable income of companies included on consolidation and considers deferred taxation.

Current income tax is determined based on the taxable income of companies included on consolidation, in accordance with the tax rules in force in the respective country of incorporation.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore are expected to apply when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized

and expected to reverse in the same period. At each statement of financial position date a review is made of the deferred tax assets recognized, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity.

The value of taxes recognised in the financial statements correspond to the understanding of Sonae on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate.

In situations where such positions will be challenged by the tax authorities as part of their skills by your interpretation is distinct from Sonae, such a situation is the subject of review. If such a review, reconfirm the positioning of the Group concluded that the probability of loss of certain tax process is less than 50% Sonae treats the situation as a contingent liability, i.e. is not recognized any amount of tax since the decision more likely is that there will be no place for the payment of any tax. In situations where the probability of loss is greater than 50% is recognized a provision, or if the payment is recognized the cost associated.

In situations in which payments were made to Tax Authorities under special schemes of regularization of debts, in which the related tax is Income Tax, and that cumulatively keep the respective lawsuits in progress and the likelihood of success of such lawsuits is greater than 50%, such payments are recognized as assets, as these amounts correspond to determined amounts, which will be reimbursed to the entity, (usually with interests) or which may be used to offset the payment of taxes that will be due by the group, in which case the obligation in question is determined as a present obligation.

2.17 Accrual basis and revenue recognition

Revenue from the sale of goods is recognized in the income statement when the risks and benefits have been transferred to the buyer and the amount of the revenue can be measured reasonably. Sales are recognized net of sales taxes and discounts and other expenses arising from the sale, and are measured as the fair value of the amount received or receivable.

Revenue associated with extended warranties operations, which are granted for a period of 1 to 3 years, after the legally binding warranty of 2 years, by the specialized retail operating Segment, and are recognized in a straight line basis over the warranty lifetime period. The revenue associated with warranties sold but for which the legal binding warranty hasn't yet expired is accounted under the captions of the Statement of Financial Position "Other non-current liabilities" and "Other current liabilities "Notes (28 and 32).

The revenues and costs of the consultancy projects developed in the information systems consultancy segment are recognised in each period, according to the percentage of completion method.

The income related to the commissions generated by the insurance mediation activity is recorded at the moment of the premium payment by the policyholder. No premium is accounted before it has been received. In that moment, Sonae posts a liability related with the obligation to transfer the insurance premium net of commissions, to the respective insurance company.

In cases where the premium is directly paid to the insurance company, Sonae records its commission in the moment in which is informed of the premium payment by the policyholder to the insurance company.

The deferral of revenue related with customer loyalty plans, awarding discounts on future purchases, by the food Retail Operating Segment, is quantified taking into account the probability of exercising the above mentioned discounts and are deducted from revenue when they are generated. The corresponding liability is presented under the caption other creditors.

Dividends are recognized as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

"Other current assets" and "Other current liabilities" include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses of future years, when they will be recognized in the income statement.

2.18 Balances and transactions expressed in foreign currencies

Transactions are recorded in the separate financial statements of the subsidiaries in the functional currency of the subsidiary, using the rates in force on the date of the transaction.

At each statement of financial position date, all monetary assets and liabilities expressed in foreign currencies are translated to the functional currency of each foreign company at the exchange rates as at that date. All non-monetary assets and liabilities recorded at fair value and stated in foreign currencies are converted to the functional currency of each company, using the exchange rate at the date the fair value was determined.

Exchange gains and losses arising from differences between historical exchange rates and those prevailing at the date of collection, payment or the date of the statement of financial position, are recorded as income or expenses of the period, except for those related to non-monetary assets or liabilities, for which adjustments to fair value are directly recorded under equity.

When Sonae wants to reduce currency exposure, it negotiates hedging currency derivatives (Note 2.13.g)).

2.19 Subsequent events

Events after the statement of financial position date that provide additional information about conditions that existed at the statement of financial position date (adjusting events), are reflected in the consolidated financial statements. Events after the statement of financial position date that are non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

2.20 Judgements and estimates

The most significant accounting estimates reflected in the consolidated income statements include:

- a) Useful lives of the tangible and intangible assets;
- b) Impairment analysis of goodwill in investments in associated companies and jointly controlled

entities and of tangible and intangible assets;

- c) Recognition of adjustments on assets, provisions and contingent liabilities;
- d) Determining the fair value of investment properties and derivative financial instruments;
- e) Recoverability of deferred tax assets;
- f) Valuation at fair value of assets, liabilities and contingent liabilities in business combination transactions.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by Sonae nor foreseeable, some could occur and have impact on the estimates. Changes to estimates that occur after the date of these consolidated financial statements, will be recognized in net income, in accordance with IAS 8, using a prospective methodology.

The main estimates and assumptions in relation to future events included in the preparation of consolidated financial statements are disclosed in the corresponding notes.

2.21 Insurance and reinsurance contracts

In order to optimise insurance costs, Sonae, through a wholly owned subsidiary, enters into reinsurance operations over non-life insurance contracts entered into by subsidiaries and related of the Efanor Group.

The subsidiary of Sonae acts like an intermediate in the assurance operations as a way to optimise insurance coverage and retention levels in accordance with the needs of each business, ensuring effective insurance management worldwide. The retained risk is immaterial in the context of reinsurance carried out.

Premiums written on non-life insurance contracts and associated acquisition costs are recognized as income and cost on a prorate basis over the term of the related risk periods, through changes in the provision for unearned premiums.

The provision for unearned premiums (Note 33) reflects the portion of non-life insurance premiums written attributable to future years, namely the portion corresponding to the period between the statement of financial position date and the end of the period to which the premium refers. It is calculated, for each contract in force.

In Provision for claims (Note 33) is recorded the estimated amounts payable for claims, including claims that have been incurred but not reported and future administrative costs to be incurred on the settlement of claims under management. Provisions for claims recorded by Sonae are not discounted.

Reinsurer's share of technical provisions (Assets – Note 33) are determined by applying the above described criteria for direct insurance, taking into account the percentages ceded, in addition to other clauses existing in the treaties in force.

At each statement of financial position date, Sonae assess the existence of evidence of impairment on assets originated by insurance or reinsurance contracts.

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2.22 Segment information

Information regarding operating segments identified is included in Note 48.

2.23 Legal reserves, other reserves and retained earnings

Legal reserves:

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the Company, but it may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Hedging reserve:

The Hedging reserve reflects the changes in fair value of "cash flow" hedging derivatives that are considered as effective (Note 2.13.g) and is not distributable or used to cover losses.

Currency translation reserve:

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of the Sonae's foreign subsidiaries and joint ventures into Euro, in accordance with the accounting policy described in Note 2.2.d).

Fair value reserve:

This reserve arises on the revaluation of available-for-sale financial assets as mentioned in Note 2.13.a).

Reserves for the medium-term incentive plan are included in "other reserves".

According to IFRS 2 – "Share-based Payments", responsibility with the medium-term incentive plans settled through delivery of own shares is recorded, the credit, under the caption Reserves for the medium-term incentive plan, and is not distributable or used to cover losses.

2.24 Option premium embedded in convertible bonds

The balance recognized in equity corresponds to the initial fair value valuation of the equity component that fulfils with the definition of equity instrument (Note 2.13.d)). This reserve is not distributable, being transferred to retained earnings or to "Other reserves", at maturity date, or being recognized as premium in the event of conversion into the company's own shares.

B FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support Sonae in the achievement of its strategy, reducing unwanted financial risk and volatility and mitigate any negative impacts in the income statement arising from such risks. Sonae's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Due to its diversified nature Sonae is exposed to a variety of financial risks, consequently each Sub-holding is responsible for, where applicable, setting its own financial risk management policies, to monitor their own exposure and to implement their approved policies. Therefore for some risks there are not Sonae global risk management policies, but rather, where appropriate, customized risk management policies at Sub-holding level, existing, however, common guiding principles. Financial risk management policies are approved by each Executive Committee and exposures are identified and monitored by each Sub-holding Finance Department. Exposures are also monitored by the Finance Committee as mentioned in the Corporate Governance Report.

The Finance Committee coordinates and reviews, amongst other responsibilities, global financial risk management policies. The Finance Department of Sonae Holding is responsible for consolidating and measuring the Company's financial risk exposure, being also responsible for assisting each Sub-holding in managing their own currency, interest rate, liquidity and refinancing risks trough the Corporate Dealing Desk. Exposures are recorded in a main system (Treasury Management System). Risk control and reporting is carried out both at Sub-holding level, on a daily basis and on a consolidated basis for the monthly Finance Committee meeting.

3.2 Credit Risk

Credit risk is defined as the probability of a counterparty defaulting on its contractual obligations resulting in a financial loss. It is shown in two major ways:

3.2.1) Credit risk arising from Financial Instruments

The credit risk management related to the Financial Instruments (investments and deposits in banks and other financial institutions or resulting from derivative financial instruments entered during the normal hedging activities) or loans to subsidiaries and associates, there are principles for all Sonae companies:

- Only carry out transactions (short term investments and derivatives) with counterparties that have a high national and international prestige and based on their respective rating notations taking into consideration the nature, maturity and size of the operations;
- Sonae only enters into eligible and approved financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made in a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);

- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by existing relationships banks in order to reduce exposure on a net basis, and ii) may only be applied in pre-approved instruments;
- In some cases Sub-holdings can define more strict rules regarding counterparty exposure or more conservative policies;
- Any departure from the above mentioned policies needs to be pre-approved by the respective Executive Committee/Board of Directors.

Regarding to the policies and minimum credit rating, Sonae does not expect any material failure in contractual obligation from its external counterparties nevertheless exposure to each counterparty resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Sub-holding Finance Department and any departure is promptly reported to the respective Executive Committee/Board of Directors and to the Sonae Finance Committee.

3.2.2) Credit risk in operational and commercial activities of each business

In this case due to each business characteristics and consequently of different credit risk typology, each sub-holding determines the most appropriate policy, as described above. However the policies follow the same wide principles of: prudence, conservatism, and the implementation of control mechanism.

- Retail

Credit risk is very low, considering that most transactions are made in cash. In the remaining, in the relationship with customers is controlled through a system of collecting quantitative and qualitative information, provided by high prestige and liable entities that provide information on risks by obtaining suitable guarantees, aimed at reducing the risk of granting credit. Credit risk arises in the relationship with suppliers as a result of advances or debits for discounts and is mitigated by the expectation to maintain the business relationship.

- Sonae IM

The Multimedia and Information Systems business exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk management purpose is to guarantee that the amounts owed by debtors are effectively collected within the periods negotiated without influencing the financial health of the Sub-holding. Sonaecom uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, which all contribute to the mitigation of credit risk.

In the remaining business of investment management the credit risk in the context of the current operating activity is controlled through a system of collecting qualitative and financial information provided by recognized entities that supply information of risks, which allow to evaluate the viability of the of customers in fulfilling their obligations, aimed at reducing the risk of concession credit.

- Sonae Sierra – Joint venture

The credit risk results essentially of the risk of credit of the tenants of the commercial centers managed by Sub-holding and of the other debtors. Shopping Centre storekeepers credit risk monitoring is made by the

adequate assessment of risk before the storekeepers are accepted and by the establishment of conservative credit limits for each storekeeper.

- NOS - Joint venture

NOS is subject to credit risk in its operating and treasury activities. The credit risk associated with operations is essentially related to services provided to customer's credits. This risk is monitored on a regular basis business, with the goal of management is: i) limit the credit granted to customers, considering the average collection period of each client; ii) monitor the evolution of the level of credit granted; and iii) perform impairment tests to receivables on a regular basis.

- Sonae Holding

A Sonae Holding is a company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalents instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) in accordance with the principles mentioned in note 3.2.1).

Additionally Sonae Holding may also be exposed to credit risk as a result of its portfolio manager activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis under the supervision of the Executive Committee (requesting bank guarantee, escrow accounts, obtaining collaterals, amongst others).

The amount related to customers, other debtors and other assets presented in Financial Statements, which are net of impairment losses represent Sonae exposure to credit risk.

3.3 Liquidity risk

Sonae has the need, regularly, to raise external funds to finance its activities and investing plans. It holds a long term diversified portfolio, essentially made of, loan's and structured facilities, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2015, the total gross debt (excluding shareholders loans) was 1,587 million euro (on 31 December 2014 was 1,853 million euro) excluding the contributions of Shopping Centers and NOS operating segments measured by the equity method.

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy. Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining with its relationship banks, a combination of short and medium term committed credit facilities, with sufficiently comfortable previous notice cancellation periods with a range that goes up to 360 days;
- Maintenance of commercial paper programs with different periods and terms, that allow, in some cases, to place the debt directly in institutional investors;

- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;

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- Diversification of financing sources and counterparties;
- Ensuring an adequate average debt maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. At the end of 2015, Sonae's average debt maturity was approximately 3.1 years (2014: 2.2 years) excluding the contributions of joint ventures Shopping Centers business and NOS activities and Travel operating segments consolidated by the equity method;
- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;
- Where possible, by pre financing forecasted liquidity needs, through transactions with an adequate maturity;
- Management procedures of short-term applications, assuring that the maturity of the applications will match with foreseen liquidity needs (or with a liquidity that allows to cover unprogrammed disbursements, concerning investments in assets), including a margin to hedge forecasting deviations. The margin of error needed in the treasury department prediction, will depend on the confidence degree and it will be determined by the business. The reliably of the treasury forecasts is an important variable to determinate the amounts and the periods of the market applications-borrowings.

The maturity of each major class of financial liabilities is presented in Notes 25, 26, 30, and 31, based on the undiscounted cash flows of financial liabilities based on the earliest date on which Sonae can be required to pay ("worst case scenario").

Sonae maintains a liquidity reserve in the form of credit lines together with the banks with which there are activities. This is to ensure the ability to meet its commitments without having to refinance itself in unfavorable terms. In 31 December 2015, the consolidated loan amount maturing in 2016 is of 313 million euro (947 million euro maturing in 2015) and in 31 December 2015 Sonae had 123 million euro available in consolidated credit lines (331 million euro in 2014) with commitment less than or equal to one year and 341 million euro (488 million euro in 2014) with a commitment greater than one year.

Additionally, Sonae held, as at 31 December 2015, cash and cash equivalents and current investments amounting to 283 million euro (589 million euro as at 31 December 2014). Consequentially, Sonae expects to meet all its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.

3.4 Interest rate risks

3.4.1) Policies

As each Sub-holding operates in different markets and in different business environments, there is no single policy applicable to Sonae, but rather policies adjusted to each Sub-holding exposure which one described below. As previously mentioned, Sonae exposure is regularly monitored by the Finance Committee, at a group level, and at each Sub-holding level. Although there is no wide risk management

interest rate policy in what concerns the derivatives negotiation, there are principles that have to be followed by all the companies and that are referred below:

- Sonae hedging activities do not constitute a profit-making activity and derivatives are entered into without any speculation purpose;
- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be consistent with the settlement dates of the hedging instruments to avoid any mismatch and hedging inefficiencies;
- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be a perfect match between the base rate: the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction;
- Since the beginning of the transaction, the maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in Sonae's business plans (or in extreme scenarios are not worse than the underlying cost of the floating rate);
- The counterparties of hedging instruments are limited to institutions of high prestige, national and international recognition and based on respective credit ratings, as described in 3.2. above. It is Sonae policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;
- In determining the fair value of hedging operations Sonae uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates, foreign exchange rates, volatility among others prevailing at the statement of financial position date. Comparative financial institution quotes for specific or similar instruments are used as benchmark for the valuation;
- All transactions have to be documented under ISDA's Agreements (International Swaps and Derivatives Association);
- All transactions which do not follow the rules mentioned above have to be individually approved by the respective Executive Committee/ Board of Directors, and reported to Finance Committee, namely transactions entered into with the purpose of optimizing the cost of debt when deemed appropriate according to prevailing financial market conditions.

- Retail

Sub-holding exposure to interest rates arises mainly from long term loans which bear interests at Euribor plus spread.

Sonae Investimentos purpose is to limit cash-flows volatility and results, considering the profile of its operational activity, by using an appropriate mix of fixed and variable interest rate debt. Sonae Group policy allows the use of interest rate derivatives to decrease the exposure to Euribor fluctuations but does not allow for trading purposes.

- Sonae IM

In the Business Multimedia and Information Systems total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group result or on its shareholders' equity is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility of using interest rate hedging derivative instruments, as mentioned below; (iii) possible correlation between the market interest rates levels and economic growth, the latter having a positive effect on other lines of the Sub-holding consolidated results (namely operational), thus partially offsetting the increase of financial costs ("natural hedge"); and (iv) the availability of consolidated liquidity or cash, also bearing interests at variable rates.

In the remaining business of investment management exposure to interest rate arises essentially from short-term bank loans or loans payable to shareholders, which bears interests at Euribor market rates. The impact of this volatility on income or equity is mitigated by the following factors: (i) controlled financial leverage with conservative use of bank lending; (ii) probable correlation between the market interest rate levels and economic growth, the latter having a positive effect on other lines of the operating segment results (namely operational), thus partially offsetting the increased financial costs ("natural hedge").

- Sonae Sierra – Joint ventures

Sonae Sierra's income and operating cash-flows are substantially independent of changes in market interests rates, as its cash and cash equivalents and its financing granted to other companies of the Group are dependent only of the evolution of the interest rates in Euro, which have had a minimum change.

In relation to long-term borrowings and in order to hedge the volatility of long term interest rates, Sonae Sierra uses, whenever appropriate, cash flow hedge instruments (swaps or zero cost collars), which represent perfect hedges of those long-term borrowings. In certain long-term borrowings Sonae Sierra chose to have a fixed interest rate in the first years of the financing agreement and will study afterwards the possibility to negotiate interest rate swaps or zero cost collars for the remaining period.

- NOS – Joint ventures

The borrowings of NOS, except bonds, have variable interest rates, which exposes the group to the risk of cash flows interest rates. NOS has adopted a hedging policy by hiring "swap" interest rate to cover future payments of interest bonds and other loans.

- Sonae Holding and others

Sonae Holding is exposed to cash flow interest rate risk in respect of items in the statement of financial position (Loans and Short Term Investments) and to fair value interest rate risk as a result of interest rate derivatives (swaps and options). A significant part of Sonae Holding debt bears variable interest rates, and interest rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps), or to limit the maximum rate payable (usually through the use of caps).

Sonae Holding mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve, since hedging interest rate risk usually has an opportunity cost associated. Therefore a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that

Sonae Holding grants loans to its subsidiaries as part of its normal activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

Sonae Holding hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into.

Sonaecom's Board of Directors approves the terms and conditions of the funding with a significant impact on Sonaecom, based on an analysis of the debt structure, the inherent risks and the different options in the market, particularly as regards the type of interest rate (fixed / variable). Under this policy, the Executive Committee is responsible for decisions regarding the contracting of occasional interest rate hedging derivative financial instruments, through monitoring the conditions and alternatives that exist in the market.

3.4.2.) Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest rate financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;
- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity;
- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense (gain/loss in change of the derivatives fair value) therefore it has taken into consideration in the sensitivity calculations for changes in interest rate;
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;

- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if euro interest rate of denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax of Sonae for the period ended as at 31 December 2015 would decrease by approximately 7 million euro, (7.2 million euro decrease as at 31 December 2014).

3.5 Exchange rate risk

3.5.1) Policies

Sonae operates at an international level, having subsidiaries that operate in different jurisdictions, and so it is exposed to foreign exchange rate risk. As each Sub-holding operates in different markets and in different business environments, there is no standard policy for Sonae, but rather individual policies for each Sub-holding which are stated below. Sonae's currency exposures are divided into two levels: transaction exposures (foreign exchange exposures relating to contracted cash flows and statement of financial position items where changes in exchange rates will have an impact on earnings and cash flows) and translation exposure (equity in foreign subsidiaries). Although there is not global management exchange rate risk policy in what concerns hiring derivatives to managing exchange interest risk, it also applies to all group companies, with the necessary adaptations, the principles referred at 3.4.1).

- Retail

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the transactions are denominated in euro. Sonae Investimentos is mainly exposed to exchange rate risk through transactions relating to acquisitions of goods in international markets, which are mainly in US Dollars.

The exchange risk management purpose is to provide a stable decision platform when deciding and negotiating the purchases of inventories establishing fixed exchange rates. The hedging accompanies all the purchase process, since procurement up to the formal agreement of purchase.

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimizing the negative impacts of volatility in exposure level as a consequence of changes of the amounts of imports denominated in other currencies rather than euro.

- Sonae IM

In the Business Multimedia and Information Systems operates internationally, having subsidiaries that operate in Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt, Malaysia, Chile, Panama, Singapore among others and so it is exposed to foreign exchange rate risk.

Foreign exchange risk management seeks to minimize the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of Sonaecom results to changes in foreign exchange rates.

.......

Whenever possible, Sonaecom uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, Sonaecom adopts derivatives financial hedging instruments.

Sonaecom exposure to exchange rate risk results mainly from the fact that some of its subsidiaries report in currencies other than the Euro, the risk relating to the operations being insignificant.

Insurance brokerage activity is developed in different countries. When transactions are made in a different currency than the one in the country where the entity operates, exposure to exchange rate risk is minimized by hiring hedging derivatives.

For the remaining of this business segment the impact on the financial statements of changes in exchange rate is immaterial, since most part of the transactions are denominated in euro.

- Sonae Sierra - Joint ventures

The main activity of each company is developed inside its country of origin and consequently the majority of the company transactions are maintained in its functional currency. The policy to hedge this specific risk is to avoid, if possible, the contracting of services in foreign currency.

- NOS - Joint ventures

The risk of exchange rate is mainly related to exposure resulting from payments made to terminal equipment suppliers and producers of audio-visual content for the TV business by subscription and audio-visual, respectively. Commercial transactions between NOS and these suppliers are denominated mostly in American dollars.

Considering the balance of accounts payable resulting from transactions denominated in currencies other than the functional currency of the group, NOS hires or can hire financial instruments such as short-term currency forwards to hedge the risk associated with these balances.

- Sonae Holding

Due to the nature of holding company, Sonae Holding, has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise foreign exchange risk management seeks to minimize the volatility of such transactions made in foreign currency and to reduce the impact on the Profit and loss of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae Holding hedges such exposures mainly through forward exchange rate contracts. For uncertain exposures, options may be considered, subject to previous approval from the company's Executive Committee.

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3.5.2) Exposure and sensitivity analysis

As at 31 December 2015 and 2014 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following (amounts in euro):

	Asse	ets	Liabilities			
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014		
Euro	-	-	5,655,979	2,899,898		
Brazilian Real	-	9,184,835	327,020	7,266,618		
British Pound	1,256,083	716,621	117,870	417,777		
US Dollar	13,646,832	13,228,324	25,242,695	22,488,288		
Other Currencies	614,588	2,962,847	421,214	509,391		

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the affiliated or jointly controlled company. Therefore it does not represent any risk of financial statements translation. Due to the short-term character of the majority of monetary assets and liabilities and the magnitude of its net value, the exposure to currency risk is immaterial and therefore a sensitivity analysis to changes in the exchange rate isn't presented.

3.6 Price and capital market risks

Sonae is exposed to equity price risk arising from equity investments, held for strategic rather than for trading purposes as the group does not actively trade these investments, which are disclosed in Note 7.

Sonae is exposed to risks arising from changes in Sonae Holding share price due responsibilities related with the remuneration policy described in Sonae Corporate Governance report, as explained in Note 29.

In 2007, Sonae entered into a Total Return Swap (TRS) with Sonae Holding shares as underlying. As explained in Note 23 the Total Return Swap precluded the derecognition of those treasury shares, and as such a change in the Sonae share price could have an impact on the cash flows by means of TRS cash settlements. If Sonae price had been 1% higher/lower, it would not have additional receiving/payments (in 31 December 2014, Sonae would not have additional receiving/payments).

In the investment NOS, SGPS, SA, a variation of 10% in value of the share price would have an impact on profit and loss of 8 million euro (in 31 December 2014 5.8 million euro).

3.7 Capital risk

The capital structure of Sonae, determined by the proportion of equity and net debt is managed in order to ensure continuity and development of its operations, maximize the return on shareholders and optimize financing costs.

.......

Sonae periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures for the achievement of these objectives.

Sonae presented in 2015 an average gearing (countable) of $0.8 \times (0.8 \times in 2014)$. The average gearing at market values in 2015 was $0.6 \times (0.6 \times in 2014)$.

4 RESTATEMENT OF FINANCIAL STATEMENT

Under the Special Regime of Debt Adjustments to Tax Authorities and Social Security (Decree Law No. 248-A of 2002 (PMFL) and Decree Law No. 151-A/2013 (RERD)), Sonae has voluntarily made payments in the past years relating to additional tax assessments, for which, Sonae had already appealed to the competent courts.

Until the time of those payments the assessment made which has not changed since then, is that these claims correspond to contingencies in which the probability of being decided against Sonae intents is remote and that such claims are motivated by different interpretations of the applicable tax legislation, hence corresponding to uncertain tax positions. As a result of this evaluation made by the Group, these claims were disclosed in the Notes to the financial statements, as these claims correspond to contingent liabilities.

Amounts paid under those programs were accounted for as assets under the caption "Other debtors", according to IAS 12 - Income taxes in the case of amounts related with IRC (Portuguese Income Tax). In what concerns payments of other taxes, and considering that applicable accounting standards are silent in relation with those, Sonae applied by analogy the accounting policy, meaning that these payments were also accounted for as assets.

However, during the verification process of 2012 accounts, CMVM disagreed with Sonae's interpretation and requested the restatement of the financial statements for the 1st quarter of 2015 in what concerns to payments made of taxes, arguing that the tax payments which exclude income tax should be considered contingent assets. Although disagreeing with the CMVM's positioning, Sonae performed the restatement of the financial statements for that period, which had no impact in the income statement and has an immaterial impact in the statement of financial position.

The impact of the restatement in the statement of financial position can be analysed as follows:

	3	1 December 201	L4	01 January 2014			
Amounts in thousands of euros	Before the restatement	Restated of PMFL and RERD	After the restatement	Before the restatement	Restated of PMFL and RERD	After the restatement	
Assets							
Tangible and intagible assets	2,032,908	-	2,032,908	2,030,018	-	2,030,018	
Goodwill	610,590	-	610,590	610,188	-	610,188	
Investments	1,233,193	-	1,233,193	1,176,784	-	1,176,784	
Deferred tax assets	89,952	-	89,952	123,160	-	123,160	
Other non-current assets	50,730	(20,669)	30,061	32,972	_	32,972	
Non-current assets	4,017,373	(20,669)	3,996,704	3,973,122	-	3,973,122	
Current assets	1,560,749	(715)	1,560,034	1,503,415	(21,384)	1,482,031	
Total assets	5,578,122	(21,384)	5,556,738	5,476,537	(21,384)	5,455,153	
Liabilities							
Borrowings	907,010	-	907,010	1,362,598	-	1,362,598	
Other non-current liabilities	174,942		174,942	223,004		223,004	
Non-current liabilities	1,081,952	-	1,081,952	1,585,602	-	1,585,602	
Borrowings	946,078	-	946,078	233,939	-	233,939	
Other current liabilities	1,696,477		1,696,477	1,748,885		1,748,885	
Total current liabilities	2,642,555	-	2,642,555	1,982,824		1,982,824	
Total liabilities	3,724,507	-	3,724,507	3,568,426	-	3,568,426	
Shareholders' funds excluding non-controlling interests	1,692,872	(20,841)	1,672,031	1,563,785	(20,034)	1,543,751	
Non-controlling interests	160,743	(543)	160,200	344,326	(1,350)	342,976	
Total shareholders' funds	1,853,615	(21,384)	1,832,231	1,908,111	(21,384)	1,886,727	
Total shareholders' funds and liabilities	5,578,122	(21,384)	5,556,738	5,476,537	(21,384)	5,455,153	

5 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 31 December 2015 and 31 December 2014 are as follows:

				Percentage of capita			held	
				31 Dec	2015	31 De	ec 2014	
	COMPANY		Head Office	Direct*	Total*	Direct*	Total*	
	Sonae - SGPS, S.A.		Maia	HOLDING	HOLDING	HOLDING	HOLDING	
	Retail							
1)	Aduanas Caspe, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	-	-	
	Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%	
	Azulino Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%	
	BB Food Service, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%	
	Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%	
	Bom Momento - Restauração, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%	
	Canasta - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%	
	Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%	
	Citorres - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%	

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1)	Comercial Losan Polonia SP Z.O.O	a)	Warsaw (Poland)	100.00%	100.00%	-	-
1)	Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	-	-
	Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
	Continente Hipermercados, SA	a)	Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Discovery Sports, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
2)	Elergone Energias, Lda	a)	Matosinhos (Portugal)	75.00%	75.00%	-	-
	Farmácia Selecção, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
	Fozimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia (Portugal)	100.00%	100.00%	77.43%	77.43%
	Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia (Portugal)	97.92%	97.92%	98.56%	98.56%
1)	Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	-	-
	HighDome PCC Limited (Cell Europe)	a)	Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Igimo – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Iginha – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100,00%
	Imoconti – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100,00%	100.00%	100.00%
	Imoestrutura – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imomuro – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imoresultado – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imosistema – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Infofield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
1)	Losan Colombia, S.A.S	a)	Bogota (Colombia)	100.00%	100.00%	-	-
1)	Losan Overseas Textile, S.L	a)	Zaragoza (Spain)	100.00%	100.00%	-	-
1)	Losan Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istanbul (Turkey)	100.00%	100.00%	-	-
	Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
3)	MJB Design, Lda	a)	Maia (Portugal)	100.00%	100.00%	-	-
	MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modelo Continente Hipermercados, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
			-				

Modelo.com - Vendas p/Correspond., SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predilugar- Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia (Portugal)	100.00%	100,00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100,00%	100.00%
Socijofra - Sociedade Imobiliária, SA	a)	Gondomar (Portugal)	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonae Center Serviços II, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Investimentos, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sonae SR Malta Holding Limited	a)	Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	90.00%	100.00%	90.00%
Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Specialized Retail, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	51.00%	51.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	-	-
Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	51.00%	51.00%

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	Worten - Equipamento para o Lar, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae IM						
4)	Accive Insurance – Consultoria e Franchising, Lda	a)	Porto (Portugal)	100.00%	35.01%	-	-
4)	Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70.00%	35.01%	-	-
	ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
	Cape Tecnologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
	Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
	Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
	Herco, Consultoria de Risco, SA	a)	Maia (Portugal)	100.00%	50.01%	100.00%	50.01%
	HighDome PCC Limited	a)	Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
	Itrust – Cyber Security and Intelligence, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Larim Corretora de Resseguros Ltda	a)	Rio de janeiro (Brazil)	99.99%	50.01%	99.99%	50.01%
	Lazam/mds Correctora Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
5)	Lookwise, S.L.U.	a)	Navarra (Spain)	100.00%	69.99%	100.00%	53.98%
6)	MDS África, SGPS, SA	a)	Porto (Portugal)	100.00%	50.01%	-	-
	MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Affinity-Sociedade de Mediação Lda	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50.01%	25.01%	50.01%	25.01%
	Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Malta Holding Limited	a)	Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
	MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS, SGPS, SA	a)	Maia (Portugal)	50.01%	50.01%	50.01%	50.01%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
	Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%
	RSI Corretora de Seguros, Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
7)	S21 Sec Barcelona, S.L.	a)	Barcelona (Spain)	100.00%	69.99%	100.00%	53.98%
	S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	69.98%	99.99%	53.97%

8)	S21 Sec Ciber Seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	69.86%	50.00%	26.96%
5)	S21 Sec Frau d Risk Management, S.L.	a)	Navarra (Spain)	100.00%	69.99%	100.00%	53.98%
	S21 Sec Gestion, SA	a)	Navarra (Spain)	77.80%	69.99%	60.00%	53.98%
7)	S21 Sec Inc.	a)	Texas (USA)	100.00%	69.99%	100.00%	53.98%
	S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	69.99%	100.00%	53.98%
5)	S21 Sec Institute, S.L.	a)	Guipuzcoa (Spain)	100.00%	69.99%	100.00%	53.98%
	S21 Sec México, SA de CV	a)	Mexico City (Mexico)	99.87%	69.89%	99.87%	53.91%
	S21 Sec SA de CV	a)	Mexico City (Mexico)	99.99%	69.98%	99.99%	53.98%
	Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
	Saphety Brasil Transações Electrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
	Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
5)	Servicios de Inteligencia Estrategica Global, S.L.	a)	Navarra (Spain)	100.00%	69.99%	100.00%	53.98%
	Sonaecom-Cyber Security and Int., SGPS,SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaecom - Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%
	Sonaecom BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
	Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
9)	Sonae Investment Management - Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
	Tlantic, BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	77.66%	77.66%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	72.10%	100.00%	77.66%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	72.10%	100.00%	77.66%
	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
	We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	We Do Poland Sp.Z.o.o.	a)	Poznan (Poland)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
	We Do Tecnologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Mexico S. de RL	a)	City Mexico (Mexico)	100.00%	89.97%	100.00%	89.97%
	We Do Tecnologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%

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Others

Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
Sonaecenter Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

- a) Control held by majority of voting rights which gives power of relevant activities
- b) Control held by majority of Board members;
- 1) Company acquired in 19 November 2015, integrated in the consolidated financial statements as of 31 December 2015;
- 2) Company acquired in 2 November 2015, integrated in the consolidated financial statements since that date;
- 3) Company acquired in 31 de May de 2015, integrated in the consolidated financial statements since that date;
- 4) Company acquired in 7 de January de 2015, integrated in the consolidated financial statements since that date;
- 5) Company merged in S21 Sec Gestion, SA;
- 6) Company created during the period;
- 7) Company liquidated during the period;
- 8) S21sec group Gestion SA has acquired 50% shareholding of the company S21 Sec Ciberseguridad SA de CV, allowing the latter to be included by the full consolidation method, since July 2015;
- 9) Ex- Sonaecom Sistemas de Informação, SGPS, SA.

These entities are consolidated using the full consolidation method.

^{*}the percentage of capital held "Total" is the total percentage of interest held by the group; the percentage of capital held

^{*&}quot;Direct" corresponds to the percentage that subsidiary(s) which hold(s) participation, hold(s) the share capital of that company.

6 JOINT VENTURES AND ASSOCIATED COMPANIES

6.1 Detail of book value of Investment in joint ventures and associates

The value of investments in joint ventures and associates can be analyzed as follows:

COMPANY	31 Dec 2015	31 Dec 2014 Restated
Shopping Centres		
Sonae Sierra SGPS, SA (consolidated)	499,327,197	479,194,133
Telecommunications		
ZOPT, SGPS, SA (consolidated)	710,450,710	720,819,992
Sonae IM		
1) Raso SGPS, SA (consolidated)	-	-
Unipress - Centro Gráfico, Lda	580,205	972,982
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	-	-
Intelligent Big Data, S.L.	-	-
2) S21Sec Ciber seguridad SA de CV	-	-
Investments in joint ventures	1,210,358,112	1,200,987,107
Retail		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,236,445	1,180,061
APOR - Agência para a Modernização do Porto, S.A.	373,147	417,799
3) Ulabox, SL	2,879,651	-
Sonae IM		
Brokerslink Management AG	41,745	41,745
Investment in associates companies	4,530,988	1,639,605
Total	1,214,889,100	1,202,626,712

- 1) As at 29 June 2015, the Group acquired the remaining 50% of Raso SGPS, SA and classified this investment as a non-current asset held for sale (Note 22), in October the sale was realized;
- 2) S21sec group Gestion SA has acquired 50% shareholding of the company S21 Sec Ciberseguridad SA de CV, allowing the latter to be included by the full consolidation method since july 2015;
- 3) Associated acquired during the period.

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6.2 Detail of joint ventures and associated companies

Joint ventures and associated companies, their head offices and percentage of share capital held as at 31 December 2015 and 31 December 2014 are as follows:

6.2.1 Joint ventures

1)

2)

2)

		Percentage of capital held			
		31 De	ec 2015	31 Dec	2014
COMPANY	Head Office	Direct*	Total*	Direct*	Total*
Sonae Sierra					
3shoppings - Holding, SGPS, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	50.00%	11.88%
ALEXA Administration GmbH	Berlin (Germany)	100.00%	25.00%	100.00%	25.00%
ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	50.00%	12.53%
Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Beralands BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
Cascaishopping Holding I, SGPS, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
CCCB Caldas da Rainha - Centro Comercial,SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
CITIC Capital Sierra (Hong Kong) Limited	Hong Kong (China)	50.00%	25.00%	50.00%	25.00%
CITIC CAPITAL SIERRA Property Management (Shanghai) Limited	Shanghai (China)	50.00%	25.00%	50.00%	25.00%
Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%

Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	12.53%	-	-
DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	12.53%	-	-
Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	25.05%	100.00%	25.05%
Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%
Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	50.00%	12.53%
Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	12.53%
Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberian Assets, SA	Madrid (Spain)	49.78%	12.48%	49.78%	12.48%
Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%
Loop 5 - Shopping Centre Gmbh	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	11.88%	50.00%	11.88%
Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Microcom Doi, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Münster Arkaden, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands))	50.00%	12.53%	50.00%	12.53%

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3)

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Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Park Avenue Developement of Shopping Centers, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Campinas Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	50.00%	11.88%
Project SC 1, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Project Sierra Cúcuta, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Four, SA	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%

	Project Sierra Germany 2 (two), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Two, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
3)	Proyecto Cúcuta S.A.S	Santiago de Cali (Colombia)	50.00%	25.00%	-	-
	Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	11.88%	50.00%	11.88%
	River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	SC Aegean, BV	Amsterdam (Netherlands))	50.00%	25.00%	50.00%	25.00%
	Serra Shopping – Centro Comercial, SA	Lisbon (Portugal)	50.00%	11.88%	50.00%	11.88%
	Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Sierra Asia Limited	Hong Kong	100.00%	50.00%	100.00%	50.00%
	Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
	Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
	Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	24.50%	49.00 %	24.50%
5)	Sierra Core Assets Holdings, BV	Amsterdam (Netherlands)	50.00%	25.05%	-	-
	Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	25.05%	50.10%	25.05%
	Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra GP, Limited	Guernsey (U.K.)	100.00%	50.00%	100.00%	50.00%
	Sierra Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%

Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra – OST Property Management, SA	Moscow (Russia)	100.00%	25.00%	100.00%	25.00%
Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istanbul (Turkey)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland 2 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	25.05%	-	-
Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
Sonae Sierra, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	47.50%	23.75%	47.50%	23.75%
Torre Ocidente - Imobiliária, SA	Maia (Portugal)	50.00%	12.50%	50.00%	12.50%
Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
Vuelta Omega, S.L.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
Weiterstadt Shopping BV	Amsterdam	100.00%	50.00%	100.00%	50.00%
Welterstadt Shopping DV	(Netherlands)				
Zenata Commercial Project, SA	(Netherlands) Mohammedia (Morocco)	100.00%	5.5%	100.00%	5.5%
	Sierra Investments SGPS, SA Sierra Italy, SrI Sierra Management, SGPS, SA Sierra – OST Property Management, SA Sierra Portugal, SA Sierra Project Nürnberg BV Sierra Real Estate Greece BV Sierra Romania Shopping Centers Services, SRL Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket Sierra Services Holland BV Sierra Services Holland 2 BV Sierra Solingen Holding GmbH Sierra Spain – Shopping Centers Services, SA Sierra VdG Holding BV Sierra Zenata Project B.V. Solingen Shopping Center GmbH Sonae Sierra Brasil, SA Sonae Sierra Brazil, BV Sarl Sonae Sierra Portugal SPF - Sierra Portugal Real Estate, Sarl Torre Ocidente - Imobillária, SA Unishopping Consultoria Imobilliária, Ltda Via Catarina - Centro Comercial, SA	Sierra Investments Holding, BV Sierra Investments SGPS, SA Maia (Portugal) Sierra Italy, Srl Milan (Italy) Sierra Management, SGPS, SA Maia (Portugal) Milan (Italy) Sierra Amangement, SGPS, SA Maia (Portugal) Sierra OST Property Management, SA Sierra Portugal, SA Lisbon (Portugal) Amsterdam (Netherlands) Amsterdam (Netherlands) Sierra Real Estate Greece BV Sierra Romania Shopping Centers Services, SRL Bucharest (Romania) Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket Sierra Services Holland BV Amsterdam (Netherlands) Sierra Services Holland 2 BV Sierra Solingen Holding GmbH Dusseldorf (Germany) Sierra Spain – Shopping Centers Services, SA Madrid (Spain) Sierra VdG Holding BV Sierra Zenata Project B.V. Solingen Shopping Center GmbH Dusseldorf (Germany) Sonae Sierra Brasil, SA Sao Paulo (Brazil) Sonae Sierra, SGPS, SA Maia (Portugal) Luxembourg SPF - Sierra Portugal Real Estate, Sarl Unishopping Consultoria Imobiliária, Ltda Via Catarina - Centro Comercial, SA Maia (Portugal) Via Catarina - Centro Comercial, SA Maia (Portugal)	Sierra Investments Holding, BV Sierra Investments SGPS, SA Maia (Portugal) 100.00% Sierra Management, SGPS, SA Milan (Italy) 100.00% Sierra Management, SGPS, SA Maia (Portugal) 100.00% Sierra Management, SGPS, SA Maia (Portugal) 100.00% Sierra Portugal, SA Lisbon (Portugal) 100.00% Sierra Portugal, SA Lisbon (Portugal) 100.00% Sierra Porject Nürnberg BV Amsterdam (Netherlands) Mesca Management, SGPS, SA Sierra Real Estate Greece BV Marsterdam (Netherlands) Sierra Romania Shopping Centers Services, SRL Sierra Romania Shopping Centers Services, SRL Sierra Services Holland BV Amsterdam (Netherlands) Sierra Spain – Shopping Centers Services, SA Madrid (Spain) 100.00% Sierra VdG Holding BV Amsterdam (Netherlands) Marsterdam (Netherlands) Sierra Zenata Project B.V. Sierra Zenata Project B.V. Solingen Shopping Center GmbH Dusseldorf (Germany) Sonae Sierra Brasil, SA Sonae Sierra Brasil, SA Sonae Sierra Brazil, BV Sarl Luxembourg 50.00% SPF - Sierra Portugal Luxembourg 47.50% Torre Ocidente - Imobiliária, Ltda Unishopping Consultoria Imobiliária, Ltda Via Catarina - Centro Comercial, SA Maia (Portugal) 50.00%	Sierra Investments Holding, BV (Netherlands) 100.00% 50.00% Sierra Investments SGPS, SA Maia (Portugal) 100.00% 50.00% Sierra Italy, Srl Milan (Italy) 100.00% 50.00% Sierra Management, SGPS, SA Maia (Portugal) 100.00% 50.00% Sierra OST Property Management, SA Moscow (Russia) 100.00% 50.00% Sierra Project Nürnberg BV Lisbon (Portugal) 100.00% 50.00% Sierra Real Estate Greece BV Amsterdam (Netherlands) 100.00% 50.00% Sierra Romania Shopping Centers Services, SRL Bucharest (Romania) 100.00% 50.00% Sierra Services Holland BV Amsterdam (Netherlands) 100.00% 50.00% Sierra Services Holland BV Amsterdam (Netherlands) 100.00% 50.00% Sierra Spain – Shopping Centers Services, SA Madrid (Spain) 100.00% 50.00% Sierra Spain – Shopping Centers Services, SA Madrid (Spain) 100.00% 50.00% Sierra Spain – Shopping Centers Services, SA Madrid (Spain) 100.00% 50.00% Sierra Services Holland 2 BV	Serra Investments Holding, BV Serra Investments SGPS, SA Maia (Portugal) 100.00% 50.00% 100.00% Sierra Italy, Srl 100.00% Sierra Italy, Srl 100.00% Sierra Italy, Srl 100.00% Sierra Management, SGPS, SA Maia (Portugal) 100.00% 50.00% 100.00% Sierra Management, SGPS, SA Maia (Portugal) 100.00% 50.00% 100.00% Sierra Portugal, SA Lisbon (Portugal) 100.00% 50.00% 100.00% Sierra Portugal, SA Lisbon (Portugal) 100.00% 50.00% 100.00% Sierra Real Estate Greece BV Amsterdam (Netherlands) 100.00% 50.00% 100.00% Sierra Real Estate Greece BV Maia (Portugal) 100.00% 50.00% 100.00% Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket Sierra Services Holland BV Maia (Portugal) 100.00% 50.00% 100.00% Sierra Services Holland BV Maia (Portugal) 100.00% 50.00% 100.00% Sierra Services Holland BV Maia (Portugal) 100.00% 50.00% 100.00% Sierra Yodg Holding GmbH 100.00% 50.00% 100.00% Sierra Yodg Holding BV Maia (Portugal) 100.00% 25.00% 100.00% Sierra Yodg Holding BV Maia (Portugal) 100.00% 25.00% 100.00% Sierra Services Holland Sierra Brazil, BV Sarl Luxembourg 50.00% 50

ZOPT (NOS)
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	Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.50%	20.00%	4.50%
	Canal 20 TV, SA	Madrid (Spain)	50.00%	11.25%	50.00%	11.25%
1)	Distodo – distribuição e Logística, Lda	Lisbon (Portugal)	50.00%	11.25%	50.00%	11.25%
	Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.25%	50.00%	11.25%
	Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.25%	100.00%	11.25%
	Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
	FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	6.75%	30.00%	6.75%
	Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	11.25%	99.87%	11.25%
1)	Lusomundo España, SL	Madrid (Spain)	100.00%	22.50%	100.00%	22.50%
	Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	22.47%	99.87%	22.47%
	Lusomundo Moçambique, Lda	Maputo (Mozambique)	100.00%	22.50%	100.00%	22.50%
5)	NOS Inovação, SA	Matosinhos (Portugal)	100.00%	22.50%	-	-
9)	NOS Sistemas, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
5)	NOS Sistemas España, SL	Madrid (Spain)	100.00%	22.50%	-	-
	MSTAR, SA	Maputo (Mozambique)	30.00%	6.75%	30.00%	6.75%
	NOS Açores Comunicações, SA	Ponta Delgada (Portugal)	83.82%	18.86%	83.82%	18.86%
	NOS Communications Sàrl	Luxembourg	100.00%	22.50%	100.00%	22.50%
	NOS Comunicações, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
	NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
	NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
	NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
	NOS Madeira Comunicações, SA	Funchal (Portugal)	77.95%	17.54%	77.95%	17.54%
7)	NOS Tecnology – Concepção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
8)	NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
	NOS SGPS, SA	Lisbon (Portugal)	52.15%	22.50%	52.15%	22.50%
	NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
	Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
	Sport TV Portugal	Lisbon (Portugal)	50.00%	11.25%	50.00%	11.25%
	Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
	Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	22.50%	100.00%	22.50%

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	Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	6.75%	30.00%	6.75%
	ZAP Cinemas, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
	ZAP Media, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
	ZAP Publishing, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
	ZON Finance BV	Amsterdam (Netherlands)	100.00%	22.50%	100.00%	22.50%
	ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%
	Sonae IM					
10)	Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon (Portugal)	75.00%	75.00%	75.00%	37.50%
	Intelligent Big Data, SL	Guipuzcoa (Spain)	50.00%	35.00%	50.00%	26.99%
10)	Movimentos Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon (Portugal)	100.00%	100.00%	100.00%	50.00%
10)	Nova Equador Internacional, Agência de Viagens e Turismo, Lda	Lisbon (Portugal)	100.00%	100.00%	100.00%	50.00%
10)	Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon (Portugal)	100.00%	100.00%	100.00%	50.00%
10)	Raso SGPS, SA	Lisbon (Portugal)	100.00%	100.00%	50.00%	50.00%
10)	Raso - Viagens e Turismo, SA	Lisbon (Portugal)	100.00%	100.00%	100.00%	50.00%
10)	Raso II – Viagens e Turismo, Unipessoal, Lda	Lisbon (Portugal)	100.00%	100.00%	100.00%	50.00%
11)	S21 Sec Ciber Seguridad SA de CV	Mexico City (Mexico)	100.00%	69.86%	50.00%	26.96%
	SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	45.00%	40.49%	45.00%	40.49%
	Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%
10)	Viagens y Turismo de Geotur España, S.L.	Madrid (Spain)	100.00%	100.00%	100.00%	50.00%

*the percentage of capital held "Total" is the total percentage of interest held by the group; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) the share capital of that company.

- 1) Company liquidated during the period;
- 2) Company sold during the period;
- 3) Company acquired during the period;
- 4) Ex Project Sierra Spain 3, BV;
- 5) Company created in the period;
- 6) In December 2015 the company merged in the society Harvey Dos Iberia S.L.;
- 7) Ex Be Artis Concepção Construção e Gestão de Redes de Comunicação, SA;
- 8) Ex Be Towering Gestão de Torres de Telecomunicações, SA;
- 9) Ex Mainroad Serviços em Tecnologias de Informação, SA;

- 10) As at 29 June 2015, the Group acquired the remaining 50% of Raso SGPS, SA and classified this investment as a non-current asset held for sale (Note 22). In October 2015, the Group proceeded with the sale;
- 11) S21sec group Gestion SA has acquired 50% shareholding of the company S21 Sec Ciberseguridad SA de CV, allowing the latter to be included by the full consolidation method, since July 2015 (Note 5).

6.2.2 Associated companies

		Percentage of share capital held				
		31 De	31 Dec 2015		c 2014	
COMPANY	Head Office	Direct*	Total*	Direct*	Total*	
Retail						
APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22.75%	22.75%	22.75%	22.75%	
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon (Portugal)	25.00%	25.00%	25.00%	25.00%	
Ulabox, S.L.	Barcelona (Spain)	28.57%	28.57%	-	-	
Sonae IM						
Brokerslink Management AG	Switzerland	20.00%	20.00%	20.00%	20.00%	
	Retail APOR – Agência para a Modernização do Porto, S.A. Sempre a Postos - Produtos Alimentares e Utilidades, Lda Ulabox, S.L. Sonae IM	Retail APOR – Agência para a Modernização do Porto, S.A. Sempre a Postos - Produtos Alimentares e Utilidades, Lda Ulabox, S.L. Sonae IM	Retail APOR – Agência para a Modernização do Porto, S.A. Sempre a Postos - Produtos Alimentares e Utilidades, Lda Ulabox, S.L. Porto (Portugal) Lisbon (Portugal) Barcelona (Spain) 28.57%	COMPANY Head Office Direct* Total* Retail APOR – Agência para a Modernização do Porto, S.A. Sempre a Postos - Produtos Alimentares e Utilidades, Lda Ulabox, S.L. Porto (Portugal) Lisbon (Portugal) Barcelona (Spain) 25.00% 28.57% 28.57%	Retail APOR – Agência para a Modernização do Porto, S.A. Sempre a Postos - Produtos Alimentares e Utilidades, Lda Ulabox, S.L. Sonae IM	

^{*}the percentage of capital held "Total" is the total percentage of interest held by the group; the percentage of capital held

1) Associated Company acquired in the period.

Jointly controlled companies and associated companies were included in the consolidated financial statements by the equity method.

6.3 Financial indicators of participations

6.3.1 Joint Ventures

As at 31 December 2015 and 2014, summary financial information of joint ventures of the group can be analyzed as follows:

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^{*&}quot;Direct" corresponds to the percentage that subsidiary(s) which hold(s) participation, hold(s) the share capital of that company.

	31 Dec 2015				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others		
Assets					
Investment properties	286,938,906	697,557	-		
Tangible assets	1,230,400	1,218,762,526	1,557,119		
Intangible assets	2,705,989	639,261,319	13,213		
Goodwill	4,273,686	1,749,506,673	-		
Investments in joint ventures and associates	905,893,688	264,465,220	-		
Other non-current assets	120,895,811	145,726,069	97		
Non-current assets	1,321,938,480	4,018,419,364	1,570,429		
Cash and cash equivalents	73,040,437	21,504,911	71,511		
Other current assets	47,206,085	465,454,752	1,908,042		
Current assets	120,246,522	486,959,663	1,979,553		
Assets classified as available for sale	870,360,745	-	-		
Total assets	2,312,545,747	4,505,379,027	3,549,982		
Liabilities					
Borrowings	171,839,762	979,421,660	1,698,657		
Other non-current liabilities	40,582,022	257,648,405	5,306		
Non-current liabilities	212,421,784	1,237,070,065	1,703,963		
Borrowings	60,196,509	180,262,683	26,262		
Other current liabilities	158,012,185	582,696,254	1,233,012		
Total current liabilities	218,208,694	762,958,937	1,259,274		
Liabilities directly associated with assets classified as available for sale	424,352,495	-	-		
Total liabilities	854,982,973	2,000,029,002	2,963,237		
Equity attributable to the equity holders of the Parent Company	938,240,752	1,258,356,499	586,745		
Non-controlling interests	519,322,022	1,246,993,526	-		
Total equity	1,457,562,774	2,505,350,025	586,745		
Total equity and liabilities	2,312,545,747	4,505,379,027	3,549,982		

	31 Dec 2014					
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Raso SGPS, SA (consolidated)	Others		
Assets						
Investment properties	891,623,837	708,000	-	-		
Tangible assets	1,516,133	1,198,203,256	1,884,239	2,247,298		
Intangible assets	2,879,479	638,078,896	354,896	8,042		
Goodwill	7,192,675	1,758,031,673	44,061,369	-		
Investments in joint ventures and associates	928,564,893	306,839,602	-	-		
Other non-current assets	121,771,782	164,504,895	1,022,681	74		
Non-current assets	1,953,548,799	4,066,366,322	47,323,185	2,255,414		
Cash and cash equivalents	71,650,755	29,772,399	272,015	224,346		
Other current assets	70,387,686	454,626,177	19,038,019	2,042,021		
Current assets	142,038,441	484,398,576	19,310,034	2,266,367		
Total assets	2,095,587,240	4,550,764,898	66,633,219	4,521,781		
Liabilities	-	-	-	-		
Borrowings	468,203,070	621,056,820	-	2,324,989		
Other non-current liabilities	157,802,112	276,085,087	431,466	5,306		
Non-current liabilities	626,005,182	897,141,907	431,466	2,330,295		
Borrowings	38,721,438	505,749,000	3,560,801	26,262		
Other current liabilities	123,568,773	601,608,100	34,169,436	1,705,815		
Total current liabilities	162,290,211	1,107,357,100	37,730,237	1,732,077		
Total liabilities	788,295,393	2,004,499,007	38,161,703	4,062,372		
Equity attributable to the equity holders of the Parent Company	897,974,623	1,276,520,350	28,508,963	459,409		
Non-controlling interests	409,317,224	1,269,745,541	(37,447)	-		
Total equity	1,307,291,847	2,546,265,891	28,471,516	459,409		
Total equity and liabilities	2,095,587,240	4,550,764,898	66,633,219	4,521,781		

	31 Dec 2015				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others		
Turnover	191,895,202	1,429,868,680	3,916,769		
Other operating income	107,528,574	14,436,914	37,121		
	299,423,776	1,444,305,594	3,953,890		
External supplies and services	(94,180,375)	(183,816,507)	(1,258,141)		
Amortisation	(1,129,315)	(387,505,327)	(762,549)		
Other operating costs	(53,884,018)	(741,977,063)	(1,888,218)		
	(149,193,708)	(1,313,298,897)	(3,908,908)		
Financial income	6,461,053	-	372		
Financial expense	(22,399,768)	(32,172,386)	(10,439)		
Financial results	(15,938,715)	(32,172,386)	(10,067)		
Results of joint ventures and associated companies	159,528,729	_	-		
Income taxation	(33,726,326)	(27,024,745)	(14,302)		
Consolidated net income/(loss) for the year	260,093,756	71,809,566	20,613		
Attributable to:					
Equity holders of the Parent Company	141,745,133	35,951,643	20,613		
Non-controlling interests	118,348,623	35,857,923	_		
	260,093,756	71,809,566	20,613		
Other comprehensive income for the period	(75,930,658)	(41,409,367)	-		
Total comprehensive income for the period	184,163,098	30,400,199	20,613		

	31 Dec 2014					
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Raso SGPS, SA (consolidated)	Others		
Turnover	186,118,629	1,368,684,000	36,755,779	4,403,707		
Other operating income	47,676,301	15,245,506	2,342,339	115,590		
100000000000000000000000000000000000000	233,794,930	1,383,929,506	39,098,118	4,519,297		
External supplies and services	(92,149,626)	(186,985,162)	(27,037,181)	(1,998,624)		
Amortisation	(1,506,264)	(360,381,107)	(825,828)	(801,287)		
Other operating costs	(71,662,301)	(708,410,393)	(10,598,642)	(1,876,210)		
	(165,318,191)	(1,255,776,662)	(38,461,651)	(4,676,121)		
Financial income	4,633,929	218,000	38,958	46,619		
Financial expense	(26,676,611)	(52,184,040)	(992,307)	(54,984)		
Financial results	(22,042,682)	(51,966,040)	(953,349)	(8,365)		
Results of joint ventures and associated companies	154,077,563	_	_	_		
Income taxation	(14,422,537)	(13,342,644)	83,919	(21,066)		
Consolidated net income/(loss) for the year	186,089,083	62,844,160	(232,963)	(186,255)		
Attributable to:						
Equity holders of the Parent Company	96,310,817	31,270,994	(237,586)	(186,255)		
Non-controlling interests	89,778,266	31,573,166	4,623	-		
100000000000000000000000000000000000000	186,089,083	62,844,160	(232,963)	(186,255)		
Other comprehensive income for the period	9,193,041	31,099,000	-	-		
Total comprehensive income for the period	195,282,124	93,943,160	(232,963)	(186,255)		

6.3.2 Associates

As at 31 December 2015 and 2014, summary financial information of associated companies of the group can be analyzed as follows:

		31 Dec 2015			Restated
Associates	Sempre a Postos	Ulabox	Others	Sempre a Postos	Others
Non-current assets	1,778,633	1,923,349	18,619	2,407,920	9,394
Current assets	10,076,920	2,548,955	1,679,225	9,551,507	1,911,071
Non-current liabilities	8,594	-	-	17,263	-
Total current liabilities	6,901,181	103,517	57,638	7,221,921	83,985
Equity	4,945,778	4,368,787	1,640,206	4,720,243	1,836,480

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		31 Dec 2015			31 Dec 2014		
Associates	Sempre a Postos	Ulabox	Others	Sempre a Postos	Others		
Turnover	51,477,596	3,738,298	71,680	49,085,266	126,952		
Other operating income	3,917,030	994,534	279	4,690,148	-		
Operating costs	(53,556,308)	(7,065,594)	(301,497)	(52,194,919)	(266,560)		
Financial results	13,681	(39,010)	33,263	(4,955)	53,079		
Income taxation	(440,218)	577,431	(32)	(389,299)	(42)		
Consolidated net income/(loss) for the year	1,411,781	(1,794,341)	(196,307)	1,186,246	(86,571)		
Other comprehensive income for the period	-	-	-	-	-		
Total comprehensive income for the period	1,411,781	(1,794,341)	(196,307)	1,186,246	(86,571)		

6.4 Movements occurred in the period

During the year ended at 31 December 2015 and 2014, movements in investments in joint ventures and associates are as follows:

		31 Dec 2015			31 Dec 2014 Restated			
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment		
Joint ventures and associates companies								
Initial balance as at January,1 Acquisitions during the period	621,439,679	579,547,428	1,200,987,107	593,918,408 1,500	549,973,662	1,143,892,070 1,500		
Transfer to assets held for sale (Note 22)	7,794,938	(10,057,629)	(2,262,691)		-	-		
Equity method								
Gains or losses in joint controlled and associated companies	88,591,530	-	88,591,530	65,093,970	(1,099,909)	63,994,061		
Alocation goodwill	-	-	-	(36,702,250)	36,702,250	-		
Distributed dividends Effect in equity capital and non-controlling	(28,008,250)	-	(28,008,250)	(7,320,649)	-	(7,320,649)		
interests	(51,212,274)	-	(51,212,274)	6,448,699	-	6,448,699		
Impairment in joint ventures	-	2,262,691	2,262,691	<u>-</u>	(6,028,574)	(6,028,574)		
	638,605,623	571,752,490	1,210,358,113	621,439,679	579,547,428	1,200,987,107		
Investments in associates companies								
Initial balance as at January,1	1,502,111	137,494	1,639,605	899,945	-	899,945		
Constitutions during the period	-		-	41,745	-	41,745		
Acquisitions during the period (Note 46) Equity method	1,644,681	1,586,348	3,231,029	162,506	137,494	300,000		
Gains or losses in joint controlled and associates companies	(60,341)	-	(60,341)	414,361	-	414,361		
Distributed dividends	(296,562)	-	(296,562)	(16,446)	-	(16,446)		
Effect in equity capital and non-controlling interests	17,256	-	17,256	-	-	-		
	2,807,145	1,723,842	4,530,987	1,502,111	137,494	1,639,605		
Total	641,412,768	573,476,332	1,214,889,100	622,941,790	579,684,922	1,202,626,712		

The value of the "Effect of equity and non-controlling interests" includes:

- 40 million euro relating to currency translation reserve related to the devaluation of real in Brazil; and
- 9.5 million euro relating to currency translation reserve related to financial participation in which NOS have in the Finstar in Angola.

The amount of dividends distributed related to Joint ventures investments includes 12,192,750 euro from Sonae Sierra and 15,815,500 euro from ZOPT.

For the year ended 31 December 2014, the caption "Impairment in joint ventures" refers to the effect of impairment losses made in the period for the joint venture Raso SGPS, S.A.

The measurement of the existence or not of impairment in investments in joint ventures companies is determined as follows:

- Regarding the telecommunications Segment (ZOPT), the existence or not of impairment is determined taking into consideration the business plan approved by the Board of Directors, whose implicit average growth rate of operating margin grows until 4.7%, the discount rate used is 7.25 and growth rate in the perpetuity is 1.5% and the average of evaluations carried out by external analysts (researches); and
- Regarding Sonae Sierra the impairment tests are made by comparison with the "Net Asset Value ", this results from the valuation of investment properties at market value and does not include the deferred taxes on unrealized capital gains.

In addition to the effects reported in Note 43, the consolidated financial statements of ZOPT have a significant exposure to the African market, namely through financial investments that the Group holds in associated companies operating in the Angolan and Mozambican markets, which are engaged in providing satellite television services and fiber. The book value of these associates in the financial statements of ZOPT in 31 December 2015 reached approximately 223 million euro, which is included in "Investments in Associates" caption above (Note 6.3.1). The Group carried out impairment tests for those assets, which are denominated in the currencies of those countries, respectively, Kwanzas and Metical, considering the business plans approved for a period of five years, which include average revenue growth rates for that period of 9.7% (Angola) and 5.7% (Mozambique), growth rate in perpetuity 8% and discount rate ("WACC") of 16% in both countries. Current economic conditions regarding those markets uncertainty, especially in the foreign exchange market and the restriction of foreign currency transfer, with particular focus in Angola, introduces an additional degree of variability meaning that the assumptions could significantly impact the estimates considered. These impairment tests resulted in a valuation of those assets in approximately 0.5 % above its book value.

Contingent liabilities related to joint ventures are disclosed in Note 49, as well as more detailed information about them.

7 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 31 December 2015 and 2014, are as follows:

		Percentage of share capital held					
		31 Dec	2015	31 Dec	2014	Statment of fina	ancial position
Company	Head Office	Direct	Total	Direct	Total	31 Dec 2015	31 Dec 2014 Restated
Retail							
Dispar - Distrib. de Participações, SGPS, SA	A Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	898,197	898,197
Solferias- Operadores Turísticos, SA	Lisbon	11.11%	11.11%	11.11%	11.11%	133,162	133,162
MOVVO, SA	Porto	16.00%	16.00%	9.09%	9.09%	800,000	400,000
Sonae IM							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	75,069	97,344
Cooper Gay Swett & Crawford Itd	London	9.72%	4.86%	9.72%	4.86%	15,249,229	16,766,584
Other investments						12,384,028	12,260,854
Total						29,549,661	30,566,117

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The financial participation in Cooper Gay Sweet & Crawford Ltd was measured at its fair value as at 31 December 2015 taking into consideration the multiples of EBITDA or multiples of sales by region and the transaction price of the North American operation sold in February 2016. This valuation resulted in a reduction of the financial investment in 1.5 million euro and on the accounting of an impairment of 3.8 million euro (Note 37), which includes the transfer of fair value reserves to profit and loss - impairment for the year, in the amount of 2.2 million euro. The valuation of this equity investment in 2014 was based on taking into consideration the EBITDA from other companies with the same activity deducted from its debt amount. Both valuations correspond to a Level 3 of Fair value hierarchy.

As at 31 December 2015 the caption "Other investments" includes, among others, 9,996,932 euros (10,000,046 euros in 31 December 2014) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 33 and 34).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as whether or not, to retain the Escrow Account for on-going fiscal procedures that have not yet been decided (Note 34). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae.

As at 31 December 2015, with the exception of Cooper Gay Sweet & Crawford, Ltd and the above mentioned Escrow Account, these amounts represent financial investments of immaterial value in unlisted companies and in which the Group doesn't hold significant influence. Their cost of acquisition was considered to be a reasonable approximation to its fair value, adjusted, if applicable, by impairments identified.

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CHANGES IN CONSOLIDATION PERIMETER

Major acquisitions of companies in the period ended at 31 December 2015 were as follows:

		Percentage of share	capital held
		At acquisition	on date
Company	Head Office	Direct	Total
Retail			
MJB - Design, Lda	Maia (Portugal)	100.00%	100.00%
Elergone Energias, Lda	Matosinhos (Portugal)	75.00%	75.00%
Losan Group			
Aduanas Caspe, S.L.U.	Zaragoza (Spain)	100.00%	100.00%
Comercial Losan Polonia SP. Z.O.O.	Warsaw (Poland)	100.00%	100.00%
Comercial Losan, S.L.U.	Zaragoza (Spain)	100.00%	100.00%
Global Usebti, S.L.	Zaragoza (Spain)	100.00%	100.00%
Losan Colombia, S.A.S.	Bogota (Colombia)	100.00%	100.00%
Losan Overseas Textile, S.L.	Zaragoza (Spain)	100.00%	100.00%
Losan Tekstil Urun.V E Dis Ticaret, L.S.	Istanbul (Turkey)	100.00%	100.00%
Usebti Textile México S.A. de C.V.	Mexico City (Mexico)	100.00%	100.00%
Sonae IM			
S21Sec Ciber seguridad SA de CV	Mexico City (Mexico)	100.00%	69.99%
Accive Insurance-Corretor de Seguros, SA	Porto (Portugal)	70.00%	35.01%
ACCIVE Insurance Cons. e Franchising,Lda	Porto (Portugal)	100.00%	35.01%

The effects of these acquisitions on the consolidated financial statements can be analyzed as follows:

		Retail								
		Losa	n Group			Others				
Amounts in euro	Financial Position before aquisition	Adjustments to fair value	Fair value	31 Dec 2015	Financial Position before aquisition	Adjustments to fair value	Fairvalue	31 Dec 2015		
Net acquired assets										
Tangible and intangible assets (Note 10 and 11)	5,016,462	-	5,016,462	5,016,462	44,434	-	44,434	41,142		
Inventories (Note 15)	13,451,587	-	13,451,587	13,451,587	214,901	-	214,901	359,035		
Deferred tax assets (Note 20)	309,948	-	309,948	309,948	-	-	-	14,678		
Other assets	15,681,488	-	15,681,488	17,681,488	1,131,965	-	1,131,965	1,049,238		
Cash and cash equivalents	12,006,623	-	12,006,623	10,006,623	415,445	-	415,445	268,675		
Non recorrent loans	(8,145,659)	-	(8,145,659)	(8,145,659)	(196)	-	(196)	(1,319)		
Deferred tax liabilities (Note 20)	(359,764)	-	(359,764)	(359,764)	-	-	-	(269)		
Other liabilities	(14,765,358)	-	(14,765,358)	(14,765,358)	(888,640)	-	(888,640)	(664, 171)		
Total net acquired assets	23,195,327	-	23,195,327	23,195,327	917,909	-	917,909	1,067,009		
Goodwill			19,055,699				1,195,075			
Non-controlling interests (Note 24)			-				140,624			
Fair value participation held before the acquisition			_				_			
Acquisition price			42,251,026				1,972,360			
Effective cash paid			42,251,026				1,103,623			
Future cash paid	en verseneren		_	~~~~	***************************************	***************************************	868,737	····		
			42,251,026				1,972,360			
Net cash flow resulting from the acquisition (Note 46)										
Effective cash paid			(42,251,026)				(1,103,623)			
Cash and cash equivalents acquired			12,006,623				415,445			
			(30,244,403)				(688,178)			

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	Sonae IM								
Amounts in euro	Financial Position before aquisition	Adjustments to fair value	Fair value	31 Dec 2015					
Net acquired assets									
Tangible and intangible assets (Note 10 and 11)	5,852	444,484	450,336	419,596					
Inventories (Note 15)	-	-	-	-					
Deferred tax assets (Note 20)	-	-	-	8,334					
Other assets	895,665	-	895,665	624,301					
Cash and cash equivalents	84,221	-	84,221	204,981					
Non recorrent loans	(135,218)	-	(135,218)	(298,016)					
Deferred tax liabilities (Note 20)	-	-	-	-					
Other liabilities	(1,574,831)		(1,574,831)	(1,455,395)					
Total net acquired assets	(724,311)	444,484	(279,827)	(496,199)					
Goodwill			369,402						
Non-controlling interests (Note 24)			76,068						
Shareholder's loans, treasury operations and interests	***************************************		233,503	····					
Acquisition price			247,010	***************************************					
Effective cash paid			247,010						
Future cash paid			-						
			247,010						
Net cash flow resulting from the acquisition (Note 46)									
Effective cash paid			(247,010)						
Cash and cash equivalents acquired			84,221						
	***************************************	***************************************	(162,789)	***************************************					

		R				
	Lo	san	Oth	ers	Sona	e IM
Amounts in euro	Since acquisition date	12 months	Since acquisition date	12 months	Since acquisition date	12 months
Sales and services	-	65,520,069	1,169,361	3,004,589	843,844	926,128
Other income	-	1,031,282	316,434	135,010	-	3,657
Cost of sales	-	(38,223,757)	(554,039)	(1,020,522)	-	-
External supplies and services	-	(17,841,096)	(562,280)	(1,205,974)	(779,672)	(1,261,038)
Staff costs	-	(7,926,676)	(316,516)	(700,044)	(136,034)	(150,189)
Depreciation and amortisation	-	(737,824)	(3,912)	(15,542)	(38,172)	(39,690)
Other expenses and losses	-	(658,752)	(14,924)	(27,357)	(83,892)	(90,640)
Net financial income		2,149,537	(2,928)	(17,779)	(68,059)	(68,933)
Profit/loss before taxation	-	3,312,783	31,196	152,381	(261,985)	(680,705)
Taxation	-	(844,958)	12,987	12,987		8,334
Net Income	-	2,467,825	44,183	165,368	(261,985)	(672,371)

Losan Group, a multinational group with its headquarters in Spain is specialized in wholesale business of children's wear. This acquisition aims to improve Sonae's ability in the supply chain and strengthen the international expansion capacity of Sonae through the wholesale channels. These companies were incorporated as at 31 December 2015. This was the date from which Sonae began to exercise control over the activities of this Group.

Following the acquisition of these companies, with the exception of Losan Group, a preliminary assessment was made regarding the fair value of the assets acquired and the liabilities assumed. Regarding the acquired companies belonging to Losan Group and given the proximity of the end of the year it has not yet been possible to complete the fair value allocation or the calculation of goodwill which will be made in the maximum period of 12 months from the date of acquisition. The purchase price allocation can be done within one year of the date of acquisition as allowed by IFRS3 - Business Combinations.

9 FINANCIAL INSTRUMENTS BY CLASS

The financial instruments classification according to policies disclosed in Note 2.13 can be detailed as follows:

Financial assets	Notes	Loans and accounts receivable	Assets at fair value through the income statment	Available for sale	Derivates (Note 27)	Sub-total	Assets not convered by IFRS 7	Total
As at 31 December 2015								
Non-current assets								
Other investments	7 and 13	9,996,932	-	19,552,729	-	29,549,661	-	29,549,661
Other non-current assets	14	12,463,292	_	_	_	12,463,292	19,147,335	31,610,627
		22,460,224	-	19,552,729	-	42,012,953	19,147,335	61,160,288
Current assets		=	=	=	-	=	=	-
Trade receivables	16	96,577,303	-	-	-	96,577,303	-	96,577,303
Other debitors	17	68,521,667	-	-	-	68,521,667	9,984,877	78,506,544
Investments	13	128,080	79,796,807	-	2,506,087	82,430,974	-	82,430,974
Cash and cash equivalent	21	282,751,583	_	_	_	282,751,583	_	282,751,583
		447,978,633	79,796,807		2,506,087	530,281,527	9,984,877	540,266,404
		470,438,857	79,796,807	19,552,729	2,506,087	572,294,480	29,132,212	601,426,692
As at 31 December 2014 Restated			-	-	-	-	-	-
Non-current assets		-	-	-	-	-	-	-
Other investments	7 and 13	10,000,046	-	20,566,071	-	30,566,117	-	30,566,117
Other non-current assets	14	22,496,822	-	-	-	22,496,822	6,603,611	29,100,433
		32,496,868	-	20,566,071	=	53,062,939	6,603,611	59,666,550
Current assets		-	-	-	-	-	-	-
Trade receivables	16	79,543,281	-	-	-	79,543,281	-	79,543,281
Other debitors	17	63,602,768	-	-	-	63,602,768	-	63,602,768
Investments	13	56,122	57,611,618	-	3,995,221	61,662,961	-	61,662,961
Cash and cash equivalent	21	588,596,792	_	-	_	588,596,792	-	588,596,792
		731,798,963	57,611,618	-	3,995,221	793,405,802	-	793,405,802
		790,504,675	57,611,618	20,566,071	3,995,221	846,468,741	6,603,611	853,072,352

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		Derivates	Financial liabilities recorded at		Liabilities not	
Financial liabilities	Notes	(Note 27)	amortised cost	Sub-total	covered by IFRS 7	Total
As at 31 December 2015						
Non-current liabilities						
Bank loans	25	-	566,306,612	566,306,612	-	566,306,612
Bonds	25	-	697,562,099	697,562,099	-	697,562,099
Obligations under finance	25 and 26	-	3,231,481	3,231,481	-	3,231,481
Other loans	25	-	5,764,682	5,764,682	-	5,764,682
Other non-current liabilities	28	-	5,481,467	5,481,467	30,547,413	36,028,880
	***************************************	_	1,278,346,341	1,278,346,341	30,547,413	1,308,893,754
Current liabilities				***************************************	***************************************	
Bank loans	25	-	258,655,767	258,655,767	-	258,655,767
Bonds	25	-	49,962,081	49,962,081	-	49,962,081
Obligations under finance	25 and 26	-	3,691,782	3,691,782	-	3,691,782
Other loans	25	860,503	1,092,795	1,953,298	-	1,953,298
Trade creditors	30	-	1,161,697,200	1,161,697,200	-	1,161,697,200
Other creditors	31	-	199,513,809	199,513,809	-	199,513,809
		860,503	1,674,613,434	1,675,473,937	-	1,675,473,937
		860,503	2,952,959,775	2,953,820,278	30,547,413	2,984,367,691
As at 31 December 2014 Restated						
Non-current liabilities						
Bank loans	25	-	284,308,122	284,308,122	-	284,308,122
Bonds	25	-	612,965,560	612,965,560	-	612,965,560
Obligations under finance	25 and 26	-	4,754,587	4,754,587	-	4,754,587
Other loans	25	-	4,981,858	4,981,858	-	4,981,858
Other non-current liabilities	28	-	15,408,596	15,408,596	28,651,472	44,060,068
		_	922,418,723	922,418,723	28,651,472	951,070,195
Current liabilities						
Bank loans	25	-	113,873,438	113,873,438	-	113,873,438
Bonds	25	-	826,032,837	826,032,837	-	826,032,837
Obligations under finance	25 and 26	-	4,720,839	4,720,839	-	4,720,839
Other loans	25	582,869	867,737	1,450,607	_	1,450,607
Trade creditors	30	-	1,151,006,417	1,151,006,417	-	1,151,006,417
Other creditors	31	-	209,573,983	209,573,983	-	209,573,983
		582,869	2,306,075,251	2,306,658,120	_	2,306,658,120
		582,869	3,228,493,974	3,229,076,843	28,651,472	3,257,728,315

Financial instruments recognized at fair value

The Group applies IFRS 13 - Fair Value Measurement. This standard requires that the fair value is disclosed in accordance with the fair value hierarchy:

		31 Dec 2015		31 Dec 2014			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
Financial assets measured at fair value							
Investments	79,796,807	-	15,249,229	57,661,618	-	16,766,584	
Derivatives	-	2,506,087	-	-	3,995,221	-	
	79,796,807	2,506,087	15,249,229	57,661,618	3,995,221	16,766,584	
Financial liabilities measured at fair value							
Derivatives	-	860,503	-	-	582,869	-	
	-	860,503	_	-	582,869	_	

10 TANGIBLE ASSETS

During the periods ended as at 31 December 2015 and 2014, the movements in tangible assets as well as accumulated depreciation and impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others tangibles assets	Tangible assets in progress	Total tangible assets
Gross costs:							
Opening balance as at 1 January 2014	1,659,329,823	1,248,692,623	21,511,456	115,197,852	39,830,064	31,848,923	3,116,410,740
Investment	6,139,911	2,090,982	149,878	463,043	99,368	140,272,970	149,216,152
Acquisitions of subsidiaries	928,630	631,866	39,669	2,467,953	127,207	-	4,195,325
Disposals	(10,087,651)	(68,228,346)	(446,040)	(4,536,204)	(2,296,721)	(4,611,868)	(90,206,830)
Disposals of subsidiaries	(8,466,427)	(2,107,714)	(3,492)	(1,766,740)	(769)	(87,732)	(12,432,874)
Exchange rate effect	(25,936)	58,729	(59)	197,101	(5)	3,210	233,040
Transfers	20,719,728	105,800,785	1,254,039	9,415,761	2,566,106	(140,118,989)	(362,570)
Opening balance as at 1 January 2015	1,668,538,078	1,286,938,925	22,505,451	121,438,766	40,325,250	27,306,514	3,167,052,983
Investment	7,575,725	1,947,749	60,340	1,036,837	28,021	155,389,676	166,038,348
Acquisitions of subsidiaries (Note 8)	5,088,587	1,274,558	401,035	2,099,195	933,097	-	9,796,472
Disposals	(171,141,961)	(74,262,342)	(1,475,015)	(9,248,179)	(1,829,783)	(9,287,537)	(267,244,817)
Exchange rate effect	(343,103)	(118,071)	(88,116)	(677,368)	(3,033)	(1,357)	(1,231,048)
Transfers	(169,686,894)	115,995,429	1,582,589	14,980,205	3,513,549	(149,152,440)	(182,767,562)
Closing balance as at 31 December 2015	1,340,030,432	1,331,776,248	22,986,284	129,629,456	42,967,101	24,254,856	2,891,644,376
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2014	409,943,585	737,980,900	17,601,163	88,846,577	34,874,112	-	1,289,246,337
Depreciation of period	25,501,948	102,450,479	1,203,258	10,326,377	2,445,226	-	141,927,288
Impairment losses of the period (Note 33)	-	1,479,167	-	-	-	-	1,479,167
Acquisitions of subsidiaries	815,248	600,391	9,654	2,404,872	68,800	-	3,898,965
Disposals	(517,459)	(54,868,370)	(424,981)	(4,119,986)	(2,250,040)	-	(62,180,836)
Disposals of subsidiaries	(4,102,561)	(1,668,613)	(3,492)	(1,443,300)	(769)	-	(7,218,735)
Exchange rate effect	(30,272)	43,568	1,667	137,469	(4)	-	152,428
Transfers	1,182,818	(2,337,108)	(4,620)	(929,100)	(111,502)	-	(2,199,512)
Opening balance as at 1 January 2015	432,793,307	783,680,414	18,382,649	95,222,909	35,025,823	-	1,365,105,102
Depreciation of the period	23,807,895	104,278,761	1,179,174	10,229,281	2,469,045	-	141,964,156
Impairment losses of the period (Note 33)	-	1,198,626	(3,369)	68,526	5,392	-	1,269,175
Acquisitions of subsidiaries (Note 8)	1,923,295	1,154,741	362,563	1,438,103	591,458	-	5,470,160
Disposals	(37,525,897)	(61,420,408)	(1,404,618)	(8,699,390)	(1,774,506)	-	(110,824,819)
Exchange rate effect	(308,298)	(57,423)	(52,348)	(492,214)	(1,308)	-	(911,591)
Transfers	(53,327,632)	(728,587)	58,933	22,350	432,341	-	(53,542,595)
Closing balance as at 31 December 2015	367,362,670	828,106,124	18,522,984	97,789,565	36,748,245	=	1,348,529,588
Carrying amount	4 225 744 77	502 250 544	4.422.000	26.245.022	5 200 100	27 206 544	4 004 047 004
As at 31 December 2014	1,235,744,771	503,258,511	4,122,802	26,215,857	5,299,427	27,306,514	1,801,947,881
As at 31 December 2015	972,667,762	503,670,124	4,463,300	31,839,891	6,218,856	24,254,856	1,543,114,788

The investment includes the acquisition of assets of approximately 164 million euro (148 million euro in 2014), associated with the opening and remodeling of stores of Sonae retail operating segments.

Disposals of the period can be analyzed as follow:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others tangibles assets	Tangible assets in progress	Total tangible assets
Gross costs:							
Disposals	(7,211,982)	(66,727,064)	(1,475,015)	(9,248,179)	(1,829,783)	(9,287,537)	(95,779,560)
Sale and Leaseback	(163,929,979)	(7,535,278)	-				(171,465,257)
Closing balance as at 31 December 2015	(171,141,961)	(74,262,342)	(1,475,015)	(9,248,179)	(1,829,783)	(9,287,537)	(267,244,817)
Accumulated depreciation and impairment losses	;						
Disposals	(7,021,353)	(54,554,708)	(1,404,618)	(8,699,390)	(1,774,506)	-	(73,454,574)
Sale and Leaseback	(32,179,103)	(6,865,700)	-		-	-	(39,044,804)
Closing balance as at 31 December 2015	(39,200,456)	(61,420,408)	(1,404,618)	(8,699,390)	(1,774,506)	=	(112,499,378)
Carrying amount							
Disposals	(190,629)	(12,172,356)	(70,397)	(548,789)	(55,277)	(9,287,537)	(22,324,986)
Sale and Leaseback	(131,750,876)	(669,578)	-	-	-	-	(132,420,453)

During the period several sale and leaseback transactions were accounted for by the Group (see Note 35 - Operating Leases). The accounting values of the disposed assets, approximately, 132.4 million euro, are disclosed as disposals and correspond to 15 real estate food retail assets located in Portugal. These operations resulted in a cash inflow of 184.7 million euro and generated a net capital gain of (Note 32) approximately, 42.3 million euro (Note 39).

The lease agreements of the related assets were considered operating leases, taking into account the indicators traditionally used to determine the nature of the lease agreements as defined in IAS 17. These contracts have an initial term of 20 years, with the possibility of being extended, at market conditions, for four additional periods of 10 years. The Board of Directors considers that the assets will only be leased for

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the initial period of 20 years, which is less than the expected remaining life of the assets linked with this transaction. It was also considered that there is no repurchase obligation regarding the asset linked with the lease agreements, that the acquisition options are only exercisable at market prices, and the present value of minimum payments of the lease contract.

In disposals are still included 7 million euro related to the restructuring process of stores in Sonae SR, related with new stores concepts, mainly in Spain. This process led to the usage of impairment losses of approximately 7.8 million euro accounted for in previous years.

Transfers include the net amount of 131 million euro of net assets transferred to "Non-current assets held for sale" during the period, relating to real estate assets of the Food Retail Segment and Worten Spain retail stores, whose sale took place in 2016 (Note 22).

Most real estate assets from Sonae RP (Note 48), as at 31 December 2015 and 2014, which are recorded at acquisition cost deducted of amortization and impairment charges, were evaluated by independent appraisers (Jones Lang LaSalle). These evaluations were performed using the income method, using yields between 7.00% and 9.25 % (7.25% and 9.25 % in 2014), where the fair value of the property is in "Level 3" hierarchy - according to the classification given by IFRS 13. Such assessments support the value of the assets as at 31 December 2015. There were no impairments recorded during the period.

The most significant values under the caption "Tangible assets in progress" refer to the following projects:

	31 Dec 2015	31 Dec 2014 Restated
Refurbishment and expansion of stores in the retail businesses located in Portugal	17,356,382	16,674,838
Refurbishment and expansion of stores in the retail businesses located in Spain	1,030,144	1,166,105
Projects "Continente" stores for which advance payments were made	2,968,500	8,879,900
Information systems	-	23,998
Others	2,899,830	561,673
	24,254,856	27,306,514

The caption "Impairment losses for tangible assets" can be detailed as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others tangibles assets	Total tangible assets
Impairment losses						
Opening balance as at 1 January 2015 Restated	100,337,989	42,728,624	32,341	423,410	101,003	143,623,367
Impairment losses of the period (Note 33)	-	1,182,356	137	80,471	6,211	1,269,175
Disposals	(550, 172)	(11,507,587)	(7,165)	(110,601)	(17,484)	(12,193,009)
Transfers	(4,996)	776,383	9,017	15,170	(1,128)	794,446
Closing balance as at 31 December 2015	99,782,821	33,179,776	34,330	408,450	88,602	133,493,979

11 INTANGIBLE ASSETS

In the years ended at 31 December 2015 and 2014, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Patents and other similar rights	Software	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:					
Opening balance as at 1 January 2014	115,657,930	226,196,642	47,428,954	29,084,967	418,368,493
Investment	117,195	1,444,584	43,972	46,879,398	48,485,149
Acquisitions of subsidiaries	-	20,680,062	-	-	20,680,062
Disposals	(440,114)	(1,005,864)	-	(349,820)	(1,795,798)
Disposals of subsidiaries	(26,071)	(1,638,360)	-	-	(1,664,431)
Exchange rate effect	677,067	478,601	292,218	106,614	1,554,500
Transfers	624,214	37,049,744	9,287	(37,902,058)	(218,813)
Opening balance as at 1 January 2015	116,610,221	283,205,409	47,774,431	37,819,101	485,409,162
Investment	86,237	1,983,007	325,319	45,010,421	47,404,984
Acquisitions of subsidiaries (Note 8)	18,486	3,741,493	-	582,266	4,342,245
Disposals	(69,930)	(1,076,304)	=	(378,569)	(1,524,803)
Exchange rate effect	551,178	(573,953)	(6,463,658)	111,199	(6,375,234)
Transfers	596,172	52,186,223	(55,813)	(53,026,617)	(300,035)
Closing balance as at 31 December 2015	117,792,364	339,465,875	41,580,279	30,117,801	528,956,319
Accumulated depreciation and impairment losse	• •				
Opening balance as at 1 January 2014	32,462,492	158,427,893	24,623,952	-	215,514,337
Depreciation of the period	4,625,559	21,634,470	2,619,450	-	28,879,479
Acquisitions of subsidiaries	, , , <u>-</u>	12,264,460	, ,	-	12,264,460
Disposals	(437,047)	(902,400)	-	-	(1,339,447)
Disposals of subsidiaries	(24,812)	(1,469,232)	-	-	(1,494,044)
Exchange rate effect	464,510	174,882	38,384	-	677,776
Transfers	32,352	(120,647)	35,008	-	(53,287)
Opening balance as at 1 January 2015	37,123,054	190,009,426	27,316,794	_	254,449,274
Depreciation of the period	1,724,308	27, 196, 104	2,094,835	-	31,015,247
Acquisitions of subsidiaries (Note 8)	11,921	3,145,404	-	-	3,157,325
Disposals	(68,519)	(753,849)	-	-	(822,368)
Exchange rate effect	471,136	(580,390)	(3,193,574)	-	(3,302,828)
Transfers	(444,179)	453,499			9,320
Closing balance as at 31 December 2015	38,817,721	219,470,194	26,218,055	_	284,505,970
Carrying amount					
As at 31 December de 2014	79,487,167	93,195,983	20,457,637	37,819,101	230,959,888
As at 31 December de 2015	78,974,643	119,995,681	15,362,224	30,117,801	244,450,349

As at 31 December 2015 the Investment related to intangible assets in progress includes 45 million euro related to IT projects and development software (47 million at 31 December 2014). Within that amount it is included 12.3 million euro of capitalizations of personnel costs related to own work (about 10.8 million euro in 31 December 2014) (Note 39).

The caption intangible assets in progress includes a 3.3 million euro asset related to an E-Commerce project, a 2.6 million euro project related with a B2B project (Business to Business), a 2.1 million euro project related to the operationalization of new features to systems related with loyalty programs and a 1.7 million euro MDM project (Master Data Management).

Additionally the caption "Patents and other similar rights" include the acquisition cost of a group of brands with indefinite useful lives among which the "Continente" brand, acquired in previous years, amounting to 75,000,000 euro (the same amount as in 2014).

Sonae performs annual impairment tests over the brands, and obtained for this purpose an independent assessment of Continente brand made by independent appraisers (Interbrand). This evaluation supports the accounting value of the asset as at 31 December 2015, not being recorded any impairment in the year.

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12 GOODWILL

Goodwill is allocated to each operating segment and within each segment to each of the homogeneous groups of cash generating units as follows:

- Retail Goodwill is allocated to each operating business segment, Sonae MC and Sonae SR, being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment and country, distributed by country and each of the properties in case of operating segment Sonae RP;
- Sonae IM This segment's Goodwill is mainly related to: (i) Information Systems business; (ii) Insurance business including values generated previous to the date of the adoption of IFRS and supported by the value of the customer portfolio (Portugal) as well as with the subsequent business combination acquired in Brazil;

At 31 December 2015 and 2014, the caption "Goodwill" was made up as follows by insignia and country:

			31 Dec 2015		
Insígnia	Portugal	Spain	Brazil	Other countries	Total
Sonae MC	478,207,362	_	_	_	478,207,362
Sonae SR	470,207,302				470,207,302
electronics	65,283,532	-	-	-	65,283,532
fashion	8,736,484	18,363,680	-	692,021	27,792,185
sports	10,957,847	-	-	-	10,957,847
Sonae RP	2,906,853	-	-	-	2,906,853
Sonae IM					
MDS	9,096,498	-	17,693,326	-	26,789,824
Information Systems and Multimedia	778,944	-	7,090	11,820,276	12,606,310
	575,967,520	18,363,680	17,700,416	12,512,297	624,543,913

	31 Dec 2014 Restated					
Insígnia	Portugal	Brazil	Other countries	Total		
Sonae MC Sonae SR	476,659,057	-	-	476,659,057		
electronics	65,283,532	-	-	65,283,532		
fashion	8,736,484	-	-	8,736,484		
sports Sonae RP	10,957,847	-	-	10,957,847 3,669,165		
Sonae IM	3,669,165	-	-	3,009,103		
MDS	9,221,508	24,053,063	-	33,274,571		
Information Systems and Multimedia	778,944	7,090	11,223,775	12,009,808		
	575,306,536	24,060,153	11,223,775	610,590,464		

During the year ended in 31 December 2015 and 2014, movements occurred in Goodwill as well as in the corresponding impairment losses, are as follows:

	31 Dec 2015	31 Dec 2014 Restated
Gross value:		
Opening balance	625,358,011	624,540,640
Goodwill generated in the period (Note 8)	20,620,177	-
Disposals	(409,081)	-
Other variations	-	306,962
Currency translation	(5,951,170)	512,734
Write-off	-	(2,325)
Closing balance	639,617,937	625,358,011
Accumulated impairment		
Opening balance	14,767,547	14,352,782
Increases	396,829	414,765
Currency translation	(90,352)	-
Closing balance	15,074,024	14,767,547
Carrying amount	624,543,913	610,590,464

The evaluation of the existence, or not, of impairment losses in goodwill is made by taking into account the cash-generating units, based on the most recent business plans duly approved by the Group's Board of Directors, which are made on an annual basis prepared with cash flow projections for periods of five years, unless there is evidence of impairment, in which case the analysis is done in shorter periods of time.

During the periods ended at 31 December 2015 and 2014, Sonae tested for goodwill impairment, having as a result of that analysis, recorded impairment losses as follows:

	31 Dec 2015	31 Dec 2014 Restated
Sonae MC	-	97,306
MDS	396,829	317,459
	396,829	414,765

The main assumptions used in the above mentioned business plans are detailed as follows for each of Sonae operating segments.

Retail

For this purpose the Sonae MC and Sonae SR operating segments in Portugal use internal valuation of its business concepts, using annual planning methodologies, supported in business plans that consider cash flow projections for each unit which depend on detailed and properly supported assumptions. These plans take into consideration the impact of the main actions that will be carried out by each business concept as well as a study of the resources allocation of the company.

The recoverable value of cash generating units is determined based on its value in use, which is calculated taking into consideration the last approved business plans which are prepared using cash flow projections for periods of 5 years.

In what concerns Spain, the Group only from 2015 onwards presents goodwill which was generated with the acquisition of Losan (Note 8). The fair value allocation of assets, liabilities and contingent liabilities, for this operation, has not been performed at this date, given the late acquisition date in the year.

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The case scenarios are elaborated with a weighted average cost of capital and with a growth rate of cash-flows in perpetuity that can be detailed as follows:

		31 Dec 2015		31 Dec 2014		
	Average capital cost	Growth rate in perpetuity	Compound growth rate sales	Average capital cost	Growth rate in perpetuity	Compound growth rate sales
Sonae MC	9% to 10%	<= 2%	-0.7%	9% to 10%	<= 1%	-0.2%
Sonae SR						
electronics	9% to 11%	<= 1%	3.1%	9% to 11%	<= 1%	3.6%
fashion	9% to 11%	<= 1%	5.8%	9% to 11%	<= 1%	3.6%
sports	9% to 11%	<= 1%	6.5%	9% to 11%	<= 1%	5.2%
Sonae IM (excluding Information Systems, Multimedia and Insurance)	9% to 10%	<= 1%	5.6%	9% to 10%	<= 1%	4.8%

Sonae IM

The main assumptions used in segment of Sonae IM are:

Information Systems

In the area of information systems, the assumptions used are essentially based on the various businesses of the Group and the growth of the several geographic areas where the Group operates. The average growth rate used to the turnover of 5 years was 12.9%. The discount rates used were based on the estimated weighted average cost of capital, which depends on the business segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate between 1% and 3% in the area of information systems. In situations where the measurement of the existence, or not, of impairment is made based on the net selling price, values of similar transactions and other proposals made are used.

		31 Dec 2015			31 Dec 2014		
	Basis of recoverable amount	Discount rates	Growth rate in perpetuaty	Basis of recoverable amount	Discount rates	Growth rate in perpetuaty	
Information Systems	value of use	10,5%	1,0%	value of use	10,5%	2,0%	
Multimedia	value of use	9,0%	0%	value of use	9,0%	0%	

For the sector of Information Systems, in digital security area (Cybersecurity), a growth rate used was 3%.

Insurance

Goodwill generated in Portugal was exclusively allocated to business insurance client portfolio, as consequence, the impairment analysis is made using the estimated profitability of the mentioned portfolio, being the main assumptions as follows:

	31 Dec 2015		31 Dec 2	2014
	Portugal	Brazil	Portugal	Brazil
Sales increase rate during the projected period	4% to 6%	10% to 12%	4% to 8,4%	9,5% to 14%
Perpetuity growth rate	2%	4.0%	2%	4.0%
Discount rate used	7.5%	15.8%	7.3%	15.1%

The analyses of the impairment indices and the review of the impairment projections and tests of Sonae have not lead to clearance losses, during the year ended at 31 December 2015. For the sensitivity analyses made, required in the IAS 36 - Impairment of Assets, have not lead to material changes of the recoveries, so not result material additional impairments.

13 OTHER INVESTEMENTS

As at 31 December 2015 and 2014, the movements in "Other investments" made up as follows:

	31 Dec	31 Dec 2015		Restated
	Non current Note 7	Current	Non current Note 7	Current
Other investments:				
Fair value (net of impairment losses) as at 1 January	30,566,117	57,667,740	31,991,837	202,448,455
Acquisitions in the period	403,000	128,228	683,362	17
Disposals in the period	-	(6,270)	(3,435,848)	(141,650,837)
Increase/(Decrease) in fair value	(1,419,456)	22,135,189	1,326,766	(3,129,895)
Fair value (net of impairment losses) as at 31 December	29,549,661	79,924,887	30,566,117	57,667,740
Derivative financial instruments (Note 27)			_	
Fair value as at 1 January	-	3,995,221	-	35,999
Acquisitions in the period	-	-	-	3,761,187
Changes in perimeter	-	522,124	-	-
Increase/(Decrease) in fair value	-	(2,011,258)	-	198,035
Fair value as at 31 December	_	2,506,087	_	3,995,221
	29,549,661	82,430,974	30,566,117	61,662,961

The amount of increase/(decrease) in fair value in the caption "Other non-current investments" is related to the measurement at fair value of the investment in Cooper Gay Sweet & Crawford 1,517,355 euro (1,298,490 euro at 31 December 2014) (Note 7).

Under the caption "Other non-current financial investments" an amount of 9,996,932 euro (10,000,046 euro at 31 December 2014) is recorded related to deposited amounts on an Escrow Account (Note 7).

Under the caption "Other investments" on current assets, an amount of 79,796,807 euro (57,661,618 euro as at 31 December 2014) is recorded related to NOS shares that resulted from the merger between Optimus SGPS and ZON. This investment is recorded at fair value through profit or loss, since it is the initial classification of an asset held for a sale purpose in a short-time. In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with NOS, SGPS, S.A.

The amount of increase / (decrease) in fair value under the caption "Other investments" on current asset, is mainly related with the accounting of fair value over the equity investment on NOS in the amount of 22,135,189 euro (3,129,894 euro at 31 December 2014). The fair value of this investment is determined based on the market price of NOS shares and the respective changes are recorded in the consolidated income statement.

The decreases at 31 December 2014 represent the counterpart in NOS shares provided for the terms of trade of the General Public and Voluntary Offer for acquisition of own shares. As a result of this offering Sonaecom reduced its investment in NOS shares in 26,476,792 shares (EUR 141,650,837), and now holds 11,012,532 shares representing the share capital of NOS, corresponding to a share of 2.14%.

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The Other non-current Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The heading of "Other non-current Investments" includes 3,185,404 euro (3,799,487 euro in 31 December 2014) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The Other non-current Investments are net of impairment losses amounting to 369,248 euro (273,261 euro in 31 December 2014) (Note 33).

14 OTHER NON - CURRENT ASSETS

As at 31 December 2015 and 2014, "Other non-current assets" are detailed as follows:

		31 Dec 2015			31 Dec 2014 Restated		
	Gross Value	Accumulated impairment losses (Note 33)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 33)	Carrying Amount	
Loans granted to related parties	-	-	-	3,570	-	3,570	
Trade accounts receivable and other debtors							
Legal deposits	605,316	-	605,316	823,044	-	823,044	
Recognition of the value to be received from Carrefour	-	-	-	7,948,164	-	7,948,164	
Cautions	4,633,112	-	4,633,112	5,173,020	-	5,173,020	
Special regime for payment of tax and social security	6,240,960	-	6,240,960	7,820,568	-	7,820,568	
Receivables from sale of financial investments (Note 22)	527,618	-	527,618	-	-	-	
Others	456,286	-	456,286	728,456	-	728,456	
	12,463,292	-	12,463,292	22,493,252	-	22,493,252	
Total financial instruments (Note 9)	12,463,292	-	12,463,292	22,496,822	-	22,496,822	
Reinsurer's' share of technical provisions	19,103,740	-	19,103,740	6,545,163	-	6,545,163	
Other non-current assets	43,595	-	43,595	58,448	-	58,448	
	31,610,627	-	31,610,627	29,100,433	-	29,100,433	

The amount receivable from Carrefour as at 31 December 2014 was received by Wall-Mart and deducted by the Group to the liabilities recorded related to contingencies assumed by the Group on disposal of the subsidiary Sonae Distribuição Brasil, S. A. (Note 33).

The amount disclosed as 'Special regime for payment of tax and social security debts' corresponds to taxes voluntarily paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although following the payment of guarantees previously given where canceled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favor of Sonae (Note 4).

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The provisions for outstanding claims amounted to 19,103,740 euro (6,545,163 euro as at 31 December 2014) (Note 33).

15 INVENTORIES

As at 31 December 2015 and 2014, inventories are as follows:

	31 Dec 2015	31 Dec 2014 Restated
Raw materials and consumables	1,511,622	1,005,942
Goods for resale	663,771,737	632,438,397
Finished and intermediate goods	332,646	413,127
Work in progress	245,455	205,856
	665,861,460	634,063,322
Accumulated adjustments in inventories	(31,096,566)	(31,087,092)
	634,764,894	602,976,230

Cost of goods sold as at 31 December 2015 and 2014 amounted to 3,955,037,096 euro and 3,781,374,723 euro, respectively, and may be detailed as follows:

	31 Dec 2015	31 Dec 2014 Restated
Opening balance	633,444,339	620,900,851
Acquisitions of subsidiaries (Note 8)	13,451,587	-
Purchases	3,982,733,338	3,802,651,897
Adjustments	(7,492,791)	(7,150,317)
Closing balance	665,283,359	633,444,339
	3,956,853,114	3,782,958,092
Adjustments in inventories	(1,816,018)	(1,583,369)
	3,955,037,096	3,781,374,723

As at 31 December 2015 and 2014 the caption "adjustments" relates primarily to adjustments regarding donations to social welfare institutions conducted by the Retail operating segment.

16 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2015 and 2014, trade accounts receivable are detailed as follows:

	31 Dec 2015			3	1 Dec 2014 Restated	d
Trade accounts receivable and doubtful accounts	Gross Value	Impairment losses (Note 33)	Carrying Amount	Gross Value	Impairment losses (Note 33)	Carrying Amount
Retail						
Sonae MC	37,993,222	(3,422,303)	34,570,919	26,249,142	(3,073,346)	23,175,796
Sonae SR	21,854,342	(578,359)	21,275,983	15,798,802	(657,384)	15,141,418
Sonae RP	223,804	(47,024)	176,780	86,206	(47,024)	39,182
Sonae IM	42,714,138	(2,672,126)	40,042,012	44,255,875	(3,763,175)	40,492,700
Sonae Holding	511,609	-	511,609	694,185	-	694,185
	103,297,115	(6,719,812)	96,577,303	87,084,210	(7,540,929)	79,543,281

Sonae's exposure to credit risk is mainly related to accounts receivable arising from its operational activity. The amounts presented on the statement of financial position are net of impairment losses that were estimated based on Sonae's past experience and on the assessment of current economic conditions. It's Sonae understanding that the book value of the accounts receivable does not differ significantly from its fair value.

As at 31 December 2015 there is no indication that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

As at 31 December 2015 and 2014, the ageing of the trade receivables are as follows:

	Trade Receivables				
31 Dec 2015	Retail	Sonae IM	Sonae Holding	Total	
Not due	15,054,297	19,373,649	511,609	34,939,555	
Due but not impaired					
0 - 30 days	6,098,410	7,029,685	-	13,128,095	
30 - 90 days	32,019,789	3,011,148	-	35,030,937	
+ 90 days	2,851,186	10,627,530		13,478,716	
Total	40,969,385	20,668,363	-	61,637,748	
Due and impaired					
0 - 90 days	56,356	16,946	-	73,302	
90 - 180 days	50,060	-	-	50,060	
180 - 360 days	302,220	141,184	-	443,404	
+ 360 days	3,639,051	2,513,995		6,153,046	
Total	4,047,687	2,672,125	-	6,719,812	
	60,071,369	42,714,137	511,609	103,297,115	

	Trade Receivables					
31 Dec 2014	Retail	Sonae IM	Sonae Holding	Total		
Not due	16,006,738	17,412,859	694,184	34,113,781		
Due but not impaired						
0 - 30 days	4,564,121	6,180,372	-	10,744,493		
30 - 90 days	14,452,095	4,641,306	-	19,093,401		
+ 90 days	3,333,444	10,601,441		13,934,885		
Total	22,349,660	21,423,119	-	43,772,779		
Due and impaired						
0 - 90 days	20,263	335,158	-	355,421		
90 - 180 days	38,037	65,926	-	103,963		
180 - 360 days	95,790	481,317	-	577,107		
+ 360 days	3,623,663	4,537,496	-	8,161,159		
Total	3,777,753	5,419,897	-	9,197,650		
	42,134,151	44,255,875	694,184	87,084,210		

In determining the recoverability of trade receivables, Sonae considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the large number of customers. Accordingly, it is considered that the risk of not recovering the trade receivables is not higher than the allowance for doubtful debts.

Additionally, Sonae considers that the maximum exposure to the credit risk is the amount presented in the consolidated statement of financial position.

17 OTHER DEBTORS

As at 31 December 2015 and 2014, other debtors are as follows:

	31 dez 2015	31 Dec 2014 Restated
Granted loans to related companies	22,061	8,776,377
Other debtors		***************************************
Trade creditors - debtor balances	37,379,130	47,075,248
Dividends to be received of jointly controlled companies	12,192,750	-
Amounts receivable from insurers and policyholders	3,047,910	778,831
Disposal of tangible assets	2,304,243	-
Disposal of financial investments	2,642,097	-
Vouchers and gift cards	1,214,062	2,222,783
VAT recoverable on real estate assets and vouchers discounts	2,560,040	3,313,110
Advances to suppliers	852,495	350,481
Reinsurance operations	41,720	864,209
Other current assets	17,831,204	15,177,341
	80,065,651	69,782,003
Accumulated impairment losses in receivables (Note 33)	(11,566,045)	(14,955,612)
Total of financial instruments (Note 9)	68,521,667	63,602,768
Other current assets	9,984,877	-
	78,506,544	63,602,768

Granted loans to related companies bear interests at market rates and do not have defined maturity but are deemed to be received within twelve months.

The amounts disclosed as "Trade creditors - debtor balances" relate with commercial discounts billed to suppliers, to be net settled with future purchases - mainly in the retail segment.

The amount in "Other Current Assets" will be compensated with payments related with a lease of a retail store.

As at 31 December 2015 and 2014, the ageing of other debtors is as follows:

	Other Debtors		
	31 dez 2015	31 Dec 2014 Restated	
Not due	41,279,042	8,925,159	
Due but not impaired			
0 - 30 days	13,452,794	12,844,878	
30 - 90 days	19,866,278	28,295,215	
+ 90 days	3,805,138	4,761,139	
Total	37,124,210	45,901,232	
Due and impaired			
0 - 90 days	682,978	1,429,860	
90 - 180 days	380,238	269,585	
180 - 360 days	1,042,992	606,960	
+ 360 days	9,541,068	12,649,207	
Total	11,647,276	14,955,612	
	90,050,528	69,782,003	

As at 31 December 2015 there is no indication that the debtors not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

The carrying amount of "other debtors" is estimated to be approximately its fair value.

18 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2015 and 2014, Taxes recoverable and taxes and contributions payable are made up as follows:

	31 Dec 2015	31 Dec 2014 Restated
Debtors values		
Income taxation	43,523,620	30,484,743
VAT	33,518,626	27,137,468
Other taxes	1,911,181	1,980,574
	78,953,427	59,602,785
Creditors values		
Income taxation	24,919,444	23,529,994
VAT	49,308,109	49,609,484
Staff income taxes withheld	5,358,441	5,414,437
Social security contributions	11,806,258	11,970,877
Other taxes	877,627	730,045
	92,269,879	91,254,837

19 OTHER CURRENT ASSETS

As at 31 December 2015 and 2014, "Other current assets" is made up as follows:

	31 Dec 2015	31 Dec 2014 Restated
Invoices to be issued	10,390,059	8,326,110
Commercial discounts	47,174,036	58,952,301
Deferred costs - supplies and services	11,503,748	13,185,897
Deferred costs - rents	6,155,172	6,270,434
Commissions to be received	928,439	2,485,121
Other current assets	10,432,333	14,829,766
	86,583,787	104,049,629

The caption "Commercial discounts" refers to promotional campaigns carried out in the retail operating segment stores and reimbursed by Sonae suppliers (Note 39).

20 DEFERRED TAXES

Deferred tax assets and liabilities as at 31 December 2015 and 2014 are as follows, split between the different types of temporary differences:

	Deferred t	Deferred tax assets		x liabilities
	31 Dec 2015	31 Dec 2014 Restated	31 Dec 2015	31 Dec 2014 Restated
Difference between fair value and acquisition cost	6,127,552	6,216,291	24,586,821	26,314,693
Temporary differences on tangible assets and intangible	1,622,953	1,816,225	43,830,296	44,149,035
Provisions and impairment losses not accepted for tax purposes	9,009,843	12,896,112	-	-
Write off of tangible and intangible assets	73,408	1,818,696	-	-
Valuation of hedging derivatives	242,174	73,443	364,824	574,288
Amortisation of Goodwill for tax purposes	-	-	-	18,613,423
Revaluation of tangible assets	-	-	1,166,623	1,292,518
Tax losses carried forward	41,618,697	63,338,474	-	-
Reinvested capital gains/(losses)	-	-	547,219	1,256,610
Tax Benefits	2,222,202	3,258,977	-	-
Others	2,952,789	533,725	2,263,989	2,191,748
	63,869,618	89,951,943	72,759,772	94,392,315

During the periods ended 31 December 2015 and 2014, movements in deferred tax assets and liabilities are as follows:

	Deferred t	ax assets	Deferred tax	k liabilities
	31 Dec 2015	31 Dec 2014 Restated	31 Dec 2015	31 Dec 2014 Restated
Opening balance	89,951,943	123,159,864	94,392,315	121,095,969
Effects in net income:				
Difference between fair value and acquisition cost	(88,739)	475,587	(622,489)	(1,136,543)
Temporary differences on tangible assets and intangible	(193,272)	478,864	404,836	5,795,804
Provisions and impairment losses not accepted for tax purposes	(4,705,321)	(4,806,761)	-	-
Provisions and impairment losses transfer	-	(17,445,738)	-	(17,445,738)
Write-off of tangible and intangible assets	(1,745,288)	(1,827,162)	-	-
Revaluation of tangible assets	-	-	(119,141)	(134,495)
Tax losses carried forward	(21,818,382)	8,964,261	-	-
Amortization of goodwill for tax purposes	-	-	-	(2,791,950)
Write off of goodwill for fiscal purposes	-	-	(18,613,422)	-
Reinvested capital gains/(losses)	-	-	(662,714)	(131,501)
Changes in tax rates	(53,477)	(16,744,767)	(825,316)	(11,919,354)
Tax Benefits	(1,036,775)	(1,205,951)	-	-
Others	3,510,835	(1,027,082)	(213,402)	583,339
	(26,130,419)	(33,138,749)	(20,651,648)	(27,180,438)
Effects in equity:	na versamente en entre en			
Valuation of hedging derivatives	66,572	(96,171)	(311,623)	492,250
Others	(328,426)	(847,670)	(1,029,036)	62,055
	(261,854)	(943,841)	(1,340,659)	554,305
Acquisitions of subsidiaries (Note 8)	309,948	1,044,217	359,764	_
Disposals of subsidiaries	-	(169,548)	-	(77,521)
Closing Balance	63,869,618	89,951,943	72,759,772	94,392,315

As at 31 December 2015, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

As at 31 December 2015 and 2014, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

		31 Dec 2015			31 Dec 2014			
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit		
With limited time use								
Generated in 2009	-	-	2015	114,601	24,066	2015		
Generated in 2011	-	-	2015	994,069	227,320	2015		
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026		
Generated in 2015	230,791	48,466	2027	_	-	2027		
100000000000000000000000000000000000000	1,425,027	299,256	200000000000000000000000000000000000000	2,302,906	502,176			
Without limited time use	151,590,107	37,927,462		-	-			
With a time limit different from the above mentioned	10,258,659	3,391,979		249,624,509	62,836,298			
	163,273,793	41,618,697		251,927,415	63,338,474			

As at 31 December 2015 and 2014, deferred tax assets resulting from tax losses carried forward were assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which might be offset against available tax losses or against deductible temporary differences. The main assumptions used in those business plans are described in Note 12.

As at 31 December 2015 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 35.1 million euro (54.3 million euro as at 31 December 2014). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 December 2015 and 2014, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

Additionally Spanish law allows the annual deduction, for tax purposes, of 5% of goodwill recognized on the acquisition of foreign based companies before 21 December 2007, however in 2012 and 2013 this rate was reduced to 1%. Sonae has accounted deferred tax liabilities relating to goodwill depreciation performed for tax purposes, generated with the acquisition of Continente Hipermercados (ex-Carrefour Portugal) until 31 december 2014.

In 2010 and 2011, Spanish Tax authorities notified Modelo Continente S.A. Spanish Branch of a decrease in 2008 and 2009 tax losses incurred, amounting to approximately 23.3 million euro, challenging the deduction of Goodwill depreciation, generated on the acquisition of Continente Hipermercados for each of the mentioned years. That branch appealed to the proper Spanish Authorities (Tribunal Economico Administrativo Central de Madrid) in 2010 and 2011 respectively, and it is the Board of Directors understanding that the decision will be favorable to the Group, thus maintaining the recognition of deferred tax assets and deferred tax liabilities related with Goodwill. In 2012 the Company interposed an appeal to the National Court in Spain ("Audiencia Nacional Espanha"), due to a decision opposite to the claims and estimates of the Company, by the Economic and Administrative Central Court of Madrid, for the notification for fiscal year of 2008.

In 2014 following an additional inspection for fiscal years 2008 to 2011, Spanish Tax authorities corrected tax losses carried forward regarding goodwill depreciation and financial expenses that resulted from the acquisition of Continente Hipermercados S.A.. Although in complete disagreement, Sonae carried out the tax returns correction until 2012 and appealed, in 2015, to the proper Spanish Authorities (Tribunal

Económico-Administrativo em Espanha). Tax reports for 2012 to 2014 were corrected and the same procedure will be followed for 2015, and in subsequent periods, until a decision on the pending litigations is made by the proper authorities.

In 2015, the Spanish Authorities (Tribunal Económico-Administrativo Central em Espanha) decided in court against the Group's intentions, and Sonae, despite having appealed to the Supreme Court, the Group, as a matter of prudence, decided to reverse the deferred tax assets recognized in the financial statements from 2008 to 2011 in the amount of 36 million euro, and deferred tax liabilities related to amortization of goodwill for tax purposes in the amount of 18.6 million euro.

The recoverability of the previously mentioned deferred tax assets, regarding Sonae operations in Spain is supported by the analysis of the recoverable amount of the cash-generating units for the specialized retail formats in Spain based on their value in use, obtained from business plans with a 10-year projection period, assuming it is the most realistic and appropriate deadline for the implementation of the strategy of internationalization of Sonae in the specialized retail segment, taking into consideration not only the nature of the products in question (more discretionary character) but also the current macro-economic conditions. The Business plans also consider the acquisition of Grupo Losan in Spain as well as sales operations of real estate assets in Spain already fulfilled in 2016.

Main assumptions used in the business plans of the retail companies are a compound growth rate of 11.2% over a 10 year period (12% in 2014) and a growth rate in perpetuity less than or equal to 1%. The discount rates used are based on the weighted average cost of capital which falls between 9% and 11%.

It is the Board of Directors understanding, considering the existing business plans for each of the companies, that such deferred tax assets are fully recoverable.

As at 31 December 2015, there was tax losses carried forward, amounting to 312.7 million euro (372.3 million euro in 2014) for which no deferred tax assets were recognized due to uncertainties of their future use.

		31 Dec 2015 31 Dec 20			31 Dec 2014)14	
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit	
With limited time use							
Generated in 2009	-	-	2015	10,546,946	2,277,819	2015	
Generated in 2010	-	-	2014	5,396,528	1,189,522	2014	
Generated in 2011	-	-	2015	7,520,472	1,615,477	2015	
Generated in 2012	8,379,732	1,759,744	2017	11,599,479	2,566,889	2017	
Generated in 2013	3,957,748	831,127	2018	18,046,606	4,100,873	2018	
Generated in 2014	5,856,149	1,229,791	2026	5,705,078	1,236,359	2026	
Generated in 2015	2,629,640	552,224	2027	-	-	2027	
	20,823,269	4,372,886		58,815,109	12,986,939		
Without limited time use	189,969,957	48,704,159		38,355,276	10,668,429		
With a time limit different from the above mentioned	101,948,790	25,518,479		275,096,290	68,760,368		
	312,742,016	78,595,524		372,266,675	92,415,736		

21 CASH AND CASH EQUIVALENTS

As at 31 December 2015 and 2014, Cash and cash equivalents are as follows:

	31 Dec 2015	31 Dec 2014 Restated
Cash at hand	9,325,162	7,790,919
Bank deposits	115,357,583	399,994,990
Treasury applications	158,068,838	180,810,883
Cash and cash equivalents on the statement of financial position	282,751,583	588,596,792
Bank overdrafts (Note 25)	(12,611,120)	(325,180)
Cash and cash equivalents in the statement of cash flows	270,140,463	588,271,612

Bank overdrafts are disclosed in the statement of financial position under Current bank loans.

22 NON-CURRENT ASSETS AVAILABLE FOR SALE

As at 30 June 2015 the financial investment in Raso SGPS was classified as non-current assets available for sale. The valuation of this asset was based on the assessment made for the acquisition, on 29 June 2015, of the remaining 50% of the share capital of Raso SGPS. In October 2015 it was completed the sale of the financial investment to Springwater Tourism Group, S.A. The consolidated impacts for this transaction can be summarized as follows:

	Value in Euro
Value of the disposal	8,000,815
Financial participation transferred of Joint ventures for Assets held for sale (Note 6)	2,262,691
Impairment losses Reversal in Joint ventures (Note 6)	(2,262,691)
Acquired financial participation	2,262,691
Financial operations disposed of (net of impairment losses)	10,001,948
Total value of assets disposed of	12,264,639
Loss generated in the operation	(4,263,824)
Receipts (Note 46)	5,000,000
Outstanding value	3,000,815
	8,000,815

On 29 January 2016, Sonae subsidiaries include in Sonae RP segment, have promised to sell and leaseback 12 food retail real estate assets located in Portugal. This operation totaled 164 million euro and was finalized on February 215, 2016.

On March 1, 2016, Sonae performed a Sale and Leaseback transaction of three Worten stores in Spain, located in Madrid, Barcelona and Valencia. This transaction amounted to 26.8 million euro.

Considering that both transactions were in advanced negotiations as at 31 December 2015, we've transferred the carrying amount of the referred assets amounting to 131 million euro to "Non-current Assets held for sale" (Note 10).

23 SHARE CAPITAL

Share Capital

As at 31 December 2015, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

Cash Settled Equity Swap

On 15th November 2007, Sonae Holding sold 132,856,072 Sonae Holding shares directly owned by the Company. The shares were sold in a market operation at the unit price of 2.06 euro per share and resulted on a cash inflow (net of brokerage commissions) of 273,398,877 euro.

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132.800.000 Sonae Holding shares, representative of 6.64% of its capital.

This transaction has strictly financial liquidation, without any duty or right for the Company or any of its associated companies in the purchase of these shares. This transaction allows Sonae Investments BV to totally maintain the economic exposure to the sold shares.

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 31). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

Consequently, Sonae maintains in its capital acquisition cost of the shares that remain covered by the contract.

In November 2014, was made a renewal for an additional period of one year renewable automatically, keeping the remaining conditions unchanged.

Considering the operations mentioned above, the amount of the liability recorded amounts to 103,602,523 euro (Note 31) (103,720,163 euro as at 31 December 2014) reflecting the market value of 118,663,355 Sonae Holding shares.

The value of these liabilities is adjusted at the end of each month by the effect of Sonae Holding share price variation being recognized an asset / liabilities current in order to present the right / obligation related to the receipt / financial liquidation that occurs on a monthly basis.

Additionally, the costs related to the "floating amount" based on Euribor 1 month are recognized in the income statement.

The value to get established on the basis of dividends and reserves distributed by Sonae is credited in equity to offset the charge of the distribution. The amount of dividends on Sonae SGPS, SA shares during the year ending 31 December 2015 amounted to 4,573,728 euro (4,248,402 euro in 2014), and distributed reserves of 4,360,227 euro that was credited to equity.

Own Shares

During the period were acquired 118,820 own shares by the group by an amount of 139,401 euro.

Capital Structure

As at 31 December 2015, the following entities held more than 20% of the subscribed share capital:

Company %

Efanor Investimentos, SGPS, SA and subsidiaries 52.48

24 NON-CONTROLING INTERESTS

As at 31 December 2015 and 2014, "Non-controlling interests" are detailed as follows:

	31 Dec 2015								
COMPANY	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests				
Retail									
Real Estate Investment Funds	129,481,158	22,506,516	1,698,470	727,499	(1,031,352)				
Others	47,902,622	2,420,670	22,701,912	863,507	(56,603)				
Investment Management									
Sonaecom, SGPS, SA (consolidated)	1,003,586,540	34,567,046	99,283,284	2,035,502	(1,418,022)				
MDS, SGPS, SA	23,077,858	(4,395,487)	12,619,188	(2,157,187)	(94,943)				
Others	1,083,881	500,468	867	402	-				
Total	1,205,132,059	55,599,213	136,303,721	1,469,723	(2,600,920)				

	31 Dec 2014 Restated								
COMPANY	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests				
Retail									
Real Estate Investment Funds	294,164,884	15,753,397	33,315,355	1,326,349	1,732,571				
Others	42,843,645	323,395	19,654,291	(71,221)	66,437				
Investment Management									
Sonaecom, SGPS, SA (consolidated)	1,001,980,222	27,336,516	99,447,776	2,028,375	19,920				
MDS, SGPS, SA	13,484,185	(3,307,449)	7,782,645	(1,606,504)	183,650				
Others	583,413	(1,672,426)	466	(1,338)	-				
Total	1,353,056,349	38,433,433	160,200,533	1,675,661	2,002,578				

Movements in non-controlling interests during the periods ended as at 31 December 2015 and 2014 are as follows:

			31 De	c 2015		
	Reta	iil	Investment	Management	Others	Total
	Real Estate Investment Funds	Others	Sonaecom, SGPS, SA	MDS, SGPS, SA	Others	Total
Opening balance as at 1 January Distributed dividends	33,315,355	19,654,291 (56,603)	99,447,776 (1,418,022)	7,782,645 (94,943)	466	160,200,533 (1,569,568)
Distributed Investment Funds Acquisition in subsidiary (Note 8)	(1,031,352)	140,624	-	- 76,068	-	(1,031,352) 216,692
Change in percentage of subsidiaries Change in currency translation reserve	(31,313,014)	2,138,016 (71,026)	400,773 11,176	(2,782,962)	-	(28,774,225) (2,842,812)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	(71,020)	(1,257,235)	-	-	(1,257,235)
Change in fair value of investments available for sale (Note 7)	-	-	-	1,123,676	-	1,123,676
Delivery of shares to employees to settle the obligation Increase of capital	-	(16,828)	103,590	(91,417) 8,763,414	-	(4,655) 8,763,414
Changes in hedging reserves Others	(18)	(40,024) 89,955	(20,276)	- (20,107)	-	(40,024) 49,554
Profit for the period attributable to non-controlling interests Closing balance as at 31 December	727,499 1,698,470	863,507 22,701,912	2,035,502 99,303,284	(2,157,187) 12,599,187	402 868	1,469,723 136,303,721
			31 Dec 201	.4 Restated		
	Reta	nil	Investment	Management	Others	Total
	Real Estate Investment Funds	Others	Sonaecom, SGPS, SA	MDS, SGPS, SA	Others	Total
Opening balance as at 1 January Distributed dividends	36,911,525	19,668,310 (66,437)	279,177,885 (19,920)	7,321,316 (183,650)	1804	343,080,840 (270,007)
Distributed Investment Funds Changes of increased shareholding by acquisitions	(1,732,571) (3,189,948)	-	(182,414,295)	1,260,355	-	(1,732,571) (184,343,888)
Change in currency translation reserve Obligation fulfilled by share attribution to employees		5,558 77,238	42,389 (12,231)	107,066 (4,479)	-	155,013 60,528
Change in fair value of investments available for sale	-	-	-	649,115	-	649,115
Changes in hedging reserves	-	40,843	-	-	-	40,843
Others Profit for the period attributable to non-controlling interests	- 1,326,349	- (71,221)	645,573 2,028,375	239,426 (1,606,504)	- (1,338)	884,999 1,675,661

As at 31 December 2015 were acquired 42.949 participation units of Fundo de Investimento Imobiliário Fechado Imosede by the amount of 34.1 million euro to a related entity.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. In 2014 Sonaecom reduced its share capital in circa 136 million euro, as a result of the extinction of acquired shares (54,906,831 shares) and reduction of the nominal value of the remaining shares representing the capital of Sonaecom from 1 to 0.74 euros per share, resulting in an increase in the proportion of detention by the Sonae and consequently a significant reduction of the non-controlled interests, which is included in the above table in section "percentage variation for acquisition of shares" in the period ended 31 December 2014.

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As a counterpart of the own Shares acquired in the process of General and voluntary public offering the 26,476,792 shares representing the delivered Sonaecom capital of NOS that were recorded in the balance sheet by 141,650,837 euro (Note 13) and the amount of 19,632 euros in cash. Additionally during the year the Group acquired shares in Sonaecom directly by amount of 9,895,571 euro.

The acquisitions mentioned above had the following impacts at the level of the financial statements:

	Additional acquisitions / disposals						
	Imosede	Others	Total				
Additional percentage acquired	22.57%						
Share of the acquired / disposed equi	31,313,014	(2,755,481)	28,557,533				
Aquisition / disposal cost	(34,082,452)	1,338,191	(32,744,261)				
Impact on equity	(2,769,438)	(1,417,290)	(4,186,728)				

In 31 December 2015 and 2014, aggregate financial information of subsidiaries with Interests without control is as follows:

		31 Dec 2015						
	Ret	Retail		Investment Management				
	Real Estate Investment Funds	Others	Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	Total		
Total Non-Current Assets Total Current Assets	133,323,996 6,550,991	45,503,828 39,730,566	749,082,651 317,293,705	53,545,741 18,940,941	20,980,999 1,009,199	1,002,437,215 383,525,402		
Total Non-Current Liabilities Total Current Liabilities	615,165 9,778,664	9,933,407 27,398,365	13,241,024 49,548,792	25,711,189 23,697,635	20,463,598 442,719	69,964,383 110,866,175		
Equity	129,481,158	47,902,622	1,003,586,540	23,077,858	1,083,881	1,566,793,175		

	31 Dec 2014 Restated					
	Retail		Investment Management		Others	
	Real Estate Investment Funds	Others	Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	Total
Total Non-Current Assets Total Current Assets	304,679,487 4,772,853	47,296,936 48,929,494	837,122,634 339,602,598	75,096,990 26,945,625	8,499,162 2,937,732	1,272,695,209 423,188,302
Total Non-Current Liabilities Total Current Liabilities	3,473,011 11,814,445	20,775,813 32,606,972	81,028,842 93,716,168	54,095,421 34,463,008	8,798,400 2,055,082	168,171,487 174,655,675
Equity	294,164,884	42,843,645	1,001,980,222	13,484,185	583,413	2,038,710,672

	31 Dec 2015						
	Retail		Investment Management		Others		
	Real Estate Investment Funds	Others	Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	Total	
Turnover	18,740,471	136,111,120	142,832,610	45,545,815	36,110	343,266,126	
Other operating income	11,475,198	4,621,986	7,489,093	1,039,865	610,783	25,236,925	
Other income / expense	-	44	19,188,334	(4,163,024)	(8,576)	15,016,778	
Operating expenses	(4,617,231)	(137,243,815)	(136,487,184)	(48,766,152)	(202,464)	(327,316,846)	
Financial results	8,286	(873,753)	23,022,022	(2,449,218)	47,803	19,755,140	
Taxation	(3,100,208)	(194,868)	(2,289,495)	234,203	8,236	(5,342,132)	
Consolidated profit/(Loss) for the period	22,506,516	2,420,670	34,567,046	(4,395,487)	500,468	55,599,213	
Other comprehensive income for the period	-	(111,050)	(1,173,324)	(1,679,400)	-	- (2,963,774)	
Total comprehensive income for the period	22,506,516	2,309,620	33,393,722	(6,074,887)	500,468	52,635,439	

	31 Dec 2014						
	Retail		Investment Management		Others		
	Real Estate Investment Funds	Others	Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	Total	
Turnover	32,017,985	126,054,804	143,533,704	46,392,894	(1,672,843)	346,326,543	
Other operating income	(182,665)	3,143,178	7,387,344	1,448,586	3,046,800	14,843,243	
Other income / expense	-	205	29,502,193	(64,950)	430	29,437,878	
Operating expenses	(9,081,703)	(127,095,150)	(149,688,037)	(49,383,060)	(3,173,581)	(338,421,531)	
Financial results	143,783	(1,174,482)	(2,590,697)	(3,101,821)	148,748	(6,574,469)	
Taxation	(7,144,003)	(605,160)	(807,990)	1,400,902	(21,980)	(7,178,231)	
Consolidated profit/(Loss) for the period	15,753,397	323,395	27,336,516	(3,307,449)	(1,672,426)	38,433,433	
Other comprehensive income for the period	-	46,401	287,290	694,238	-	1,027,928	
Total comprehensive income for the period	15,753,397	369,796	27,623,805	(2,613,211)	(1,672,426)	39,461,361	

25 LOANS

As at December 2015 and 2014, loans are made up as follows:

	31 De	31 Dec 2015		31 Dec 2014 Restated	
	Outstandii	ng amount	Outstandir	ig amount	
	Current	Non Current	Current	Non Current	
Bank loans					
Sonae, SGPS, SA / 2012	-	-	1,961,683	-	
Sonae, SGPS, SA / 2012/2015	-	-	75,000,000	-	
Sonae, SGPS, SA - commercial paper	159,300,000	180,000,000	-	135,000,000	
Sonae Investimentos, SGPS,SA - commercial paper	60,000,000	160,000,000	-	30,000,000	
Sonae Investimentos affiliated /2011/2016	-	-	20,000,000	35,000,000	
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	-	
Sonae Investimentos affiliated /2015/2020	-	55,000,000	-	-	
Sonae Investimentos affiliated /2015/2019	-	25,000,000	-	-	
Sonae Holding affiliated /2014/2018	-	40,000,000	-	40,000,000	
Sonae Holding affiliated /2014/2021	-	30,000,000	-	20,000,000	
MDS, SGPS, SA - commercial paper	5,250,000	14,950,000	4,500,000	15,750,000	
MDS SGPS, SA affiliated / 2011/2016	3,131,055	3,247,020	7,462,350	5,353,425	
Others	18,363,592	8,631,589	4,865,904	3,974,007	
	246,044,647	566,828,609	113,789,937	285,077,432	
Bank overdrafts (Note 21)	12,611,120	-	325,180	-	
Up-front fees beard with the issuance of borrowings	-	(521,997)	(241,679)	(769,310)	
Bank loans	258,655,767	566,306,612	113,873,438	284,308,122	
Bonds					
Bonds Sonae SGPS / 2010/2015	-	-	250,000,000	-	
Bonds Sonae SGPS / 2014/2018	-	60,000,000	-	60,000,000	
Bonds Sonae SGPS / 2014/2020	-	50,000,000	-	50,000,000	
Bonds Sonae SGPS / 2015/2022	-	100,000,000	-	-	
Bonds Continente -7% /2012/2015	-	-	197,293,166	-	
Bonds Sonae Investments BV / 2014/2019	-	194,535,791	-	190,187,000	
Bonds Sonae Investimentos SGPS / Agosto 2007/2015	-	-	200,000,000	-	
Bonds Sonae Investimentos SGPS / Setembro 2007/2015	-	-	155,000,000	-	
Bonds Sonae Investimentos SGPS/ 2012/2017	50,000,000	95,000,000	25,000,000	145,000,000	
Bonds Sonae Investimentos SGPS/ Junho 2013/2018	-	50,000,000	-	50,000,000	
Bonds Sonae Investimentos / Dezembro 2013/2018	-	-	-	75,000,000	
Bonds Sonae Investimentos / Dezembro 2014/2020	-	-	-	50,000,000	
Bonds Sonae Investimentos / Dezembro 2015/2020	-	50,000,000	-	-	
Bonds Sonae Investimentos/ May 2015/2020	-	75,000,000	-	-	
Bonds Sonae Investimentos/ December 2015/2020	-	30,000,000	-	-	
Up-front fees beard with the issuance of borrowings	(37,919)	(6,973,692)	(1,260,329)	(7,221,440)	
Up-front fees beard with the issuance of borrowings	49,962,081	697,562,099	826,032,837	612,965,560	
Other loans	1,092,795	5,764,682	867,737	4,981,858	
Derivates (Note 27)	860,503	_	582,869	_	
Other loans	1,953,298	5,764,682	1,450,606	4,981,858	
Obligations under finance leases (Note 26)	3,691,782	3,231,481	4,720,839	4,754,587	
	314,262,928	1,272,864,874	946,077,720	907,010,127	

In June 2014 a subsidiary of Sonae SGPS, SA issued bonds which may be convertible (Sonae Investments BV 2014/2019) in Sonae shares already issued and fully subscribed or to be later on issued.

The fair value of the Equity component of this compound instrument was valued at 22,313,000 euro at 31 December 2014 and it was determined by an independent entity from Sonae, taking into consideration the fair value of similar non- convertible financial instruments, having been estimated a market interest rate to establish the amortized cost of this financial liability. This process of measurement represents a Level 3 fair value measurement according to IAS 39. The liability component is recorded at the amortized cost based on the market rate.

The Bonds were issued at par with a nominal value of 100,000 euro per bond, (2.105 euro per bond) with a maturity of 5 years and with a fixed coupon of 1.625% per year, paid in arrears and semi-annually.

The bonds can be converted at the request of the bondholder when the quote of Sonae SGPS, SA, in accordance with the technical data sheet, exceeds 1,656 euro per share, which price is subject to adjustments in accordance with market practices, in particular when the dividend exceeds 0.0287 euro per share.

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flow methodology, with the exception the convertible bond loan into shares whose fair value is determined by the market price at the balance sheet date.

Bonds and bank loans bear an average interest rate of 2.05% as at 31 December 2015 (3.02% as at 31 December 2014). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

The derivatives are recorded at fair value (Note 27).

The loans face value, maturities and interests are as follows (including obligations under financial leases):

	31 Dec 2015		31 Dec 2014	Restated
	Capital	Interests	Capital	Interests
N+1 a)	313,440,344	29,983,095	946,996,859	54,186,812
N+2	225,888,798	23,804,943	97,285,988	27,623,760
N+3	193,792,207	19,056,285	120,308,534	21,081,994
N+4	331,879,992	11,253,904	300,363,593	16,748,542
N+5	377,426,614	7,563,322	316,273,051	4,767,277
After N+5	167,337,162	2,915,204	101,082,711	2,937,413
	1,609,765,117	94,576,753	1,882,310,736	127,345,798

a) Includes amounts drawn under commercial paper programs when classified as current liabilities.

The maturities above were estimated in accordance with the contractual terms of the loans, and taking into account Sonae's best estimated regarding their reimbursement date and include the amount to be paid in 2019 related to the convertible bond updated to the given date.

As at 31 December 2015 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 31 December 2015, Sonae has, as detailed below, cash and cash equivalents in the amount of 283 million euro (589 million euro in 2014) and available credit lines as follows:

	31 De	31 Dec 2015		14 Restated
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities				
Retail	60,806,401	340,000,000	173,260,000	452,500,000
Sonae IM	2,481,663	1,050,000	4,820,165	-
Sonae Holding	59,395,242	-	152,695,242	35,000,000
	122,683,306	341,050,000	330,775,407	487,500,000
Agreed credit facilities				
Retail	142,060,000	535,000,000	173,260,000	482,500,000
Sonae IM	7,505,648	17,250,000	9,755,648	13,750,000
Sonae Holding	143,695,242	180,000,000	152,695,242	170,000,000
	293,260,890	732,250,000	335,710,890	666,250,000

26 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2015 and 2014, Obligations under finance leases are as follows:

Obligations under finance leases	Minimum finance	Minimum finance lease payments		Present value of minimum finance lease payments	
Amounts under finance leases:	31 Dec 2015	31 Dec 2014 Restated	31 Dec 2015	31 Dec 2014 Restated	
N+1	3,856,053	4,979,862	3,691,782	4,720,839	
N+2	1,377,738	2,282,103	1,323,273	2,157,530	
N+3	806,098	1,067,832	777,559	1,025,040	
N+4	538,020	570,429	522,957	549,418	
N+5	432,708	429,194	426,493	414,926	
After N+5	181,697	614,958	181,199	607,673	
	7,192,314	9,944,378	6,923,263	9,475,426	
Future Interests	(269,051)	(468,952)			
	6,923,263	9,475,426			
Current obligations under finance leases			3,691,782	4,720,839	
Non-current obligations under finance leases			3,231,481	4,754,587	

Finance leases contracts are agreed at market interest rates, have defined periods and include an option for the acquisition of the related assets at the end of the period of the agreement.

As at 31 December 2015 and 2014, the fair value of finance leases is close to its carrying amount.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2015 and 2014, accounting net value of assets acquired under finance leases can be detailed as follows:

Property leasing object	31 Dec 2015	31 Dec 2014 Restated
Lands and buildings	11,086,165	11,293,262
Plant and machinery	551,691	787,995
Vehicles	19,079	-
Fixture and Fittings	901,114	1,006,903
Total tangible assets	12,558,049	13,088,160
Software	359,947	174,770
Total intangible assets	359,947	174,770
	12,917,996	13,262,930

As at 31 December 2015, the acquisition cost of tangible and intangible assets amounted to 30,110,337 euro (33,110,946 euro as at 31 December 2014).

Among the assets leased there are net assets amounting to 10,816,240 euro related to Worten stores in Spain that were transferred to the caption "Non-Current Assets Held for Sale".

27 DERIVATIVES

Exchange rate derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows that occur in the next 12 months.

Sonae entered into several exchange rate forwards in order to manage its exchange rate exposure.

As at 31 December 2015 the exchange rate derivatives considered of speculation reach the value of 522,124 euro.

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 860,503 euro as liabilities (582,869 euro as at 31 December 2014) and 1,983,962 euro as assets (3,995,221 euro As at 31 December 2014).

The computation of the fair value of these financial instruments was made taking into consideration the present value at statement of financial position date of the forward settlement amount in the maturity date of the contract. The settlement amount considered in the valuation, is equal to the currency notional amount (foreign currency) multiplied by the difference between the contracted forward exchange rate and the forward exchange market rate at that date as at the valuation date.

Losses in the period arising from changes in the fair value of instruments that do not qualify for hedging accounting treatment were recorded directly in the income statement in the captions "Others Financial income" or "Financial expenses".

Gains and losses for the year associated with the change in market value of derivative instruments are recorded under the caption "Hedging reserve" when considered cash flow hedging and when considered as fair value hedging are recorded under the caption "Financial income" or "Financial expenses".

Interest rate derivatives

Sonae does not have any interest rate hedging derivatives recorded as at 31 December 2015.

Interest rate and exchange rate derivatives

As at 31 December 2015 no contracts existed, related to interest rate and exchange rate derivatives simultaneously.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabil	ities
Hedging derivatives	31 Dec 2015	31 Dec 2014 Restated	31 Dec 2015	31 Dec 2014 Restated
Derivatives not qualified as hedging				
Exchange rate	1,983,963	3,995,221	860,503	582,869
Interest rate	-	-	-	-
Derivates qualified as pending				
Exchange rate	522,124	-	-	-
	2,506,087	3,995,221	860,503	582,869

28 OTHER NON-CURRENT LIABILITIES

As at 31 December 2015 and 2014 "Other non-current liabilities" are made up as follows:

	31 Dec 2015	31 Dec 2014 Restated
Shareholders loans	2,780,947	11,269,332
Fixed assets suppliers	604,822	1,429,022
Other non-current liabilities	2,095,698	2,710,242
Financial instruments (Note 9)	5,481,467	15,408,596
Deferral of the disposal of the extended warranties (Note 2.17)	28,196,895	25,905,981
Accruals and deferrals	2,350,518	2,745,491
Other non-current liabilities	36,028,880	44,060,068

The caption "Shareholder loans" relates to loans in affiliated undertakings in the Retail, and Investment Management operating segments. These liabilities do not have a defined vesting date and bear interests at variable market rates.

The carrying amount of "Other non-current liabilities" is estimated to be approximately its fair value.

29 SHARE-BASED PAYMENTS

In 2015 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 31 December 2015, all Sonae Holding share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2015, 2014 and 31 December 2013. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

As at 31 December 2015 and 2014, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

		Sonae	SGPS	Number	of shares
Grant year	Vesting year	Number of participants	Share price on date of assignment	31 Dec 2015	31 Dec 2014
2012	2015	-		-	7,760,310
2013	2016	102	0.701	5,404,038	5,165,022
2014	2017	249	1.024	4,306,697	4,486,082
2015	2018	274	1.048	3,784,460	-
				13,495,195	17,411,414

During the period ending 31 December 2015 the movements on the above mentioned share based plans were the following:

	Sonae	Shares
	Aggregate number of participants	Number of shares
Balance as at 31 January 2014	458	17,411,414
Grant	280	4,126,769
Vesting	(96)	(9,208,149)
Canceled /extinct / corrected / transferred (1)	(17)	1,165,161
Closing balance as at 31 December 2015	625	13,495,195

(1) Corrections are made on the basis of the dividend paid and the changes of share capital and other equity adjustments.

As at 31 December 2015 and 2014, the fair value of total liabilities on the date of allocation arising from share based payments, which have not yet vested, may be summarized as follows:

		Fair va	ilue *
		31 Dec 2015	31 Dec 2014
Grant year	Vesting year	Sonae SGPS	Sonae SGPS
2012	2015	-	3,186,570
2013	2016	5,663,432	2,471,718
2014	2017	3,008,946	1,567,999
2015	2018	1,322,038	-
	Total	9,994,416	7,226,287

^{*} Share market value as of 31December 2015 and 2014.

As at 31 December 2015 and 2014 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	31 Dec 2015	31 Dec 2014
Recorded in staff costs in the current period	2,024,040	2,138,436
Recorded in previous years	6,312,164	5,643,369
	8,336,204	7,781,805
Recorded value in Other reserves	8,336,204	7,781,805
	8,336,204	7,781,805

30 TRADE CREDITORS

As at 31 December 2015 and 2014 Trade creditors are as follows:

		Payable to		
	31 Dec 2015	up to 90 days	more than 90 days	
Trade creditors - current account				
Retail				
Sonae MC	672,080,115	671,991,088	89,027	
Sonae SR	362,821,709	362,815,035	6,674	
Sonae RP	142,412	142,412	-	
Sonae IM	28,757,748	28,733,517	24,231	
Sonae Holding	155,778	155,778	-	
	1,063,957,762	1,063,837,830	119,932	
Trade creditors - Invoice Accruals	97,739,438	97,739,438	-	
	1,161,697,200	1,161,577,268	119,932	
		Paya	ble to	
	31 Dec 2014 Restated	up to 90 days	more than 90 days	

		Paya	ble to
	31 Dec 2014 Restated	up to 90 days	more than 90 days
Trade creditors - current account			
Retail			
Sonae MC	671,895,962	671,701,708	194,254
Sonae SR	345,155,124	344,929,499	225,625
Sonae RP	1,586,786	1,565,145	21,641
Sonae IM	30,383,110	30,342,025	41,085
Sonae Holding	162,891	162,891	_
	1,049,183,873	1,048,701,268	482,605
Trade creditors - Invoice Accruals	101,822,544	101,822,544	-
	1,151,006,417	1,150,523,812	482,605

As at 31 December 2015 and 2014 this account includes amounts payable to suppliers resulting from Sonae operating activity. The Board of Directors believes that the fair value of these balances does not differ significantly from its book value and the effect of discounting these amounts is not material.

The company maintains cooperation agreements with financial institutions in order to enable retail segment suppliers, Sonae MC and Sonae SR, to access to an advantageous tool for managing their working capital, upon confirmation by Sonae of the validity of credits that suppliers hold on it. Under these agreements, some suppliers freely engage into contracts with these financial institutions that allow them to anticipate the amounts receivable from these retail subsidiaries, after confirmation of the validity of such receivables by these companies. These retail subsidiaries consider that the economic substance of these financial liabilities does not change, therefore these liabilities are kept as accounts payable to Suppliers until the normal maturity of these instruments under the general supply agreement established between the company and the supplier, whenever (i) the maturity corresponds to a term used by the industry in which the company operates, this means that there are no significant differences between the payment

terms established with the supplier and the industry, and (ii) the company does not have net costs related with the anticipation of payments to the supplier when compared with the payment within the normal term of this instrument.

31 OTHER CREDITORS

As at 31 December 2015 and 2014, the caption "Other creditors" is detailed as follows:

			Payable to	
	31 Dec 2015	up to 90 days	90 to 180 days	more than 180 days
Fixed assets suppliers	44,750,697	42,948,045	486,180	1,316,472
Other debts	154,763,112	43,421,700	6,639,830	104,701,582
	199,513,809	86,369,745	7,126,010	106,018,054
Related undertakings	-	-	-	-
	199,513,809	86,369,745	7,126,010	106,018,054
			Payable to	
	31 Dec 2014 Restated	up to 90 days	90 to 180 days	more than 180 days
Fixed assets suppliers	51,209,073	48,462,226	1,987,676	759,171
Other debts	158,364,910	50,830,930	2,983,174	104,550,806
	209,573,983	99,293,156	4,970,850	105,309,977
Related undertakings	-	-	-	
	209,573,983	99,293,156	4,970,850	105,309,977

The caption "Other debts" includes:

- 103,602,523 euro (103,720,163 euro as at 31 December 2014) relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 23;
- 14,219,757 euro (22,150,238 euro as at 31 December 2014) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 14,365,559 euro (14,150,325 euro as at 31 December 2014) related to vouchers, gift cards and discount tickets not yet redeemed;
- 3,176,938 euro (4,253,041 euro as at 31 December 2014) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 33);
- 7,174,939 euro (3,733,328 euro as at 31 December 2014) relating to amounts payable to insurance companies, insurance buyers and insurance agents; and
- 386,111 euro (1,961,471 euro as at 31 December 2014) relating to amounts payable associated to reinsurance operations;

As at 31 December 2015 and 2014, this caption includes payable amounts to other creditors and fixed assets suppliers that do not bear interest. The Board of Directors understands that the fair value of these payables is similar to its book value and the result of discounting these amounts is immaterial.

32 OTHER CURRENT LIABILITIES

As at 31 December 2015 and 2014, "Other current liabilities" are made up as follows:

	31 Dec 2015	31 Dec 2014 Restated
Holiday pay and bonuses	111,077,895	112,595,262
Other external supplies and services	41,018,028	42,087,790
Deferred Revenue of warranty extension (Note 2.17)	24,471,084	17,120,641
Marketing expenses	14,159,475	12,626,443
Charges made on the sale of real estate (Note 2.6.c)	10,031,166	-
Advance receipts from Trade Receivables	8,407,899	7,790,558
Rentals	6,773,465	9,237,451
Expenses on purchases	5,270,530	6,922,403
Interest payable	5,022,010	14,903,532
Insurance payable	1,745,005	3,471,459
Others	10,498,255	14,161,672
	238,474,811	240,917,211

33 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2015 and 2014 are as follows:

Caption	Balance as at 31 Dec 2014 Restated	Increase	Decrease	Transfers and other mouvements	Balance as at 31 Dec 2015
Accumulated impairment losses on investments (Note 6,7 and 13)	6,301,835	1,613,342	(2,262,691)	(3,765,883)	1,886,603
Impairment losses on fixed tangible assets (Note 10)	143,623,367	1,269,175	(11,398,562)	70,383	133,564,363
Impairment losses on intangible assets	1,497,101	-	(77)	-	1,497,024
Accumulated impairment losses on trade account receivables (Note 16)	7,540,929	1,814,275	(2,635,392)	-	6,719,812
Accumulated impairment losses on other current debtors (Note 17)	14,955,612	1,550,358	(4,939,925)	-	11,566,045
Non - current provisions	36,489,900	21,727,202	(15,607,913)	(3,799,131)	38,810,058
Current provisions	3,724,196	1,105,083	(1,745,289)	-	3,083,990
	214,132,940	29,079,435	(38,589,849)	(7,494,631)	197,127,895

Caption	Balance as at 31 dez 2013 Restated	Increase	Decrease	Discontinued operations	Balance as at 31 Dec 2014 Restated
Accumulated impairment losses on investments (Note 6 and 13)	2,358,392	6,044,780	(2,101,337)	-	6,301,835
Impairment losses on fixed tangible assets (Note 10)	152,883,610	1,479,167	(10,739,410)	-	143,623,367
Impairment losses on intangible assets	1,497,119	-	(18)	-	1,497,101
Accumulated impairment losses on trade account receivables (Note 16)	7,025,140	1,155,470	(1,139,701)	500,020	7,540,929
Accumulated impairment losses on other debtors (Note 17)	14,460,950	1,961,804	(1,467,142)	-	14,955,612
Non - current provisions	50,659,919	5,744,616	(20,187,901)	273,266	36,489,900
Current provisions	2,828,507	905,905	(10,216)	-	3,724,196
	231,713,637	17,291,742	(35,645,725)	773,286	214,132,940

As at 31 December 2015 and 2014 increases in Provisions and impairment losses are as follows:

	31 Dec 2015	31 Dec 2014
Provisions and impairment losses in the income statement Provisions for severance payments	13,074,208 2,089,303	11,572,691 -
Impairment losses on "Other investments" (Note 7)	1,613,342	-
Technical reinsurance provisions Goodwill (Note 12)	11,665,197 -	- (414,765)
Impairment in joint ventures (Note 6.3)	-	6,028,574
Others	637,385 29,079,435	569,324 17,755,824

As at 31 December 2015 and 2014 the value of decreases in provisions and impairment losses can be detailed as follows:

	31 Dec 2015	31 Dec 2014
Provisions and impairment losses reversal (Note 39)	(11,112,665)	(9,477,071)
Direct use of impairments on accounts receivable	(3,331,669)	(9,464,030)
Direct use of Brazil provisions	-	(2,433,450)
Compensation receivable from Walmart	(9,607,850)	-
Direct use of technical provisions on reinsurance	-	(9,317,691)
Direct use and reversals recorded in tangible assets	(10,695,475)	(2,134,362)
Impairment reversal in investments	(2,262,691)	(2,101,337)
Ohers responsibilities	(1,579,499)	(1,181,866)
	(38,589,849)	(36,109,807)

As at 31 December 2015 and 2014, the provisions current and non-current details are as follows:

	31 Dec 2015	31 Dec 2014
Technical provisions on reinsurance (a)	20,463,598	8,798,400
Future liabilities relating to retail subsidiaries operations in Brazil sold (b)	6,779,929	12,584,983
Clients Guarantees (c)	3,363,334	8,773,796
Judicial claims	3,558,791	3,225,191
Others responsibilities	7,728,396	6,831,726
	41,894,048	40,214,096

- a) Amounts included in "Technical provisions on reinsurance" relate to a group company that operates in the non-life reinsurance industry in which the amount of the provision is related to provisions for outstanding claims. The amount to be recovered from the reinsurance companies is recorded in the captions "Reinsurer's share of technical provisions" (Note 14) and "Other Debtors" (Note 17).
- b) The caption non–current provisions includes 6,779,929 euro (12,584,983 euro as at 31 December 2014), relating to non-current contingencies assumed by the Company, when selling its subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, and it's recorded taking into account the best estimate of costs to be incurred which results from a significant number of civil and labor lawsuits of reduced amount. During 2015, the group made an estimate change taking into consideration the outcome of recent lawsuits, with the buyer of the former subsidiary in Brazil, with respect to the related contingencies, having reinforced the provision in 23,700,000 reais (6,505,887 euro). Additionally during the year the Group proceeded with the offsetting of a provision of contingencies in Brazil, with an amount of 9,607,850 euro received during this year from Carrefour. This amount received included accrued interests of amounts wrongly received by that entity as a result of the usage of a bank guarantee in previous periods, which was contested at that time by the group.

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c) The caption non-current provisions and current provisions and the movement in the period in provisions, also includes the estimated liabilities incurred by the Group on the sale of warranty extension programs on products traded by the Specialized Retail operating segment in the amount of 3,363,334 euro (8,773,796 euro As at 31 December 2014). These extensions are granted for a period of one to three years after the end of the legal mandatory warranty provided by the manufacturers.

Impairment losses are deducted from the book value of the corresponding asset.

34 CONTIGENT ASSETS AND LIABILITIES

As at 31 December 2015 and 2014, major contingents liabilities exposed are as follows:

- Guarantees and sureties given

	31 Dec 2015	31 Dec 2014
uarantees given:		
on tax claims	1,083,444,776	996,154,187
on judicial claims	695,238	356,420
on municipal claims	8,268,603	6,383,942
contract by proper compliments	17,445,799	18,877,053
others guarantees	4,824,720	5,869,196

a) Tax claims

The main tax claims with bank guarantees given or sureties associated are as follows:

- Some retail operating segment subsidiaries of the Company granted guarantees in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 520 million euro (466.1 million euro as at 31 December 2014) related to the period from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. The increase in the value of guarantees and securities provided in relation to the previous year, mainly result from additional tax assessments over 2012 and 2013. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients.
- The caption guarantees given on tax claims include guarantees granted, in the amount of 144.3 million euro (108 million euro as at 31 December 2014), in favor of Tax authorities regarding 2007 up to 2012. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for that period as Tax authorities did not accept the recognition of tax losses incurred after the liquidation of a subsidiary of Sonae Investimentos, since it considered that

the cover of losses in that subsidiary should not be part of its acquisition cost, which is not in accordance with previous assessments of Tax Authorities.

- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group.
- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 15.2 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 31.3 million euro (135 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.
 - b) Contingent assets and liabilities related to tax claims paid under regularization programs of tax debts

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 e Decree of Law 248-A), the Group made tax payments in the amount of, approximately, 28.5 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 4 and Note 14), and having been corrected by the amounts corresponding to the remaining taxes, according to the described in Note 4.

- c) Other contingent liabilities
- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavorably decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2015, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 31.4 million euro (39.8 million euro at 31 December 2014).

Furthermore, there are other tax assessments totaling 44.5 million euro (86.4 million euro as at 31 December 2014) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

- Contingent liabilities related to joint ventures are disclosed in Note 49.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for Sonae.

35 OPERATIONAL LEASE

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognized as income during the period ended 31 December 2015 and 2014 amounted to 8,044,681 euro and 8,106,512 euro, respectively.

Additionally, at 31 December 2015 and 2014, Sonae had operational lease contracts, as a lessor, whose minimum lease payments (fixed income) had the following payment schedule:

	31 Dec 2015	31 Dec 2014 Restated
Due in:		
N+1 automatically renewal	2,540,507	2,600,307
N+1	4,206,117	3,588,656
N+2	3,800,458	2,990,918
N+3	3,101,846	2,651,038
N+4	1,942,667	2,162,392
N+5	1,203,964	1,126,289
After N+5	3,617,576	1,965,342
	20,413,135	17,084,942

Rents arising from operational leases, in which Sonae acts as a lessee, during the period ended 31 December 2015, amounted to 109,089,103 euro (105,343,717 euro as at 31 December 2014).

Additionally, at 31 December 2015 and 2014, Sonae had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

	31 Dec 2015	31 Dec 2014 Restated
Due in:		
N+1 automatically renewal	22,012,049	11,086,670
N+1	95,153,393	90,517,364
N+2	89,505,303	80,485,473
N+3	85,156,859	72,603,220
N+4	77,672,139	64,923,766
N+5	82,676,284	56,840,753
After N+5	675,098,903	452,318,044
	1,127,274,930	828,775,290

At the end of the lease period, the Group has, in certain contracts, the possibility of exercising the option to acquire the assets at its fair value.

36 TURNOVER

As at 31 December 2015 and 2014, Turnover is made up as follows:

	31 Dec 2015	31 Dec 2014
Sale of goods	4,816,617,320	4,785,700,986
Sale of products	9,314,268	9,920,675
	4,825,931,588	4,795,621,661
Services rendered	188,311,035	178,504,839
Turnover (Note 48)	5,014,242,623	4,974,126,500

37 GAINS OR LOSSES ON INVESTEMENTS

As at 31 December 2015 and 2014, Gain or losses Investment is made up as follows:

	31 Dec 2015	31 Dec 2014
Dividends	1,694,266	1,473,483
Raso SGPS disposal (Note 22)	(4,263,823)	-
Mainroad disposal	-	12,820,726
Fozmassimo disposal	-	297,373
Others	-	-
Gains / (losses) on the sale of investments in subsidiaries, joint ventures and associates	(4,263,823)	13,118,099
Gains / (losses) on the sale of investments on available for sale	-	-
Gains / (losses) on the sale of investments on available for sale Others	(31,991)	99,290
· · · · · · · · · · · · · · · · · · ·	(31,991)	99,290
Others	(31,991)	
Others Impairment of investments in associates	(31,991) - - (3,765,155)	124,531
Others Impairment of investments in associates Impairment of investments in joint ventures (Note 6)		124,531

38 NET FINANCIAL EXPENSES

As at 31 December 2015 and 2014, Net financial expenses are as follows:

	31 Dec 2015	31 Dec 2014
Expenses		
Interest payable		
related with bank loans and overdrafts	(13,621,585)	(15,364,241)
related with non convertible bonds	(32,764,404)	(42,262,611)
related with financial leases	(213,873)	(299,532)
related with hedge derivatives	-	(1,331,354)
others	(6,215,634)	(8,324,578)
	(52,815,496)	(67,582,316)
Exchange losses	(8,537,491)	(4,166,491)
Up front fees and commissions related to loans	(10,456,472)	(11,726,913)
Others	(1,858,822)	(4,022,806)
	(73,668,281)	(87,498,526
Income		
Interest receivable		
related with bank deposits	116,486	468,617
others	4,029,812	1,163,683
	4,146,298	1,632,300
Exchange gains	8,157,789	5,511,330
Payments discounts received	90,737	100,639
Other financial income	6,942,418	3,201,297
	19,337,242	10,445,566
Fair value adjustment of investments registered at fair value on the income statement (Note 13)	22,135,189	(3,129,894
Net financial expenses	(32,195,850)	(80,182,854

39 OTHER INCOME

As at 31 December 2015 and 2014, the caption "Other Income" is made up as follow:

	31 Dec 2015	31 Dec 2014
Supplementary income	555,390,084	452,080,979
Prompt payment discounts obtained	23,076,701	21,789,570
Foreign currency exchange gains	30,572,567	14,370,596
Own work capitalised (Note 11)	12,276,842	10,812,934
Gains on sales of assets	43,308,584	2,348,822
Impairment losses reversals (Note 33)	11,112,665	9,477,071
Insurance claims	890,711	6,230,514
Subsidies	431,540	657,494
Outros	6,765,485	7,957,428
	683,825,179	525,725,408

The caption "Supplementary income" relates mainly to promotional campaigns carried out in the stores of retail segment, reimbursed by the suppliers of Sonae.

Under the caption of "Gains on sales of assets" are included gains related to the operation of "Sale & Leaseback" amounting to 42.4 million euro (Note 10).

40 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2015 and 2014, External supplies and services are as follows:

	31 Dec 2015	31 Dec 2014
Rents	142,666,036	137,905,635
Publicity	108,893,120	104,962,767
Electricity	56,931,700	57,261,623
Transports	50,445,107	53,915,951
Services	69,669,969	63,436,540
Subcontracts	21,154,581	26,946,640
Maintenance	25,609,264	22,536,127
Costs with automatic payment terminals	10,826,709	20,156,588
Security	19,875,601	20,404,296
Cleaning up services	21,198,159	20,530,253
Consumables	13,695,024	17,990,816
Travel expenses	17,527,290	15,527,393
Commissions	9,065,282	8,644,482
Insurances	6,140,400	5,412,984
Communications	12,399,213	11,138,200
Home delivery	5,979,094	5,696,255
Others	62,469,983	48,301,533
	654,546,532	640,768,083

41 STAFF COSTS

As at 31 December 2015 and 2014, Staff costs are as follows:

	31 Dec 2015	31 Dec 2014
Salaries	522,311,584	513,808,710
Social security contributions	110,442,393	108,503,670
Insurance	10,955,309	10,601,327
Welfare	3,857,910	3,930,623
Other staff costs	17,786,999	14,290,138
	665,354,195	651,134,468

42 OTHER EXPENSES

As at 31 December 2015 and 2014, other expenses are as follows:

	31 Dec 2015	31 Dec 2014
Exchange differences	31,263,453	13,828,513
Other taxes	11,027,558	7,477,401
Losses on the sale and write-off of assets	14,765,443	13,197,265
Municipal property tax	2,043,768	2,440,309
Donations	7,381,047	7,309,807
Doubtful debts written-off	197,395	30,766
Others	22,600,119	22,626,792
	89,278,783	66,910,853

43 INCOME TAX

As at 31 December 2015 and 2014, income tax is made up as follows:

	31 Dec 2015	31 Dec 2014
Current tax	15,440,828	18,702,110
Deferred tax (Note 20)	5,478,771	5,958,311
	20,919,599	24,660,421

The reconciliation between the profit before Income tax and the tax charge for the years ended 31 December 2015 and 2014 is as follows:

	31 Dec 2015	31 Dec 2014
Profit before income tax	197,695,549	170,174,287
Difference between capital (losses)/gains for accounting and tax purposes	(70,239,866)	32,881
Gains or losses in jointly controlled and associates companies (Note 6)	(88,531,190)	(64,408,422)
Impairment of goodwill (Note 12)	396,829	414,765
Provisions and impairment losses not accepted for tax purposes	6,545,056	7,745,335
Others	(2,580,635)	_
Taxable Profit	43,285,743	113,958,847
Use of tax losses that have not originated deferred tax assets	(26,023,297)	(4,167,840)
Recognition of tax losses that have not originated deferred tax assets	234,335	27,149,164
	17,496,781	136,940,171
Income tax rate in Portugal	21%	23%
	3,674,324	31,496,240
Effect of different income tax rates in other countries	(11,587,767)	(16,258,774)
Effect of the write-off of deferred taxes (Note 20)	17,404,712	2,432,266
Effect of increases or decreases in deferred taxes	151,107	-
Effect of change in tax income rate in the calculation of deferred taxes	-	5,181,180
Use of tax benefits	(1,858,220)	(4,148,279)
Under/(over) Income tax estimates	(3,731,368)	(1,603,599)
Autonomous taxes and tax benefits	3,140,140	2,899,212
Municipality surcharge	12,006,625	6,040,546
Others	1,720,046	(1,378,370)
Income tax	20,919,599	24,660,421

44 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2015 and 2014 are as follows:

	Sales and serv	ices rendered	Purchases and services obtained	
Transactions	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Parent Company	224,026	184,225	772,551	836,787
Jointly controlled companies	18,209,969	19,344,033	48,314,600	50,943,908
Associated companies	33,145,186	31,321,917	2,424,400	1,290,103
Other related parties	63,239,983	68,337,190	23,055,149	21,429,399
	114,819,164	119,187,365	74,566,700	74,500,197
	Interest	income	Interest ex	kpenses
Transactions	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Parent Company	-	-	72,256	45,542
Jointly controlled companies	332,379	366,627	-	36,492
Associated companies	-	-	-	-
Other related parties	-	=	322,393	432,349
	332,379	366,627	394,649	514,383
	Accounts r	Accounts receivable		payable
Delevere	24 D 2015	24 D = 2014	24 D 2015	24 D 2014

	Accounts receivable		Accounts payable	
Balances	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Parent Company	65,568	50,317	611,479	811,187
Jointly controlled companies	16,621,469	9,493,428	10,403,025	14,396,132
Associated companies	4,024,521	2,661,852	1,868,694	707,447
Other related parties	17,816,186	13,608,891	7,431,116	13,528,802
	38,527,744	25,814,488	20,314,314	29,443,568

		Loans			
Obtained		Granted			
Balances	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
Parent Company	-	-	-	-	
Jointly controlled companies	1,000	-	-	8,768,402	
Associated companies	-	-	-	-	
Other related parties	2,887,573	11,502,456	3,570	-	
	2,888,573	11,502,456	3,570	8,768,402	

The caption "Other related parties" includes Sonae Sierra SGPS, SA, Zopt SGPS, SA, Sonae Industria, SGPS, SA and Sonae Capital, SGPS, SA affiliated, associated and jointly controlled companies, and also other shareholders of affiliated companies or jointly controlled companies of Sonae, as well as other affiliated companies of the ultimate parent company Efanor Investimentos, SGPS, SA.

During 2015, the Group increased the percentage held in Fundo de Investimento Imobiliario Fechado Imosede, through the acquisition of 22.57% of its share capital, to a related party for an amount of 34.1 million euro (in 2014 there was a 3.28% increase of the percentage of share capital held for an amount of 5 million euro).

In September 2014, the subsidiary Mainroad – Serviços em tecnologia de informação, SA, was disposed to the group company NOS Comunicações, S.A. for 14 million euros.

Members of the Board of Directors and Strategic Direction were attributed the following remuneration in 2015 and 2014:

	31 Dec 2015		31 Dec 2014	
	Board of Directors	Strategic direction (a)	Board of Directors	Strategic direction (a)
Short-term employee benefits	1,489,027	6,458,079	2,307,752	7,948,064
Share-based payments	455,100	1,955,300	756,716	2,298,044
	1,944,127	8,413,379	3,064,468	10,246,108

⁽a) Includes personnel responsible for the strategic management of the companies of Sonae (excluding members of the Board of Directors of Sonae Holding);

45 EARNING PER SHARE

Earnings per share for the periods ended 31 December 2015 and 2014 were calculated taking into consideration the following amounts:

	31 Dec 2015	31 Dec 2014
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	175,306,228	143,838,207
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	7,568,999	4,106,995
Net profit taken into consideration to calculate diluted earnings per share	182,875,227	147,945,202
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,877,002,993	1,875,387,885
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	71,142,333
Outstanding shares related with share based payments	13,495,195	17,411,414
Shares related to performance bonus that can be bought at market price	(3,211,968)	(2,981,312)
Weighted average number of shares used to calculate diluted earnings per share	2,014,399,747	1,960,960,320
Earnings per share		
Basic	0.097429	0.078888
Diluted	0.090784	0.075445

The 2015 average number of shares considers 118,663,355 Sonae Holding shares (123,579,306 in 31 December 2014) as treasury shares (Note 23).

46 CASH RECEIPTS AND CASH PAYMENTS TO INVESTMENTS

As at 31 December 2015 and 2014, cash receipts and cash payments related to investments can be detailed as follows:

- Investment Activities

Receipts	31 Dec 2015	31 Dec 2014
Disposal of Mainroad	-	13,354,926
Disposal of Fozmassimo	-	2,958,463
Acquisition of S21 Group	-	1,972,472
	-	18,285,861

⁽b) Includes personnel of Sonae Sierra and ZOPT.

Payments	31 Dec 2015	31 Dec 2014
Acquisition of Losan Group (Note 8)	30,446,460	-
Acquisition of MJB - Design, Lda (Note 8)	916,123	-
Acquisition of Elergone Energias, Lda	187,591	<u> </u>
	31,550,174	-

- Financing Activities

Receipts	31 Dec 2015	31 Dec 2014
Disposal of Raso SGPS Disposal of Imosonae Dois fund units Others	29,000,000 1,173,697 381	- 1,829,278 -
	30,174,078	1,829,278
Payments	31 Dec 2015	31 Dec 2014
Acquisition of Imosede's fund units Acquisition of a participation in Ulabox (Note 8) Acquisition of the other 50% Raso SGPS, SA Capital increase in Raso SGPS Payment to a subsidiary of France Telecom for the 20% of Sonaecom	34,082,452 3,231,029 3,888,849 41,000,000	5,000,134 - - -
(Note 30)	-	104,746,605
Acquisition of Sonaecom's shares Others	755,315	9,895,571 941,019
	82,957,645	120,583,329

47 DIVIDENDS

In the Shareholders Annual General Meeting held on 30 April 2015, the payment of a gross dividend of 0.0365 euro per share (0.0348 euro per share in 2014) corresponding to a total of 73,000,000 euro (69,600,000 euro at 2014) was approved.

As at 16 December 2015 Extraordinary General Meeting it was decided to distribute free reserves in the amount of 77,000,000 euro corresponding per share the gross amount of 0.0385 euro.

48 SEGMENT INFORMATION

Sonae is mainly a retail company with two major partnerships in the areas of Shopping Centres (Sierra) and Telecommunications (NOS). The following operating segments were identified:

In retail, the group has three segments:

- Sonae MC is our food retail unit, operating 509 stores directly and 237 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado / Bagga / Note! / Makenotes and Well's;
- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion market, operating 515 stores directly and 80 stores under franchising agreements, under the Worten insignia, Sport Zone, MO and Zippy;

- Sonae RP is our retail real estate unit which actively manages retail real estate properties of Sonae, composed mainly of stores operating under the brand Continente and under other brands of Sonae SR.

Sonae FS is a new business unit, which coordinates financial services. This segment includes the newly created "Cartão Universo", the "Cartão Dá", Continente Money Transfer and credit services in store. In the sequence of getting a license from the Bank of Portugal to operate as an electronic currency operation, Sonae FS created the "Cartão Universo" in order to be able to offer payment services and issuing credit cards. Sonae FS was designated as the main issuer of Mastercard, which allows issuing MasterCard cards in their own name. The structure of this new segment is already created, but only in 2016 will initiate the reporting of financial and operational indicators.

Sonae IM includes Bizdirect, Saphety, Wedo Technologies and S21sec (Telecommunications Technology), Movvo (Retail Technology), Maxmat (bricolage and construction materials), MDS (insurance broker), Tlantic (retail) software and Publico (media).

In addition to the operating segments above mentioned Sonae still has two major partnerships Sonae Sierra and ZOPT (includes NOS) whose relevant information is disclosed in Note 49.

These operating segments have been identified taking into consideration that each of these segments has separate identifiable revenues and costs, separate financial information is produced, and its operating results are reviewed by management on which it makes decisions.

We are present in 72 countries, including operations, services rendered to third parties, offices, franchising and partnerships.

The main operating segment information for the years ended 31 December 2015 and 2014 can be detailed as follows:

Turnover	31 Dec 2015	Inter-segment	31 Dec 2014	Inter-segment
Sonae MC	3,490,025,696	(1,983,822)	3,460,812,214	(2,081,079)
Sonae SR	1,294,305,186	(33,138,693)	1,289,721,730	(34,601,862)
Sonae RP	121,266,202	(112,270,462)	126,341,851	(118,077,443)
Sonae IM	248,979,341	(14,928,074)	251,843,895	(17,067,954)
Other, eliminations and adjustments	(140,333,801)	(160,000)	(154,593,190)	(160,000)
Total consolidated	5,014,242,624	(162,481,051)	4,974,126,500	(171,988,338)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Sonae MC	85,806,855	84,088,262	1,939,973	1,611,558	119,760,878	151,068,014
Sonae SR	44,883,574	43,078,974	2,949,432	4,104,936	(56,947,385)	(51,238,382)
Sonae RP	27,487,028	29,079,082	-	52,107	121,207,518	88,619,925
Sonae IM	14,770,909	12,027,324	1,678,916	3,125,552	(4,579,149)	7,378,145
Other, eliminations and adjustments (1)	54,925	2,557,553	-	1,318,690	26,345,809	32,451,541
Total direct consolidated	173,003,291	170,831,196	6,568,321	10,212,843	205,787,671	228,279,243

	Net financial	Net financial expenses (2)		Income tax ⁽²⁾	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	
Retail	(53,670,088)	(66,406,529)	19,880,913	28,322,809	
Sonae IM	(1,612,492)	(2,847,826)	2,055,292	(628,591)	
Holding (1)	(1,629,189)	(7,798,605)	(1,016,606)	(3,033,797)	
Total consolidated	(56,911,769)	(77,052,960)	20,919,599	24,660,421	

	Investment (CAPEX)		Invested capital	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Sonae MC	113,771,108	104,726,899	533,730,705	485,808,706
Sonae SR	111,310,822	62,623,328	152,234,943	115,932,567
Sonae RP	60,418,121	26,548,369	1,046,536,798	1,199,634,469
Sonae IM	11,317,601	15,459,639	132,664,890	150,810,821
Other, eliminations and adjustments (1)	3,016,966	146,149,472	1,222,465,641	1,130,937,444
Total consolidated	299,834,618	355,507,707	3,087,632,977	3,083,124,007

	Total net debt ⁽²⁾		
	31 Dec 2015 31 Dec 20		
Retail	643,978,322	663,985,053	
Sonae IM	39,546,259	63,726,166	
Holding (1)	609,314,264	523,181,455	
Total consolidated	1,292,838,845	1,250,892,674	

- 1) Include Sonae Individual accounts;
- 2) These captions are accompanied by management in a more aggregated form, and not allocated to individual operating segments identified above;

The caption "Eliminations Adjustments and Others" can be analyzed as follows:

	Turnover		EBIT	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Inter-segment income	(162,481,051)	(171,988,338)	-	-
Contribution from companies not inclued in the segments	22,147,250	17,395,148	(22,646,540)	(9,401,692)
Equity method	-	-	48,195,730	42,444,159
Others	-	-	796,619	(530,591)
Other, eliminations and adjustments	(140,333,801)	(154,593,190)	26,345,809	32,511,876
	lavorate		las canada d	

	Investment		Invested capital	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Inter-segment balances	-	-	105,470,783	51,932,321
Dividends available	-	-	12,192,750	-
Investments	2,262,690	141,650,837	1,214,889,100	1,202,626,712
Cash settled equity swap (3)	-	-	(103,720,530)	(103,720,530)
Others	754,276	4,498,635	(6,366,462)	(19,901,059)
Other, eliminations and adjustments	3,016,966	146,149,472	1,222,465,641	1,130,937,444

3) Financial Instrument reported in Note 22.

All performance measures are reconciled to the financial statements in note 50.

Glossary:

Net Invested capital = Total net debt + total shareholder funds;

Net debt = Bonds + bank loans + other loans + shareholder loans + financial leases - cash, bank deposits, current investments, excluding the participation of 2.14% in NOS, and other long term financial applications.

Other eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Other" in Note 5.

Investments (CAPEX) = Investments in tangible and intangible assets and investments in acquisitions; Non-current assets and turnover by geographic market can be detailed as follows:

	31 Dec 2015		31 Dec 2014 Restated	
Destination market	Non-current assets	Sales and services rendered	Non-current assets	Sales and services rendered
Portugal	3,691,581,995	4,543,057,011	3,743,512,541	4,534,329,369
Spain	134,679,867	338,037,728	116,602,956	331,653,873
France	-	41,757,068	-	25,962,763
United Kingdom	-	3,792,569	-	2,942,928
Germany	-	2,866,129	-	1,415,033
Italy	-	488,730	-	1,065,673
Brazil	22,571,204	32,544,002	78,685,795	31,910,327
Other European countries	24,474,143	14,353,258	49,010,528	11,610,199
Rest of the world	10,684,593	37,346,128	8,891,824	33,236,335
	3,883,991,802	5,014,242,623	3,996,703,644	4,974,126,500

49 INFORMATION RELATING JOINT-VENTURES

The amounts of assets, liabilities and profit and losses related to joint ventures are disclosed in Note 6. Taking into account Sonae Sierra and ZOPT financial statements relevance and considering that Sonae Sierra and ZOPT are consolidated by the equity method, the most relevant facts are detailed as follows (amounts disclosed correspond to Sierra and ZOPT figures – 100%).

Group Sonae Sierra

a) Investment properties

The movement in investment properties, during the years ended 31 December 2015 and 2014 was as follows:

	Investment properties						
			under development				
Amounts in thousands of euro	In Operation	"Fit Out"	at cost	Advances	Total		
Opening balance as at 1 January 2014	831,714	2,148	63,709	1,725	899,296		
Increases	626	=	5,309	=	5,935		
Receivables	=	50	-	=	50		
Impairments and write-off	-	-	(24,096)	-	(24,096)		
Sales	-	-	(21,459)	-	(21,459)		
Fit-out receivables	-	(269)	-	-	(269)		
Variation in fair value on the investment properties					-		
between years:					-		
- Gains	36,114	38	-	=	36,152		
- Losses	(3,974)	(40)	-	-	(4,014)		
Currency translation differences	_	_	29	_	29		
Closing balance as at 1 January 2015	864,480	1,927	23,492	1,725	891,624		
Increases	4,389	-	21,727	-	26,116		
Receivables	-	612	-	-	612		
Impairments and write-off	-	-	-	-	-		
Sales	-	-	-	-	-		
Fit-out receivables	-	(333)	-	-	(333)		
Variation in fair value on the investment properties	-	-	-	-	-		
between years:	-	-	-	-	-		
- Gains	96,253	244	-	-	96,497		
- Losses	-	(148)	-	-	(148)		
Mouvements for assets available for sale	(725,259)	(1,697)	-	-	(726,956)		
Currency translation differences	-	-	(473)	-	(473)		
Closing balance as at December 2015	239,863	605	44,746	1,725	286,939		

The amount of 727 million euro recorded in "Transfers to assets held for sale" refers to assets that are classified as assets held for sale (see c below).

At 31 December 2015 and 2014 investment properties in operation and the information about the fair value assessment can be detailed as follows:

	31 Dec 2015			31 Dec 2014 Restated		
	10 years "discount rate"	Yields	thousands of euro	10 years "discount rate"	Yields	thousands of euro Level 3
Portugal / Spain	9.30% and 11.41%	7.55% and 9.50%	132,115	8.90% and 14,35%	6.90% and 12.35%	758,158
Other European countries	9.05% and 10.30%	7.30% and 8.50%	107,748	9.60% and 10.30%	7.40% and 8.50%	106,322
			239,863			864,480

The fair value of each investment property was determined by means of a valuation as of the reporting date made by independent specialized entities (Cushman & Wakefield and CBRE).

The valuation of these investment properties was made in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors ("Red Book"), located in England.

The methodology used to compute the market value of the investment properties consists in preparing 10 years projections of income and expenses of each shopping center added to the residual value, corresponding to a projected net income at year 11 and a return market rate ("Exit yield" or "cap rate"). These projections are then discounted to the valuation date using a discount market rate. Projections are intended to reflect the actual best estimate of the value regarding future revenues and costs of each shopping centre. Both the return rate and discount rate are defined in accordance to the local real estate and institutional market conditions, being the reasonableness of the market value obtained in accordance to the methodology referred above, tested also in terms of initial return using the estimated net income for the first year of projections.

In the valuation of investment properties, some assumptions, that in accordance with the Red Book are considered to be special, were in addition considered, namely in the case of recently inaugurated shopping centres, in which the possible costs still to be incurred were not considered, as the accompanying financial statements already include a provision for them.

In terms of fair value hierarchy as defined in IFRS 13 investment properties of Sonae Sierra which are valued at fair value are all within Level 3.

The relationship of unobservable inputs to fair value can be described as follows:

- a decrease in the estimated annual rent will decrease the fair value;
- an increase in the discount rates and the capitalization rates will decrease the fair value.

As mentioned in the valuation reports of the investment properties prepared by independent specialized entities, the assessment of their fair value took into account the definition of fair value in IFRS 13, which is consistent with the definition of market value defined by the investment properties valuation international standards.

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b) Goodwill

The goodwill on shopping centres segment is allocated to the companies with investment properties. The impairment tests of goodwill are based on the Net Asset Value ("NAV") of the shares held, at each reporting date.

The "NAV" corresponds to evaluation at fair value, at each reporting date, of the net assets of the subsidiary excluding deferred tax liabilities arising on unrealized gains on investment properties, at the market value (Open Market Value).

c) Assets classified as held for sale

In line with its strategy of capital recycling, the Group in the second half 2015, decided to reduce its interest in a number of property companies.

The open market value (OMV) of these properties is 727 million euro and the corresponding related net assets are 446 million euro.

Sonae Sierra holds these property companies with other investors. Sonae Sierra proportion over OMV of these property companies amounts to 388 million euro and 233 million euro Net assets value.

Sonae Sierra plans to reduce its position to economic interest positions to percentages from 10% to 25%, depending on the properties, and to keep the asset and property management agreements.

Assuming that these transactions take place according to planned, the economic interest of the Group in these property companies could be reduced to around 140 million euro in terms of OMV and 90 million euro in terms of net assets.

d) Contingent liabilities

As of 31 December 2015 and 2014, the main contingent liabilities relate to the following situations:

- In 2014 the Group has agreed to pay up to the amount of 4 million euro in case of breach of the obligations undertook under the pre sales and purchase agreement between Parklake Shopping SA and Carrefour Romania SA.
- ii. In 2015 the Group has agreed with the bank that granted the loan to Parklake Shopping SA for the construction of the shopping centre Parklake the payment of the debt service in the maximum amount 9.2 million euro, in case the company is not able to comply with its obligations.
- iii. In December 2013 Gli Orsi received a tax notification, whereby it is asked to pay the amount of 19.5 million related with real estate transfer tax in the 9.5 million euro and 10 million euro related with penalties and interest, plus court agent fees amounting to 1 million euro. Based on the opinion of the tax expert there are valid reasons to consider the claim ungrounded, and so the Group has appealed to the Supreme Court. In the specific case of the penalties requested by the tax authorities, the tax expert understands that no penalty is due. To face this contingency, the Sonae Sierra has expensed in 2013 an amount of 10.4

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million euro (corresponding to real estate transfer tax (9.5 million euro) plus count agent fee (1 million euro).

- iv. Between 2008 2014, Sonae Sierra has received tax notifications regarding the tax deductibility of interest expenses on loans obtained, concerning the years 2004 and 2005 and 2007, to 2010, in the total amount of 12 million euro. All these tax notifications were claimed by Sonae Sierra and guarantees in the same amount were granted by the subsidiary Sierra Investments, SGPS, S.A. to the Portuguese tax administration. No provision was recorded because the Board of Directors understands that the risk of these tax contingencies is unlikely. For the year of 2004, Sonae Sierra has already received a favorably first court decision and on 20 January 2015 Sonae Sierra was notified of a second favorably court decision; given this court decision the tax related to the non-deductible interest regarding 2004 (1 million euro) is no longer a tax contingency; these facts corroborates the Group's assessment of these contingencies.
- v. In 2010 the Group has agreed with the syndicate of banks that granted the loan to Gli Orsi Shopping Centre 1, Srl for the construction of the shopping centre Gli Orsi the payment of the debt service in the maximum amount 6.2 million euro, in case the company is not able to comply with its obligations.

Additionally, as at 31 December 2015 and 2014 the bank guarantees granted to third parties were as following:

	31 Dec 2015	31 Dec 2014
Bank Guarantees (thousands of euro):		
relating to tax processes in course	2,513	3,785
relating to legal processes in course	74	199
to complete the construction of several projects	765	660
to secure claims of the buyer of the Münster asset	-	19,000
others guarantees	3,585	5,342

No provision has been made for any liability arising from the tax and legal processes mentioned above, as the Board of Directors believes that the corresponding risk is not probable.

e) Commitments from the disposal of subsidiaries subject to price revision

Following the sale of 49.9% of Sierra European Retail Real Estate Assets Holdings BV's ("Sierra BV") share capital to a group of Investors, in 2003, Sonae Sierra has agreed to revise the sale price of such shares in the event of a sale, to third parties, of some of the shopping centres owned by subsidiaries of Sierra BV (subject to some conditions).

This disposal may take the form of asset sale or sale of shares of the company, directly or indirectly, owns the asset.

The price revision can occur both with a sale of the asset (investment property in the case) or with a sale of the shares of the company that is, directly or indirectly, the owner of such asset.

The price revision will be made by Sonae Sierra to the Investors in Sierra Fund or to Sierra BV if, in a relevant sale, discounts related to deferred taxes on capital gains have been made.

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The price revision will be dependent on the percentage ownership in the company that owns the asset, the Investors' ownership percentage in Sierra BV (and in case of a sale of shares adjusted by a 50% discount) and is limited to:

- i. in the case of the asset sale, a maximum amount of 118.3 million euro;
- ii. in the case of a sale of shares of the company that directly or indirectly owns the asset, a maximum amount of 59.1 million euro;
- iii. in the case of a sale of shares of the company that directly or indirectly owns the asset, the price revision plus the selling price, cannot result in a revised price that is greater than the proportion of the Net Asset Value.

Similar commitments were granted by Sonae Sierra in relation to the companies transferred to Sierra BV after 2003 and to CBRE companies regarding the sale of 50% of Vasco da Gama.

These commitments are valid while the current agreements with the other stockholders of Sierra BV are maintained.

Furthermore, Sonae Sierra has the right to make a proposal for the acquisition of the asset or the shares at stake before they are offered for sale to a third party.

In accordance with the agreements made between the shareholders of Sierra BV at the time of its incorporation in 2003, it was agreed that Sierra BV should exist for an initial period of 10 years (that ends in October 2013), that could be extended by two additional periods of one year starting in 2013. On September 2013 all the shareholders of Sierra BV approved an amendment agreement relating to the continuation of the operations of the Fund with a long-stop date until October 2018. The Group continues to study several alternatives to dispose of the properties held by Sierra BV, but there are no intentions to proceed with forced asset sales.

In accordance with the agreements made between the shareholders of SPF at the time of its incorporation in 2008, it was agreed that SPF should exist for a period of 10 years (that will end in 2018), having the non-Sonae Sierra shareholders the option to redeem its shares, provided that some conditions are met. Additionally, during the year ended 31 December 2015 was agreed between the shareholders the extent of the fund until 2020.

The Group believes that the direct sale of the asset is a less attractive solution as it is subject to certain liabilities that are not crystalized in the event of a sale of the shares.

Group ZOPT

The consolidated financial statements of ZOPT (joint venture that controls NOS) and NOS as at 31 December 2015 and 2014, incorporated in the financial statements of Sonae through ZOPT by the equity method (Note 6).

The value of ZOPT income statement results from NOS net income, the net result of ZOPT, the impact on income of the fair value allocation to the assets and liabilities acquired by ZOPT.

a) Provision of ZOPT Group

The processes described below are provisioned in the consolidated accounts of ZOPT, given the level of risk identified.

Processes with regulators:

- i. On 8 July 2009, NOS SA (named ZON TV Cabo), was notified by the Competition Authority (AdC) in connection with infringement proceeding relating to availability of channels TV CINES, requesting NOS SA to comment on the content of the notification, which it did in good time. The case is currently at the fact-finding stage in AdC and various information has been requested, to which NOS has responded. If it is concluded that an infringement has occurred, the AdC may levy a fine not exceeding 10% of the company's turnover in last year of infringement, being the same provisioned, given the level of risk in ZOPT group.
- ii. In 2011, PT brought an action in Lisbon Judicial Court against NOS SA, claiming payment of Euro 10.3 million, as compensation for alleged undue portability of NOS SA in the period between March 2009 and July 2011. NOS SA lodged a contest and reply and completion of proof is in progress, that the Court came to judge without effect.

In 2011, NOS SA brought an action in Lisbon Judicial Court against PT, claiming payment of Euro 22.4 million, for damages suffered by NOS SA, arising from violations of the Portability Regulation by PT, in particular, the large number of unjustified refusals of portability requests by PT in the period between February 2008 and February 2011. The court declared the compulsory performance of expert evidence, which is currently underway.

It is the understanding of the Board of Directors of NOS, supported by lawyers who monitor the process, that there is, in substance, a good chance of NOS SA winning the action, due to the fact that PT has already been convicted for the same offense, by ICP — ANACOM. However, it is impossible to determine the outcome of the action.

- iii. Infringement proceedings in the amount of approximately Euro 4.5 million euro, established by the National Commission for Data Protection ("CNPD") against NOS SA subsidiary, for alleged violations of rules relating to legal protection of data. During the project phase of decision, NOS SA argued, firstly, a set of procedural irregularities and, secondly, a set of fact and law arguments that the Board understood to impose a final decision to dismiss the case. However, on 16 January 2014, NOS SA received a settlement notice regarding the fine imposed by the CNPD, against which appealed to the courts. On 8 September 2014, the Court for Competition, Regulation and Supervision ("Tribunal da Concorrência, Regulação e Supervisão") reduced the value of the fine to 600 thousand euro. NOS SA appealed against this decision. As a consequence of this decision, the provision was reduced by Euro 3.9 million euro, affecting the net income/(loss) of the year ended in 2014. On 5 February 2015, the Lisbon Court of Appeal set the fine at Euro 100 thousand euros, a decision which became final and unappealable. NOS reverted the provision in the amount of 500 thousand euro and paid the fine in April 2015.
- iv. Infringement proceedings due to an alleged failure, by NOS SA, to apply the resolutions taken by ANACOM on 26 October 2005, concerning termination rates for fixed calls. Following a deliberation of Board of Directors of the regulator, in April 2012, a fine of approximately 6.5 million euro was applied to NOS SA; NOS SA has appealed for the judicial review of the decision and the court has declared the process's nullity, in January 2014 (violation of NOS, SA's right of defense). In April 2014 ANACOM has

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notified NOS SA of a new judicial process, based on the same accusations. This process is a repetition of the initial one. In September 2014, ANACOM, based on the same facts, fine on NOS SA in the amount of 6.5 million euro. This decision was contested by NOS SA. In May 2015, it was acquitted, which revoked the decision by ANACOM and the fine which had been applied. ANACOM appealed the decision and the process is currently on appeal in Lisbon Court of Appeal.

- v. Supplementary capital The tax authorities are of the opinion that NOS SA has broken the principle of full competition under the terms of (1) of article 58 of the Corporate Tax Code (CIRC), by granting supplementary capital to its subsidiary NOS Towering, without having been remunerated at a market interest rate. In consequence, it has been notified, with regard to the years 2004, 2005, 2006 and 2007, of corrections to the determination of its taxable income in the total amount of 20.5 million euro. NOS SA contested the decision with regard to all the above mentioned years. As for the year 2007, the Fiscal and Administrative Court of Oporto has already decided unfavorably. The company has contested this decision.
- vi. Future credits transferred For the year ended at 31 December 2010, the subsidiary NOS SA was notified of the Report of Tax Inspection, where it is considered that the increase, when calculating the taxable profit for the year 2008, of the amount of 100 million euro, with respect to initial price of future credits transferred to securitization, is inappropriate. Given the principle of periodization of taxable income, NOS SA was subsequently notified of the improper deduction of the amount of 20 million euro in the calculation of taxable income between 2009 and 2013 (tax inspection report received in January 2015). Given that the increase made in 2008 was not accepted due to not complying with Article 18 of the CIRC, also in the years following, the deduction corresponding to credits generated in that year, will eliminate the calculation of taxable income, to meet the annual amortization hired as part of the operation (20 million per year during 5 years). NOS SA challenged the decisions regarding 2008, 2009, 2010, 2011 and 2012 fiscal year. Regarding the year 2008, the Administrative and Fiscal Court of Porto has already decided unfavorably, in March 2014. The company has appealed.
- vii. Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU):

The Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU) is legislated in Articles 17 to 22 of Law nr 35/2012, of 23 August. From 1995 until June 2014, PT Comunicações, SA (PTC) was the sole provider for the universal service of electronic communications, having been designated administratively by the government, i.e without a tender procedure, which constitutes an illegality, as acknowledged by the European Court of Justice who, through its decision taken in June 2014, condemned the Portuguese State to pay a fine of 3M € for illegally designating Portugal Telecom. In accordance with Article 18 of the abovementioned Law 35/2012, the net costs incurred by the operator responsible for providing the universal service, approved by IPC-ANACOM, must be shared between other companies who provide, in national territory public communication networks and publicly accessible electronic communications services. NOS is therefore within the scope of this extraordinary contribution given that PTC has being requesting the payment of CLSU to the compensation fund of the several periods during which it was responsible for providing the services. The compensation fund can be activated to compensate the net costs of the electronic communications universal service, relative to the period before the designation of the provider by tender, whenever, cumulatively (i) there are net costs, considered excessive, the amount of which is approved by ICP-ANACOM, following an audit to their preliminary calculation and support documents, which are provided by the universal service provider, and (ii) the universal service provider requester the Government compensation for the net costs approved under the terms previously mentioned.

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In 2013, ANACOM deliberated to approve the final results of the CLSU audit presented by PTC, relative to the period from 2007 to 2009, in a total amount of 66.8 million euro, contested decision by the Company. In January ANACOM issued the settlement notes in the amount of 18.6 million euro related to NOS which a bail was presented by NOS SGPS to avoid Tax Execution Proceedings.

In 2014, ANACOM deliberated to approve the final results of the CLSU audit by PTC, relative to the period from 2010 to 2011, in a total amount of 47 million euro, a decision also contested by NOS. In February 2016 were emitted the settlement notes to the Company in amount of 13 million euro wich will be contested by NOS.

In 2015, ANACOM deliberated to approve the final results of the CLSU audit by PTC relative to the period 2012 in the amount of 20 million euro. This decision was also contested by NOS.

In the same year, 2015, ANACOM also deliberated to approve the final results of the CLSU audit by PTC, relative to the period 2013 in the same amount of 20 million euro, wich will be contested by NOS.

It is expected that the PTC will submit to ANACOM the CLSU incurred calculations in the period between January and June 2014.

It is the opinion of the Board of Directors of NOS that these extraordinary contributions to CLSU of service providing by PTC (not designated through a tender procedure) violates the Directive of Universal Service. Moreover, considering the existing legal framework since NOS began its activity, the request of payment of the extraordinary contribution violates the principle of the protection of confidence, recognised on a legal and constitutional level in Portuguese domestic law. For these reasons, NOS will continue judicially challenge the liquidation of each extraordinary contributions, once the Board of Directors is convinced it will be successful in all challenges, both future and already undertaken.

Regardless of the belief of the Board of Directors of NOS, was attributed, in 2014, in the Goodwill allocation period provided by IFRS 3, a provision to remedy this situation, with regard to possible liability to the date of the merger.

b) Legal actions and contingent assets and liabilities of ZOPT Group

i. Legal actions with regulators

NOS SA, NOS Açores and NOS Madeira brought actions for judicial review of ICP-ANACOM's decisions in respect of the payment of the Annual Fee (for 2009, 2010, 2011, 2012,2013, 2014 and 2015) for carrying on the business of Electronic Communications Services Networks Supplier in the amounts, respectively, of (i) 1.9 million euro, 3.8 million euro, 6 million euro, 6.3 million euro, 7.3 million euro, 7.4 million euro and 7.3 million euro; (ii) 29 thousand euro, 60 thousand euro, 95 thousand euro, 95 thousand euro, 104 thousand euro, 107 thousand euro and 98 thousand euro; (iii) 40 thousand euro, 83 thousand euro, 130 thousand euro, 132 thousand euro, 149 thousand euro, 165 thousand euro and 161 thousand euro, and seeking reimbursement of the amounts meanwhile paid in connection with the enforcement proceedings. This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. The scheme is being introduced gradually: ½ in the first year, ¾ in the second year and 100% in the third year. NOS SA, NOS Açores and NOS Madeira claim, in addition to defects of unconstitutionality and illegality, that only revenues from the electronic communications business per se, subject to regulation by ICP - ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded.

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On 18 December 2012 a ruling was passed on the proceedings instigated by NOS SA for 2009, for which the appeal was upheld, with no prior hearing, condemning ICP-ANACOM to pay the costs. ICP-ANACOM appealed and by decision of July 2013 was not upheld. The other processes are awaiting trial and/or decision.

ii. Tax Authorities

During the course of the 2003 to 2015, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2013 financial years. Following these inspections, NOS, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications is about 21.8 million euro. Note that the Group considered that the corrections were unfounded, and contested the amounts mentioned. The Group provided the bank guarantees demanded by the Tax Authorities in connection with these proceedings.

At end of year 2013 and taking advantage of the extraordinary settlement scheme of tax debts, the Group settled 7.7 million euro. This amount was recorded as 'taxes receivable' non-current net of the provision recorded in the amount of 3.5 million euro.

As belief of the Board of Directors of the NOS group, supported by our lawyers and tax advisors, the risk of loss of these proceedings is not likely and the outcome thereof will not affect materially the consolidated position.

iii. Actions against SPORT TV

• SPORT TV Portugal, S.A. was fined by the Competition Authority to the value of Euro 3.7 million euro for the alleged abuse of its dominant position in the domestic market of subscription channels with premium sport content.

SPORT TV is not in agreement with the decision and has therefore decided to appeal against the same to the competent judicial authorities. Meanwhile, the Court of Competition, Regulation and Supervision altered the value to Euro 2.7 million euro. Sport TV has appealed to the 'Tribunal da Relação' (Court of Appeal) which has rejected said appeal as unfounded. Sport TV contested that decision.

• Action brought by Cogeco Cable Inc., former shareholder of Cabovisão, against Sport TV, NOS SGPS and a third, requesting, among others: (i) joint condemnation of the three institutions to pay compensation for damages caused by anti-competitive conduct, guilty and illegal, between 3 August 2006 and 30 March 2011, specifically for the excess price paid for Sport TV channels by Cabovisão, in the amount of Euro 9.1 million; (ii) condemnation for damages corresponding to the remuneration of capital unavailable, in the amount Euro 2.4 million; and (iii) condemnation for damages corresponding to the loss of business from anti-competitive practices of Sport TV, in connection with the enforcement proceedings. The NOS Group contested the action, waiting for trial.

It is the understanding of the Board of Directors, supported by lawyers who monitor the process, that, in substance, it is unlikely that NOS SA is responsible in this action.

• Cabovisão brought an action against the SPORT TV, in which it requests compensation from the latter for alleged losses resulting from abuse of a dominant position in amount of 18 million euro, more capital and interest that will win from 31 December 2014 and profits. The Board of Directors of Sport TV and lawyers, who monitor the process, predict a favourably outcome, not estimating impacts in the accounts, in addition to those already registered.

iv. Contractual Penalties

The general conditions that affect the agreement and termination of this contract between NOS and its clients, establish that if the products and services provided by the client can no longer be used prior to the end of the binding period, the client is obliged to immediately pay damages.

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Until 31 December 2014, revenue from penalties, due to inherent uncertainties was recorded only at the moment when it was received, so at 31 December 2015, the receivables by NOS SA, NOS Madeira and NOS Açores amount to a total of Euro 111.2 thousand. During the period ended on 31 December 2015 Euro 4.7 million euros related to 2014 receivables were received and recorded in the income statement.

From 1 January 2015, Revenue from penalties is recognised taking into account an estimated collectability rate taking into account the Group's collection history. The penalties invoiced are recorded as accounts receivable and amounts determined as uncollectible are recorded as impairment by deducting revenue recognized upon invoicing.

v. Interconnection tariffs

At 31 December 2015, accounts receivable and accounts payable include 37.1 million euro and 29.9 million euro, respectively, resulting from a dispute between the subsidiary NOS SA and, essentially, the operator MEO – Serviços de Comunicação e Multimédia, S.A. (previously named TMN – Telecomunicações Móveis Nacionais, S.A.), in relation to the indefinition of interconnection tariffs, recorded in the year ended at 31 December 2001. In the lower court, the decision was favourable to NOS SA. The "Tribunal da Relação" (Court of Appeal), on appeal, rejected the intentions of MEO. However, MEO again appealed to the "Supremo Tribunal de Justiça" (Supreme Court), for final and permanent decision, who upheld the decision of the "Tribunal da Relação" (Court of Appeal), thus concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

c) Other commitments ZOPT Group

In December 2015, NOS Group signed a contract with Sport Lisboa e Benfica - Futebol SAD and Benfica TV, SA of television rights of home games of the Benfica SAD senior team to the league NOS and trasmission and distribution rights of Benfica TV channel. The contract will start in the sports season 2016/2017 and an initial duration of three years and may be renewed by decision of either party to a total of 10 sports seasons, reaching hand global financial amount to 400 million euros, divided into progressive annual amounts.

Also in December 2015, the NOS Group signed a contract with Sporting Clube de Portugal - Futebol SAD and Sporting Comunicação e Plataformas, S.A. for the assignment of the following rights:

- 1. Television and multimedia rights of home games of the Sporting SAD senior team;
- 2. Right to explore the static and virtual advertising of José Alvalade Stadium;
- 3. Right of Transmission and Distribution Sporting TV channel;
- 4. Right to be its main sponsor.

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The contract will last 10 seasons as regards the rights indicated in 1) and 2) above, starting in July 2018, 12 seasons in the case of the rights mentioned in 3) starting in July 2017 and 12 and a half seasons in the case of the rights mentioned in 4) beginning in January 2016, amounting to overall financial contribution to the amount of 446 million euro, divided into progressive annual amounts.

Also in December 2015, the NOS Group signed contracts of assignment of television rights credits of Senior home football games with the following sports clubs:

- 1. Associação Académica de Coimbra Organismo Autónomo de Futebol, SDUQ, Lda
- 2. Os Belenenses Sociedade Desportiva Futebol, SAD
- 3. Clube Desportivo Nacional Futebol, SAD
- 4. Futebol Clube de Arouca Futebol, SDUQ, Lda
- 5. Futebol Clube de Paços de Ferreira, SDUQ, Lda
- 6. Marítimo da Madeira Futebol, SAD
- 7. Sporting Clube de Braga Futebol, SAD
- 8. Vitória Futebol Clube, SAD

The contracts are all beginning in 2019/2020 sports season and last up to 7 seasons, with the exception of the contract with Sporting Clube de Braga - Futebol, SAD which lasts 10 seasons.

The Sonaecom Board of Directors believes that the above processes may result in contingencies that affect the NOS group's accounts are properly provisioned, given the degree of risk in the consolidated accounts of Sonaecom.

50 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decreases in goodwill, (iii) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

The value of EBITDA and EBIT are calculated with the direct income component, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 December 2015 and 2014 can be summarized as follows:

		31 Dec 2015		31 Dec 2014				
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect income	Direct income		
Turnover	5,014,242,623	_	5,014,242,623	4,974,126,500	_	4,974,126,500		
Investment income								
Dividends and others adjustments	1,694,266	1,542,101	152,165	1,473,483	1,321,885	151,598		
Impairments losses	(8,028,978)	(8,028,978)	=	-	=	=		
Others	(31,991)	=	(31,991)	7,313,346	=	7,313,346		
Others income								
Impairment losses Reversal	4,842,359	(471,539)	5,313,898	2,457,537	-	2,457,537		
Others	675,321,257	_	675,321,257	523,267,871	_	523,267,871		
Total income	5,688,039,536	(6,958,416)	5,694,997,952	5,508,638,737	1,321,885	5,507,316,852		
Total expenses	(5,366,883,192)	(2,919,593)	(5,363,963,599)	(5,124,201,099)	_	(5,124,201,099)		
Depreciation and amortisation	(173,003,291)	_	(173,003,291)	(170,831,196)	-	(170,831,196)		
Gains and Losses on tangible and intangible asset	(13,017,198)	-	(13,017,198)	(10,847,594)	_	(10,847,594)		
Impairment losses and provisions	. , , ,		. , , ,	. , , ,		, , , ,		
Provisions for warranty extensions	5,410,462	=	5,410,462	(726,942)	_	(726,942)		
Unusual provisions and impairments	(6,505,887)	(6,505,887)	-	(1,359,848)	(1,359,848)	-		
Others	(6,568,321)	-	(6,568,321)	(9,485,901)	-	(9,485,901)		
Profit before financial results and results of								
joint ventures and associstes	127,472,109	(16,383,896)	143,856,005	191,186,157	(37,963)	191,224,120		
Unusual results	13,888,102		13,888,102	(5,237,436)	_	(5,237,436)		
Gains and losses on investments recorded at fair value through results	22,135,189	22,135,189	-	(3,129,894)	(3,129,894)	-		
Financial profits/(loss)	(54,331,039)	2,580,730	(56,911,769)	(77,052,960)	-	(77,052,960)		
Share of results of joint ventures and associated	(0.,000,000)	_,,	(==,==,==,	(***,***=,*****)		(***,***=,*****)		
undertakings								
Sonae Sierra	70,872,567	40,335,459	30,537,108	48,312,480	21,964,263	26,348,217		
ZOPT	17,975,720	-	17,975,720	15,809,426	-	15,809,426		
Others	(317,098)	_	(317,098)	286,516	_	286,516		
Profit before income tax	197,695,550	48,667,482	149,028,068	170,174,289	18,796,406	151,377,883		
Income Tax	(20,919,599)	_	(20,919,599)	(24,660,421)	_	(24,660,421)		
Profit/(Loss) for the period	176,775,951	48,667,482	128,108,469	145,513,868	18,796,406	126,717,462		
Attributable to equity holders of Sonae	175,306,228	48,667,482	126,638,746	143,838,207	18,796,406	125,041,801		
Non-controlling interests	1,469,723	-	1,469,723	1,675,661	- -	1,675,661		
"Underlying" EBITDA (a)	***************************************	***************************************	330,978,752		***************************************	379,779,676		
EBITDA (b)	***************************************	104040104010401040104010401040104010401	393,062,584	***************************************	***************************************	416,986,399		
EBIT (c)			205,787,672			228,339,578		

- (a) EBITDA = total direct income total direct expenses reversal of direct impairment losses + Share of results in joint ventures and associated undertakings (Sonae Sierra direct results, and Zopt) + unusual results.
- (b) "Underlying" EBITDA = EBITDA effect of share result in joint ventures and associated undertakings –non-recurrent results.
- (c) EBIT = EBT financial results
- (d) EBT = Direct results before non-controlling interests and taxes
- (e) Direct income = Results excluding contributions to indirect income
- (f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for noncurrent assets (including goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

FINANCIAL STATEMENTS 15

Indirect income could be analyzed as follows:

Indirect income	31 Dec 2015	31 Dec 2014
Indirect income of Sonae Sierra	40,335,459	21,964,263
Measurement of NOS at fair value	22,135,189	(3,129,894)
Provision for contingencies in Brazil (Note 32)	(6,505,887)	(1,359,848)
Loss on disposal of "non-current assets held for sale" Note(22)	(4,263,823)	-
Impairment of financial investments (Note 7 and 13)	(3,765,155)	-
Dividends of joint ventures	1,542,101	1,321,885
Others	(810,402)	-
Total	48,667,482	18,796,406

[&]quot;Underlying EBITDA" could be analysed as follows:

	31 Dec 2015	31 Dec 2014
Direct EBITDA	393,062,584	416,986,399
Share of results of joint ventures and associated undertakings	(48,195,730)	(42,444,159)
Other expenses considered non-recurring	(13,888,102)	5,237,436
"Underlying" Direct EBITDA	330,978,752	379,779,676

51 SUBSEQUENTE EVENTS

On January 29, 2016 Sonae RP has concluded an agreement promising to sell and leaseback transaction of 12 food retail assets located in Portugal. This operation will totalize 164 million euro and corresponds to assets whose net book value is estimated at 114.4 million euro. This transaction was completed at 25 February 2016. These assets are classified as non-current assets held for sale (Note 22).

On 25 of February 2016 Sonae proceeded to issue of a bond loan, by private placement, amounting to 60 million euro, without guarantees, for a period of 7 years. On this same date, Sonae acquired and amortized 600 bonds, corresponding to the total bond issuance "SONAE SGPS 2014-2018", issued on 25 July 2014 in the total amount of 60 million euro.

On March 1, 2016 Sonae RP completed the sale transaction and leaseback of three stores Worten Spain in the cities of Madrid, Barcelona and Valencia. This transaction amounted to 26.8 million euro and the assets have a net book value added of 17.1 million euro. These assets are classified as non-current assets held for sale (Note 22).

On February 6, 2016 the Group and its investment partners Foncière Euris and Rallye sold 91% of their interest in the Loop 5 - Shopping Centre, GmbH (owner of the shopping centre LOOP5 located in Weiterstadt, Germany) to Deutsche Asset Management. The Group will maintain a minority position of 9% and it will continue to be responsible for the shopping centre's management.

On March 3, 2016 Sonae Sierra and Madison International Realty, announced that Madison acquired a 25% stake in the Sierra Portugal Real Estate (the "Fund") from Sonae Sierra. Following the transaction, Sonae Sierra retains a 22.501% stake in the Fund and will continue to manage both the Fund and the individual assets within it.

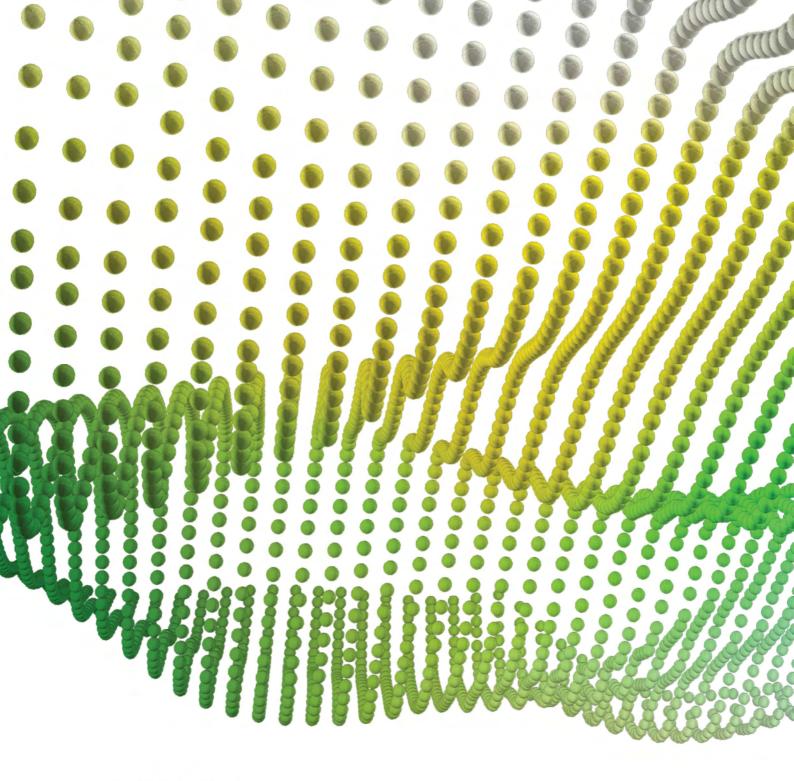
The adjustment of assets and liabilities in foreign currency in Angola associates (detained by ZOPT) and the conversion of financial statements of these companies for Euro was made using the exchange rate published by the National Bank of Angola on December 31, 2015. On January 4, 2016 (the first working day of 2016), the kwanza depreciated approximately 14% against the Euro. Arising from that devaluation and based the position of assets and liabilities denominated in foreign currency in these companies and the value of your net assets, Sonaecom will register under "Gains and losses in associated companies and

companies jointly controlled" a loss of 1 million Euro, and the caption of equity "exchange rate conversion reserves" included under "Reserves" will be reduced by approximately 7 million euro.

52 APPROVAL OF FINANCIAL STATEMENTS

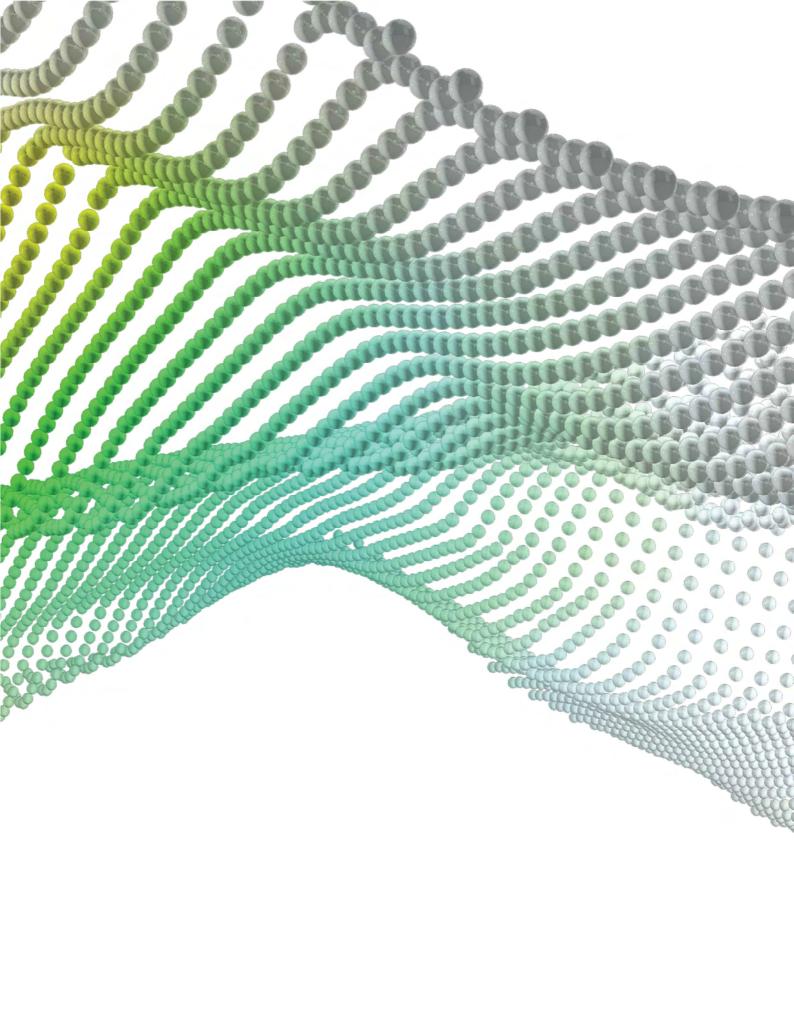
The accompanying consolidated financial statements were approved by the Board of Directors on 15 March 2016 nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors
Duarte Paulo Teixeira de Azevedo
Ângelo Gabriel Ribeirinho dos Santos Paupério
Andrew Eustace Clavering Campbell
Christine Cross
Dag Johan Skattum
José Manuel Neves Adelino
Marcelo Faria de Lima
Margaret Lorraine Trainer
Tsega Gebreyes



FINANCIAL STATEMENTS







 $(Translation\ of\ individual\ financial\ statements\ originally\ issued\ in\ Portuguese.\ In\ case\ of\ discrepancy\ the\ Portuguese\ version\ prevails)$

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
ASSETS			
NON-CURRENT ASSETS:			
Tangible assets	6	90,243	111,859
Intangible assets	7	2,153	5,695
Investments in subsidiaries, associates and joint ventures	4, 8	3,936,004,695	2,357,749,457
Other investments	4, 9	29,617,075	29,139,425
Other non-current assets	4, 10	347,400,000	462,400,000
Total non-current assets		4,313,114,166	2,849,406,436
CURRENT ASSETS:			
Trade account receivables	4, 11	500,159	708,819
Other debtors	4, 12	44,464,350	1,846,600,011
Taxes recoverable	13	25,714,649	6,923,993
Other current assets	4, 14	2,166,828	3,644,195
Cash and cash equivalents	4, 15	390,501	292,422,049
Total current assets	annum annumannum m	73,236,487	2,150,299,067
TOTAL ASSETS		4,386,350,653	4,999,705,503
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	2,000,000,000	2,000,000,000
Treasury shares	17	2,000,000,000	(6,857,332)
Legal reserves	18	244,211,592	196,260,390
Hedging reserve, fair value reserve and other reserves	19	1,604,617,615	760,580,389
Profit / (Loss) for the year	13	(279,672,410)	959,024,034
TOTAL EQUITY		3,569,156,797	3,909,007,481
TOTALLOUTT		3,303,130,737	3,303,007,481
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bonds	4, 21	207,406,442	107,999,258
Bank loans	4, 21	180,000,000	135,000,000
Total non-current liabilities		387,406,442	242,999,258
CURRENT LIABILITIES:			
Bonds	4, 21	-	446,308,102
Bank loans	4, 21	159,300,000	76,778,859
Trade accounts payable	4	403,764	283,747
Loans obtained from group companies	4, 22	201,328,447	274,584,173
Other creditors	4, 23	42,828,123	20,883,345
Taxes and contributions payable	13	20,205,511	10,692,297
Other current liabilities	4, 24	5,721,569	18,168,241
Total current liabilities	annum mannumumumum m	429,787,414	847,698,764
TOTAL EQUITY AND LIABILITIES		4,386,350,653	4,999,705,503

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(Translation of individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
Services rendered	28	469,550	477,612
Gains or losses on investments	29	(313,337,590)	964,856,982
Financial income	30	74,936,517	40,426,250
Other income		2,327,577	3,270,313
External supplies and services	31	(3,552,258)	(3,435,509)
Staff costs	32	(2,156,795)	(2,928,789)
Depreciation and amortisation	6, 7	(34,266)	(40,991)
Financial expense	30	(30,689,583)	(45,949,537)
Other expenses		(732,369)	(420,466)
Profit/(Loss) before taxes		(272,769,217)	956,255,865
Taxation	33	(6,903,193)	2,768,169
Profit/(Loss) after taxes	www.	(279,672,410)	959,024,034
Profit/(Loss) per share			
Basic	34	(0.140748)	0.480829
Diluted	34	(0.140662)	0.480435

The accompanying notes are part of these individual financial statements.

The Board of Directors

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INDIVIDUAL STATEMENT OF NET INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

(Translation of the individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
Net Profit / (Loss) for the year		(279,672,410)	959,024,034
Changes on fair value of available-for-sale financial assets	8, 9	83,232,889	(31,934,959)
Transfer of fair value of available-for-sale financial assets to the income statement		_	(371,403,860)
Changes in fair value of derivatives used in cash flow hedges		-	(1,163,254)
Other comprehensive income for the year		83,232,889	(404,502,073)
Total comprehensive income for the year		(196,439,521)	554,521,961

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED AS AT 31 DECEMBER 2015 AND 2014

(Translation of the individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

					Reserves and retained earnings						
(Amounts expressed in euro)	Notes	Share capital	Treasury shares	Legal reserve	Fair value reserve	Hedging reserve	Share based payments reserve	Free reserves	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2014		2,000,000,000	-	188,285,864	580,329,718	1,163,254	703,468	500,735,979	1,082,932,419	159,490,511	3,430,708,794
Total comprehensive income for the year		-	-	-	(403,338,819)	(1,163,254)	-	-	(404,502,073)	959,024,034	554,521,961
Appropriation of profit of 2013: Transfer to legal reserves and other reserves Dividends distributed Purchase of treasury shares Sale of treasury shares Share based payments Shares sold under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	18 36 17 17 20	-	(12,685,847) 5,263,235 - 565,280	7,974,526 - - - - - -		- - - - -	- - - - - 632,934 (550,800)	81,915,985 2,569 - 135,207 - 14,148	81,915,985 2,569 - 135,207 632,934 (536,652)	(89,890,511) (69,600,000) - - - -	(69,597,431) (12,685,847) 5,398,442 632,934 28,628
Balance as at 31 December 2014		2,000,000,000	(6,857,332)	196,260,390	176,990,899	-	785,602	582,803,888	760,580,389	959,024,034	3,909,007,481
Balance as at 1 January 2015		2,000,000,000	(6,857,332)	196,260,390	176,990,899	-	785,602	582,803,888	760,580,389	959,024,034	3,909,007,481
Total comprehensive income for the year		-	-	-	83,232,889	-	-	-	83,232,889	(279,672,410)	(196,439,521)
Appropriation of profit of 2014 Transfer to legal reserves and other reserves Dividends distributed Free reserves distributed Purchase of treasury shares Sale of treasury shares Share based payments Shares sold under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	18 36 36 17 17 20	-	(139,401) 5,912,942 - 1,083,791	47,951,202 - - - - - -	-	- - - - -	- - - - - 508,066 (335,400)	838,072,832 5,215 (76,994,692) - 241,601 - (693,285)	838,072,832 5,215 (76,994,692) - 241,601 508,066 (1,028,685)	(886,024,034) (73,000,000) - - - - -	(72,994,785) (76,994,692) (139,401) 6,154,543 508,066 55,106
Balance as at 31 December 2015		2,000,000,000		244,211,592	260,223,788	-	958,268	1,343,435,559	1,604,617,615	(279,672,410)	3,569,156,797

The accompanying notes are part of these individual financial statements.

The Board of Directors

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INDIVIDUAL STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 2014

 $(Translation\ of\ the\ individual\ financial\ statements\ originally\ issued\ in\ Portuguese.\ In\ case\ of\ discrepancy\ the\ Portuguese\ version\ prevails)$

(Amounts expressed in euro)	Notes	31 Dec 2015	31 Dec 2014
OPERATING ACTIVITIES			
Cash receipts from trade debtors		678,024	236,262
Cash paid to trade creditors		(3,595,661)	(3,192,319)
Cash paid to employees		(1,805,544)	(2,197,827)
Cash flow generated by operations	HONORO 1010101010101010101	(4,723,181)	(5,153,884)
Income taxes (paid) / received		2,298,925	1,940,266
Other cash receipts and (payments) relating to operating activities		2,961,673	1,817,283
Net cash flow from operating activities (1)		537,417	(1,396,335)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	35	1,815,901,002	-
Tangible assets		52	1,450
Interest and similar income		77,000,500	35,550,485
Dividends	12, 29	14,826,535	44,791,523
Others		643,124	1,664,473
Loans granted		4,478,376,788	2,273,590,285
		6,386,748,001	2,355,598,216
Cash payments arising from:			
Investments	35	(1,836,500,000)	(114,642,176)
Tangible assets		(9,032)	(2,428)
Intangible assets		(80)	-
Loans granted		(4,363,376,788)	(2,263,923,734)
		(6,199,885,900)	(2,378,568,338)
Net cash used in investment activities (2)		186,862,101	(22,970,122)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		2,939,352,786	2,419,962,856
Sale of treasury shares	17	6,209,650	5,421,454
		2,945,562,436	2,425,384,310
Cash payments arising from:			
Loans obtained		(3,232,563,361)	(2,085,615,517)
Interest and similar charges		(42,334,064)	(36,939,333)
Dividends	36	(149,955,750)	(69,595,270)
Purchase of treasury shares	17	(139,401)	(12,685,847)
		(3,424,992,576)	(2,204,835,967)
Net cash used in financing activities (3)	mana umanamana um	(479,430,140)	220,548,343
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(292,030,622)	196,181,886
Cash and cash equivalents at the beginning of the year	15	292,421,123	96,239,237
Cash and cash equivalents at the end of the year	15	390,501	292,421,123

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE, SGPS, SA

CARROLL LANGE

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(Translation of the individual financial statements originally issued in Portuguese.

In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("the Company" or "Sonae"), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

The individual financial statements are presented as required by Commercial Companies Code. According to Decree-Law 158/2009 of 13 July, the company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS – EU).

Consolidated financial statements are also presented in accordance with applicable legislation.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are as follows:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. This standards were issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") or by the previous Standing Interpretations Committee ("SIC"), that have been adopted by the European Union.

Interim financial statements are presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

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FINANCIAL STATEMENTS '15

The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments and investment properties which are stated at fair value.

New accounting standards and their impact in the financial statements

Up to the approval date of these financial statements, the European Union endorsed standards, interpretations, amendments and revisions, some of which have become effective during the year 2015. These changes are presented in Note 2 of the notes to the consolidated financial statements. The adoption, during 2015, of the mentioned standards did not produce relevant impacts on the Company financial statements, since they aren't applicable to the Individual financial statements of the Company.

Additionally, there are standards that have been approved for adoption in the periods started on or after 1 January 2016, and standards not yet approved by the European Union. The company did not early adopt any of the mentioned standards and do not expect significant impacts in the individual financial statements of the company from the application of those standards, with the possible exception of IFRS 9. The impacts of this standard are under analysis as at this date. The description of these standards is presented in Note 2 of the notes to the consolidated financial statements.

2.2 Tangible assets

Tangible assets are recorded at acquisition cost in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption depreciation and amortisation.

The impairment losses in the realisable value of tangible assets are recorded in the year they arise in the caption of the income statement - impairment losses.

2.3 Intangible assets

Intangible assets are stated at acquisition cost, net of amortisation and accumulated impairment losses. Intangible assets are only recognised if it is probable that future economic benefits will flow from them, if they are controlled by the Company and if their cost can be reliably measured.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption depreciation and amortization.

2.4 Borrowing costs

Borrowing costs are usually recognised as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.



2.5 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the sale must be highly probable and the asset or disposal group is available for immediate sale in its present condition. In addition, the sale should be expected to occur within 12 months from the date of classification.

CARRIED LESSE

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. These assets are not depreciated.

2.6 Financial instruments

The Company classifies the financial instruments in the categories presented and conciliated with the statement of financial position disclosed in Note 4.

a) Investments

Investments are classified into the following categories:

Held to maturity

Investments measured at fair value through profit or loss

Available for sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and the Company has the intention and ability to hold them until the maturity date. Investments measured at fair value through profit or losses are classified as current assets. Available for sale investments are classified as non-current assets.

Equity investments in subsidiaries, associates and jointly controlled companies are classified as available for sale.

The investments measured at fair value through profit or loss include the investments held for trading that the company acquires for sale in a short period of time, and are classified in the statement of financial position as current assets.

The Company classifies as available for sale those investments that are neither included as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

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FINANCIAL STATEMENTS '15

Investments are initially measured at fair value, which is considered to be the fair value of the consideration paid for them, including transaction costs, in the case of available for sale investments.

Available for sale investments and investments measured at fair value through profit or loss are subsequently measured at fair value, without any deduction for transaction costs which may be incurred on sale, by reference to their quoted market price or independent valuation at the statement of financial position date. Available for sale investments that do not have a quoted market price and whose fair value cannot be reliably measured are stated at cost or last reliable fair value measurement, less impairment losses.

Gains or losses arising from a change in fair value of available for sale investments are recognised directly in equity, under fair value reserve, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is transferred to net profit or loss.

Gains or losses arising from a change in fair value of investments measured at fair value through profit or loss are recorded in the income statement captions financial gains or losses on investments.

Held to maturity investments are carried at amortised cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Loans and accounts receivable

Loans and accounts receivable are recorded at amortised cost using the effective rate method net of accumulated impairment losses, in order to reflect its realisable value.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when the Company provides money or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, situations when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 4.

c) Trade accounts receivable

Receivables are stated at net realisable value corresponding to their nominal value less impairment losses (recorded under the caption impairment losses in accounts receivable).

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the



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financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

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d) Classification as equity or liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Sonae after deducting all of its liabilities. Equity instruments issued by Sonae are recorded by the amount of proceeds received, net of direct issuance costs.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments which corresponds to their fair value at transaction date.

Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.8. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Borrowings on the form of commercial paper are classified as non-current, when the Company has guarantees of placing for a period exceeding one year and it is its' intention to maintain the use of this form of financing for a period exceeding one year.

f) Trade accounts payable

Trade accounts payable are stated at their nominal value, since it relates to short term debt, and its discount effect is estimated to be immaterial.

g) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks and/or in order to optimise funding costs, in accordance with Management interest rate risk policy described in point 3.4.1.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the income statement under financial income or expenses.

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FINANCIAL STATEMENTS '15

The Company's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- the hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- the effectiveness of the hedge can be reliably measured;
- there is adequate documentation of the hedging relationships at the inception of the hedge;
- the transaction being hedged is highly probable.

Cash flows hedge instruments used by the Company to hedge the exposure to changes in interest of its loans are initially accounted for at cost, if any which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption hedging reserves, and then recognised in the income statement over the same period in which the hedged instrument affects profit or loss.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption hedging reserve are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

Derivatives entered into in accordance with interest rate risk management policy described in point 3.4.1 and not eligible for hedge accounting (mainly interest rate option), are initially recorded at cost, which corresponds to fair value at inception, and then, remeasured at fair value through profit and loss under financial income or expenses captions.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

h) Treasury shares

Treasury shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of treasury shares are recorded in other reserves.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in the statement of financial position caption of current bank loans.



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j) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period.

k) Impairment

Financial assets, other than investments measured at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Equity instruments classified as available for sale are considered to be impaired if there is a significant or prolonged decline in its fair value below its acquisition cost.

For non-listed equity instruments determining whether the investment is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the entity and a suitable discount rate in order to calculate present value.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments of non-listed subsidiaries, which are measured at acquisition cost less impairment (equity investments and loans granted) the impairment analysis is based on the fair value estimate of its net assets, mainly equity investments in other Company's subsidiaries, less the subsidiaries liabilities measured at fair value.

The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of equity available for sale securities, impairment losses previously recognised through profit or loss are not reversed. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

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2.7 Contingent assets and liabilities

Contingent assets are not recorded in the financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

2.8 Revenue recognition and accrual basis

Revenue from services rendered is recognised in the income statement in the period they are performed.

Dividends are recognised as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

Other current assets and other current liabilities include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but that correspond to income or expenses of future years, when they will be recognized in the income statement.

2.9 Subsequent events

Events after the statement of financial position date that provide additional information about conditions that existed at the statement of financial position date (adjusting events), are reflected in the financial statements. Events after the statement of financial position date that are non-adjusting events are disclosed in the notes when material.

2.10 Judgements and estimates

The most significant accounting estimates reflected in the financial statements are as follows:

- a) Record of adjustments to the value of assets and provisions;
- b) Impairment analysis of financial investments and loans granted to affiliated and associated companies;

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events are not controlled by the Company and are not foreseeable, some could occur and have impact on the estimates. Therefore and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the



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approval date of these consolidated financial statements, will be recognised in net income prospectively, in accordance with IAS 8.

The main estimates and assumptions in relation to future events included in the preparation of these financial statements are disclosed in the correspondent notes, if applicable.

2.11 Share-based payments

Deferred performance bonus plans are indexed to Sonae share price and are classified as share-based payments. These bonus plans vest within a period of 3 years after being granted.

Share-based payments are measured at fair value on the date they are granted (usually in March of each year).

The settlement of plans is made by the delivery of Sonae shares, although the Company has an option to settle in cash, and the value of each plan is determined as at the grant date based on fair value of shares granted and cost is recognized rateably during the period of each plan. The fair value of the plan is recognized as staff costs against equity.

2.12 Income tax

Sonae from 2014 is taxed in accordance with Special Regime of Taxing Groups of Companies (Parent company). Each company included in this regime records income tax for the year in its individual accounts in the caption "group companies". When a subsidiary contributes with a tax loss, it reflects, in its individual accounts, the amount of tax corresponding to the loss to be compensated by the profits of the other companies covered by this regime.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore expected to apply in the periods when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each statement of financial position date an assessment of the deferred tax assets recognized is made, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity.

2.13 Transactions with related parties

Transactions with related parties are performed at arm's length conditions, and the gains or losses arising on those transactions are recognized and disclosed in Note 27.

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3 FINANCIAL RISK MANAGEMENT

3.1 Introduction

The ultimate purpose of financial risk management is to support the Company in the achievement of its strategy by reducing unwanted financial risk and volatility and mitigate any negative impacts in the profit or loss statement arising from such risks.

The Group's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not enter into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Financial risk management policies are approved by the Sonae Executive Committee. Exposures are identified and monitored by the Finance Department. Exposures are also monitored by the Finance Committee as noted in the Corporate Governance Report.

3.2 Credit risk

Credit risk is defined as the probability of a counterparty defaulting on its payment contractual obligations resulting in a financial loss. Sonae is a holding company without any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalent instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) or from its lending activities to subsidiaries.

Additionally, Sonae may sometimes also be exposed to credit risk as a result of its portfolio management activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis (bank guarantees, escrow accounts, collaterals, among others) under the supervision of the Executive Committee.

In order to reduce the probability of counterparties default Sonae transactions (short term investments and derivatives) are only concluded in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have been selected based on its high national and international reputation, and taking, into account its rating notations and the nature, maturity and extension of the operations;
- Sonae should only invest in previously authorized financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made with a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);

- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by relationship banks in order to reduce exposure on a net basis, and ii) may only be applied on pre-approved instruments;

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- Any departure from the above mentioned policies needs to be pre-approved by the Executive Committee.

Given the above mentioned policies and the credit ratings restrictions imposed management does not expect any material failure in contractual obligations from its external counterparties. Nevertheless, exposure to individual counterparties resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Financial Department and any departure is promptly reported to the Executive Committee and Finance Committee.

Settlement risk is also a risk faced by Sonae, which is managed through the rigorous selection of its brokers which must be highly rated counterparties.

In relation to credit risk resulting from loans granted to subsidiaries, there is no specific risk management policy as the financing of its subsidiaries is part of the main operations of a holding company.

3.3 Liquidity risk

Sonae needs to raise external funds to finance its activities and investing plans. It holds a diversified loan portfolio, essentially made up of long term bond financing, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2015 the total gross debt was 547 million euro (766 million euro as at 31 December 2014) (Note 21).

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy.

Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining, with its relationship banks, a combination of short and medium term committed credit facilities, commercial paper programme with sufficiently comfortable previous notice cancellation periods within a range between 30 and 360 days;
- Maintenance of commercial paper with different periods, that allow, in some cases, to place the debt directly in institutional investors;
- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;
- Diversification of financing sources and counterparties;
- Ensuring an adequate debt average maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. As at 31 December 2015 Sonae debt average life maturity was 3.2 years (1.8 years as at 31 December 2014);

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- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;
- Where possible, by prefinancing forecasted liquidity needs;
- Management procedures of short term applications, assuring that the maturity of the applications will match with foreseen liquidity needs, including a margin to hedge forecasting deviations. The reliability of the treasury forecasts is an important variable to determine the amounts and the periods of the market applications/borrowings.

Sonae maintains a liquidity reserve in the form of credit lines with its relationship banks, to ensure the ability to meet its commitments without having to refinance itself on unfavourable terms. Sonae has a total of 317.5 million euro (316.5 million euro as at 31 December 2014) committed credit facilities, of which only 19% (18% as at 31 December 2014) are cancellable with a notice period of 6 months and the remainder with no less than a 360 days' notice period. As at 31 December 2015, the amount of loans with maturity in 2016 is 159 million euro (524 million euro with maturity in 2015), of which 84 million are in the form of automatically renewable credit lines. At the reporting date Sonae has no expectation that such renewals will not occur. Additionally, considering the credit lines used at 31 December 2015, 53.2 million euro are available (as at 31 December 2014 Sonae had available credit lines amounting to 181.5 million euro). In view of the above, and considering the increase of credit lines that have already been agreed at the time of this report Sonae expects to meet all its obligations by means of its investments cash flows and from its financial assets as well as from drawing existing available credit lines, if needed. Furthermore, Sonae maintains a liquidity reserve that includes cash and cash equivalents and current investments amounting to 0.4 million euro as at 31 December 2015 (292 million euro as at 31 December 2014).

Sonae believes that within the short term, it has access to all the necessary financial resources to meet its commitments and investments

3.4 Interest rate risk

3.4.1 Policy

Sonae is exposed to cash flow interest rate risk in respect of items in the statement of financial position (loans and short term investments) and to fair value interest rate risk as a result of interest rate derivatives (swaps, FRA's and options). Most of Sonae debt bears variable interest rates, and interest rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps or forward rate agreements), or to limit the maximum rate payable (usually through zero cost collars or the purchased caps).

Sonae mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve since hedging interest rate risk usually has an opportunity cost associated. Therefore a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that Sonae grants loans bearing interest at variable interest rates to its subsidiaries as part of its usual



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activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

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Sonae hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be the same as the settlement dates of the hedging instrument to avoid any mismatch and hedging inefficiency;
- Perfect match between the base rates (the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility / transaction);
- The maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in Sonae's business plans (or in extreme scenarios are not worse than the underlying cost of the floating rate);
- The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, as described in 3.2. above Credit Risk Management. It is Group policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's existing relationships, whilst at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;
- Swaps fair value was determined by discounting estimated future cash flows to the statement of financial position date. The cash flows result from the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. For options, the fair value is calculated according the "Black-Scholes" model and other similar models. The future cash-flow estimates are based on market forward interest rates, discounted to the present using the most representative market rates. The estimate is supported on reliable sources, such as those conveyed by Bloomberg and others. Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the evaluation. This estimate assumes all other variables constant.
- All transactions are documented under ISDA's agreements;
- All transactions which do not follow the rules above have to be individually approved by the Executive Committee, and reported to the Financial Committee, namely transactions entered into with the purpose of optimizing the cost of debt when deemed appropriate according to prevailing financial market conditions.

3.4.2 Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow

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hedges against interest rate risks). As a consequence, they are included in the calculation of incomerelated sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculations;
- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IAS 39 affect other financial income or expense and are therefore taken into consideration in the income-related sensitivity calculations;
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under the previously mentioned assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the company net loss before taxes as at 31 December 2015 (individual statements) would decrease by approximately 9 million euro (as at 31 December 2014 the net profit would decrease by 2 million euro). The increase in interest rate in 75 basis points would not have an impact over total equity (not considering the impact over net profit) as at 31 December 2015 (no impact on 31 December 2014).

3.5 Foreign exchange risk

Due to its nature of holding company, Sonae has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise foreign exchange risk management seeks to minimise the volatility of such transactions made in foreign currency and to reduce the impact on the income statement of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae hedges such exposures mainly through forward exchange rate contracts. For uncertain exposures, options may be considered, subject to pre-approval from the company's Executive Committee.



Sonae does not have any material foreign exchange rate exposure at holding level, since almost all equity and loans to subsidiaries are denominated in euro.

3.6 Price risk and market risk

The Group is exposed to equity price risks arising from equity investments, maintained for strategic rather than for trading purposes as the group does not actively trade these investments. These investments are presented in Note 8.

For the investment in Sonaecom, SGPS, SA a 10% change in the shares price would have an impact in total equity amounting to 16.8 million euro.

4 FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in note 2.6 have been applied to the line items below:

	31 Dec 2015							
Financial Assets	Notes	Loans and accounts receivable	Available for sale	Sub Total	Assets not within scope of IFRS 7	Total		
Non-current assets								
Investments in subsidiaries, associates and joint ventures	8	-	3,936,004,695	3,936,004,695	-	3,936,004,695		
Other available for sale investments	9	-	29,617,075	29,617,075	-	29,617,075		
Other non-current assets	10	347,400,000		347,400,000		347,400,000		
		347,400,000	3,965,621,770	4,313,021,770	-	4,313,021,770		
Current assets								
Trade accounts receivables	11	500,159	=	500,159	=	500,159		
Other debtors	12	44,464,350	-	44,464,350	-	44,464,350		
Other current assets	14	1,969,691	-	1,969,691	197,137	2,166,828		
Cash and cash equivalents	15	390,501	-	390,501	-	390,501		
	~ ~~~~	47,324,701	_	47,324,701	197,137	47,521,838		
		394,724,701	3,965,621,770	4,360,346,471	197,137	4,360,543,608		

	31 Dec 2014						
Financial Assets	Notes	Loans and accounts receivable	Available for sale	Sub Total	Assets not within scope of IFRS 7	Total	
Non-current assets							
Investments in subsidiaries, associates and joint ventures	8	-	2,357,749,457	2,357,749,457	-	2,357,749,457	
Other available for sale investments	9	-	29,139,425	29,139,425	-	29,139,425	
Other non-current assets	10	462,400,000	-	462,400,000	-	462,400,000	
		462,400,000	2,386,888,882	2,849,288,882	-	2,849,288,882	
Current assets	-						
Trade accounts receivables	11	708,819	-	708,819	-	708,819	
Other debtors	12	1,846,600,011	-	1,846,600,011	-	1,846,600,011	
Other current assets	14	3,426,051	-	3,426,051	218,144	3,644,195	
Cash and cash equivalents	15	292,422,049	-	292,422,049		292,422,049	
		2,143,156,930	-	2,143,156,930	218,144	2,143,375,074	
		2,605,556,930	2,386,888,882	4,992,445,812	218,144	4,992,663,956	

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	31 Dec 2015					
Financial Liabilities	Notes	Derivatives used for cash flow hedging	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities						
Bonds	21	-	207,406,442	207,406,442	-	207,406,442
Bank loans	21	_	180,000,000	180,000,000	-	180,000,000
		-	387,406,442	387,406,442	-	387,406,442
Current liabilities						
Bank loans	21	-	159,300,000	159,300,000	-	159,300,000
Trade accounts payable		-	403,764	403,764	-	403,764
Loans obtained from group companies	22	-	201,328,447	201,328,447	-	201,328,447
Other payables accounts	23	-	42,828,123	42,828,123	-	42,828,123
Other current liabilities	24	_	5,721,569	5,721,569	_	5,721,569
		-	409,581,903	409,581,903	-	409,581,903
		-	796,988,345	796,988,345	-	796,988,345

	31 Dec 2014					
Financial Liabilities	Notes	Derivatives used for cash flow hedging	Other financial liabilities	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities						
Bonds	21	-	107,999,258	107,999,258	-	107,999,258
Bank loans	21	-	135,000,000	135,000,000	_	135,000,000
		-	242,999,258	242,999,258	-	242,999,258
Current liabilities						
Bonds	21	-	446,308,102	446,308,102	-	446,308,102
Bank loans	21	-	76,778,859	76,778,859	-	76,778,859
Trade accounts payable		-	283,747	283,747	-	283,747
Loans obtained from group companies	22	-	274,584,173	274,584,173	-	274,584,173
Other payables accounts	23	-	20,883,345	20,883,345	-	20,883,345
Other current liabilities	24	-	18,168,241	18,168,241	_	18,168,241
		-	837,006,467	837,006,467	-	837,006,467
		-	1,080,005,725	1,080,005,725	-	1,080,005,725

Financial instruments at fair value

The table below details the financial instruments that are measured at fair value after initial recognition, grouped into 3 levels according to the possibility of observing its fair value on the market:

		31 Dec 2015			31 Dec 2014			
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
Financial assets at fair values								
Investments in affiliated companies	167,717,536	-	589,893,500	117,483,298	-	557,372,500		
Other investments	-	-	29,564,649			29,086,999		
	167,717,536	-	619,458,149	117,483,298	-	586,459,499		

Level 1: fair value is determined based on market prices for assets

Level 2: fair value is determined based on valuation techniques. The main inputs of the valuation models are observable in the market;

Level 3: fair value is determined based on valuation models, whose main inputs are not observable in the market.



The investments presented as level 3 correspond to companies/funds (Sonae Sierra, SGPS, SA and Fundo de Investimento Imobiliário Fechado Imosede) operating in the real estate business, whose fair value is determinate based on the net asset value of the assets held by those entities, which is made public. This amount is calculated based on independent valuations of its real estate assets, mainly based on the income that is expected to be earned by the properties, updated by required rates of return, which are observable on the real estate market.

5 CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

During the year there were no material changes in accounting policies or prior period errors.

6 TANGIBLE ASSETS

As at 31 December 2015 and 2014 tangible assets movements are as follows:

	Plant and machinery	Vehicles	Fixtures and fittings	Others	In progress	Total
Gross cost						
Opening balance as at 1 January 2014	132,742	194,768	1,658,834	723	1,722	1,988,789
Increase	-	-	24	-	2,220	2,244
Decrease	-	-	(3,206)	-	(1,400)	(4,606)
Transfers and write-offs	_	-	(10,444)	-	(2,542)	(12,986)
Opening balance as at 1 January 2015	132,742	194,768	1,645,208	723	_	1,973,441
Increase	-	-	2,045	-	6,986	9,031
Decrease	-	-	(3,202)	-	-	(3,202)
Transfers and write-offs	_	_	6,986	_	(6,986)	-
Closing balance as at 31 December 2015	132,742	194,768	1,651,037	723	_	1,979,270
Accumulated depreciation						
Opening balance as at 1 January 2014	52,294	194,768	1,596,226	723	-	1,844,011
Increase	13,229	-	20,212	-	-	33,441
Decrease	-	-	(3,204)	-	-	(3,204)
Transfers and write-offs	-	_	(12,666)	_	_	(12,666)
Opening balance as at 1 January 2015	65,523	194,768	1,600,568	723	_	1,861,582
Increase	13,229	-	17,416	-	-	30,645
Decrease	_	_	(3,200)	_	_	(3,200)
Closing balance as at 31 December 2015	78,752	194,768	1,614,784	723	-	1,889,027
Carrying amount						
As at 31 December 2014	67,219		44,640			111,859
As at 31 December 2015	53,990		36,253			90,243

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7 INTANGIBLE ASSETS

As at 31 December 2015 and 2014 intangible assets movements are as follows:

	Patents and other similar rights	Software	In progress	Total intangible assets
Gross cost				
Opening balance as at 1 January 2014	187,305	2,758	-	190,063
Opening balance as at 1 January 2015	187,305	2,758	-	190,063
Increase	-	-	79	79
Transfers and write-offs	-	79	(79)	-
Closing balance as at 31 December 2015	187,305	2,837	-	190,142
Accumulated depreciation				
Opening balance as at 1 January 2014	174,132	2,686	-	176,818
Increase	7,526	24	-	7,550
Opening balance as at 1 January 2015	181,658	2,710	-	184,368
Increase	3,589	32	-	3,621
Closing balance as at 31 December 2015	185,247	2,742	_	187,989
Carrying amount				
As at 31 December 2014	5,647	48		5,695
As at 31 December 2015	2,058	95		2,153

8 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 31 December 2015 and 2014, the Company held investments in the following subsidiaries:

		31 Dec 2015						
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the year	Closing balance	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686	
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655	
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000	
Sonae RE, SA	99.92%	583,059	-	-	=	=	583,059	
Sonae Sierra SGPS, SA (b)	50.00%	557,372,500	-	-	32,521,000	-	589,893,500	
Sonaecom, SGPS, SA	26.02%	117,483,298	-	-	50,234,238	=	167,717,536	
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615	
Sonaecenter Serviços, SA	100.00%	731,545	1,836,500,000	-	-	(341,000,000)	1,496,231,545	
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099	
Total		2,357,749,457	1,836,500,000	-	82,755,238	(341,000,000)	3,936,004,695	

		31 Dec 2014						
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the year	Closing balance	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686	
Sonae Investimentos, SGPS, SA (a)	25.03%	1,893,219,480	-	(883,843,965)	(371,403,860)	-	637,971,655	
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000	
Sonae RE, SA	99.92%	3,672,059	-	-	-	(3,089,000)	583,059	
Sonae Sierra SGPS, SA (b)	50.00%	500,118,000	-	-	57,254,500	-	557,372,500	
Sonaecom, SGPS, SA	26.02%	196,989,312	9,895,571	-	(89,401,585)	-	117,483,298	
Sonaegest, SA	20.00%	159,615	-	=	=	-	159,615	
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	-	731,545	
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099	
Total		3,638,337,796	9,895,571	(883,843,965)	(403,550,945)	(3,089,000)	2,357,749,457	

a) The value of this investment is the price paid in the public tender offer for de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

RARRIED LES

b) The market value was determined based on the Net Asset Value ("NAV") of the assets in accordance with INREV (European Association for Investors in Non-Listed Real Estate Vehicles) guidelines. The NAV is based on the fair value of real estate assets owned by this Joint-venture and deducting the corresponding net debt and non-controlling interests shares, as well as deferred tax liabilities when the real estate assets are located in jurisdictions where transaction consider that assumption in determining the fair value. The assumptions regarding the valuation of real estate assets are disclosed on consolidated financial statements.

In December 2015 the Company subscribed and fully realized a capital increase in Sonaecenter Serviços, SA amounting to 1,836,500,000 euro.

During 2014 Sonae acquired 4,343,590 Sonaecom, SGPS, SA equity shares.

In December 2014, shareholding interest of 51.83% over Sonae Investimentos, SGPS, SA was sold to a subsidiary recognizing a capital gain of 932,057,037 euro, including the amount of the fair value reserve recycled to profit and loss amounting to 371,403,860 euro.

In previous years, the Company recorded an impairment loss over the financial investments held in Sontel BV (165,500,000 euro), in Sonae Investments, BV (32,500,000 euro) and in Sonae RE, SA (3,089,000 euro) as result of applying the accounting policy mentioned in 2.6 k), and according to a valuation of those subsidiaries made with the use of discounted cash flow models, in order to estimate the value in use of those investments. In the current year the Company recorded an impairment loss on the investment held in Sonaecenter Serviços, SA amounting to 341,000,000 euro (note 29).

The assumptions used are similar to those used on goodwill impairment test and are disclosed in the consolidated financial statements.

9 OTHER INVESTMENTS

As at 31 December 2015 and 2014 other investments available for sale are as follows:

			31 Dec 2015		
Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,086,999	-	-	477,650	29,564,649
Total	29,139,425			477,650	29,617,075

			31 Dec 2014		
Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,315,009	-	-	(228,010)	29,086,999
Total	29,367,435			(228,010)	29,139,425

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10 OTHER NON-CURRENT ASSETS

As at 31 December 2015 and 2014 other non-current assets are as follows:

	31 Dec 2015	31 Dec 2014
Loans granted to group companies:		
Sonae Investments, BV	-	115,000,000
Sonae Investimentos, SGPS, SA	347,400,000	347,400,000
	347,400,000	462,400,000

The amount recognized under the caption loans granted to Sonae Investimentos, SGPS, SA, refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions in 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period.

In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

As at 31 December 2015 and 2014, the Company held 6,948 bonds. The fair value of these bonds as at 31 December 2015 is 56,404 euro (42,358 euro as at 31 December 2014) per bond, having been determined based on the discounted cash flow method using market transaction figures as reference. There is no evidence of impairment on this loan.

As at 31 December 2014 the other loans granted to group companies, bear interest at market rates indexed to Euribor, have a long term maturity and its fair value is similar to its carrying amount.

There are no past due or impaired receivable balances as at 31 December 2015 and 2014. The eventual impairment of loans granted to group companies is assessed in accordance with note 2.6.k).

11 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable amounted to 500,159 euro and 708,819 euro as at 31 December 2015 and 2014 respectively, and include balances arising solely from services rendered to group companies.

As at the statement of financial position dates there are no accounts receivable past due, and no impairment loss was recorded, as there are no indications as of the reporting date that the debtors will not meet their payment obligations.

12 OTHER DEBTORS

As at 31 December 2015 and 2014 other debtors are as follows:

	31 Dec 2015	31 Dec 2014
Group companies		
Interest	709,630	2,746,098
Dividends	12,192,750	-
Taxes - Special regime for taxation of group companies	31,251,889	27,713,203
Other debtors		
Others	310,081	1,816,140,710
	44,464,350	1,846,600,011

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The amount recorded in the caption taxes-special regime for taxation of groups corresponds to the tax estimate calculated by the companies taxed under the Special Regime for Taxation of Corporate Groups, of which the Company is the dominant company.

As at 31 December 2014, the amount recorded under the caption other includes the amount of 1,815,901,002 euro related with the sale of 51.83% holding in Sonae Investimentos, SGPS, SA to a subsidiary. This amount was received in January 2015.

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity of less than one year.

There were no assets impaired or past due as at 31 December 2015 and 2014. The fair value of loans granted is similar to its carrying amount.

13 TAXES

As at 31 December 2015 and 2014 taxes balances are as follows:

Assets	31 Dec 2015	31 Dec 2014
Advance payments	5,982,263	3,288,994
Taxes withheld	19,672,056	3,574,926
Others	60,330	60,073
	25,714,649	6,923,993
Liabilities	31 Dec 2015	31 Dec 2014
Income tax charge for the year	20,049,387	10,423,751

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Taxes withheld		
Staff	27,366	43,676
Capital	-	60,209
Other	3,750	-
Value added tax	108,142	109,982
Social security contributions	16,866	32,418
Others	-	22,261
	20,205,511	10,692,297

The income tax charge for the year corresponds to the income tax estimated by the companies included in the special tax regime for groups of companies which the Company is dominant and that will be paid by the subsidiaries.

14 OTHER CURRENT ASSETS

As at 31 December 2015 and 2014 other current assets are as follows:

	31 Dec 2015	31 Dec 2014
Accrued income	1,969,691	3,426,051
Prepayments	197,137	218,144
	2,166,828	3,644,195

The amount recorded under the caption "Accrued income" relates essentially to the interests to be received for loans granted and commissions from guarantees given to subsidiaries.

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15 CASH AND CASH EQUIVALENTS

As at 31 December 2015 and 2014 cash and cash equivalents are as follows:

	31 Dec 2015	31 Dec 2014
Cash in hand	1,086	589
Bank deposits	389,415	292,421,460
Cash and cash equivalents on the balance sheet	390,501	292,422,049
Bank overdrafts (Note 21)	-	(926)
Cash and cash equivalents on the cash flow		
statement	390,501	292,421,123

As at 31 December 2014 the company held bank deposits amounting to 247,710,000 euro, which had less than a three month maturity period and where redeemed in early 2015, the remaining bank deposits are readily convertible.

16 SHARE CAPITAL

As at 31 December 2015 and 2014 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

As at 31 December 2015 and 2014 Efanor Investimentos, SGPS, SA and affiliated companies held 52.48% of Sonae's share capital.

17 TREASURY SHARES

As at 31 December 2014 the Company owns, directly, 5,560,746 treasury shares, with an average acquisition cost of 1.233 euro.

During 2015, Sonae acquired 118,820 treasury shares at an average price of 1.173 euro per share (139,401 euro).

Sonae sold to its Subsidiaries, under the short-term incentive plan stablished by each of these companies, 4,817,167 shares at an average price of 1.278 euro per share (6,154,543 euro).

In 2015, Sonae settled its medium-term variable remuneration policy, selling 862,399 treasury shares.

As at 31 December 2015 Company do not hold any treasury shares directly.

18 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2015, 47,951,202 euro was transferred from profit for the year to legal reserves.



19 HEDGING RESERVE, FAIR VALUE RESERVE AND OTHER RESERVES

As at 31 December 2015 and 2014 other reserves are detailed as follows:

	31 Dec 2015	31 Dec 2014
Free reserves	1,343,266,374	573,183,774
Legal reserve in accordance with article 324 of CommercialCompanies Code	169,185	9,620,114
Fair value reserve		
Sonae Investimentos, SGPS, SA	105,724,959	105,724,959
Sonae Sierra, SGPS, SA	99,780,161	67,259,160
Sonaecom, SGPS, SA	55,154,562	4,920,324
Fundo de Investimento Imobiliário Fechado Imosede	(435,894)	(913,544)
Share-based payments reserve (Note 20)	958,268	785,602
	1,604,617,615	760,580,389

Movements occurred in 2015 and 2014 in these reserves are detailed in the Company Statement of changes in equity and in the statement of comprehensive income.

Fair value reserves correspond to changes in fair value of available for sale financial investments. As at 31 December 2015 and 2014, Sonae believes that there is no significant or prolonged decline in the fair value of the investment over Fundo de Investimento Imobiliário Fechado Imosede.

The share-based payments reserve relates to equity-share based payments under the deferred performance bonuses, which will be settled by the delivery of shares.

20 SHARE-BASED PAYMENTS

In 2015 and in previous years, according to the remuneration policy disclosed in its Corporate Governance Report, Sonae granted deferred performance bonuses to its directors. These are based on shares to be acquired with discount, three years after being attributed. These shares are only granted if the Director still works for Sonae at the vesting date.

As at 31 December 2015 and 2014, the outstanding plans were as follows:

	Vesting	period	31 De	c 2015	31 De	c 2014
	Year of grant	Vesting year	Number of participants	Number of shares	Number of participants	Number of shares
Plan 2011	2012	2015	-	-	1	974,624
Plan 2012	2013	2016	2	730,708	2	618,924
Plan 2013	2014	2017	2	490,067	2	460,598
Plan 2014	2015	2018	2	472,875	-	-

The fair values of the attributed shares for the outstanding plans can be detailed as follows:

	Year of grant	Vesting year	Grant date	31 Dec 2015	31 Dec 2014
Plan 2011	2012	2015	335,400	-	998,015
Plan 2012	2013	2016	404,600	765,782	633,778
Plan 2013	2014	2017	541,400	513,590	471,652
Plan 2014	2015	2018	578,200	495,573	-

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During the year the movements occurred can be detailed as follows:

Number of shares	31 Dec 2015	31 Dec 2014
Opening balance	2,054,146	2,051,660
Changes during the year:		
Attribued	452,426	447,804
Vested	(862,399)	(439,654)
Canceled /extinct / corrected / transferred	49,477	(5,664)
Closing balance	1,693,650	2,054,146
Amount	31 Dec 2015	31 Dec 2014
Recorded as staff cost in the year	508,066	632,933
Recorded as staff cost in previous year	450,202	152,669
	958 268	785 602

21 BORROWINGS

As at 31 December 2015 and 2014 this caption included the following loans:

	31 Dec 2015	31 Dec 2014
Bonds Sonae, SGPS 2014/2018	60,000,000	60,000,000
Bonds Sonae, SGPS 2014/2020	50,000,000	50,000,000
Bonds Sonae, SGPS 2015/2022	100,000,000	-
Up-front fees not yet charged to income statement	(2,593,558)	(2,000,742)
Bonds	207,406,442	107,999,258
Sonae SGPS - Commercial paper	180,000,000	135,000,000
Bank loans	180,000,000	135,000,000
Non-current loans	387,406,442	242,999,258
Bonds Sonae, SGPS 2010/2015	-	250,000,000
Bonds Continente - 7% - 2012/2015	-	197,293,166
Up-front fees not yet charged to income statement	-	(985,064)
Bonds	-	446,308,102
Bank overdrafts	-	926
Other bank loans	-	76,961,683
Sonae SGPS - Commercial paper	159,300,000	-
Up-front fees not yet charged to income statement	-	(183,750)
Bank loans	159,300,000	76,778,859
Current loans	159,300,000	523,086,961

As at 31 December 2015 and 2014, all the loans bear interests at variable interest rates. The above mentioned loans estimated fair value is considered to be near its carrying amount. Loans fair value was determined by discounting estimated future cash flows.



Maturity of Borrowings

As at 31 December 2015 and 2014 the analysis of the maturity of loans excluding derivatives is as follows:

	31 Dec 2015		31 Dec 2014	
	Nominal value	Interests	Nominal value	Interests
N+1	159,300,000	8,160,065	524,255,775	26,378,700
N+2	35,000,000	7,878,493	-	6,823,846
N+3	80,000,000	7,641,636	-	6,793,664
N+4	70,000,000	4,006,085	80,000,000	6,723,524
N+5	60,000,000	3,861,546	70,000,000	2,676,381
after N+5	145,000,000	2,551,829	95,000,000	2,691,117

The maturities above were estimated in accordance with the contractual terms of the loans, and taking into account Sonae's best estimated regarding their reimbursement date.

The interest amount was calculated considering the applicable interest rates for each loan at 31 December.

As at 31 December 2015, there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are complied with.

Sonae held 53 million euro available to meet its cash requirements in lines of credit and commercial paper programs with firm commitments, as follows:

31 Dec 2015		31 Dec 2014	
Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
137,500,000	180,000,000	146,500,000	170,000,000
53,200,000	-	146,500,000	35,000,000
	Commitments of less than one year 137,500,000	Commitments of less than one year 137,500,000 Commitments of more than one year 180,000,000	Commitments of less than one year 137,500,000 180,000,000 Commitments of less than one year 146,500,000

In early 2016, Sonae increased the credit lines agreed by 35 million euros.

Interest rate as at 31 December 2015 of the bonds and bank loan was, in average, 1.76% (3.87% as at 31 December 2014).

Interest rate derivatives

The financial instruments considered to be hedging instruments are variable to fixed interest rates swaps entered into with the purpose of hedging interest rate risk on loans. As at 31 December 2015, there were no loans hedged by interest rate derivatives.

If applicable, the interest rate derivatives are valued at fair value, at the statement of financial position date, based on valuations performed by the Group using specific software. The fair value of swaps was calculated, as at the statement of financial position date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate

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inherent to the variable leg of the derivative, estimated at rate setting dates based on yield curves from Bloomberg.

22 LOANS FROM GROUP COMPANIES

As at 31 December 2015 and 2014 loans obtained from group companies are as follows:

	31 Dec 2015	31 Dec 2014
Sonae Investments, BV	200,798,286	-
Sontel, BV	-	274,181,000
Sonaecenter Serviços, SA	530,161	403,173
	201,328,447	274,584,173

Loans obtained from group companies bear interest at rates indexed to the Euribor.

23 OTHER CREDITORS

As at 31 December 2015 and 2014 other creditors are as follows:

	31 Dec 2015	31 Dec 2014
Group companies		
Taxes - Special regime for taxation of groups	42,710,114	20,804,548
Shareholders	107,636	73,908
Others	10,373	4,889
	42,828,123	20,883,345

24 OTHER CURRENT LIABILITIES

As at 31 December 2015 and 2014 other current liabilities are as follows:

	31 Dec 2015	31 Dec 2014
Accruals:		
Salaries	551,485	679,860
Interest	4,324,619	16,463,961
Others	845,465	1,024,420
	5,721,569	18,168,241

25 CONTINGENT LIABILITIES

As at 31 December 2015 and 2014, contingent liabilities were guarantees given are as follows

	31 Dec 2015	31 Dec 2014
Guarantees given:		
on tax claims	128,624,001	108,474,615
on judicial claims	70,766	70,766
Guarantees given in the name of subsidiaries (a)	359,213,603	280,867,155

a) Guarantees given to Tax Authorities in favour of subsidiaries to defer tax claims. The main tax claims for which guarantees were issued are disclosed in consolidated financial statements.



The caption guarantees given on tax claims includes guarantees in favor of Tax authorities regarding the periods of 2007 up to 2014 income tax. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007 as well as to the disregarded of reinvestment concerning capital gains in shares disposal and the fact that demerger operations shall be considered neutral for income tax proposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for the Company.

26 OPERATIONAL LEASES

As at 31 December 2015 and 2014, the company had operational lease contracts, as a lessee, whose minimum lease payments had the following schedule:

	31 Dec 2015	31 Dec 2014
Due in		
N+1 automatically renewable	258,259	257,047
N+1	20,192	22,388
N+2	2,375	19,775
N+3	-	2,236
N+4	-	-
	280,826	301,446

In 2015 Sonae recognized costs on operational leases amounting 277,742 euro (280,924 euro in 2014).

27 RELATED PARTIES

As at 31 December 2015 and 2014 balances and transactions with related parties are as follows:

Balances	31 Dec 2015	31 Dec 2014
Subsidiaries	34,281,214	1,849,600,612
Jointly controlled companies	12,398,109	805,273
Other related parties	98,000	98,000
Accounts receivable	46,777,323	1,850,503,885
Parent company	611,470	811,179
Subsidiaries	45,526,331	26,945,890
Jointly controlled companies	-	4,038
Other related parties	13,588	766
Accounts payable	46,151,389	27,761,873
Subsidiaries	347,400,000	462,400,000
Loans granted	347,400,000	462,400,000
Subsidiaries	201,328,447	274,584,173
Loans obtained	201,328,447	274,584,173

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Transactions	31 Dec 2015	31 Dec 2014
Subsidiaries	2,468,928	3,409,711
Jointly controlled companies	210,717	217,681
Other related parties	100,000	100,000
Services rendered	2,779,645	3,727,392
Parent company	772,551	836,787
Subsidiaries	1,511,210	1,344,045
Jointly controlled companies	-	46,687
Other related parties	130,293	6,820
Purchases and services obtained	2,414,054	2,234,339
Subsidiaries	74,455,104	37,719,580
Other related parties	1,247	-
Interest income	74,456,351	37,719,580
Subsidiaries	7,114,298	7,751,564
Interest expenses	7,114,298	7,751,564
Subsidiaries	14,826,535	34,224,473
Jointly controlled companies	12,192,750	-
Dividend income (Note 29)	27,019,285	34,224,473
Subsidiaries	-	(1,815,901,002)
Disposal of investments (Note 35)	_	(1,815,901,002)
Parent company	-	2,580
Subsidiaries	1,836,500,000	-
Other related parties	-	3,048,735
Acquisition of investments/Capital increase (Note 35)	1,836,500,000	3,051,315
Subsidiaries	5,207,737	4,483,732
Jointly controlled companies	946,806	914,712
Other related parties	55,106	28,627
Sale of treasury shares	6,209,649	5,427,071

All Sonae, SGPS, S.A. subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA (parent company), subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA are also considered related parties (Other related parties).

The remuneration attributed to the Board of Directors for the years ended 31 December 2015 and 2014 is detailed as follows:

	31 Dec 2015	31 Dec 2014
Short term benefits	1,489,027	1,980,572
Share based payments	455,100	578,200
	1,944,127	2,558,772

In 2015 and 2014 no loans were granted to the Company's Directors.

As at 31 December 2015 and 2014 no balances existed with the Company's Directors.

28 SERVICES RENDERED

Services rendered amounted to 469,550 euro and 477,612 euro, in 31 December 2015 and 2014. Services rendered include management fees over subsidiaries in accordance with Holding companies law.

29 GAINS OR LOSSES RELATED TO INVESTMENTS

As at 31 December 2015 and 2014 investment income are as follows:

	31 Dec 2015	31 Dec 2014
Dividends received	27,019,285	34,224,473
Gains/(Losses) on sale of investments	643,125	933,721,509
Impairment losses (Note 8)	(341,000,000)	(3,089,000)
	(313,337,590)	964,856,982

Dividends were received from Sonae Investimentos, SGPS, SA (11,123,853 euro), Sonaegest, SA (56,649 euro), Sonae Sierra, SGPS, SA (12,192,750 euro) and Sonaecom, SGPS, SA (3,646,033 euro).

As at 31 December 2015 the dividends attributed by Sonae Sierra, SGPS, SA were not paid (note 12).

30 FINANCIAL INCOME / EXPENSES

As at 31 December 2015 and 2014 net financial expenses are as follows:

	31 Dec 2015	31 Dec 2014
Interest arising from:		
Bank loans	(5,930,084)	(7,409,779)
Bonds	(13,017,126)	(21,480,726)
Other	(7,114,471)	(11,734,445)
Up front fees on the issuance of debt	(4,289,779)	(4,744,790)
Other financial expenses	(338,123)	(579,797)
Financial expenses	(30,689,583)	(45,949,537)
Interest income	74,545,942	37,818,908
Changes in fair value	-	2,491,439
Others	390,575	115,903
Finacial income	74,936,517	40,426,250

31 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2015 and 2014 external supplies and services are as follows:

	31 Dec 2015	31 Dec 2014
Operational rents	378,535	382,790
Services obtained	2,013,725	1,806,634
Others	1,159,998	1,246,085
	3,552,258	3,435,509

32 STAFF COSTS

As at 31 December 2015 and 2014 staff costs are as follows:

	31 Dec 2015	31 Dec 2014
Salaries	1,876,913	2,593,468
Social costs	214,637	288,251
Other staff costs	65,245	47,070
	2,156,795	2,928,789

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33 INCOME TAX

The reconciliation between the profit before taxes and the tax charge for the years ended 31 December 2015 and 2014 are summarized as follows:

	31 Dec 2015	31 Dec 2014
Profit / (loss) before taxes	(272,769,217)	956,255,865
(Decrease) / Increase to net income for tax purposes:		
Dividends	(27,019,285)	(34,224,473)
Impairment losses	341,000,000	3,089,000
Capital gains not taxed	-	(932,057,037)
Others	312,284	(1,848,748)
Taxable income	41,523,782	(8,785,393)
Used tax losses for wich no deferred tax assets were recognized	(20,312,448)	_
Net taxable income	21,211,334	(8,785,393)
Tax charge	21%	23%
Calculated tax	(4,454,382)	2,020,640
Special Regime of Taxing Groups of Companies savings	973,759	762,989
Change in income tax estimate from previous years	(784,794)	(7,850)
Municipal surcharge	(2,634,521)	-
Autonomous taxation	(3,255)	(7,610)
Tax charge	(6,903,193)	2,768,169

34 EARNINGS PER SHARE

Earnings per share for the period ended 31 December 2015 and 2014 were calculated taking into consideration the following amounts:

	31 Dec 2015	31 Dec 2014
Net profit / (Loss)		
Net profit / (loss) taken into consideration to calculate basic earnings per	(279,672,410)	959,024,034
share (Net profit / (loss) for the period)	(273,072,410)	333,024,034
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)		
Net profit / (loss) taken into consideration to calculate diluted earnings		
per share	(279,672,410)	959,024,034
Number of shares		
Weighted average number of shares used to calculated basic earnings	1,987,044,420	1,994,521,164
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outsanding shares related with deferred performance bonus (note 20)	1,693,650	2,054,146
Number of shares that could be acquired at average market price	(474,833)	(417,122)
Weighted average number of shares used to calculated diluted earnings		
per share	1,988,263,237	1,996,158,188
Profit / (Loss) per share		
Basic	(0.140748)	0.480829
Diluted	(0.140662)	0.480435

35 RECEIPTS / PAYMENTS OF INVESTMENTS

During 2015 and 2014, the following receipts and payments occurred:

		31 Dec 2015	
Companies	Acquisitions / (disposal) for the year	Amount received	Amount paid
Sonaecenter Serviços, SA (note 8)	1,836,500,000	-	1,836,500,000
Sonae Investimentos, SGPS, SA (notes 8 and 12)	-	1,815,901,002	<u>-</u>
	1,836,500,000	1,815,901,002	1,836,500,000
	2,330,300,300	1,013,301,002	2,030,300,000

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	31 Dec 2014		
Companies	Acquisitions / (disposal) for the year	Amount received	Amount paid
Sonaecom, SGPS, SA	9,895,571	=	114,642,176
Sonae Investimentos, SGPS, SA (notes 8 and 12)	(1,815,901,002)	-	<u>-</u>
	(1,806,005,431)		114,642,176

36 DIVIDENDS

The Shareholders Annual Meeting held on 30 April 2015, approved the payment of a gross dividend of 0.0365 euro (0.0348 euro 2014) per share, corresponding to a total of 73,000,000 euro (69,600,000 euro in 2014).

The Extraordinary General Meeting held on 16 December 2015, approved the distribution of free reserves amounting to 77,000,000 euro, corresponding to a gross amount per share of 0.0385.

37 SUBSEQUENT EVENTS

On 25 February 2016 Sonae has completed a bond issue, by private placement, amounting to 60 million euro, unsecured, with a maturity of 7 years. In the same date Sonae has acquired and amortised, 600 bonds, corresponding to the bond "SONAE SGPS 2014-2018" issued by Sonae on 25 July 2014 amounting to 60 million euro.

38 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors on 15 March 2016. These financial statements will be presented to the Shareholders' General Meeting for final approval.

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39 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In 2015 short-term loan contracts were entered into with the following companies:

Sonae Investimentos, SGPS, SA

Sonaecenter, Serviços, SA

Sonaecom, SGPS, SA

As at 31 December 2015, there were no amounts owed by subsidiaries.

As at 31 December 2015 amounts owed to subsidiaries can be detailed as follows:

	Closing balance
Sonae Investments, BV	200,798,286
Sonaecenter Serviços, SA	530,161
Total	201,328,447

Article 66 A of the Commercial Companies Code

As at 31 December 2015, fees Statutory Auditor amounted to 29,641 euro fully related with audit fees.

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

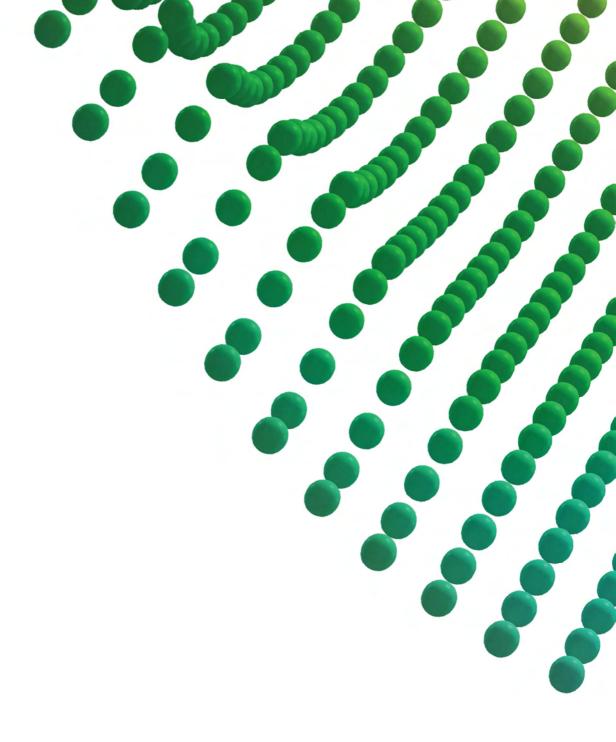
José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

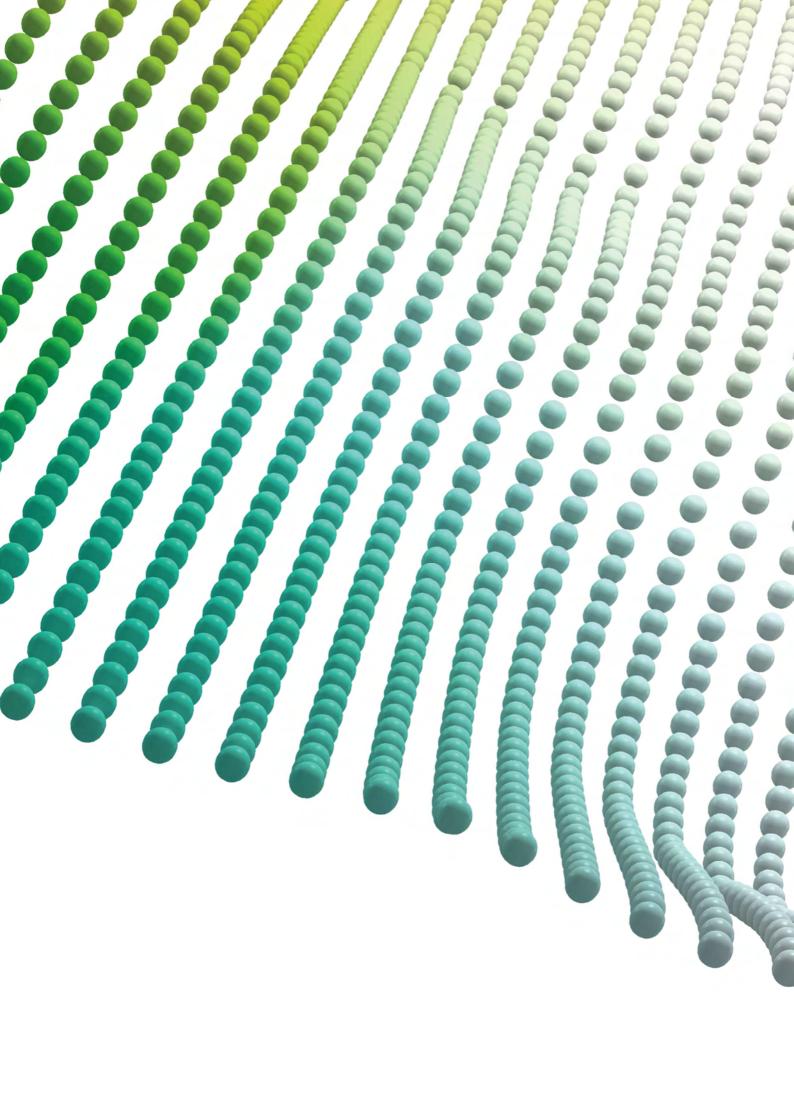
Tsega Gebreyes

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LEGAL CERTIFICATION
 OF ACCOUNTS
 AND AUDITOR'S REPORT





STATUTORY AUDIT AND AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)

Introduction

1. In accordance with the applicable legislation, we present the Statutory Audit Report and the Auditors' Report on the financial information contained in the Report of the Board of Directors and the individual and consolidated financial statements for the year ended 31 December 2015 of Sonae, S.G.P.S., S.A. ("Company") (which comprise the Consolidated and Individual Statements of Financial Position as at 31 December 2015 that presents total consolidated and individual assets of 5,224,560,315 Euro and of 4,386,350,653 Euro respectively, and consolidated and individual equity of 1,794,794,114 Euro and of 3,569,156,797 Euro respectively, including consolidated net profit attributable to the Company's Equity Holders of 175,306,228 Euro and an individual net loss of 279,672,410 Euro), the Consolidated and Individual Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

- 2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the companies included in the consolidation and the Company, the consolidated and individual results and comprehensive income of their operations, the consolidated and individual changes in equity and the consolidated and individual cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system; and (iv) informing any significant facts that have influenced its operations or the operations of the companies included in the consolidation, its consolidated or individual financial position, its consolidated or individual results and comprehensive income.
- 3. Our responsibility is to review the financial information contained in the above mentioned account documents, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

Our examination was performed in accordance with the auditing standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, the application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated and individual financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also comprises verifying that the consolidated and individual financial information contained in the Report of the Board of Directors is in accordance with the other consolidated and individual documents of account, as well as verifying the required in the numbers 4 and 5 of article 451° of Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

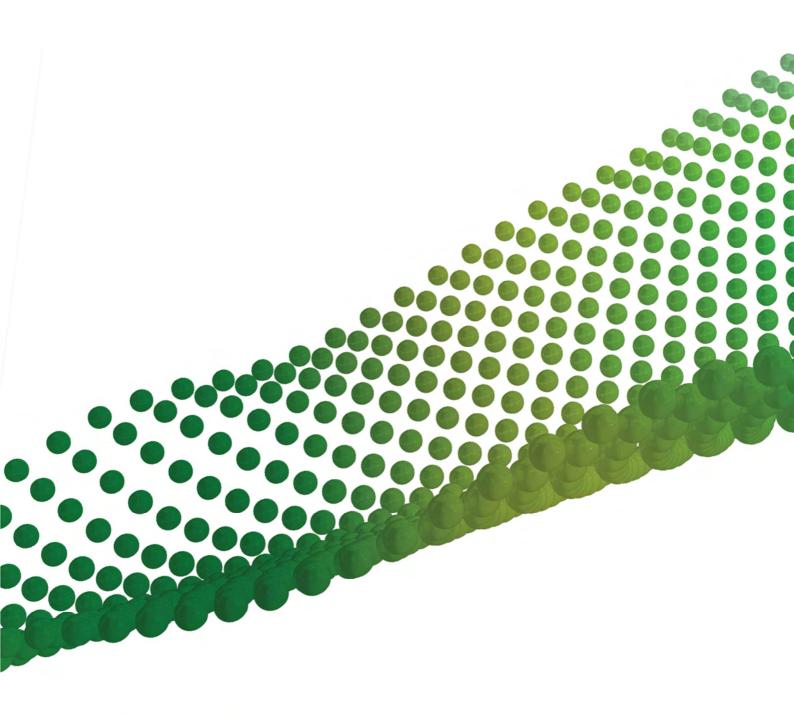
5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Sonae, S.G.P.S., S.A., as at 31 December 2015, the consolidated and individual results and comprehensive income of its operations, the consolidated and individual changes in equity and the consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union, and the information contained on those is, in accordance with the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Reporting over other legal requirements

6. It is also our opinion that the financial information contained in the Report of the Board of Directors is in accordance with the consolidated and individual financial statements of the year and the reporting of the corporate governance practices includes the elements required to the Company in accordance with article 245°-A of the Securities Market Code.

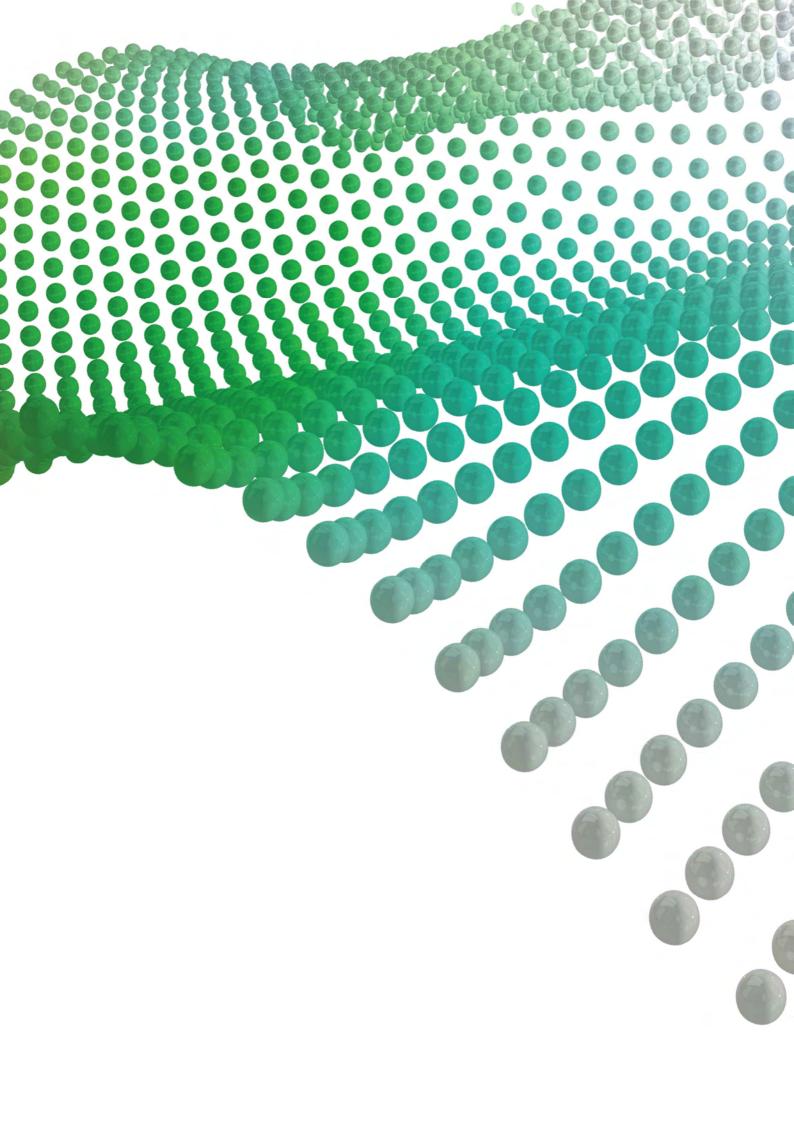
Porto, 28 March 2016

Deloitte & Associados, SROC S.A. Represented by António Marques Dias



 REPORT AND OPINION OF THE STATUTORY AUDIT BOARD





REPORT AND OPINION OF SONAE SGPS STATUTORY AUDIT BOARD

(Translation of a Report and Opinion originally issued in Portuguese.

In case of discrepancy the Portuguese version prevails)

To the Shareholders

1 - Report

1.1 - Introduction

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Statutory Audit Board presents its report over the supervision performed and its Report and Opinion on the Report of the Board of Directors and the remaining individual and consolidated documents of accounts for the year ended 31 December 2015, which are the responsibility of the Board of Directors.

1.2 - Supervision

During the year under analysis, the Statutory Audit Board accompanied the management of the Company and its affiliated companies, and has oversaw, with the required scope, the evolution of the operations, the adequacy of the accounting records, the quality and appropriateness regarding the process of preparation and disclosure of financial information, corresponding accounting policies, valuation criteria used as well as the compliance with legal and regulatory requirements.

In the exercise of its competences and mandate, the Board met quarterly during the year with the presence of Directors and the officers in charge of Planning and Control department, Administrative and Accounting department, Treasury and Finance department, Tax department, Internal Audit department, Risk Management department, the Statutory Auditor and External Auditor and Sonae's ombudsman. Additionally, the Statutory Audit Board participated in the Board of Directors meeting were the Report of the Board of Directors and the financial statements for the year were approved.

The Statutory Audit Board verified the effectiveness of the risk management and internal control, analyzed the planning and the reports of activity of the external and internal auditors, accompanied the system involving the reception and follow up of reported irregularities, oversaw the reports issued by Sonae's ombudsman. The Statutory Audit Board has also assessed the process of preparing the individual and consolidated statements, communicated to the Board of Directors information regarding the conclusion and quality of the financial statements audit and its intervention in the process, has pronounced itself in favour of the rendering of other than audit and attest services by the Statutory Auditor and External Auditor, having exercised its mandate in what concerns the evaluation of the competence and

independence of external auditors, as well as to the supervision of the establishment of the Statutory Auditor and External Auditor remuneration.

During the year, the Statutory Audit Board accompanied, with special care, the accounting treatment of transactions that had had material impact on the evolution of operations and on the individual and consolidated financial position of Sonae SGPS, S.A., and highlights the positive evolution of the business segments and main joint ventures which effects are visible in the economic and financial development of the Group.

In compliance with CMVM's Recommendation V.2., the Statutory Audit Board took in consideration the criteria established by CMVM in paragraphs 3 to 5 of article 4 of CMVM's Regulation for description of businesses with significant relevance between the company and shareholders of qualifying holdings or related entities in accordance with the number 1 of article 20 of the Portuguese Securities Market Code neither having identified relevant transactions that complied with that criteria nor identified any conflict of interests.

The Statutory Audit Board complied with CMVM's Recommendations II.2.1, II.2.2, II.2.3, II.2.4 and II.2.5, regarding Corporate Governance. Being all members of the Statutory Audit Board independent considering the legal criteria and professionally able to perform its duties, the Statutory Audit Board exercised its competences and its relations with the other statutory bodies and Company's services in accordance with the principles and conduct recommended in the referred Recommendations.

The Statutory Audit Board reviewed the Corporate Governance Report, enclosed to the Report of the Board of Directors, in accordance with nr. 5 of article 420° of Commercial Companies Code, having verified that the it includes the elements referred to in article 245°-A of the Portuguese Securities Market Code.

Still, in the fulfilment of its duties, the Statutory Audit Board reviewed the Report of the Board of Directors, including the Corporate Governance Report, and remaining individual and consolidated documents of accounts prepared by the Board of Directors, concluding that these information was prepared in accordance with the applicable legislation and that it is appropriate to the understanding of the financial position, results of the Company and the consolidation perimeter and has reviewed the Statutory Audit and Auditors' Report issued by the Statutory Auditor and agreed with its content.

2 - Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

- a) The Report of the Board of Directors;
- The consolidated and individual statements of financial position, profit and loss by natures, comprehensive income, changes in equity and of cash flows and related notes for the year ended 31 December 2015;
- c) The proposal of net profit appropriation presented by the Board of Directors.

3 - Responsibility Statement

In accordance with paragraph a), number 1 of article 8º of the Regulation of CMVM nr. 5/2008 and with the terms defined in paragraph c) nº 1 of the article 245º of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Sonae, S.G.P.S., S.A. and companies included in the consolidation. Also it is their understanding that the Board of Directors Report faithfully describes the business evolution, performance and financial position of Sonae, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with article 245º A of the Portuguese Securities Market Code.

The Statutory Audit Board

Daniel Bessa Fernandes Coelho

Manuel Heleno Sismeiro

Maia, 28 March 2016

Maria José Martins Lourenço da Fonseca