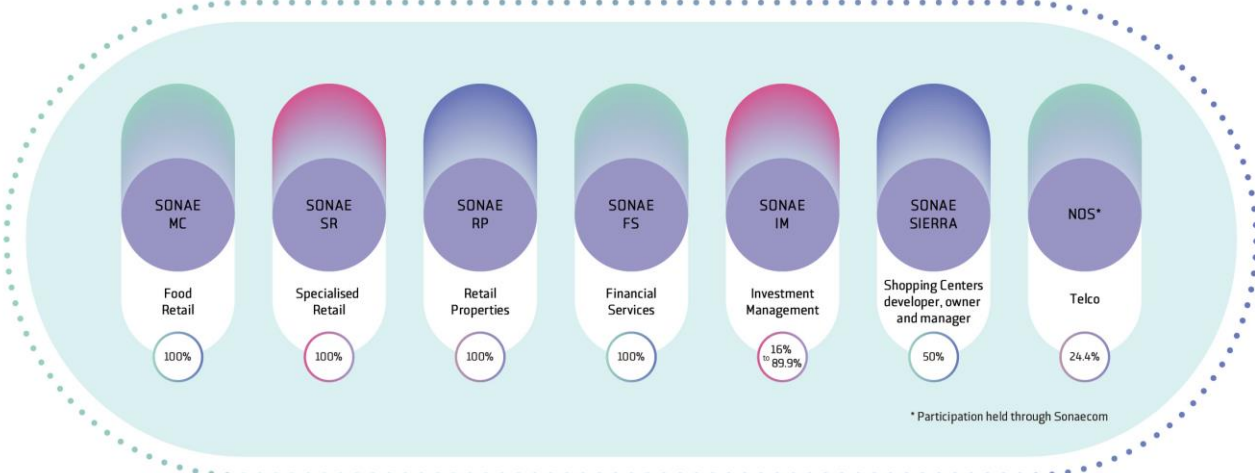


SONAE FINANCIAL REPORT '15  
MANAGEMENT  
REPORT



IMPROVING LIFE





\* Participation held through Sonaecom

## Acting towards a better future

The environment is changing and it is our responsibility to leave a better world for future generations. Sonae voluntarily signed this commitment and we ask all of our stakeholders to join us and together we can make a difference.



### A commitment to the Paris Pledge

Keep the global temperature increase below 2°C, above the pre-industrial era

Achieve a balance between carbon emissions and their removal in the second half of this century (achieving carbon neutral status)

Reduce greenhouse gas emissions to a safe level and build resilience against those changes already occurring

Review progress and national climate plans every five years

## We do not compromise on quality

Our success is measured by our customers and this year we are the proud recipients of 11 Consumer Choice awards, across all our business segments, showing that for us quality is at the heart of our strategy. Sonae now has five Brands of Trust: Continente (13 years), Worten (6 years), Zippy (3 years), Well's, Sport Zone (2 years) and NOS (1 year, it was the only telecommunications company distinguished). Our customers' loyalty is the best testimony of our total commitment towards quality.



**164,332 quality assurance analyses** of our suppliers carried out around the world

**More than 50% of our suppliers audited** according to financial, environmental, social and labour criteria

## The environment is a priority

The environment comes first. Our environmental performance continues to be recognised internationally for its outstanding excellence. We are particularly proud of the awards and acknowledgements we have received concerning environmental issues, namely the CDP award, which reflects the recognition of our efforts by analysts and investors and the Forbes Green Award for our environmental strategy in the development of shopping centres.



**One of the Iberian Leaders** to be recognised under both CDP indices

**100 points out of 100** awarded for our environmental reporting policy

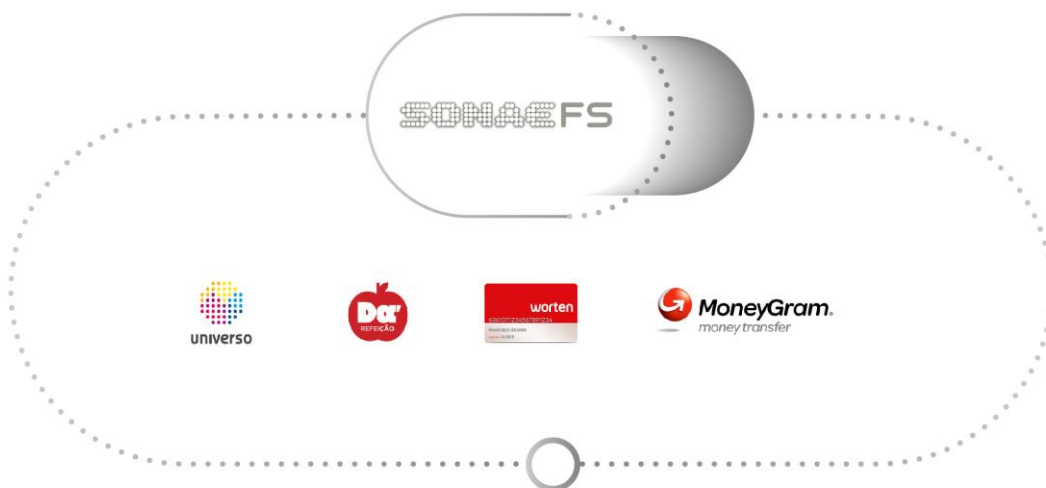
**3,646 tonnes of CO<sub>2</sub>** prevented from entering the atmosphere, as a result of the "Trevo" Project, an increase of 7%



# Sonae's Brands

(Brands of Sonae associated companies)







# SOMAE SIERRA

COLOMBO

VASCO DA GAMA

NORTESHOPPING

CascaShopping

AlgarveShopping

Plaza MAYOR

Luz del Taj

DosMares  
CENTRO COMERCIAL  
Todo en familia

gli ORSI

LE TERRAZZE

FRECCIA ROSSA

ALEXA

LOOP 5

HORTGARDEN

River Plaza

Green 3 Store

MANAARA

PASSEIO DAS ÁGUAS

Libertatis

BOLLEVARD

# SOMAE RP

# NOS

NOS alive

IRIS  
ZON SIERRA

PLAY

wt-f

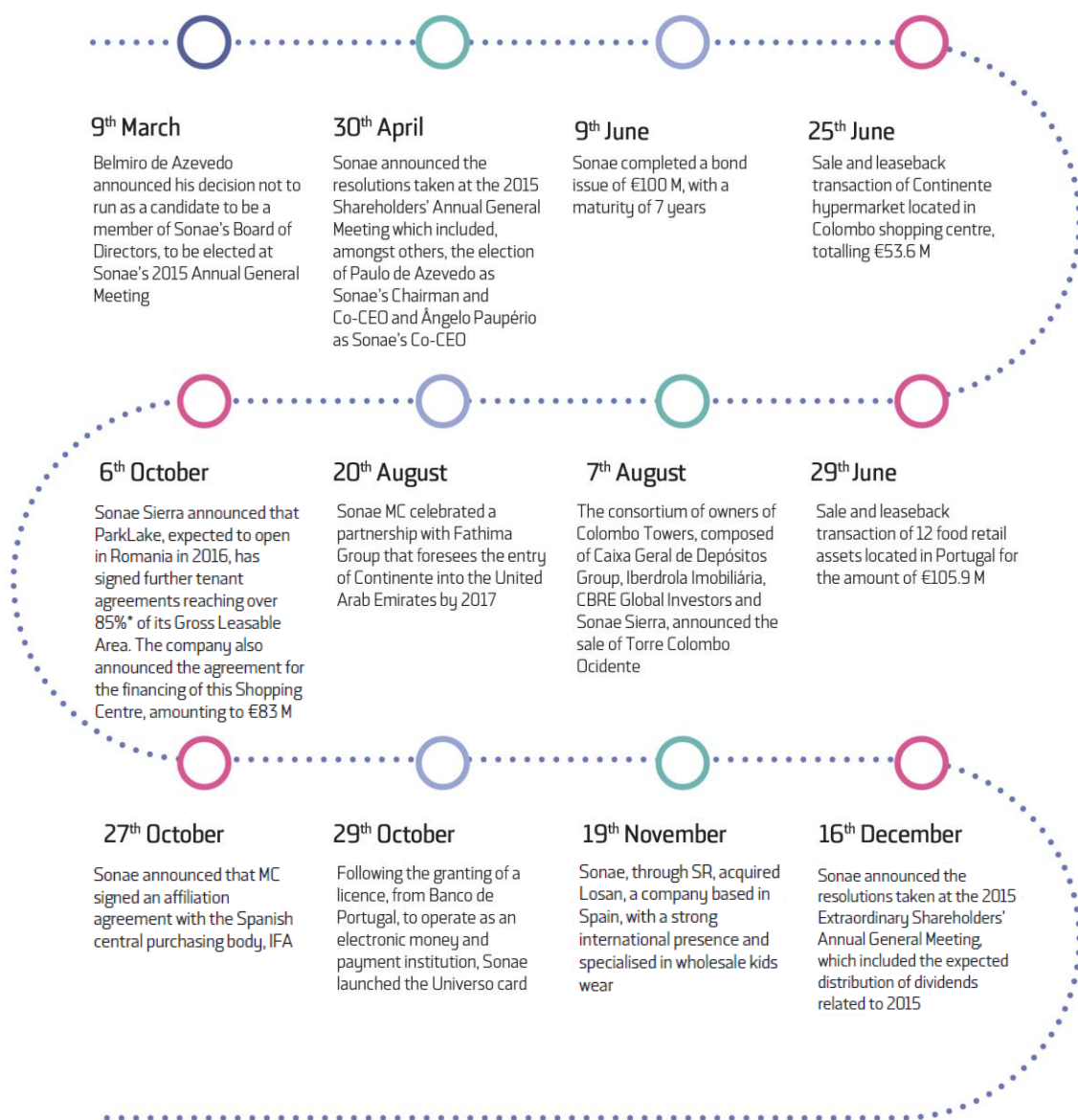


## Sonae's world

(Including operations, services to third parties, representative offices, franchising agreements and partnerships)

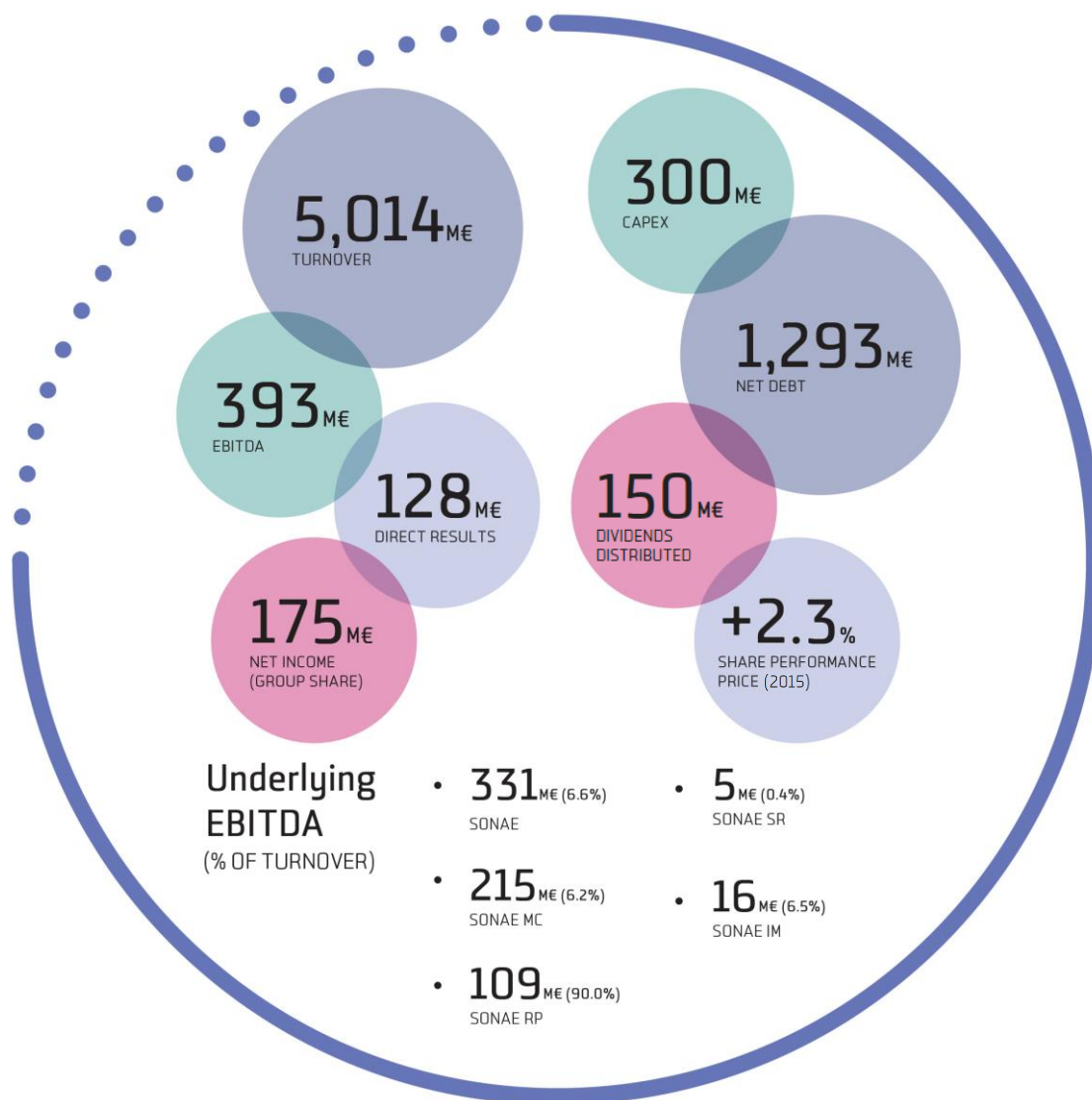


## Key corporate events



\*as of 31 December 2015.

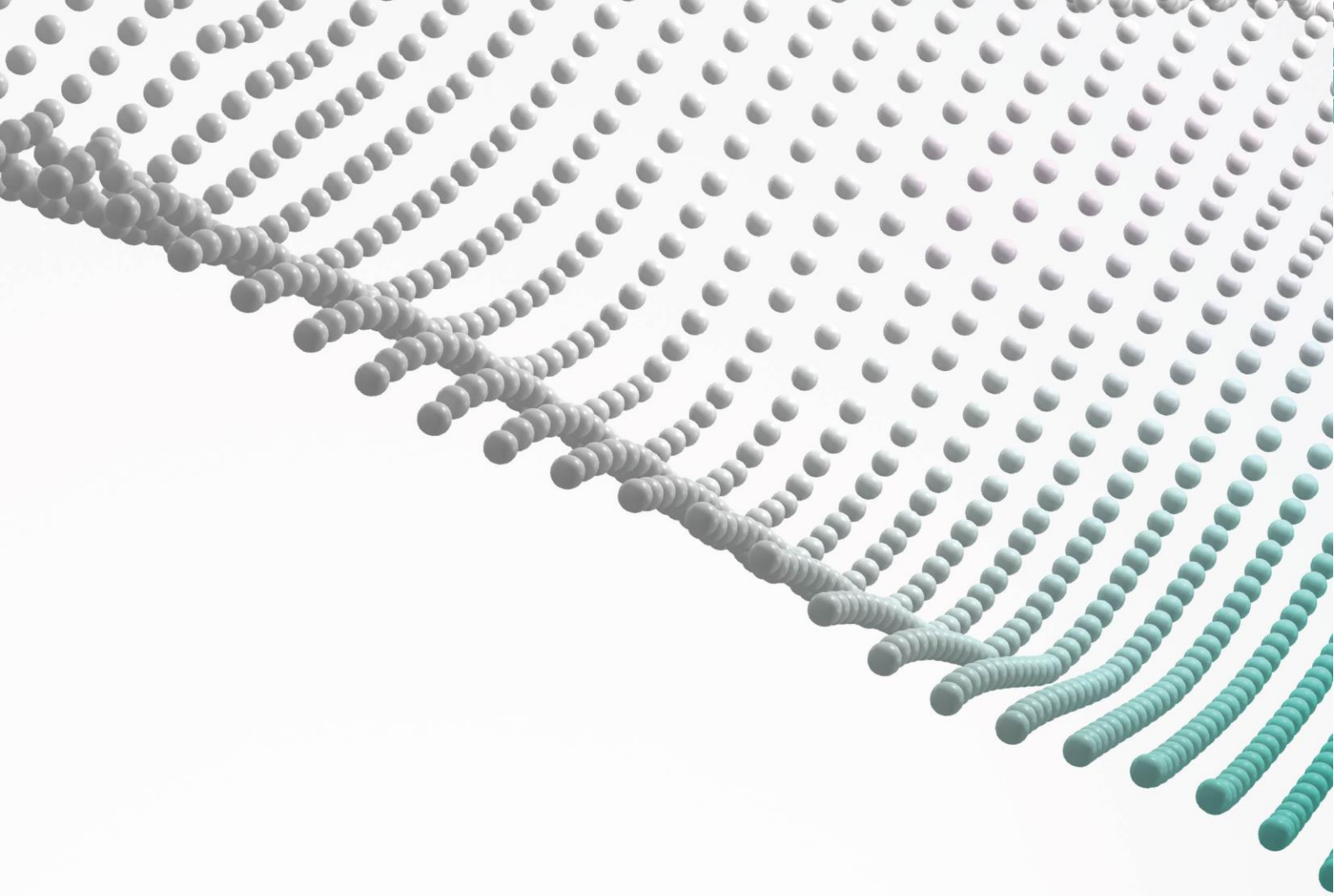






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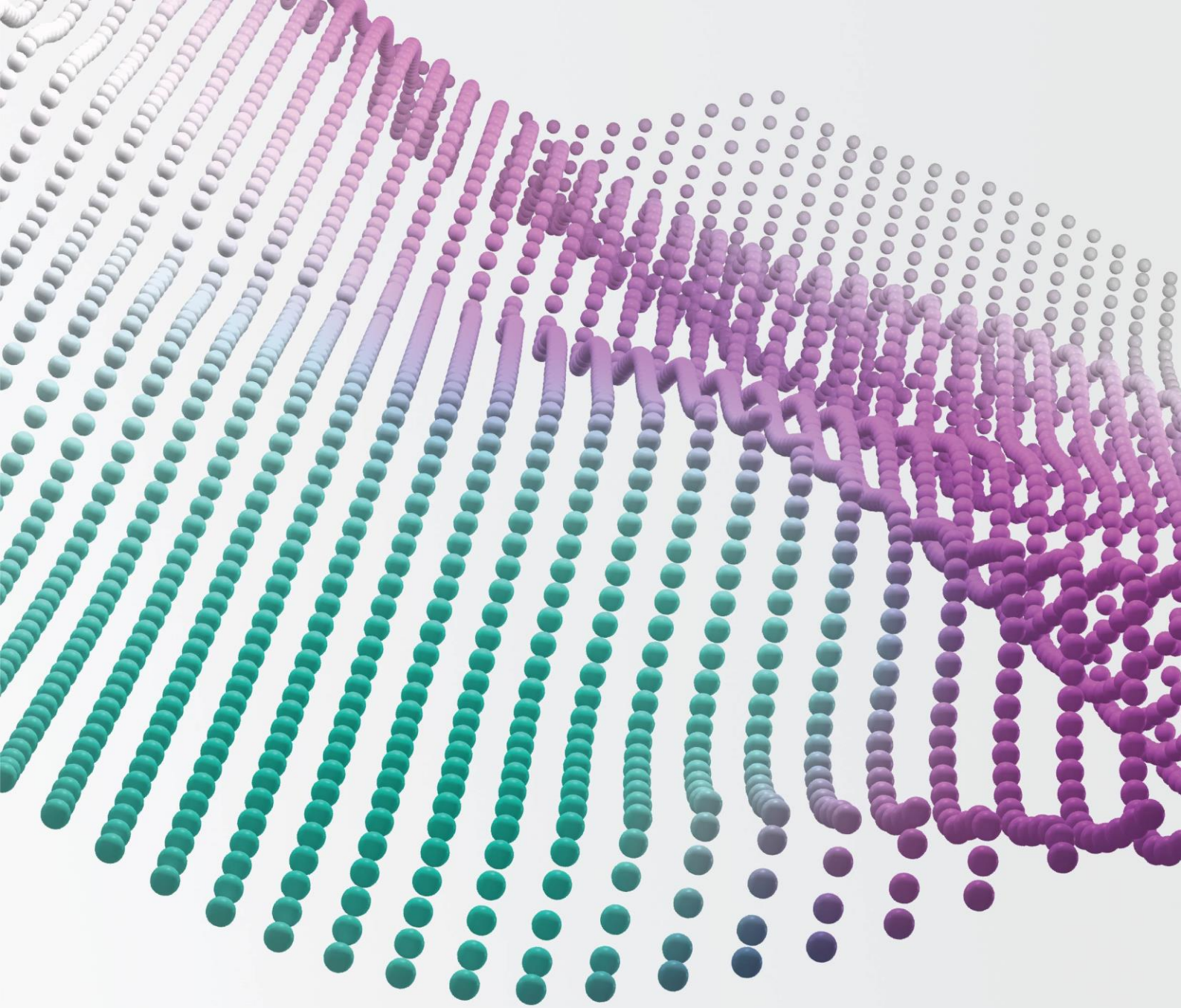
CHAIRMAN  
AND CEO'S LETTERS



IMPROVING LIFE



Ângelo Paupério and Paulo Azevedo



## Chairman's letter

I would like to begin my first Sonae Chairman's message with a sincere thank you to our founder, the man who had the vision to create a long living organisation, anchored by solid corporate responsibility values, and with an insatiable will to work towards success based on innovation and sustainable growth. This thank you also represents a continuity and renewed commitment to those goals. Sonae is a living and thriving organisation that will continue to pave the path ahead with the same steadfast focus on promoting innovation, internationalisation and sustainable growth, whilst upholding our social responsibilities. We are looking forward to future challenges or, as we see it at Sonae, future opportunities and future success.



2015 was a year filled with challenges on many different dimensions. From a social perspective, it was a dramatic year, with aggravated wars, terrorism attacks and a refugee crisis that created new and difficult challenges to all societies around the world and with strong political and economic impacts. From a political perspective, the equilibrium of many European countries is fragile. This political uncertainty is now a significant challenge for economies such as the Portuguese and the Spanish. The economic landscape is still unsettled with different regions showing very different developments. The US economy and some European economies seem to have started a slow but steady recovery, but the oil prices have created significant problems in many developing economies that are now struggling and with an indirect impact on the Portuguese economy, such as in Angola and Brazil. The Portuguese economy is still struggling to find a steady path towards recovery. The public and private debt remains high, the financial sector is still struggling to survive and continues to impose a severe onus on public expenditure. All in all, these factors are having an impact on investors' confidence levels.

Overall Sonae delivered a solid performance but with varying performance in different business segments and markets. We were generally above our expectations in Telecommunications and Shopping Centres but several of our retail formats lagged behind them. Sonae MC is facing aggressive competition. We are the leader in market share and performance and all of our competitors want to meet our targets. Much of 2015 was dedicated to reworking our offer to maintain a sustainable gap in relation to our competitors in price and range – correcting weaker points and building new advantages. Sonae MC is also investing in a network of convenience stores, exploring two strategies – company operated and franchising stores – and is taking solid steps towards internationalisation of our banners and products. Sonae SR's performance was mixed but disappointing overall as we were not able to profit from the growth in discretionary spending in Iberia and build on the improved performance of last year. Delivery from the electronics segment was robust, both in Portugal and in Spain, taking significant steps to become an integrated on/off line market leader in Iberia. The main difficulties in non-food retailing were in the apparel segment where unplanned changes in teams and an essentially failed spring-summer collection had a very negative impact on annual performance. Sonae RP had a good year and completed several sale and leaseback transactions playing a pivotal role in our capital structure strategy.

Sonae Sierra negotiated a number of deals to significantly accelerate its capital recycling strategy at the same time as it managed to put together a number of development and redevelopment opportunities. Sierra's much above average quality of assets was also able to greatly benefit from market valuation improvements in European markets and withstand relatively well the deteriorating outlook in Brasil.

NOS continues performing beyond market expectations growing topline and EBITDA in a declining market and is now the most relevant and active player in the Portuguese market.



Fierce competition, ever-faster changing market trends and consumer habits and unstable economic and social environments are our biggest challenges. At Sonae, we like to look at these added difficulties as opportunities to innovate and to change.

Innovation is by definition the future. Our future. Innovation is at the root of our success and our most distinctive capability. At Sonae, everyone can innovate and we continue to be truly committed to promote and nurture a rich innovation environment across the whole organisation.

Sonae is a market leader and as such we want to understand the market before our competitors, and quickly adapt our offers, our business models and our organisation. We are adjusting our structure to become faster and more effective. To face the new organisational challenges, we have implemented some structural changes, allowing higher levels of autonomy to each business unit and focusing on higher levels of specialisation. These changes are supported by our commitment to create new forums and new bridges that will bring together our invaluable world of personal and business experience.

Furthermore, we continued to study and pursue new internationalisation opportunities with a flexible approach and with solid partnerships with strong knowledge of the local market and traditions. We have a unique structure and assets base that can leverage our international expansion and our worldwide reputation is a key determinant in finding the best partners. Partners who share the same corporate responsibility values and our thirst for sustainable growth.

Finally, we continuously reinforce our dedication towards our solid values of corporate responsibility. In periods of economic and social turmoil, corporate responsibility surfaces as one of the most critical cornerstones of success. Sonae is a unique and invaluable team of 40,738 colleagues and we all strive to keep this at the top of our minds. We truly believe that this is one of our most important assets and we are extremely proud of our donations to charity and our voluntary work. I would like to highlight another good year of environmental performance, with a 6% reduction in our carbon dioxide footprint (despite our expansion). We also continued to use our influence and social presence to increase awareness of environmental issues among our colleagues, clients, suppliers and other business partners. We are green at the core and we take our responsibilities seriously as any leader should do. We promptly subscribed to and promoted the environmental initiative “Paris Pledge for Action”, and we are now working to ensure that this results in new initiatives to accelerate improvements in our environmental performance.

Our shares closed the year with a small increase but underperformed the market. We believe that the discount to the sum of the parts which is reflected in our valuation is by no means justifiable. In any event, it is our responsibility to work harder and provide our investors with a sustainable market performance that rewards their commitment to our company and in particular to deliver our goals in the retail business.

A special note concerning Sonae MC that celebrated 30 years of being the first hypermarket in Portugal. We are proud of our history and achievements, but even more excited about what the next 30 years will hold.

We take pride in our legacy and we try to think of Sonae as Belmiro always did – every day is a starting point for new opportunities, new challenges and new triumphs.

Thank you.

Paulo Azevedo, Chairman and Co-CEO



## CEO's letter

Overall, 2015 was a positive year for Sonae. The achievements across our main strategic guidelines were significant and the results reached in our businesses, albeit mixed, were positive.

We underwent an important organisational change that has allowed our businesses to become more autonomous and more focused on their strategies, while increasing the flexibility and agility necessary to face the increasingly frequent changes within each business context.



The new business areas identified with the most potential have been reinforced with the necessary resources to pave new growth avenues, namely in business segments such as health and wellbeing, technology, cybersecurity or the international food retail market.

We have invested in strengthening critical skills through more training, better recruitment and the acquisition of companies such as Losan, Ulabox, Makenotes or Elergone, highly renowned for their know-how in international commerce, e-commerce, product design and energy management.

We reduced our real-estate freehold to the planned level, through sale and leaseback operations amounting to €376 M completed in 2015 and in the first quarter of 2016.

We have heightened the competitiveness of our food retail offers by investing in even more competitive pricing and convenience for our customers, improving the attraction formats offer and ensuring an easier shopping experience, in particular by expanding our store network.

In specialised retail, we have developed new store concepts and we have optimised the existing network with a positive impact on sales per sqm whilst lowering the overall investment costs.

In 2015, Sonae continued to grow. The turnover of all of the companies controlled by Sonae, including through equal partnerships, totalled €6.74 bn, an increase of 2.4% compared to the previous year, and the correspondent EBITDA remained flat at almost €1,000 M. Consolidated net income increased by 22%, reaching €175 M.

Concerning our business results, Sonae MC delivered a good level of profitability while maintaining its market share and intensifying its commercial aggressiveness. Worten increased its clear market leadership in Portugal and took significant steps towards the consolidation of its Iberian market position, strengthening its position as one of the most important and recognised players, both by suppliers and customers.

The performance of the Sports and Fashion segment was disappointing and, as mentioned in the analysis of the 3rd quarter, was marred by misalignment in the spring/summer collection, exacerbated by the weather conditions felt in the last few months of the year which had an impact on the entire sector. However, it is worth noting Sport Zone's positive evolution, particularly in the Spanish market, where it already provides a positive contribution to the format's results.

Sonae Sierra has successfully implemented its capital recycling strategy, lowering its freehold according to its predefined goals, while ensuring the strengthening of its development activity of new shopping centres and the services business. The financial results reflect both the good operational performance and the recovery of the real estate market.

NOS delivered another excellent operational and financial performance, exceeding our best expectations. The company was able to accelerate the execution of its strategy, ahead of target, while showing the flexibility required to position itself in a telecommunications market that has experienced considerable turbulence and disruption.



Sonae's financial stability was reinforced in 2015 despite high levels of consolidated investment, a year in which we saw increased confidence from the financial sector, our business partners and, above all, our own brand customers.

Thank you.

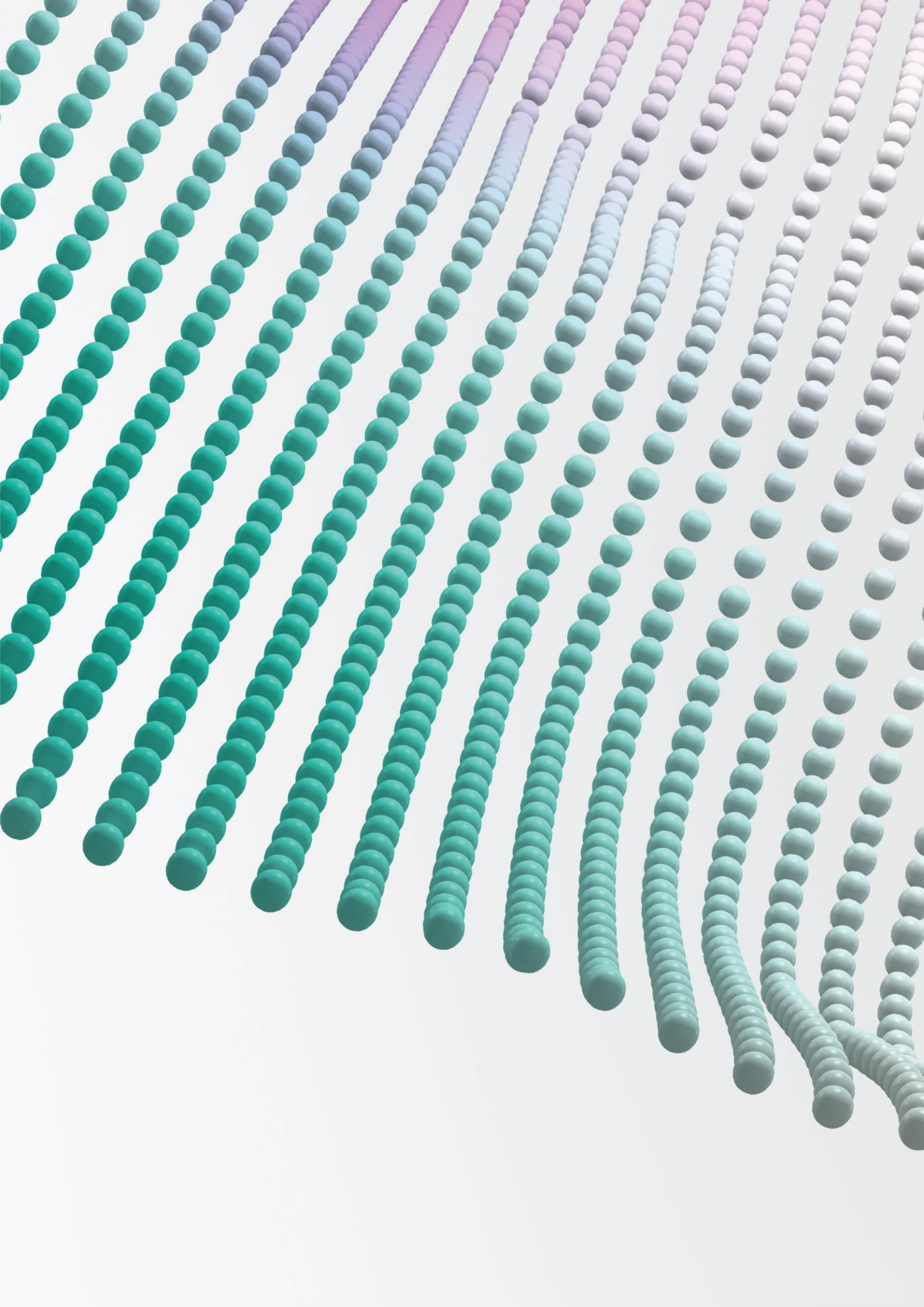
Ângelo Paupério, Co-CEO



STRATEGY  
IN ACTION

**SONAE**

IMPROVING LIFE



## Strategy in action

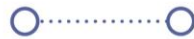
**Our mission is to create long-term economic and social value, taking the benefits of progress and innovation to an ever growing number of people.**

At Sonae, we believe that our values define who we are and what we stand for. Our values anchor our responsibilities as a corporation and are paramount to the success of our mission.

## Our Values

### Trust and Integrity

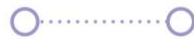
We are committed to creating economic value in the medium and long term, built on relationships founded on integrity and trust.



It is of paramount importance to guarantee that all our activities across the whole organisation and every one of our actions is based on strict compliance with our ethical and trust values. With this purpose in mind, we have developed the **Sonae Code of Ethics and Conduct** (available to all colleagues) to guide our actions. To guarantee compliance to its standards, the Board of directors has created an **Ethical Committee**.

### People are at the centre of our success

Setting constant challenges and being open to change are crucial in order to attract ambitious people. Our people are a determining factor in the markets where we operate and, for that reason, we invest in developing their capabilities and skills, thereby further enriching our culture.



Sonae is the **Most Attractive Portuguese Company** to work for and to develop a career with a future, according to a study carried out by the University of Minho's School of Economics and Management and Spark.

### Ambition

Ambition stems from continuously establishing goals which push us beyond our limits, reinforcing our efforts and determination. Ambition drives us and keeps us dissatisfied with the status quo, forcing us to reach beyond our past successes.



Sonae's ambition knows no boundaries and we are now present in 72 countries. Sonae MC was particularly active in strengthening its international footprint and it is now present in more than 30 countries. Sonae SR also broadened its international activity and it is now present in more than 40 countries. Worten continues to steadily increase its exports. MO is opening stores in new promising markets such as Saudi Arabia, Sport Zone has a solid position in Iberia and is now entering the French market and Zippy continues to expand on a world-wide basis.

### Innovation

Innovation is at the heart of our businesses. Innovation involves risks, but we are aware of the importance of identifying and managing these risks, so as to maintain them within reasonable limits. We know that only by innovating, can we grow sustainably.



In 2015, Sonae continued to reinforce its **commitment towards innovation**. Our internal culture is set to promote innovation across the whole organisation and for this purpose we have created the **Chairman's Award**, which recognises the significant contribution made to the business and the notable endeavour made towards Sonae Companies' culture of innovation.



## Social responsibility

We have an active sense of social responsibility, and try to contribute to improving the communities within which we operate. Our behaviour takes into account the most recent environmental concerns and sustainable development policies.



Well's and the **Make-a-Wish Foundation** have been actively working to raise funds to help grant wishes to children and young people who are victims of life-threatening diseases. In 2015, more than 90 thousand euros were raised through various campaigns, which were then reverted to the **Make-A-Wish Foundation** helping to make special wishes come true and giving these children and young people strength and hope.

## Frugality and efficiency

We aim to optimise the use of resources and maximise their return, seeking cost efficiency, and avoiding any waste or extravagance. As a priority, we focus on achieving operating efficiency, promoting healthy competition, and delivering high impact projects.



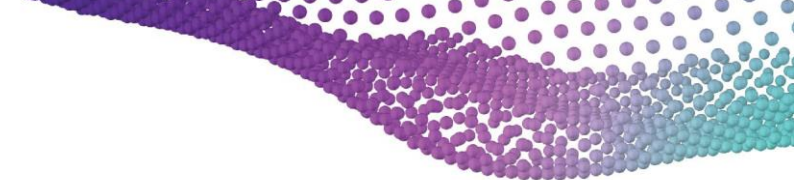
We continuously monitor our processes. Our insatiable quest for higher levels of efficiency was recognised by the Kaizen Institute with the awards **Kaizen Ambassador** (Continente) and **Excellence in Quality** (Worten).

## Cooperation and independence

We are willing and ready to cooperate with central and local governments, in order to improve regulatory, legal and social frameworks, and to ensure the best solutions for the communities within which we operate, but we also take care to maintain our independence in relation to all such entities.



Sonae and the Ministry of Education and Science have signed a protocol for the promotion of vocational education, according to which Sonae will offer internships to school students who choose to follow vocational training options. The first course, for training logistics technicians, is already underway in partnership with the *Escola de Comércio de Lisboa* (Lisbon School of Commerce) and involves 23 students.



## Our Strategy

Our mission and values are built into our strategy, which is based on three main strategic pillars:

### International Expansion

Internationalisation of our core businesses will remain a key growth driver for many years to come. This is one of our top strategic priorities and we will continue to deploy resources accordingly, as we have the opportunity to enlarge our international footprint and transform Sonae into a large multinational corporation.

**Continente** began to pave the path for a new growth avenue with the celebration of a food retail franchising agreement with the Fathima Group, a conglomerate operating in the United Arab Emirates with vast experience in different business segments. Based on this agreement, Continente will expand to the United Arab Emirates' market in 2017.

**Zippy** extended its international footprint to more than 40 countries in 2015, namely by entering El Salvador, Costa Rica, Nicaragua, Guatemala, the Philippines and Mozambique.

**Sonae SR** – Sports & Fashion division has acquired the multinational Losan, a Spanish based company specialised in the wholesale of children's clothing. This acquisition establishes a solid base for the development of new competences within Sonae SR and strengthens its ability for international expansion through wholesale.

**Sonae Sierra** continues its internationalisation process, undertaking new real estate projects in foreign markets. For instance, during 2015 Sonae Sierra completed the funding for Park Lake (Romania) and, one year ahead of opening, more than 85% of the area has already been rented out.

### Diversification of Investment Style

We will continue to leverage our resources, and the effectiveness of our strategy implementation, by adopting the most appropriate investment style or mix of styles concerning each business, including wholly owned businesses and majority stakes, but also minority stakes with or without special rights.

**Meu Super** franchising network includes more than 200 stores. The success of this initiative demonstrates Sonae MC's capacity to leverage its competencies and expertise and to celebrate partnerships with entrepreneurs. **Meu Super** has become the Portuguese reference in franchising networks.

**Sonae Sierra** continues the development of a solid funding strategy based on capital recycling, through the creation of funds and the development of partnerships with international investors for the development and operation of real estate assets.

In 2015, Sonae increased its investment in **Movvo**, a Portuguese company that specialises in traffic movement within shopping areas. This investment stems from our strategy of investing in and promoting the development of new technologies, allowing us to be the front runners in retail and telco innovation. This technology is currently being implemented across many of our businesses.



### Strengthen and leverage our key assets and competences

We will continue to reinforce our competitive position and explore new business opportunities that leverage our exceptional asset base in Portugal as a way to nurture our portfolio of options for future growth.

Sonae has launched the **Cartão Universo (Universo Card)** in the Portuguese market, bringing together all of our loyalty schemes and all the advantages of the Mastercard worldwide network into one unique credit card.

**Sonae Sierra – Services** continues its international expansion of services with the celebration of new partnerships in Germany (Property Management of 3 Shopping Centres) and Italy (Development, Property Management and Asset Management – City Life). These new partnerships are a clear recognition of our unique and world renowned expertise in the development and management of real estate projects.

**Sonae MC** closed, in October 2015, an affiliation agreement with the central purchasing body IFA. IFA is a central purchasing body composed of more than 30 Spanish affiliates, which reported a combined turnover of €10 billion in 2014. With effect from January 1<sup>st</sup> 2016, this agreement will leverage joint opportunities to negotiate, purchase and develop in the commercial area. **Sonae Sierra – Services** continues its international expansion of services with the celebration of new partnerships in Germany (Property Management of 3 Shopping Centres) and Italy (Development, Property Management and Asset Management – City Life). These new partnerships are a clear recognition of our unique and world renowned expertise in the development and management of real estate projects.

In 2015, **Well's** opened its first megastore in Colombo shopping centre. It has more than 800 sqm dedicated to health, beauty, wellness and optics, as well as an increased range of products and new services in partnership with leading experts in the respective areas. Some examples of these services are the Beauty Centre in partnership with Sorisa, Style Bar Jean Louis David, styling eyebrows and eyelashes Wink, Nail bar Nail's4Us, Nutrition Consultations, Hearing Tests in partnership with Medical Acoustics and treatments to stop smoking or Stress Zero.

In the Colombo megastore, there is a large area dedicated to eye care and frames at unbeatable prices. It is also the first store where monofocal lenses can be produced in just one hour. With a committed team of optometrists, queries can be solved at any time.





**Sonae Board of Directors:** Tsega Gebreyes, Dag Skattum, Paulo Azevedo, José Neves Adelino, Lorraine Trainer, Christine Cross, Ângelo Paupério and Andrew Campbell. Marcelo Faria de Lima is also a Board Member but he is not in the picture.



**Sonae Group Senior Executives:** Luís Reis, Miguel Mota Freitas, Paulo Azevedo, Fernando Guedes de Oliveira, Cláudia Azevedo, Miguel Almeida, Ângelo Paupério and Luís Moutinho.



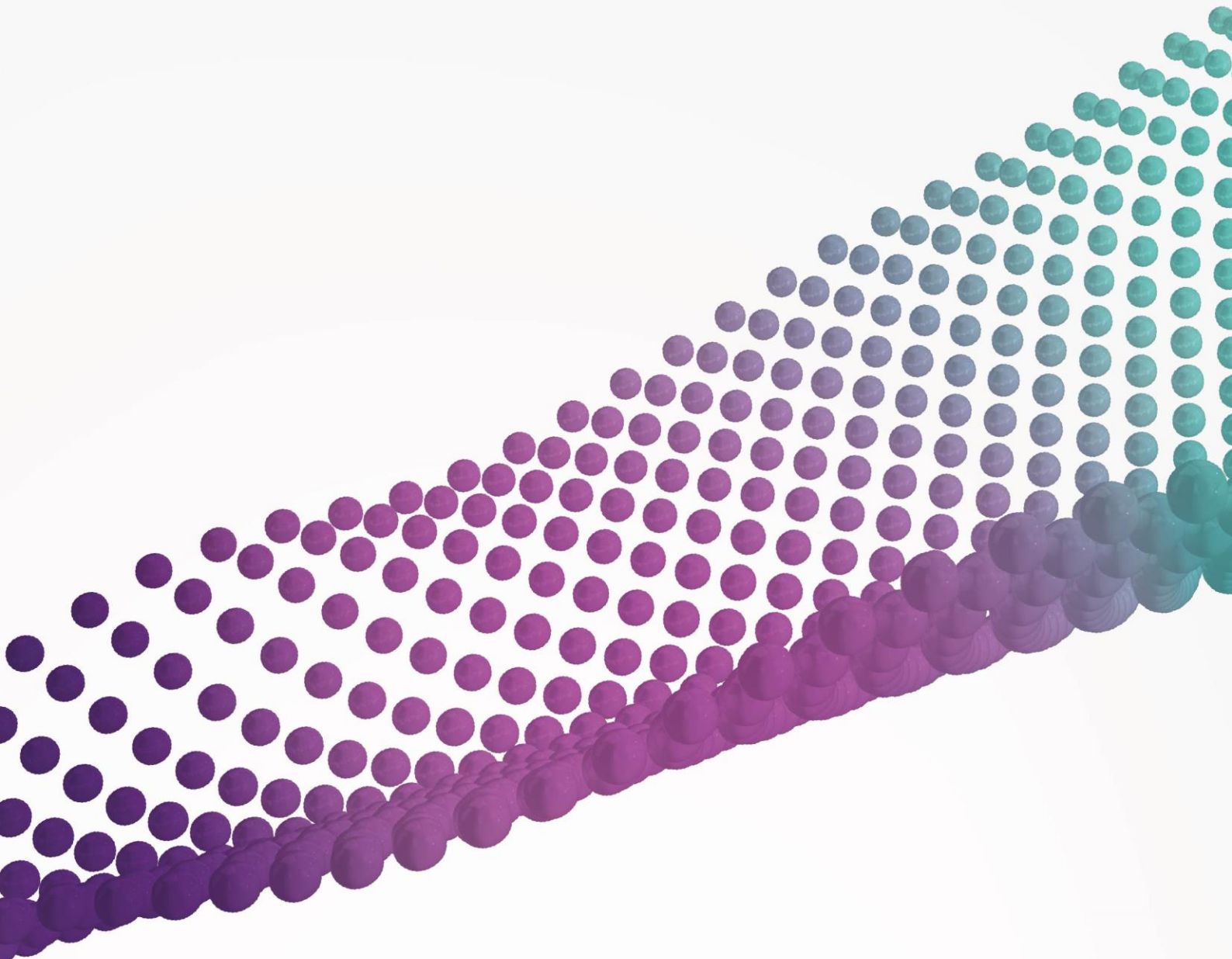
VALUE CREATION LEVERAGING THREE STRATEGIC PILLARS



Our home market has limited size and growth potential, particularly considering the maturity and strong competitive positions of our core business. International expansion is critical to enable stronger growth prospects and a higher return on investments.

A faster international growth pace requires a more flexible investment style. This enables us to leverage our financial and human resources, multiplying our ability to seize different and larger opportunities, becoming a well networked company and improving our access to relevant information.

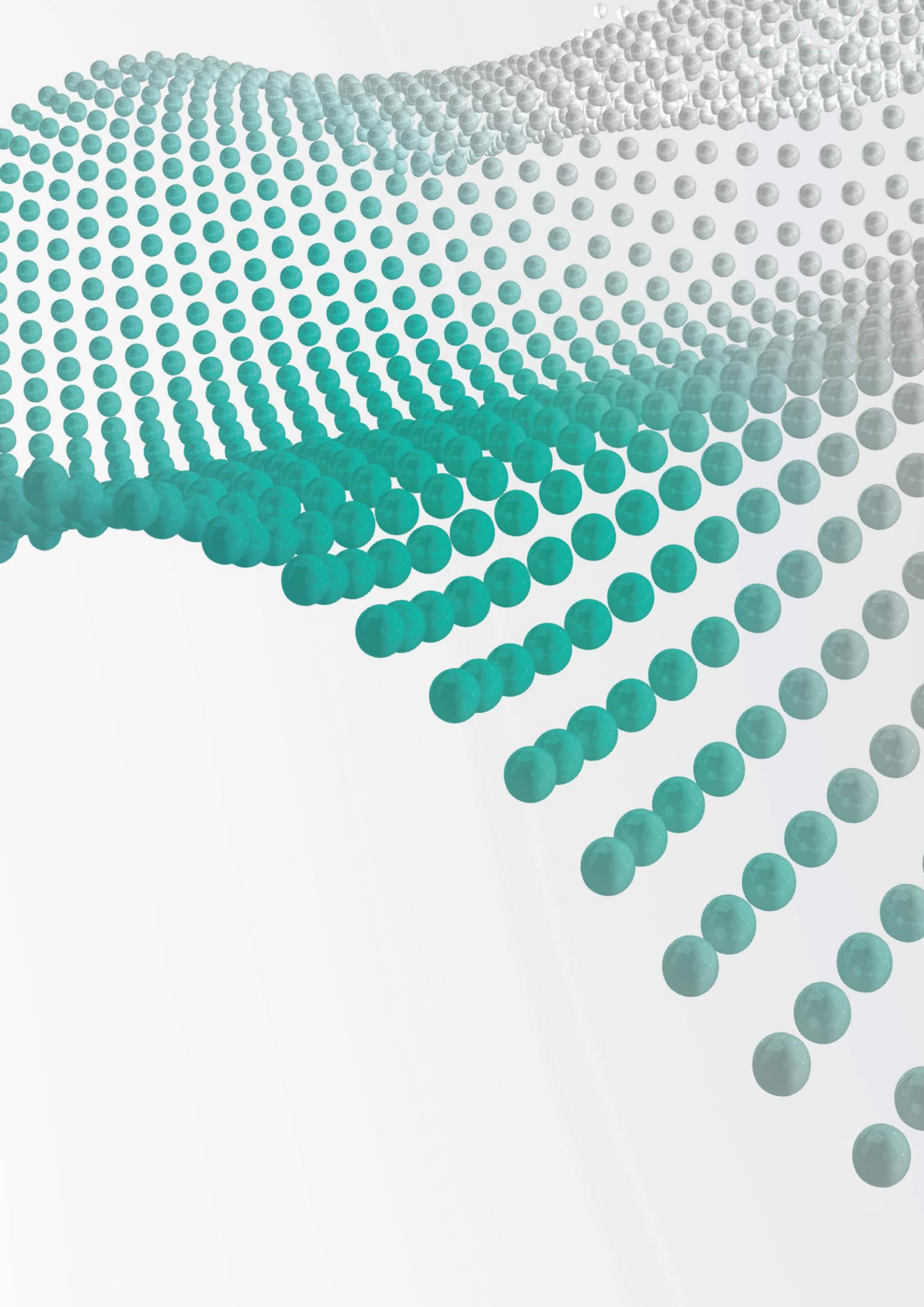
Future growth options depend on the deployment of new business opportunities that leverage our competences and resources. Nurturing a portfolio of options reinforces our path for growth in international markets as well as our ability to defend the asset base in Portugal.



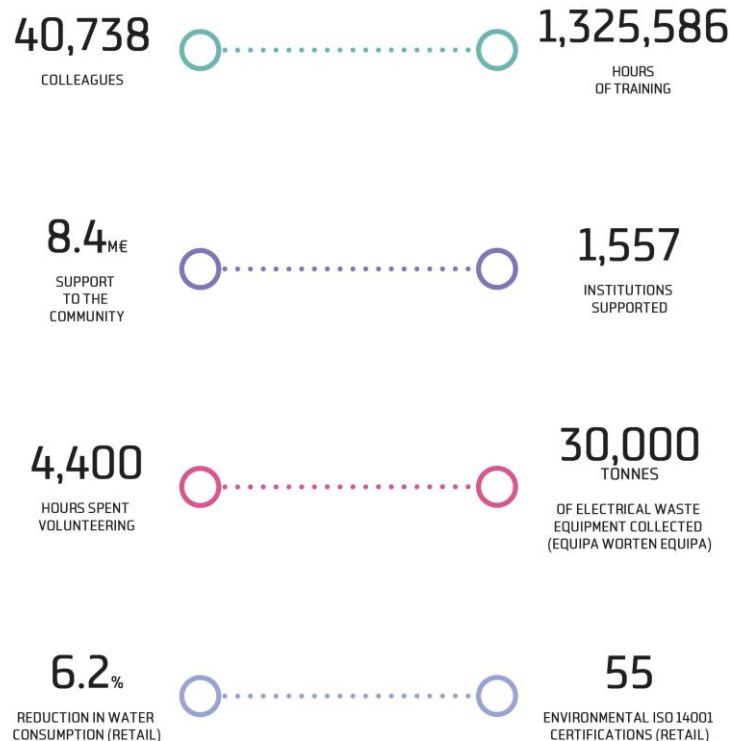
CORPORATE  
RESPONSIBILITY



IMPROVING LIFE



## Corporate responsibility



Sonae's values and disciplined ethos were vital in ensuring our success during a time when organisations found it difficult to adjust to the far-reaching impact of the recent crisis. The future always holds significant challenges, however for Sonae this represents a future filled with opportunities.

The crisis is still more than a memory and Sonae is continuously identifying new opportunities and new risks. The development and pursuit of value creation opportunities is of the utmost importance to us, whilst ensuring that all of our actions are in strict accordance with our corporate responsibility values. Our people, the environment, sourcing, clients, innovation and our community form the pillars of our organisation and our achievements.

In 2015, we had a robust performance across all our business segments, our commitment to corporate values was an essential determining factor and this has been acknowledged on a number of occasions.



**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
COP21-CMP11

### Sonae subscribes and promotes the environmental initiative "Paris Pledge for Action"

Sonae is always in the lead when it comes to the environment and with this in mind we signed the Paris Pledge for Action, demonstrating our commitment to an initiative that has the ultimate goal of protecting our planet from climate change and endorses a commitment to mitigate the temperature rises to 2°C above the pre-industrial era.


In this document, a group of high profile companies recognise that climate changes are a fact threatening both the present and the future and that it is our responsibility to act immediately in order to mitigate the risks and to promote sustainable growth.

Paulo Azevedo (Sonae's Chairman) endorses this responsibility, stating that "A sustainable future is at the heart of Sonae's strategy and we actively and continuously act to reduce our carbon footprint. The signing of the Paris Pledge, not only reinforces our commitment towards sustainability, it challenges us to raise our goals. Sustainable growth is a cornerstone of our culture and a paramount determinant of our strategy's success."



We continue to take very measured steps, which have an extensive and profound impact penetrating far beyond our stores, in order to preserve these values. Our efforts towards aligning our corporate sustainability principles with those of our colleagues and stakeholders are constantly under scrutiny in order to lead to improvements and increase efforts, so as to play our role towards making the world a better place.

Our corporate responsibility commitments are continuously monitored and improved, as corporate responsibility is fundamental to our strategy. We make certain that it is being carefully endorsed and that our strategy and our impact are consistent in the long run. No concessions are made when it comes to corporate responsibility.



**BCSD PORTUGAL**  
CONSELHO EMPRESARIAL PARA O  
DESENVOLVIMENTO SUSTENTÁVEL

**Action 1 of the Action Plan 2020 by BCDS Portugal.**  
Sonae was the leader of the Action 1 of the Action Plan 2020 by BCDS Portugal, aiming at aligning companies' needs in terms of job skills and the training young generations receive at school. During 2015, three activities were prioritised:

- Diagnose companies' needs by 2020 using a comprehensive survey;
- Communicate to young generations job market opportunities, using channels and communication means more suitable to their age;
- Bring all pivotal stakeholders together in the promotion of innovative approaches to bridge the gap between schools and companies.

At Sonae, we are in a privileged position to foresee worldwide job market trends and it is imperative for both companies and future generations to understand these trends in order to tailor professional and personal skills to meet market demands.

**Corporate Responsibility Commitments for Retail – 2013/2015**

**Better purpose**  
Promote the adoption of healthier lifestyles by providing customers with all the necessary information for balanced and more nutritionally responsible choices.  
Promote the welfare of communities where Sonae is present, contributing to the strengthening of citizenship and social cohesion.

**Better people**  
Promote wellness and invest in the development of the personal skills and competences of our employees, continuously enriching Sonae's culture.  
Integrate sustainability into the supply chain and improve the alignment of our suppliers' practices with Sonae's policies.

**Better planet**  
Focus on continuously raising the levels of excellence of our environmental performance, not only as a differentiating factor but also as a pre-requisite for the sustainable development of Sonae's businesses.

Our exceptional achievements stem directly from our values, which are evident through our actions and our results. We strive to operate in a responsible manner, delivering high quality products and services at fair prices, while accomplishing our environmental and social objectives. For additional information please see our Sustainability Report.

## We value our team

### Our team in figures

71% of colleagues with permanent contracts

66% female colleagues

47% colleagues below the age of 35

1,325,586 hours of training

Sonae is a company for people. Our team's professionalism and skills are essential for the development of our business. Our team is the best and they deserve the best opportunities we can offer them. Growth on both a personal and professional level is fundamental for development. Sonae is a living organisation built by people for people, so it is up to us to guarantee the development of talent and skills and identify and reward merit when deserved.

Our motto *'The success of our team is our success'* is one which we truly prize, because at Sonae a skilled, passionate and content team is the only way to ensure that the best products and services are available to our customers. This is of paramount importance if we wish to be successful.

In order to identify and recruit the best people, we employ active recruitment strategies. However, recruitment of the top talent is the first step in the process of retaining and nurturing this talent. We make it our business to ensure that each colleague and each team enjoy the best opportunities for growth.



### Most Attractive Portuguese Employer

Sonae is the Most Attractive Portuguese Employer and the most attractive company in which to develop a career with a future, according to a study carried out by the University of Minho's School of Economics and Management and Spark. The study, which was based on a survey conducted with over 2,600 higher education

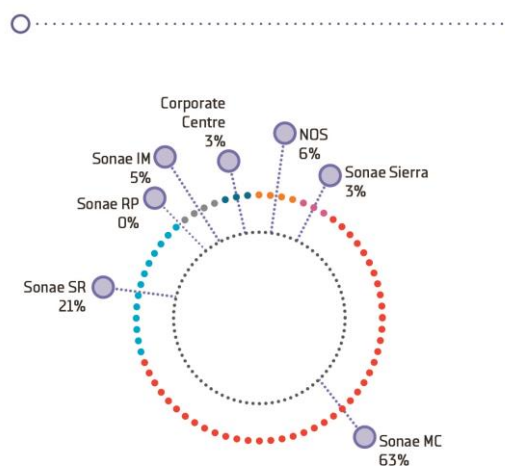
students places Sonae as the company most favoured by students completing degrees in Economics and Management and in the top-9 in the area of Engineering and Technology, which makes it the best positioned Portuguese company, sharing the top ranking with Google.

José Corte-Real (Head of Human Resources | Sonae) stated that "Sonae has always had a strong focus on the personal and professional development of its colleagues and it is in our DNA to promote varied career and training experiences and opportunities at all levels of the organisation. The results of the study acknowledge the work carried out on a daily basis by each of our leaders, which is what makes Sonae a nationally and internationally recognised school of leaders".



University of Minho  
School of Economics and Management

### Employees per business area \*



\* Considering a total number of employees amounting to 43,261 (including 2,523 employees from NOS).





Sonae and Junior Achievement Portugal have a long lasting relationship through which we support initiatives aimed at promoting an entrepreneurial spirit amongst the young generation, developing their understanding of society and the business world. In the last three years, we have experienced a 15% increase in the number of Sonae volunteers in these initiatives to a total of 150 volunteers covering 1,379 hours of training to 1,891 students.

We have also extend our support to Junior Achievement Spain with 12 Sonae volunteers participating in 7 programmes covering different civil education pillars: Our Community, Our Town and Ethics in Action.

These initiatives also help us to promote our values across our team:

- “Participating in this programme made me feel closer to those, who one day will be the active work force of this country”, Inês Pinheiro Torres
- “We receive far more than we give”, Catarina Cruz
- “It was a truly rewarding and enriching experience”, Pedro Tróia.



**Contacto Programme**

Contacto is our privileged interface with finalist students both at the undergraduate and masters level, from the very best universities. Created in 1986, Contacto programme allows a selected group of

recently graduated students to be part of the Sonae team via an internship placement at one of our companies.

In 2015, the programme adopted an international dimension by accepting applications from a selected group of universities from around the world (Portugal, Spain, Brazil, Poland, Italy, Ukraine and Vietnam). The mix of backgrounds and cultures highlights and adds an enormous value to the programme that now includes more than 1,000 students.

Contact Day is the main event, allowing each participant the possibility of presenting themselves to their mentors and gathering some valuable knowledge concerning the world of Sonae.

We are known for our performance in retail. One of the pillars of our success is the quality of our team, that works every day to achieve higher levels of performance. It is critical for us to give the opportunity to each colleague to develop their professional and personal skills and we believe that there is a wealth of talent to develop within our team. This is the essence of our retail schools, to promote the dissemination of best practices across the whole organisation, allowing colleagues to share their unique talent and experiences.

**Sonae Retail School**

An example of our excellence in developing, qualifying, updating and certifying the fundamental skills required by numerous colleagues who are part of the retail segment. Sonae Retail School is structured on three pillars:

Career – strictly related to our retail business segments, aiming at ensuring the required training for a sustainable career path;

Depth – determining the levels of knowledge required for each one of the topics presented;

Thematic topics – allows the identification of the topics that should be studied by our colleagues.

**Continente Perishables School**

In line with the commitments of the Sonae Retail School to consolidate and diversify its portfolio in 2015, the new model of the Continente Perishables School aims to maintain levels of excellence and to be aligned with the needs of the business units and their teams. The new model was designed based on different assumptions, such as, innovation in training methods, models and locations; flexibility, adjusting the courses according to the needs of our colleagues and their teams; their scheduling requirements; and adaptability to the operational reality.

**Worten Training Academy (Portugal/Spain)**

The Worten Academy Spain and the Worten Academy Portugal aim to support the business, in a sustainable way, by developing, managing and applying knowledge acquired in the workplace, thereby ensuring the continuous improvement of performance levels and, consequently, the satisfaction of our customers. In these academies, with the objective of filling educational gaps, the pedagogical content is prioritised in order to allow each colleague to develop their own skills in a progressive way, respecting the

**Worten Training Campus Portugal & Supplier Training Show Spain**

These are the largest annual Worten training events and an excellent educational opportunity, aiming at reinforcing proximity to the suppliers. During these initiatives, which always have a large attendance, the suppliers share their educational programmes and the most recent technology news, with the goal of improving sales skills and providing a broader knowledge of their products and services. In 2015, we held two Worten Training Campus editions in Portugal



learning pace of each individual.

and one Supplier Training Show Spain in Spain, making a total of 6 Portuguese and 5 Spanish editions.

#### **Fashion Academy**

Launched in 2015, it was founded on a strong concept of internationalisation and directed towards focusing on the client and on the product. The mission of this academy is to develop the skills of our colleagues so that they can promote excellent levels of performance while responding to the different challenges of Zippy and MO, through the most varied educational methodologies (namely e-learning, on-site, on-the-job or forums for sharing ideas).

As an example, we would like to highlight the launching of the ZY VM WORLD – a portal of communication and of data management – developed in partnership with the Visual Merchandising Team and with the Fashion Academy, where one can find all the information regarding Visual Merchandising and the Product. The ZY VM WORLD aims to organise data and to promote immediate access to educational material and to any required information, and therefore, form a channel of communication that reinforces the interaction between all participants.

At Sonae, we ensure that our colleagues know that we are one team. Our people welcome the challenges of responsibility, as they know that Sonae as an organisation comes across the same obstacles and difficulties as they do. This is the cornerstone of our compensation scheme, which is based on responsibility and reward. A comprehensive remuneration package that carefully complies with the established meritocratic system. The key performance indicators of each group, department and individual are used collectively to contribute towards our incentives scheme, bearing in mind that our success is our team's success.

Our team is driven by the desire for continual improvement and success. We promote this incessant quest for higher levels of specialisation and efficiency by offering ambitious career opportunities and continuous training. Our on-going training strategy focuses on disseminating best practices and promotes the transfer of knowledge across the organisation. Sonae Management & Leadership Academy and Sonae Retail School are formidable examples of our commitment towards continuous learning. Our training academies are a notable example of our dedication towards continuous training. The school structure we have in place has been evolving so that it continuously matches the level of expertise and specialisation of our business segments and for this reason we have created new forums and training methods that aim to address the specific request of each business more assertively.

Safety first! We strictly follow a “zero accidents” policy and we actively promote a safer and happier work environment. We work endlessly to eliminate any obstacles that may arise and promote a strong culture of dissemination and awareness of health and safety across the whole organisation. We truly believe that everyone must be an active agent in promoting safety and mitigating workplace risks. Our efforts have been acknowledged both nationally and internationally, through the presentation of several awards and distinctions, which increases our drive towards this crucial objective.



## Respect the environment



**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
COP21·CMP11

### Paris Pledge For Action

Sonae constantly wants to be in the leading position when it concerns the environment. We keep this commitment close to our hearts, as it not only drives us to continuously take our environmental actions to a higher level, but is an opportunity to pass our values and a strong environmental message across to our stakeholders, our customers and our investors. The environment has to be a universal top priority.

Respect for the environment is at the core of our values. We actively take on the responsibility to promote respect for the environment and we foster and nurture a strong culture towards a better environment, a better world. At Sonae, we do not believe in sustainable success without taking into consideration a very simple rule that our actions towards environmental issues have to be continuously improved.

At Sonae, respecting the environment goes beyond simply adhering to the mandatory legal requirements. We think 'green' within the organisation, we promote green options to our customers and we encourage green options from our producers. We streamline our approach to environmental issues on an ongoing basis and assure that our team implements our environmental management policies both with passion and painstaking care. We want future generations to inherit an environment which makes them proud. Sonae claims to be a living organisation and as such we have the responsibility to work towards an environmental legacy worthy of being passed from one generation to another.

Our strategy towards a better environment is based on two pillars. On the one hand, we constantly update and adapt our strategy so as to significantly lessen our environmental footprint to the absolute minimum. On the other hand, we use our presence in society to raise public awareness of environmental issues, by actively promoting initiatives which improve the environment and disseminating information that allows our stakeholders to make better informed decisions on environmental topics. Our environmental actions take place in 7 main areas: (i) electricity consumption; (ii) electricity produced through renewable energy sources; (iii) total CO2 emissions; (iv) transport and logistics; (v) refrigerant gases; (vi) water consumption; and (vii) waste.



### Climate Change 2015 CDP Iberia Report

For the third consecutive year Sonae was recognised by the non-governmental organisation Carbon Disclosure Project (CDP) for the excellence disclosure of its environmental information. In this year's edition, Sonae obtained the perfect score (100 out of 100) in the Climate Disclosure Leadership Index (CDLI), which evaluates the quality of the information disclosed to investors and the general public related to climate change. Additionally, Sonae presented the best environmental performance amongst Iberian Retail companies and of the best performances in the Iberian market ("CDP Iberia 125 Climate Performance Leadership Index"). A double recognition that rewards our efforts towards a better environment and the transparency of our initiatives.

Catarina Oliveira Fernandes (Sonae | Head of Communications, Brand and Corporate Responsibility) states: "This year Sonae obtained the maximum score and a leadership position at an Iberian level regarding environmental disclosure and we are very pleased to receive this CDP award, as it acknowledges the work we have been developing not only in promoting the best environmental practices, but also in our efforts towards a quality report we have been trying to improve, year upon year. At Sonae we are committed to developing sustainable operations, for which we have been investing in the continuous improvement of our ecologic footprint. This effort has been made easier by our internal culture, which promotes efficiency in everything we do. The entire organization commitment is what allows us to innovate and combine environmental improvements with the development of our operations and consolidation of our leadership positions."

These recognitions are the result of the careful scrutiny by 822 institutional investors, representing 85 trillion dollars in assets. The maximum score obtained by Sonae indicates a high level of transparency in the disclosure of information related with climate change, providing investors with a level of comfort that allows to assess companies' accountability and preparation to face changing market demands and emissions regulation.



At Sonae, environmental issues are at the core of our strategy and we are committed to ensuring complete transparency in our actions and to actively communicate with our stakeholders and customers, bringing everyone together and making a difference towards a better world.

#### Equipa Worten Equipa – Excellence in environmental responsibility



Since 2009, Equipa Worten Equipa (EWE) has collected more than 30,000 tonnes of electrical and electronic waste equipment and more than 17,000 new pieces of equipment, with a value over €1.5 M, which have been offered to more than 1,700 institutions, providing support to 410,000 people in need.

EWE is one of our social and environmental responsibility flagship projects, achieving levels of excellence year after year, and it is a clear example of using our presence in the market and translating it into actions that actually make a difference with the involvement of our customers. For each tonne of waste electrical and electronic equipment collected in Worten stores, we donate 50 euros in new equipment. However the impact of EWE extends further than just the donation, as it also has a clear environmental impact not only through collecting waste but also through publicising the correct handling of old equipment.



## Sourcing with integrity and quality management

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Our customers want to know where their products come from and so do we. It is essential for both Sonae and its customers to be informed about how and from where we source our products. Safety is paramount at Sonae, with regard to both the organisation itself and our customers. We continuously examine our suppliers' network closely, in order to ensure enhanced levels of efficiency and quality, as well as rapidly pinpoint any difficulties which may arise and disseminate best practices.

Our active and meticulous approach towards our supply network also allows us to work in close association with our partners towards a sustainable future. Our partners need to be closely associated with our business strategies and values, an aspect which is vital for long-lasting success. This is accomplished through the training we offer under our continuous learning programmes, in addition to the support forums that provide guidance in order to follow and meet our stringent corporate responsibility policies. It is our responsibility to guarantee that we source products with integrity and quality. Above all, we aim to collaborate with our partners towards a sustainable future.

At Sonae, we believe that our customers should be able to make well-informed, knowledgeable decisions regarding our products. Therefore, our determination to guarantee high levels of transparency is central to our customer care policy and can be seen in our innovative labelling system in relation to the nutritional content of our products. We aim to promote a healthier lifestyle by enabling our customers to easily access the best product information and advice available. In this regard, we have several protocols in place with specialist organisations in the area of health and nutrition.



Founded in 1998, the **Continente Producers Club** soon played a crucial role in our strategy by allowing us to bridge the gap between high quality producers and our customers. **Continente Producers Club** allows Sonae MC to become closely involved and work with its partners, with an immediate impact on national and regional economic development. The success of this initiative is only possible through the satisfaction of customers who look for products of proven quality and origin, based on high quality standards and strict quality control procedures across the whole supply chain.

The success of the **Continente Producers Club** comes from the complete alignment between Sonae values and all of the producers in the club, working together to create sustainable growth. The **Continente Producers Club** has 234 members, representing €217 M.

In recent years, the Club has gained a very positive dynamic, organising several events. In 2015, the **Continente Producers Club** focused on reinforcing its commercial ties with the producers and developing partnerships between the members themselves. This was achieved by setting different challenges and training and through initiatives aimed at the transfer of knowledge, such as the XVIII Annual Continente Producers Club meeting, a visit to international renowned cold meat producers and periodic meetings for members to share experiences, ideas and best practices.



**Total commitment to quality**

Our business strategy has been increasingly focusing on our own brands and products, a strategy that has been clearly supported by our clients' recognition of our commitment to provide complete quality. We continuously monitor our supply chain and we intervene immediately as soon as any warning of the smallest risk is identified. We also promote the dissemination of best practices amongst our suppliers and the sharing of experiences, always focusing on higher levels of efficiency and quality, soundly rooted in our corporate responsibility values. In 2015, we conducted 164,332 quality assurance analyses, divided by Sonae retail segments.

Food	Non-food	Textile	Sports	Electronics
87,179	9,556	43,886	23,008	703



## Innovation is essential for our sustainable success

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Our culture of innovation keeps us at the forefront of the market place. However, we are highly aware that a leading position is only maintained through persistently fostering innovation at all levels of the organisation. We are known worldwide for our capacity to effortlessly convert innovative ideas into practical applications. We believe innovation has a profound impact as a value driver on two dimensions. Firstly, we can innovate internally achieving higher levels of efficiency and specialisations. Secondly, we can innovate in the products and services that we offer to our customers, knowing that creating value for them is the path to a sustainable future. Our approach towards innovation is deeply engrained in all of our various retail divisions and the way in which they carry out business. Each retail division is unique, however, each and every division reaps the benefits of the state-of-the-art products, services and processes developed, in addition to the exclusive types of brand activation and social responsibility networks. Innovation also allows us to be quicker to adjust to market trends and in mitigating operational risks.

Our insatiable drive to discover and innovate has led to our success. We take pride in our past achievements but expect even more from the future. We look beyond the very limits of boundaries, gaining a better understanding of the future, a pacesetter in terms of innovation and innovative methodologies. Long-lasting success and innovation go hand-in-hand, so creating an environment conducive to change is essential.

It is our steadfast belief that everyone is capable of innovation. Our teams are made up of colleagues from a multitude of backgrounds and profiles, furthermore the different business segments and countries where we operate, all combine to create a motivating and dynamic environment that stimulates creativity, initiative and innovation.

### Our approach towards innovation

Our commitment to innovation is at the heart of our business, as it plays a vital role in how we foresee, prepare for and take advantage of behavioural and technological changes in our society for the sake of improving our customers' lives and, at the same time, creating long-lasting competitive advantages for SONAE.

During 2015, we cemented our position as a highly regarded R&D+I actor, both in investment and in results. Below, we would like to highlight the following innovation projects and activities implemented:

- Continente's ShopView, a system which allows the continuous and automatic monitoring and supervision of the presence, misplacement or lack of a product on store shelves.
- Worten's Sales Assistant, a smart mobile platform which allows our sales colleagues to show detailed information about the products in store, enhancing the shopping experience, virtually expanding in-store stocks and allowing the possibility of finalising a sale anywhere in the store.
- Deeply Zipperless Suit, a surf suit without zippers, a revolutionary characteristic which makes it lighter, more comfortable to the user and with enhanced flexibility and performance.
- Zippy New Concept Store, which promotes greater levels of interaction, increased proximity to customers – kids and parents - and an enhanced shopping experience in an area which has been transformed.

In 2015, we also experienced the strengthening and expansion of our innovation network which includes universities, research centres, technological transfer units, partners, suppliers, start-ups and businesses from a large variety of sectors. We currently leverage and rely on a network of over 160 innovation partners across the world, including institutions from dozens of countries over four continents. Amongst the projects developed in partnership are product design challenges and R&D cooperation in domains like cybersecurity or mobile platforms to assure healthy nutrition in groups with special needs.

We also made progress in involving an increasing number of employees in our innovation flux, from ideation to implementation, leading to significant advances in our businesses often inducing positive changes.

Nuno Lopes Gama | Head of Innovation & Future Tech





## A standing commitment to our customers

Our success is measured by our customers' satisfaction. Our focus on creating value and our desire to help customers have a better lifestyle fuels our commitment to extend the state-of-the-art products and services we offer, inspired by a better future for all. Our loyalty to our customers has the ultimate goal of improving their lifestyle whether it is by offering them the best products at the best prices or by guiding and advising them in their choices and behaviour.

We are determined to offer the best value for money proposal and a wide choice of prices for each product, while ensuring the highest quality levels in order to fulfil our customer's expectations. Efficiency gains are our main priority, whilst collaborating with our suppliers to develop new products and services, as well as assuring quality. Innovation is encouraged across all tiers of the organisation, with our customers benefiting from lean operations and a satisfying shopping experience. A noteworthy example in this case is the Continente Loyalty Card, an innovative product used by 3.5 million clients that has led to about €310 M in savings.

At the same time we are aware of the impact of our presence in society and we play a leading role in the society in which we operate, using our influence to benefit the lifestyle of every customer. This is accomplished through the superior quality of our products, in addition to providing our customers with advice through such means as health campaigns and a wide range of healthy product categories.

Our strong principles are apparent in our products and services and our commitment to high standards of quality and integrity has been extensively recognised. We strive to uphold our corporate responsibility values. We invest in innovation. We invest in quality control. We invest in the best team, because they are worth all of our efforts. We take pride in the awards and acknowledgements we have received.

We are honoured to be given such valuable acknowledgments, however this makes us even more aware of our responsibility to our customers. Next year, we hope to achieve even more!



### Universo Card

In the last quarter of 2015, Sonae launched the Universo card. An innovative card that brings together all the benefits of loyalty cards into a single card like that of a Mastercard credit card, with all its associated benefits.

This new proposal adds to our current offer and we believe that in the future the Universo card will be the preferred payment card, offering the maximum benefits at the best price in the market.

Additionally, it will allow its users transparent access to all loyalty programmes in place at Sonae retail businesses, with the different businesses maintaining the ability to analyse and explore their customer base autonomously.



### A commitment to our customers

The Continente Loyalty Card is one of Sonae's flagship projects, an evolving case study of innovation and success since it was first launched in 2007. Sonae MC progressed further in our strategy to implement a "customer loyalty ecosystem", which all participating brands and members of the programme benefit from. New initiatives were implemented, such as the reinforcement of the partnership with Galp Energia – since early 2015, with offers covering fuel, electricity and natural gas –, the expansion of the Continente Loyalty Card to the Meu Super stores and, later in the year in close collaboration with Sonae's financial arm, the launch of the new Universo Card. The relevance of the Continente Loyalty Card is highlighted through its achievement of €4,500 M in sales, more than 170 M transactions, and benefiting 3.5M families with more than €300 M in savings.

### Continente loyalty card in a nutshell

<b>€4,500 M</b> in sales	<b>&gt; 90%</b> of total sales	<b>€310 M</b> in discounts	<b>170 Million</b> transactions	<b>7 out of 10</b> transactions	<b>3.5 Million</b> customers
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### Sonae – Several brands, but the same Culture of Success

Continente remarkably has now held the Brand of Trust title for 13 consecutive years. Worten has been recognised by our customers for the sixth consecutive year. Zippy for the third consecutive year. Well's and Sport Zone



renewed their distinction.

We are also the proud recipients of 11 Consumer Choice awards, across all of our business segments, showing that for us quality is at the heart of our strategy.

Continente was recognised as a Superbrand for the 12<sup>th</sup> consecutive year and Worten for the 2<sup>nd</sup> year.

Our customers are our success. Their recognition is paramount to us and it represents our commitment and responsibility to work our hardest every day, so as to guarantee the best products and services at the best prices.



**E-commerce – Also leaders on the web**

Over the last few years, we have been consolidating our e-commerce presence and developing an integrated omni-channel approach across our business segments that explores the complementarity between physical stores and alternative channels to offer each customer the opportunity to select and buy products in comfort and at whatever time is most convenient. In order to provide a better service to customers, stores are focused on offering a distinctive service, with their range of products increased through the digital catalogues and specialised customer support. Furthermore, stores operate in conjunction with online platforms. We closed 2015 with online stores in place for all of our main brands and in particular concerning Continente online, the largest online operation, we have more than 114 thousand clients registered and a staggering, almost half a million home deliveries. **We are where our clients want us to be.**

**Making a positive difference to our community**

At Sonae, we proudly and actively accept our responsibility to make a clear difference to our community and we place great importance on this positive influence. Our priority is to have an effect that is both extensive and enduring. The scope of our social responsibility extends to six principal areas that we consider vital to foster a sustainable and improved society: the environment, culture, education, health and sports, science and innovation and social solidarity.

We coordinate our community campaigns through ActivShare, a platform that we have developed to actively manage and disseminate information concerning our volunteering social responsibility initiatives. ActivShare helps us to respond more effectively to those who need our help, by streamlining our alignment and communication efforts. As we reinforce our international strategy, we take our values with us and ActivShare has been a key player in promoting initiatives at the international level. We truly believe in making a world of difference. During 2015, we provided more than €8.4 M in community support, helping 1,557 institutions. Our values are defined and reflected through our team and we take pride in the remarkable contribution of 3,998 hours of volunteer work.

We believe that we can make a stronger positive impact through a multidimensional strategy, which focuses on different social dimensions that together promote a better society and a better world. Our actions in 2015 are reflected through arts and culture, education and social development. We have been very active in promoting Sonae Art as a brand that brings together our initiatives in the area of arts and culture and which was highly effective in 2015 sponsoring and promoting different initiatives such as Sonae’s Media Art Award, the Sonae/Serralves project and the internationalisation of the Symphony Orchestra of Porto from Casa da Música.

### The launch of Sonae's Media Art Award with MNAC

This initiative promoted by Sonae in partnership with the National Museum of Contemporary Art – Chiado Museum (MNAC-MC) aims at distinguishing and promoting artistic creations from young Portuguese artists. It is designed for artists who present new works in the area of media art in either an exploratory or innovative way, or with a critical and historical perspective. The winning artist is awarded 40 thousand euros, the highest national award in the field of new media.

The five artists selected as finalists in this inaugural edition of Sonae's Media Art Award were chosen among more than 150 applications. The 2015 winner was the highly talented Tatiana Macedo, with the original work "1989", a multichannel video installation with space-like sound.

This initiative is part of Sonae's corporate responsibility policy, which aims to promote creativity and innovation, stimulating new tendencies and bringing society closer to art, namely through important cultural events that foster enriching personal and collective development experiences.



### The new edition of the Sonae/Serralves project

Sonae remains one of the patrons of Serralves, with the aim of promoting culture, by linking the community to art. The Sonae/Serralves Project (launched in 2015 and to be completed in 2016), which resulted from this partnership, has the following objectives:

- Encourage national artistic production
- Promote national art on a worldwide basis and exchange among young national and international artists
- Support institutions dedicated to art
- Stimulate society's approach to art by supporting and promoting initiatives

Haegue Yang (Hangul, South Korea, 1971) is the artist who has been invited to the next edition of the Sonae|Serralves project at the Museum of Contemporary Art of Serralves. This is the fourth time that the Sonae|Serralves project has invited an artist to create unpublished works of art, again this year in close collaboration with the architectural and natural context of Serralves, as was the case in 2014 with the exhibition 'Cold Shoulder', by the Iranian Nairy Baghramian.

Catarina Oliveira Fernandes (Head of Communications, Brand and Social Responsibility | Sonae) commented that "Sonae aims to contribute to the promotion of social and cultural well-being of the communities where it operates, so it has been promoting over the years, the development of knowledge and culture. The 4<sup>th</sup> edition of the Sonae/Serralves project is a successful example of this commitment, it has enabled us to bring national and international artists of increasing value to Portugal. This initiative is also an important opportunity for university students, through the involvement of students of the arts, who will watch the artist in the preparation and implementation of her works, through open meetings with the artist in four Portuguese universities".



orquestra  
sinfónica  
porto · casa da música

### The internationalisation of the Symphony Orchestra of Porto from Casa da Música

With the aim of strengthening the internationalisation of the Sonae Art brand, bringing together actions related to supporting, promoting and encouraging Arts and Culture, Sonae and Worten supported for the second consecutive year, the internationalisation of the Symphony Orchestra of Porto from Casa da Música by holding a concert in Madrid. The concert was held at the National Auditorium of Music in Madrid giving the musicians the opportunity to perform on one of the most renowned stages in the Spanish capital and bringing Portuguese symphonies to Spain.

Catarina Oliveira Fernandes (Head of Communications, Brand and Corporate Responsibility | Sonae) emphasised that "Culture is a central tenet of our corporate responsibility policy, because we believe that art stimulates creativity and innovation, values that are part of the Sonae culture. We are a company of people for people who rely on a strong connection with the communities where we develop our business, and we want to contribute to the development of communities, fulfilling our mission to bring the benefits of progress and innovation to a growing number of people".

Miguel Mota Freitas, CEO of Sonae SR commented that "Sonae has a strong concern for the communities in which it develops its activity, aiming to contribute to their progress. Worten, as part of its corporate responsibility policy, also promotes creativity and culture as development factors in the communities where it operates".





As one of the largest employers in the country and with our knowledge of the needs in different business and geographic markets, Sonae is in a privileged position to understand the gap between academic training and market needs. In addition, we believe that it is critical to anticipate future market needs and prepare young generations to fulfil those needs. Bearing these insights in mind, we have been promoting different initiatives to close that gap. For us, this is not only an opportunity to help but also an opportunity to find and recruit talent. We have different programmes and initiatives in place such as the Contacto programme and partnership with Junior Achievement (Portugal and Spain), but we want to go a step further and become involved with higher education institutions and we have signed an agreement with the Ministry of Education and Science to cooperate in the development of vocational courses.

**Helping future generations by bridging the gap between higher education and the job market**

Sonae and the Ministry of Education and Science have signed a protocol of cooperation for the development of vocational courses in secondary education, acting as an outstanding example of cooperation between companies and educational institutions.

This partnership is part of the human resources and cooperation policy with other academic and teaching institutions at Sonae and aims to empower youth through the development of in-house training in companies, enabling better preparation for the job market. The partnership established allows Sonae to place its knowledge and skills at the service of the Community and this initiative will surely develop specialised technicians who may become part of the Sonae team, thus contributing to the development of its operations.

The first course, for training logistics technicians, is already underway in partnership with the Escola de Comércio de Lisboa (Lisbon School of Commerce) and involves 23 students. According to the agreement signed with the Ministry of Education and Science, Sonae is a benchmark in the Portuguese market, with an active presence and a strong focus on its business sector, bringing together excellent conditions for an active liaison with schools by implementing such courses together.

The socioeconomic crisis is still more than just a memory and the social impacts are very visible and reinforce the need for help. In 2015, we were highly selective in our initiatives because we wanted to make sure that we were effectively reaching those most in need. We are particularly concerned when it comes to children, as they are our legacy for the future. We want to help ensure that children are provided with an environment and facilities that are conducive to their development. We firmly believe that it is our obligation to play our part in ensuring sustainable growth and a brighter future for as many children as possible. The future of our children is in our hands. Additionally, one of our key focus areas is social solidarity. This is in terms of providing assistance in various forms to those who most need it, in order for them to overcome short and long-term hardships. We carry out such efforts hand in hand with the communities where we operate. Our actions are a genuine reflection of our values.

**Porto de Futuro** provides support to the management and development of schools. It encourages the sharing of knowledge and experiences between schools and companies aiming at increasing the level of community involvement in schools. The project recognises the fundamental role of education in the sustainable development of a more competitive and dynamic society.

As part of this project, Sonae has continued its partnership with the Cerco School Group aiming at strengthening the link between schools and their community, promoting sports, providing support for management consulting, encouraging entrepreneurship and rewarding merit. We believe that together, we can improve the social environment in these schools.

In 2014, Porto de Futuro set in motion a project focusing on academic success, under the coordination of EPIS - Entrepreneurial Association for Social Inclusion. This project aims to train young people to realise their potential throughout life, through Education, Training and Professional Insertion. In the academic year 2014/2015, the focus of activity was the implementation of a programme which promoted the success of students in the 3rd cycle of their education, coordinated by EPIS. Additionally, through the Cerco School Group, tutors monitored around 54 students. Students are tutored both in individual or group sessions, with special emphasis on study sessions and the EPIS Merit Scholarship.



#### Projeto Pêra

Our children are our future. A healthy child is more willing and motivated to learn. Their personal development is more balanced and active and as a result they are more likely to interact positively with others, developing stronger soft skills. We cannot accept circumstances where children come to school without a nutritious breakfast and, therefore, we were quick to act and to create Project Pêra (**Project Pear**) aiming at providing children in need in Porto with a healthy breakfast. In the 2014/2015 school-year, we provided breakfast to 805 children in 18 schools, including 18 Continente stores. More importantly, we need and intend to be more active in this area.



#### Well's Make-a-Wish

The Well's and the Make-A-Wish Foundation have teamed up to help grant wishes to children and young people, who are victims of life-threatening medical conditions. The Portuguese people responded with amazing generosity to the appeal by the two entities and over a period of two months, the campaign managed to collect a total of 90 thousand euros from the sale of Christmas label collections, surpassing the value raised in the previous year. The initiative spanned across more than 160 Sonae health and well-being stores and consisted of the sale of 14 sets of beautifully-illustrated Christmas labels, detailing some of the children's wishes that had already been granted through the brand, for the amount of one euro. The funds raised reverted entirely to the Make-A-Wish Foundation.



#### Código Dá Vinte – Worten

The "Dá Vinte" Code allows Worten customers at the checkout counter to select a "Dá Vinte" bar code card and donate multiples of 20 ("Vinte") cents. Worten adds 20% to the value donated by our customers and the total is then donated to a charity organisation. In total, over the three editions, Worten has donated about 435 thousand euros to help those in need. Out of this amount, approximately 185 thousand euros were allocated to the construction of a new house to foster 16 families of children undergoing treatment at the Portuguese Institute of Oncology (IPO) of Porto, reaching 100 families per year.



Love in a Box is a joint Christmas initiative shared by Zippy and the Portuguese Red Cross designed to bring a smile those children most in need. "Love in a Box" asks children and their families to bring

happiness to children in need during the Christmas season. The idea is as simple as giving a child a reason to smile. The amount raised is converted into several child-care articles, clothing and footwear, which are in turn distributed by the various delegations of the Portuguese Red Cross, according to their needs. In 2015, we took this initiative to Spain and in both countries we raised over 19 thousand euros.

"Love in a Box" was recognised in the 24<sup>th</sup> edition of the Masters of Distribution Awards in the Social Responsibility category.





**Missão Continente**

In 2015, Mission Continente was established, in order to raise awareness and mobilise people and communities in relation to social inclusion, economic development and respect for the environment. Mission Continente has evolved from Mission Smile, which for more than a decade, focused on the development of social causes in the areas of child health, active aging and the fight against hunger. Mission Continente extends Mission Smile by embracing all of Sonae MC's corporate responsibility dimensions, namely activities of a social nature, the community and the environment. In order to better contribute to the development of communities and to improve the quality of life of Portuguese families, this initiative is divided into three strategic pillars: Raise Awareness, Community and Smile.

**Raising Awareness**

This component focuses on the adoption and promotion of lifestyles that take into consideration many of today's social and world challenges, from a social, economic and environmental perspective.

**Gardens in Schools**

In partnership with the Lisbon Town Council, Mission Continente contributed to the creation of school gardens in Lisbon municipality in 10 basic education schools, as part of the campaign "vegetable gardens at schools ... vegetables on your plate," raising awareness of healthy eating habits.

**Community" pillar**

The Community component aims to contribute positively to cohesion and social welfare. In this sense, during 2015, we developed several actions in partnership with various organisations such as Cáritas, Quercus and the Red Cross.

**Food Collection**

During a period of three days, Mission Continente held in partnership with the Red Cross, a national Food Collection campaign, in which several hundred volunteers were in various Continente stores and Meu Super stores collecting essential goods contributions. Products and food offered accounted for about 200,000 meals and were then distributed to the neediest people, indicated by the representatives of the Portuguese Red Cross according to the most urgent needs of each region.

**Smile**

The Smile component, in addition to inheriting the name of the previous initiative (Mission Smile), also focuses on child health, concentrating on the development of actions to support birth rates and promote family health in Portugal through local support.

**Mission Continente Smile**

The promotion of maternal and child health in the health centres in Portugal, one of the Mission Continente's aims during 2015 was to raise funds by selling the book "The best family recipes" and the contribution of the population through premium-rate calls, totalling a final value exceeding 375,000 euros. For each book sold, Mission Continente donated half the value of the winning projects of the annual Mission Smile contest, voted by the Portuguese people from one of 58 projects.



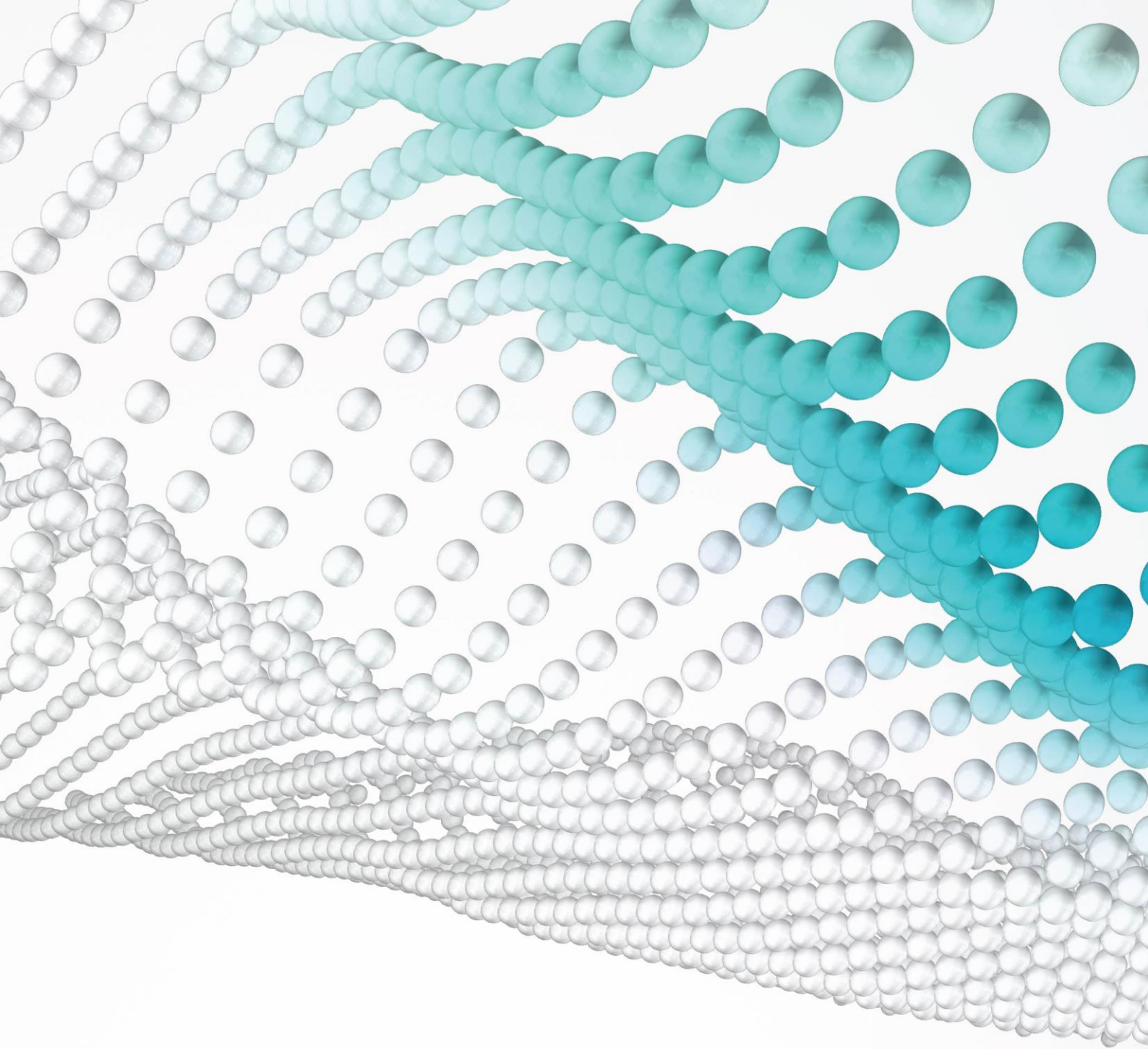
## Corporate Governance

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At Sonae, we are aware of our influence on society. For this reason, we take our responsibilities seriously, in particular, in light of our stakeholders. We abide by the most stringent corporate governance standards and our actions, policies and decisions are carried out and monitored with the utmost care, taking our stakeholder's interests to heart. Ethical and responsible behaviour are reflected through transparency at all levels. We clearly adhere to all capital market regulations and we always guarantee that we relay information quality of the highest standard. We have an extensive corporate structure established, which ensures that investors, principally small investors, trust and can rely on our dedication to innovation and sustainability and our ability to carefully regulate our organisation. Our corporate governance structure is based on both internal and external knowledge and know-how, best corporate governance practices are continuously upheld beyond what is required. Through a number of different forums and training workshops, we provide support to small investors helping them to meet the strict regulations.

Our stakeholders are extremely important to us at Sonae; we are always available and can be approached through the Investor Relations Department. We do our utmost to assure that all regulatory and reporting requirements are adhered to and all relevant information is made available voluntarily, both in Sonae and on the Portuguese Stock Exchange Commission websites. Our business is your business.

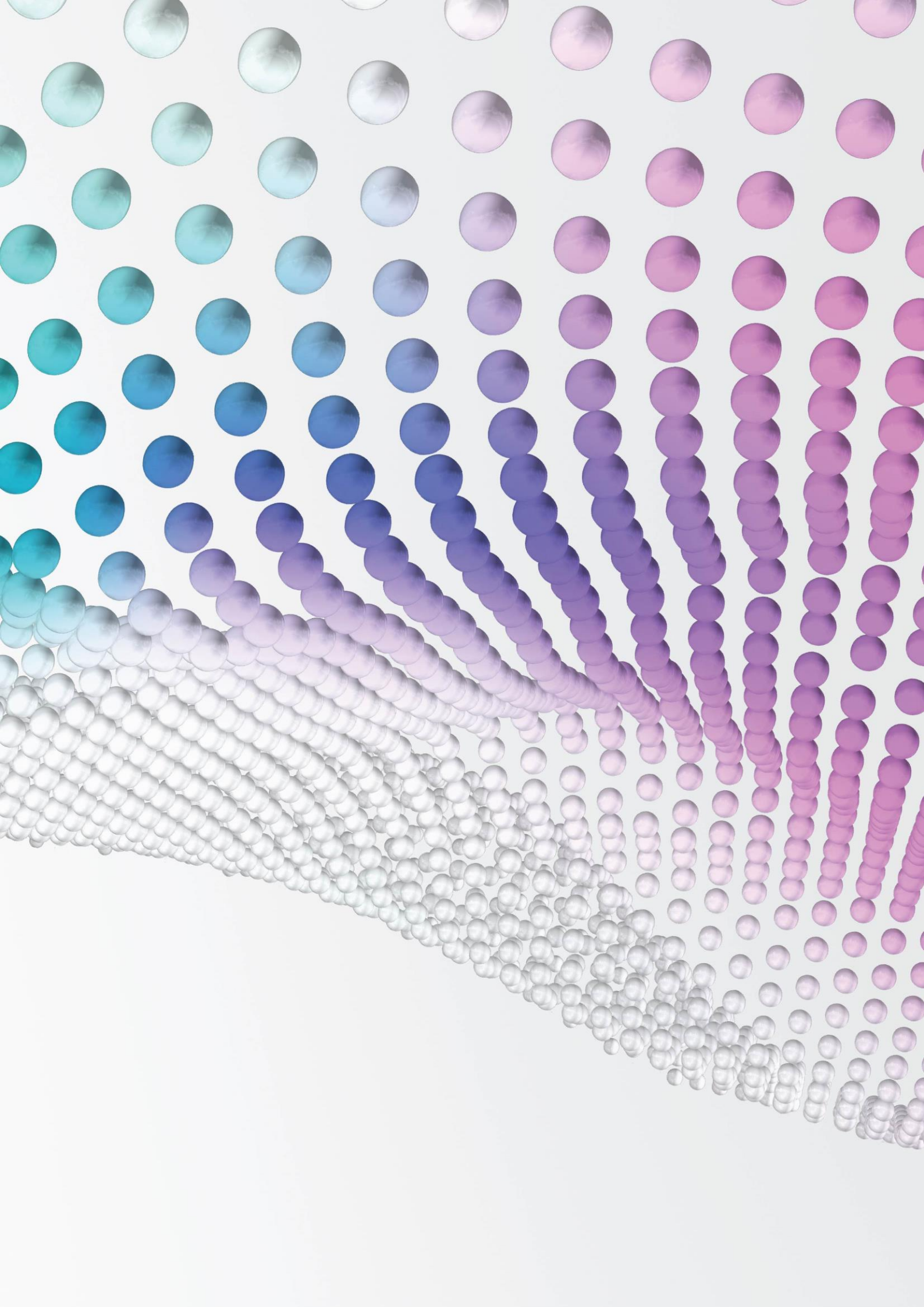
For further information on Corporate Governance related issues, please refer to our Corporate Governance Report.



FINANCIAL  
REVIEW



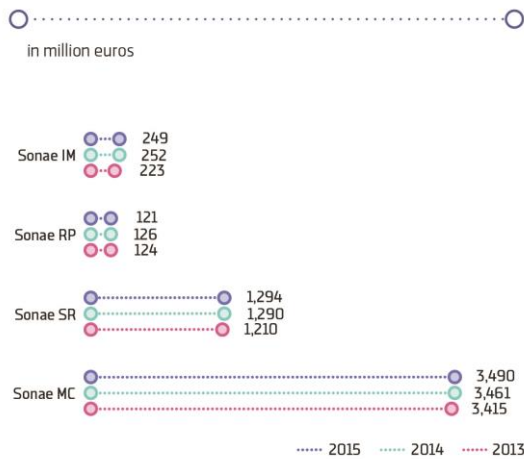
IMPROVING LIFE



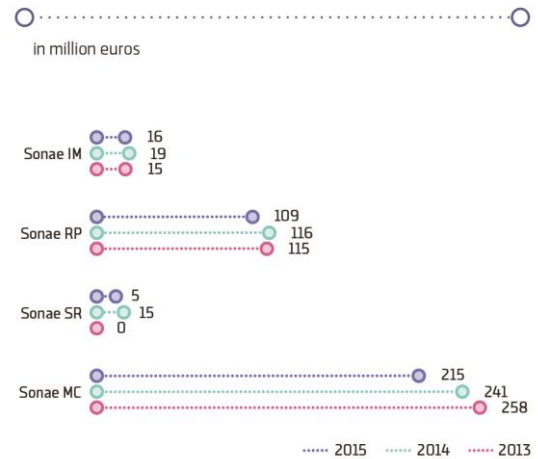
## Financial Review

### Key financial performance indicators

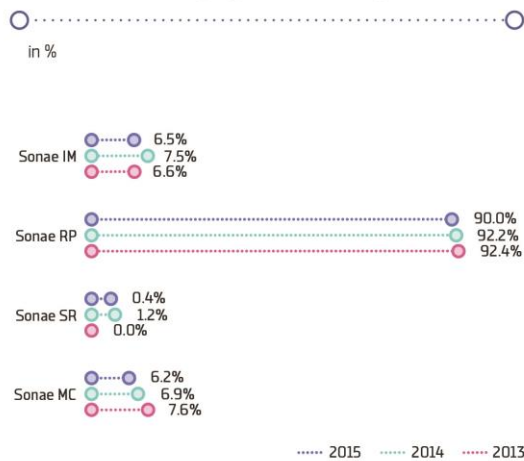
Turnover



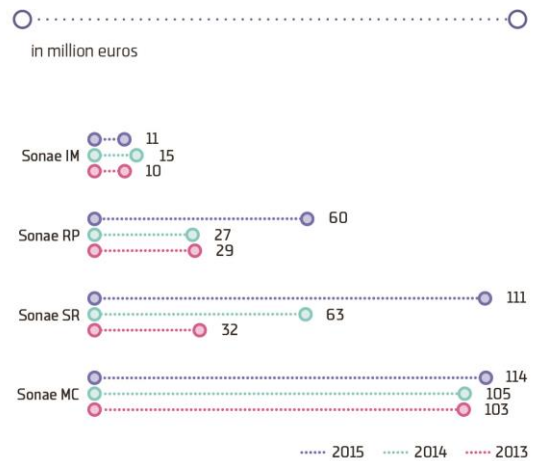
Underlying EBITDA



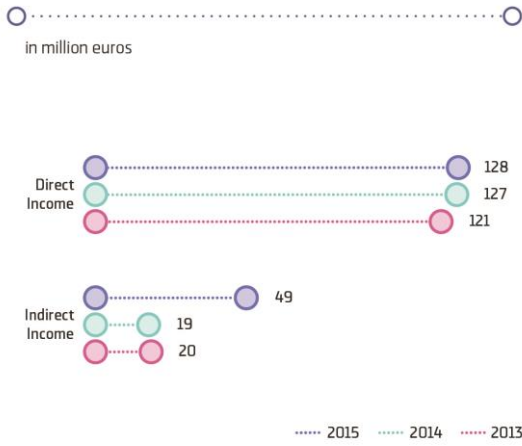
Underlying EBITDA margin



CAPEX

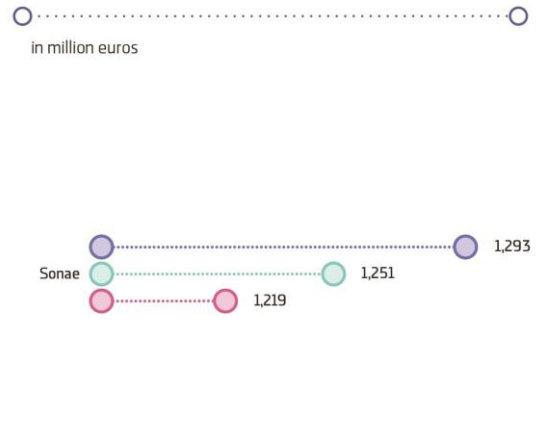


### Net Income



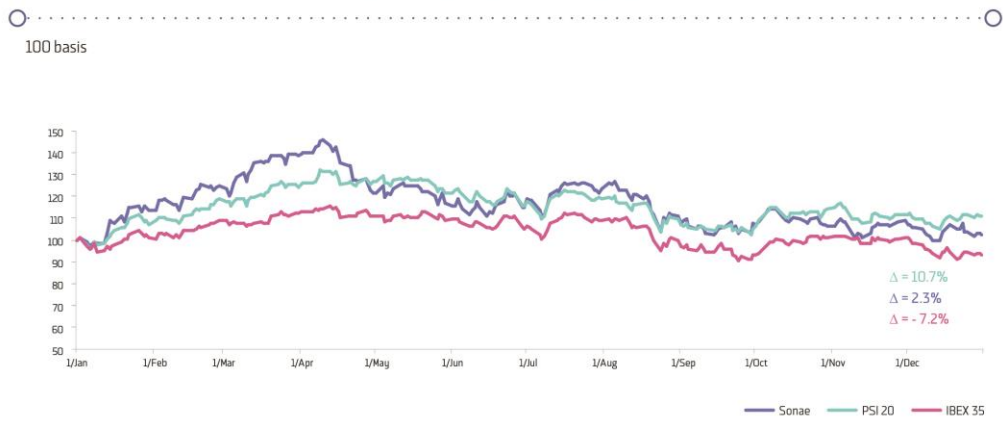
Note: Indirect Results excluding Zon-Optimus merger effects and impairments booked in 3Q13.

### Net Debt



Note: 2014 net debt includes the payment of SonaeCom shares to France Telecom, occurred in August 2014.

### Share Price Evolution in 2015









tightening of the U.S. monetary policy. Advanced economies will continue to experience a modest recovery (+2.1%), while emerging economies will face a new reality of slower growth rates (+4.0%).

The Eurozone is expected to slightly accelerate its growth rate (+1.7%), driven by stronger private consumption supported by lower oil prices and improved financial conditions that should compensate the weakening of net exports.

The United States is expected to continue to deliver robust economic activity, benefitting from still-easy financial conditions and strengthening labour and housing markets. However, the appreciation of the dollar will remain as the main challenge, causing the US manufacturing sector to shrink marginally.

Emerging markets should experience a slight growth increase from +4.0% in 2015 — the lowest rate since the 2008-09 financial crises — to +4.3% in 2016. However, these average values conceal a wide diversity of situations across countries. India and parts of emerging Asia will continue to present strong growth rates, while Latin America will remain in recession in 2016, mostly due to the depression in Brazil and economic stress in other countries (even if most other countries in the region continue to grow). The emerging countries in Europe are expected to grow steadily, but at a lower rate, as a consequence of Russia's recession. A gradual pickup is expected in Sub-Saharan Africa, but with lower growth rates compared to the previous decade.

In Portugal, economic growth will remain moderate (+1.5% to +2.0%), mostly due to internal vulnerabilities, namely the high level of both public and private debt, and apathetic European economic growth. Private consumption will remain as the strongest growth driver (+1.9%), supported by higher levels of household disposable income, resulting from different factors such as wage increases, increased income for pensioners and tax relief, whilst the fall in unemployment rate will be more restrained. The Government's budget for 2016 is expected to deliver a boost to the economy, but is casting some uncertainty regarding future economic policies and compliance with European commitments.

The outlook is globally favourable for Spain. The expansionary phase of the economy is expected to continue throughout 2016 (+2.8%), with growth remaining underpinned by solid domestic demand. Household consumption should remain particularly buoyant (+3.4%), driven by the favourable evolution of employment, together with the positive impact on real disposable income of the fall in oil prices and the reduction in direct taxation. Furthermore, the economy will continue to benefit from the improvement of financing conditions and the recovery in residential investment.

In brief, the outlook for the Iberian economies is favourable, albeit moderate, particularly for Spain where GDP growth will continue to outpace the Euro Area average. However, the year ahead is challenging with main risks tilted to the downside. Internally, political instability will be the major source of concern, while externally, the deterioration of the global outlook, particularly a derailment in emerging markets, could negatively affect both economies.

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Notes: Real growth rates

Sources: Data and forecasts: i) Main economic blocks – IMF World Economic Outlook update, January 2016; ii) Portugal - Bank of Portugal December 2015 Economic Bulletin; iii) Spain - Bank of Spain December 2015 Economic Bulletin

## 2015 Consolidated financial performance

### Sonae performance and capital structure

Sonae Consolidated results			
Million euros	2014	2015	y.o.y.
<b>Turnover</b>	<b>4,974</b>	<b>5,014</b>	<b>0.8%</b>
Sonae MC	3,461	3,490	0.8%
Sonae SR	1,290	1,294	0.4%
Sonae RP	126	121	-4.0%
Sonae IM	252	249	-1.1%
E&A <sup>(1)</sup>	-155	-140	9.2%
<b>Underlying EBITDA</b>	<b>380</b>	<b>331</b>	<b>-13.0%</b>
Sonae MC	241	215	-10.7%
Sonae SR	15	5	-64.5%
Sonae RP	116	109	-6.3%
Sonae IM	19	16	-14.3%
E&A <sup>(1)</sup>	-12	-15	-28.8%
Underlying EBITDA margin	7.6%	6.6%	-1.0 p.p.
Equity method results <sup>(2)</sup>	42	48	13.6%
o.w. S. Sierra (direct results)	26	31	15.9%
o.w. NOS	16	18	13.7%
Non-recurrent items	-5	14	-
<b>EBITDA</b>	<b>417</b>	<b>393</b>	<b>-5.8%</b>
EBITDA margin	8.4%	7.8%	-0.6 p.p.
D&A <sup>(3)</sup>	-189	-187	1.0%
<b>EBIT</b>	<b>228</b>	<b>206</b>	<b>-9.9%</b>
Net financial activity	-77	-57	26.1%
<b>EBT</b>	<b>151</b>	<b>149</b>	<b>-1.6%</b>
Taxes	-25	-21	15.2%
<b>Direct results <sup>(4)</sup></b>	<b>127</b>	<b>128</b>	<b>1.1%</b>
<b>Indirect results</b>	<b>19</b>	<b>49</b>	<b>158.9%</b>
<b>Net income</b>	<b>146</b>	<b>177</b>	<b>21.5%</b>
Non-controlling interests	-2	-1	12.3%
<b>Net income group share</b>	<b>144</b>	<b>175</b>	<b>21.9%</b>

(1) Eliminations & adjustments;

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

(3) Depreciations & amortisations including provisions & impairments;

(4) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	2014	2015	y.o.y.
<b>Net invested capital</b>	<b>3,083</b>	<b>3,088</b>	<b>0.1%</b>
Technical investment	2,034	1,920	-5.6%
Financial investment	1,279	1,313	2.7%
Goodwill	611	625	2.3%
Working capital	-840	-770	8.4%
<b>Sonae shareholders funds</b>	<b>1,832</b>	<b>1,795</b>	<b>-2.0%</b>
<b>Sonae net debt <sup>(1)</sup></b>	<b>1,251</b>	<b>1,293</b>	<b>3.4%</b>
Net debt / Invested capital	40.6%	41.9%	1.3 p.p.

(1) Financial net debt + net shareholder loans.

In 2015, **Sonae consolidated turnover** reached €5,014 M, representing a growth of 0.8% when compared to 2014, benefiting from the positive performance of MC and SR, which has more than compensated the lower turnover of RP and IM.

**Sonae underlying EBITDA** stood at €331 M, corresponding to an **underlying EBITDA margin** of 6.6%.

**Sonae EBITDA** reached €393 M, equivalent to an EBITDA margin of 7.8% and including the following contributions:

- (i) underlying EBITDA, amounting to €331 M;
- (ii) equity method results of €48 M, made up of Sierra's direct results, as well as NOS contribution; and,
- (iii) non-recurrent items of €14 M, benefiting from the capital gains related to the sale and leaseback transactions completed throughout the year.

Driven by the combination of a lower average net debt and a lower cost of outstanding debt of approximately 90 bps, Sonae **net financial activity** improved by €20 M, registering a negative €57 M in 2015.

Sonae continued to focus on increasing the average maturity of the debt and decreasing the average interest rate of outstanding debt, which averaged 2.0% on December 31<sup>st</sup> 2015. It should be noted that Sonae financial results are only related to MC, SR, RP and IM businesses.

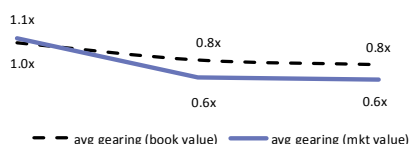
**Sonae direct results** amounted to €128 M, increasing 1.1% y.o.y., driven by the slightly lower D&A, less negative net financial activity and taxes, which more than off-set the lower EBITDA.

**Sonae indirect results** reached €49 M, a significant increase on a yearly basis. This benefited from the non-cash movements related to the revaluation of Sierra's assets, in the amount of €40 M, carried out on December 31<sup>st</sup> 2015, as well as by NOS mark to market effect and dividends, amounting to €24 M.

**Sonae shareholders' funds** stood at €1,795 M in 2015, €37 M below 2014.

### Gearing

	2013	2014	2015
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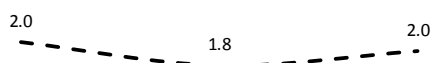
### Net debt

Million euros	2014	2015	y.o.y.
<b>Net financial debt</b>	<b>1,248</b>	<b>1,290</b>	<b>3.4%</b>
MC, SR and RP	683	646	-5.3%
IM	23	15	-35.7%
Holding & other	542	629	16.0%
<b>Sonae net debt</b>	<b>1,251</b>	<b>1,293</b>	<b>3.4%</b>

### Capital Structure - MC, SR and RP

Net debt to EBITDA

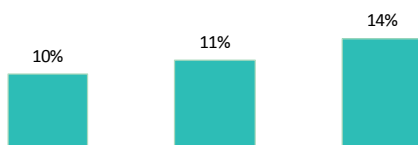
	2013	2014	2015
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### Capital Structure

Loan-to-value (%) - Holding

	2013	2014	2015
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### Sonae Capex

Million euros	2014	2015	% of Turnover
<b>Capex</b>	<b>356</b>	<b>300</b>	<b>6.0%</b>
Sonae MC	105	114	3.3%
Sonae SR	63	111	8.6%
Sonae RP	27	60	49.8%
Sonae IM	15	11	4.5%

**Sonae net debt** reached €1,293 M in 2015, increasing €42 M when compared to last year. Sonae's liquidity position was impacted, in 2015, by the dividends payment that occurred in May and December, amounting to €141 M, as well as by the acquisitions of Ulabox, Makenotes and Losan, totalling €47 M.

Average gearing at market value stood at 0.6x and average gearing at book value reached 0.8x. Sonae's gearing levels remained broadly stable in comparison to 2014, but show clear levels of improvement compared to previous periods.

Sonae maintains a robust capital structure, supported by low leverage, with no funding needs foreseen until the end of 2017 and an improved maturity profile.

**Financial net debt** of MC, SR and RP stood at €646 M in 2015, less €37 M when compared to 2014, which benefited from the cash inflow resulting from the sale and leaseback transactions completed at RP during 1H15. The net debt to EBITDA stood at 2.0x, decreasing 0.2x versus 2014 due to the lower EBITDA.

**Holding net debt** reached €629 M, growing 16.0% y.o.y.. **Loan-to-value** ratio of the holding increased to 14%, impacted by higher holding net debt due to the anticipation of dividends payment related to 2015 results.

**MC Capex** stood at €114 M, increasing 8.6% when compared to 2014.

**SR Capex** reached €111 M in 2015. It should be noted that the increase in 2015 reflects the acquisition of Losan, completed during the 4Q15.

**RP Capex** totalled €60 M in 2015, a value that compares with €27 M in 2014.

**IM Capex** reached €11 M in 2015, decreasing €4 M when compared to 2014.

## Business segments

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Sonae has grown to become a global player and our activity is spread across 72 countries, including operations, provision of services to third parties, representation offices, franchising and partnerships. We continuously adapt our strategy to fit new businesses, new markets and new partners, always making sure that our values shared by all of our stakeholders and promoting sustainable growth based on social and economic development.

The business environment landscape is changing towards a highly competitive market characterised by increasingly demanding consumers and fast-moving market trends. In such a dynamic world, specialisation, innovation, efficiency and capacity to focus on the consumer are paramount to success.

Sonae is a major player in different business segments and the market is driving our operations to become more specialised and autonomous so as to face future challenges and to be the front runner in each and every one of our businesses.

In order to face these new organisational challenges, we have been adjusting our internal organisation, making our business more autonomous, thus enabling higher levels of specialisation. Simultaneously we are creating new forums and new bridges throughout the organisation, to continue to bring together our multitude of cultures and business expertise. This new approach means that our business segments have had and will continue to have their management levels reinforced with human capital, with unique and highly specialised experience in each segment.

We believe that this new structure will allow each one of our business segments to be more agile in creating new opportunities and, Sonae as a whole, will be the backbone of this new structure. To strengthen this new structure, Sonae Corporate Centre will adopt a very proactive role in bringing together our invaluable world of personal and business expertise. Sonae Corporate Centre will have two major functions. On the one hand, the Corporate Centre is responsible for the so-called sovereign functions like Corporate Governance, Strategy, Investor Relations and Corporate Communication and on the other hand supports our business segments to ensure higher levels of efficiency by creating a pool of shared services.

- CONTINENTE
- CONTINENTE MODELO
- CONTINENTE BOM DIA
- WELL'S
- MEU SUPER
- NOTE!
- MAKENOTES
- BOM BOCADO / BAGGA
- PET & PLANTS
- ZU

**SONAE MC**



- WORTEN
- SPORT ZONE
- MD
- ZIPPY
- LOSAN
- BERG
- DEEPLY

**SONAE SR**



- RETAIL
- PROPERTIES

**SONAE RP**



- UNIVERSO CARD
- CREDIT CARDS
- DÁ
- MONEYGRAM

**SONAE FS**



**SONAE IM**

- WEDO TECHNOLOGIES
- SAPHETY
- BIZDIRECT
- S21SEC
- MOVVO
- TLANTIC
- MDS
- MAXMAT
- PÚBLICO

**SONAE SIERRA**

Present in 12 countries  
with 45 Shopping Centres

- |          |          |
|----------|----------|
| PORTUGAL | CHINA    |
| SPAIN    | ITALY    |
| BRAZIL   | MOROCCO  |
| GREECE   | ALGERIA  |
| GERMANY  | COLOMBIA |
| ROMANIA  | TURKEY   |

**NOS**

TELECOMMUNICATIONS

**Sonae MC**

**Sonae MC** is part of Portuguese society. Continente has been distinguished for the 13<sup>th</sup> successive year as a Brand of Trust and for the 12<sup>th</sup> successive year as a Superbrand. Well's has been recognised for the second year as a Brand of Trust. This recognition highlights our commitment towards our clients.

**Sonae MC**, the food retail business, continued to have a leading market position in Portugal. **Sonae MC** is devoted to understanding the needs of the Portuguese consumers, and has extensive experience in customising its offers and promotional tools to rapidly adjust to the needs of the market. Furthermore, it is worth highlighting the Continente Loyalty card that continues to excel and represents more than 90% of sales during the year.

2015 was a very special year as Sonae MC celebrated 30 years since the establishment of the first hypermarket in Portugal. We are proud of this achievement, but more than proud we are excited about the next 30 years.



**The first hypermarket store in Portugal opened 30 years ago**

The first Continente store opened in 1985 at Matosinhos, starting a profound revolution in Portuguese society, in particular in consumer habits. For the first time, customers were able to satisfy all their needs in terms of food, toys or even bricolage, in only one specific place, instead of having to go to a number of different and small local grocery stores. The big store became an enjoyable place for families to go, and people grew used to the idea of doing their grocery shopping with their relatives.

Thirty years have passed, the shopping experience has continued to evolve and Continente continues to be at the forefront, providing the best emotional experience to do your shopping with family and friends. The brand evolved and it is now more modern and adapted to market trends, setting international practices that are recognised worldwide. Continente remains at the head of the revolution: with a huge investment in e-commerce, which gives access to a large amount of services that go beyond the physical store; with the creation of new store concepts; and with the use of a customer loyalty card in an effective sales promotion campaign.



Sonae MC is now in the process of strengthening Continente’s internationalisation strategy. During 2015, Sonae MC exported its own brand products to more than 30 countries, a significant step in only a limited period of time. Sonae MC’s products are now in Europe, North America, Asia, Africa and Oceania in a mixture of developed and rapidly growing countries. According to Luís Moutinho (CEO | Sonae MC) “Sonae continuously invests in innovation, research and development in order to strengthen the value proposition to its customers. The result of this commitment is that we offer our customers a wide portfolio of high quality products that are at the roots of our position as Portuguese market leader, particularly Continente products. The success of our brands and products now goes beyond our borders

and captures the interest of other retailers around the world, leading to an accelerated growth of our export markets."



#### The IFA deal

Sonae MC has signed an affiliation agreement with the Spanish central purchasing body IFA Group. The agreement with effect from January 2016 onwards aims at promoting relevant trading and development opportunities. By joining the IFA Group, Sonae MC has access to a wider range of sourcing options, as it is able to differentiate the value proposition for its customers, in particular regarding variety and innovation. This agreement will also be an important avenue for the appreciation of Sonae MC's portfolio of own brands, to the extent that it will explore very interesting internationalisation opportunities in the Spanish market and provide to our current partners a new platform of potential business opportunities.

The IFA Group brings together more than 30 members, all leaders in their segments, representing more than 6,000 points of sale (3.2 million m<sup>2</sup>) and had a turnover exceeding 10 billion euro.

#### United Arab Emirates Franchising

Sonae MC's internationalisation strategy continuously identifies opportunities to explore its exceptional assets base and the unique innovation culture through capital light expansion models. Under this strategy, Sonae MC signed, in the second semester of 2015, a franchising deal with Fathima Group for the internationalisation of Sonae MC's operation to the United Arab Emirates, allowing the Continente insignia to be in the market by 2017. Fathima Group is a significant player with vast experience in the United Arab Emirates and surrounding regions and this partnership will allow the entrance in a highly promising market with a very strong partner with unique local expertise.



**Sonae MC** – 509 stores operated by the company and 237 stores under franchising generated a €3,490 M turnover in 2015.

#### Food retail businesses:

**Continente** – 40 hypermarkets (centrally located and more than half situated in leading shopping centres) – with an average area of approximately 7 thousand sqm and average Stock Keeping Units (SKUs) of 70 thousand. Non-food area (typically light bazaar and textiles) representing less than 15% of total sales.

**Continente Modelo** – 123 supermarkets (+7 under franchising agreements), typically located in medium-sized population centres, with an average area of 2 thousand sqm and with the number of SKUs well above competitors. These supermarkets are based on location and convenience, with the light bazaar representing less than 10% of sales (no textiles offered).

**Continente Bom Dia** – 52 small, convenience food stores, with an average sales area of around 900 sqm. Renewed concept based on the quality and variety of fresh products, ideal for more frequent daily shopping.

**Meu Super** – 205 franchised local food stores, with areas between 150 and 500 sqm, located mainly in residential areas within large city centres. Sonae MC offers the franchisees store management support, a guaranteed competitive price and access to Continente's own brand label offer, as well as other suppliers' products.

#### Adjacent businesses

**Bom Bocado / Bagga** – 111 stores (+5 under franchising agreements), coffee shops and small snack-bars. Variety and quality with a fast service and great price.

**Note! / Makenotes** – 25 book stores (+5 under franchising agreement), stationery and tobacco.

**Well's** – 152 stores (+15 under franchising agreement) dedicated to parapharmacy, beauty products, health and well-being, eye glasses and optical services.





**Improving the customers lifestyles but making shopping more convenient**

**Meu Super**, the franchising food retail format, now have 205 stores and together with **Continete Bom Dia**, with 52 stores, are a key element in Sonae's strategy of creating a network of modern convenience stores, facilitating the shopping experience by adding stores within close proximity to customers and to our range of offers.

"Meu Super" is facilitating the revitalisation and modernisation of food retail in Portugal, allowing franchisees to adjust their businesses in order to meet customer needs, as well as allowing new entrepreneurs to enter the market benefiting from the skills and knowledge of Sonae MC.

Responsible for the creation of approximately 600 jobs, "Meu Super" stores are present in 18 districts of Portugal and also in Madeira. "Meu Super" stores are nearby, local food retail stores in residential areas, so that partners can benefit from the extra value of the concept, including the use of Continete's own label products.

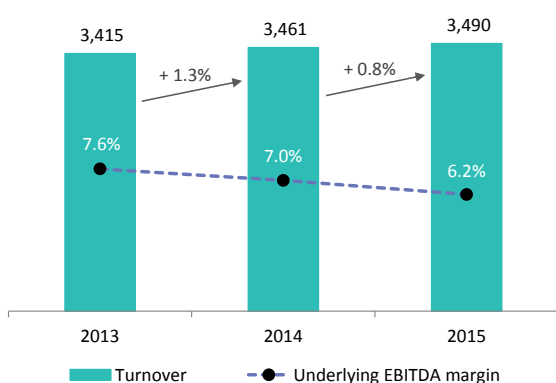
Sonae MC is also expanding the network of "Continete Bom Dia" stores under its new store concept, ending 2015 with 52 stores, 11 additional stores when compared to 2014. This format is focused on a closer proximity and relationship with customers. "Continete Bom Dia" aims at bringing back the habit of local shopping of fresh products and to create a friendly atmosphere to its customers, including an open space coffee shop that allows for a new shopping experience that customers can add to their everyday routines.

For Sonae MC, these two concepts complement and contribute to the modernisation of traditional commerce. Despite the differences between the two formats, each of the concepts has a value proposition based on proximity, appealing promotional campaigns and a quality of service of reference, embedded by the awareness of Sonae brand.



**Turnover and Underlying EBITDA – yearly performance**

Yearly performance				
	2012	2013	2014	2015
Lfl (%)	-2.0%	1.4%	-2.1%	-1.7%
Turnover % growth	-1.4%	4.1%	1.3%	0.8%



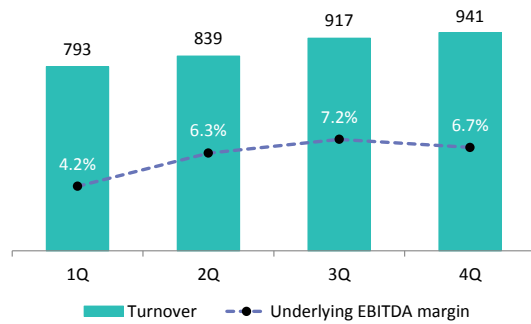
**MC turnover** stood at €3,490 M in 2015, an increase of 0.8% when compared to 2014. This turnover growth was reached through the opening of 11 Continete Bom Dia stores, 2 Continete Modelo stores and 65 Meu Super stores, the franchising model for food retail. This expansion of the store network not only benefited turnover performance but also contributed towards increasing MC's exposure to convenience stores.

MC Lfl performance totalled -1.7% in 2015, backed by a strong 4Q15, during which turnover grew by 1.8% and Lfl sales inverted their increasing downward trend.

**MC underlying EBITDA** margin stood at 6.2% in 2015, corresponding to an **underlying EBITDA** of €215 M. As in previous years, the food retail market continued to be highly competitive in 2015, thus improving and reinforcing the value proposition of the business was key for MC. The company took several initiatives to improve perception levels by the costumers' community: emphasis was made in reducing the gap between perceived and real prices, in order to strengthen the leadership at this attribute, as well as increasing the quality perception of perishables, namely meat, fruit and vegetables. In addition, MC has continued to implement efficiency measures, as part of a continuous improvement programme that partially explains MC's reference EBITDA margin.

### Turnover and Und. EBITDA – quarterly performance

Quarterly performance				
	1Q15	2Q15	3Q15	4Q15
LfL (%)	-1.2%	-2.4%	-2.9%	-0.2%
Turnover % growth	0.8%	0.1%	0.6%	1.8%



During 2015, MC reached an important number of objectives on various fronts, of which MC would like to highlight the following:

- **international expansion:** in 2015 the first international agreement through franchising was signed, with the Fathima Group, in order to establish Continente hypermarkets in the United Arab Emirates by 2017. At the same time, MC own brands wholesale activity continued to grow, reaching approximately 30 different countries by the end of the year;
- **improvement of store concepts:** MC has been carrying out important refurbishments so as to implement the “2020 hypermarket of the future” concept, with 8 out of 40 hypermarkets partially or totally renewed as of December 2015. Besides this, MC has also designed a new store concept for Continente Bom Dia stores, which has been implemented in new and refurbished stores.

## Sonae SR

**Sonae SR**, the specialised retail unit, covers the categories of electronics, sports and fashion. **Sonae SR's** operations performed differently in 2015, but the overall performance was very positive. The electronics retail segment is delivering strong results and it is taking significant steps towards strengthening its market position in Spain. In the sports and fashion segment, Sport Zone and Zippy have consolidated their turnaround and are delivering a robust performance, while MO's consolidation has been slower than expected mostly due to unexpected operational problems that have now been overcome and MO should be back on track.

**Sonae SR's** diversification raises added difficulties in adjusting to different market trends, but Sonae SR is taking steps to fine-tune its structures so that it can better adjust its strategies and deliver a more specialised performance in each segment and a solid value added offer to the customers. Sonae SR efforts continue to excel and its brands are highly valued by the customers. Zippy, Worten and Sport Zone have been recognised as a Brand of Trust and Worten has also been distinguished as a Superbrand.

### Worten's new image in Spain

With the clear objective of strengthening its commitment to the Spanish market and accelerating its growth in the distribution sector of consumer electronics and appliances, Worten presents a new strategy that includes a complete image makeover, including new communication and business strategies.

Worten's new image is a more innovative, customer friendly, personal and modern proposal and it will be visible in all Worten stores, as well as gradually on its website. Under the concept "Technology for all", the new brand has the clear goal of bringing technology to everyone so that their daily lives become easier. Worten products are targeted at a wide-ranging audience, involving all ages because technology is for everyone, however it does not lose its main focus that is to be a benchmark retailer with a broad portfolio of products and competitive prices.

In addition, to the concept of a different and innovative store that provides people with a unique shopping experience which will be developed in all of shopping centres, Worten is investing in their e-commerce segment, namely in the Omni-channel technology.

### OMNI-CHANNEL – Our clients are at the centre of our strategy

Sonae SR has developed a new model that explores the complementarity between physical stores and alternative channels to offer each customer the opportunity to select and buy products in comfort and at whatever time is most convenient. In order to provide a better service to customers, stores are focused on offering a distinctive service, with a range of products increased through the digital catalogues and specialised customer support. Furthermore, stores operate in conjunction with online platforms.

The increasing use of technology and the growing weight of online purchases, along with the webrooming phenomenon, lead Sonae SR to adopt omni-channel strategies and to change its business model.

This innovative model was implemented in Worten, with a special focus on e-commerce, where the opening of the new stores was complemented with online shopping services, taking the brand everywhere. Omi-channels are a key factor in Sonae SR's strategy and the company will continue investing in their development, especially with the growth of touch terminals and big screens in-store.

The excellence of the omni-channel strategy has been confirmed by Worten achievements. 2015 was an important year to Worten, reaching relevant milestones, namely the launching of a new website platform in Spain (soon to be deployed in Portugal) and the rollout of the "Sales Assistant Tool" to all physical stores as well as the development of order management and fulfilment integration across channels.

The omni-channel represents 21.4% of Worten sales and grew by 33.5% during 2015, with approximately 25% of online sales being delivered to physical store (through "click and collect" tool). The "Sales Assistant Tool" tool, allowing access to full Worten range from any store, has a significant impact and represents more than 20% of total turnover.

### Worten's new concept store in Sant Antoni, Barcelona

In October 2015, Worten opened its doors in Sant Antoni, Barcelona. This new 1,300 sqm store is the most modern and innovative one in the market, and the most ambitious for Sonae SR. Worten is implementing its new concept of bringing the newest pieces of technology to its customers with the advantage of offering very competitive prices. The combination of urban structures, a modern design and the constant presence of innovative features that improve the customer's experience makes the Worten store in Sant Antoni one of a kind. This shop offers customers the chance to enjoy technology in a unique setting and with the best prices. The

store's goal is to facilitate people's access to products, both physically and virtually through the Omni-channel technology. Touchscreen terminals and big screens are present in the store providing a more visual experience.

This new and revolutionary space is organised in five different segments, namely "Fun Cooking", "Living Room", "Office Zone", "Smart Life" and "Home". Apart from these five categories, the store has its "Worten Solutions" segment, the aim of which is to provide its customers with specialised help. The new store is part of a significant investment the company is making in Catalonia.



#### **Zippy's new store concept**

ZIPPY has introduced a new store concept based on the strategy of an increased customer friendly store, through the introduction of new technologies and interactive screens, and by the implementation of distinguished elements that improve the buying experience, making it enjoyable for both children and parents. The main goal is to invigorate the store environment with energy and life and to capture the imagination and creativity of children, whilst inspiring and facilitating the parent's needs.

Zippy's new store offers an interactive experience and differentiated elements like "pockets of fun" games to entertain children while parents enjoy their shopping experience. Children can look forward to a new adventure every time they visit ZIPPY. These adventures include passing through secret tunnels that only they are aware of or filling their own balloons with the help of a friendly monster. Additionally, when parents are finalising their purchase, children will also receive a special 'ticket' with funny activities and draws to colour in.

This store concept increases the level of interaction between Zippy brand and customers and incorporates innovative services for parents, such as personalised childcare support sessions, pregnancy workshops, shopping lists from birth, among others.



#### **MO's new website**

In 2015, MO launched its new online store and it is now linked to market trends and ready to be a more competitive brand. In 2015, the website registered more than 1 million visits and more than 11,000 transactions were made, most of them in cities in which MO does not have a strong physical presence, showing a clear signal that the brand recognition is increasing.

MO's website was completely revamped bearing in mind its usability and with the intention of giving more visibility to its portfolio of products. 2016 will be a year of growth and of adaptation to the new buyer trends and MO will focus on the optimisation of the website to mobile technology.

#### **SPORT ZONE – A reference in Iberia**

After developing and launching the new store concept (4G) in 2013 and the expansion of the test base to 5 stores in 2014, 2015 was the year to assess the performance of the change and to decide to go ahead or not with the roll-out phase. The results were very positive, both in the store performance and also from customer enquiries, and Sport Zone decided to accelerate the refurbishment of additional stores and also to introduce this new 4G concept to Spain, which will take place in early 2016.

Sport Zone is the market leader for sports retail in Portugal and aims to become a Sports Retail reference in the



Iberian market. As such, Sport Zone is concentrating most of its efforts to bring its differentiated store experience to even more customers in Portugal, as well as doing its utmost to increase its footprint in Spain through an ambitious expansion plan.



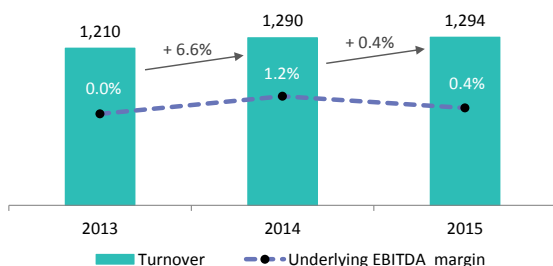
Sonae SR international expansion has been particularly evident through its new franchising models: Sonae SR has bolstered **MO's international presence by opening its first two stores in Saudi Arabia**. This expansion means the brand can now be found in four countries outside of Portugal and marks its entry into the Middle East, where Sonae was already present with its Zippy brand. MO has entered Saudi Arabia through a franchising agreement with the Fawaz Alhokair Group, which expects to open 20 MO stores in the region within the next five years. Miguel Mota Freitas (CEO | Sonae SR) commented: "MO's entry into Saudi Arabia is another important step on this path as it marks the beginning of expansion to a region where Zippy now holds a benchmark position and where we believe MO has the potential to flourish, benefiting from its quality products at attractive prices and an ability to adapt to the local market".

**Sport Zone has arrived in France:** another outstanding example of Sonae SR multinational dimension and drive towards international expansion.

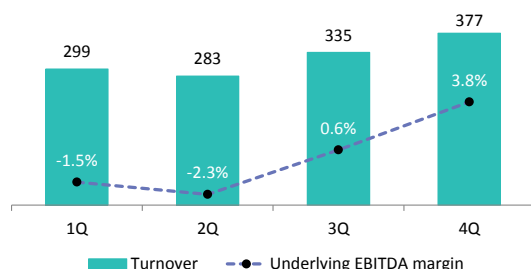
Sonae SR has also strengthened its international hold further through the establishment of an additional number of Zippy stores in various countries world-wide namely Georgia, Ecuador, Central America, Philippines, Mozambique and Tunisia.

This reinforces Sonae's growth strategy, promoting its brands by exploring competitive advantages and alternative growth paths through such channels as partnerships, franchising or exports.

### Turnover and Underlying EBITDA – yearly performance



### Turnover and Und. EBITDA – quarterly performance



### Performance per geographic area

	2014	2015	y.o.y	4Q14	4Q15	y.o.y
<b>Turnover (million €)</b>	<b>1,290</b>	<b>1,294</b>	<b>0.4%</b>	<b>376</b>	<b>377</b>	<b>0.2%</b>
Portugal	930	917	-1.5%	278	278	0.2%
International	359	378	5.1%	99	99	0.2%
<b>EBITDA (million €)</b>	<b>12</b>	<b>5</b>	<b>-55.1%</b>	<b>15</b>	<b>14</b>	<b>-5.4%</b>
Portugal	48	37	-24.3%	24	22	-10.9%
International	-36	-31	13.9%	-9	-7	-20.0%
<b>EBITDA margin (%)</b>	<b>0.9%</b>	<b>0.4%</b>	<b>-0.5 p.p.</b>	<b>4.0%</b>	<b>3.8%</b>	<b>-0.2 p.p.</b>
Portugal	5.2%	4.0%	-1.2 p.p.	8.8%	7.8%	-1.0 p.p.
International	-10.1%	-8.3%	1.8 p.p.	-9.3%	-7.4%	1.9 p.p.
<b>Lfl (%)</b>	<b>4.6%</b>	<b>-1.1%</b>	<b>-</b>	<b>-1.2%</b>	<b>-0.1%</b>	<b>-</b>
Portugal	5.5%	-2.0%	-	-0.8%	0.3%	-
International	0.8%	2.4%	-	-3.3%	-1.7%	-

SR turnover reached €1,294 M in 2015, increasing 0.4% when compared to 2014, driven by the positive impact of the International unit, which has more than compensated for the Portuguese unit.

The International unit benefited from the performance of Worten and Sport Zone in Spain. With regard to SR Portuguese unit, turnover decreased by 1.5% in 2015, largely due to the sports and fashion division, mostly impacted by the weak Spring/Summer season in MO and Zippy and the unfavourable winter weather conditions, which affected the sector at large.

It is also worth noting, SR's sales per square metre continued improving, averaging 4.1% in 2015, particularly driven by the impact from Spanish units. New stores concepts and formats are contributing significantly to this evolution, sustaining a positive sales trend despite square metre reduction.

SR EBITDA stood at €5 M, corresponding to an EBITDA margin of 0.4%. This has benefited from improved results in the Spanish operations both at Worten and at Sport Zone, which ended 2015, registering an EBITDA breakeven (before central fees), notwithstanding the impact of the negative performance of Zippy and the consequent restructuring of this format in Spain. In Portugal, EBITDA decreased to €37 M, driven by lower top line performance, coupled with the adverse exchange-rate effects related to raw-materials and products purchased in dollars.

Some of the most significant milestones in 2015 were:

- **Worten** was able to improve EBITDA in Spain. Besides the improved macroeconomic conditions in the country, the operation is recovering due to the measures adopted over the last quarters, which include the optimisation of the store network and the expansion of a new store concept, supported by an omni-channel approach;
- **Zippy** continued to expand its international footprint under a capital light approach. In 2015, the company entered Ecuador, Cyprus, Kurdistan, Libya, Tunisia and the Philippines, ending 2015 with 50 stores spread across 22 countries;
- the acquisition of **Losan**, in November 2015, a company based in Spain with a strong international presence specialised in wholesale kids wear. This acquisition will allow SR to strengthen its wholesale and supply chain competencies.



## Sonae FS

Sonae FS is a new business segment that has been created to foster financial services. It includes the recently created “Universo” card, “Dá” card, Continente Money Transfer and Cross-Selling over store credit. Following the granting of a licence from *Banco de Portugal*, to operate as an electronic money and payment institution, Sonae FS created the “Universo” card in order to deliver payment services and issue credit cards. Sonae FS was designated as a Mastercard principal issuer, which allows us to issue our own brand of Mastercard cards. The structure for this new segment has been created, but its operational and financial reporting will only start in 2016.



### Universo Card

First and foremost, the “Universo” Card is the natural evolution from existing loyalty cards of Sonae MC and Sonae SR formats. Adding value by merging all the benefits of loyalty cards into a single card that also has the dimension of a Mastercard credit card, with all the benefits

associated to this.

Sonae FS has set goals concerning all its strategic initiatives and it have raised the bar here so that it is:

- The preferred payment card, offering the maximum benefits at the best price in the market
- Widely used outside Sonae, becoming the card which is top-of-wallet card, especially for Sonae customers
- The preferred mode of payment in Sonae's stores and tendentially the only credit vehicle at the point of sale, assisting the sales of Sonae's brand
- Allows its users transparent access to all loyalty programmes in place in Sonae retail, with the brands maintaining the ability to know and explore their customer base autonomously

### Card Dá

A pre-paid card accepted in a network of more than 1,000 stores both in Portugal and Spain.



### Cross-selling over store credit

Cross-selling of credit insurance and personal loans to store credit customers.



### Continente Money Transfer

A service for money transfers across the globe at our stores, at the customer's convenience.





Sonae IM

**Sonae IM** creates value for Sonae supporting the implementation of corporate and business strategies, maximising shareholder return on its portfolio of companies, actively supporting the planning and execution of mergers and acquisitions and strengthening the network of Sonae's business contacts with other companies, consultants and investment banks.

Currently Sonae IM's business portfolio includes **Bizdirect**, **Saphety**, **Wedo Technologies** and **S21sec** (Telecommunications Technology), **Movvo** (Retail Technology), **Maxmat** (DIY and building materials), **MDS** (insurance broker), **Tlantic** (retail software) and **Público** (Media).

	<p><b>WeDo Technologies</b> is a worldwide leader in Enterprise Business Assurance, providing software and expert consultancy, to intelligently analyse large quantities of data from across an organisation helping to negate or minimise operational or business inefficiencies and allowing businesses to achieve significant return on investment via revenue protection and/or cost savings. WeDo Technologies works with some of the world's leading blue chip companies from the retail, energy, insurance and healthcare industries, as well as more than 180 telecommunications operators from more than 90 countries, through more than 500 highly-skilled professionals.</p>
	<p><b>Saphety</b> offers solutions that allow paper-free, simple and automated business processes between organisations. This is accomplished in a secure, reliable, efficient, and economic way in accordance with the legal framework in force. Saphety is a leading company in purchase-to-pay solutions, process optimisation, data and media synchronisation for GS1 MO's worldwide.</p>
	<p><b>Bizdirect</b> is a reference player in commercialising IT solutions, in corporate contract management and in the integration of Microsoft technology business solutions. With more than 500 active clients, Bizdirect exports services to 28 countries, and is renowned for the quality of its value-added IT solutions. The solutions proposed by Bizdirect include CRM, collaboration portals and Microsoft BizTalk, which is a solid application integration tool allowing data circulation and transfer between different systems.</p>
	<p><b>S21sec – Keeping your data safe</b></p> <p>S21sec offers an extensive range of products and services to ensure secure information systems within organisations. In broad terms, its emphasis is placed on R&amp;D and its continuous improvement targets contribute to attaining a high and demanding level of quality for all of its services. All S21sec services encompass the entire security cycle, minimising risks as much as possible in information systems.</p>
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   <b>Compliance</b> </div> <div style="text-align: center;">   <b>Assessment</b> </div> <div style="text-align: center;">   <b>Ecrime</b> </div> <div style="text-align: center;">   <b>Intelligence</b> </div> <div style="text-align: center;">   <b>CERT</b> </div> </div>	
	<p><b>Movvo - Understanding shopper behaviour</b></p> <p>Movvo is a real time information system that gathers information by capturing radio frequencies emitted by mobile devices. The solution developed by former researchers of the University of Porto in collaboration with Sonae Sierra is intended for retail in general, theme parks, airports, smart cities, transport operators and metropolitan authorities.</p>



**Tlantic – Software for retail**

Established in 2004 in Brazil, Tlantic focuses on achieving higher levels of optimisation and improving the management efficiency of retail stores. Tlantic offers a comprehensive set of software solutions covering different dimensions of store management, such as the front of the store, where there is contact between store colleagues and customers, for logistics and for the management of human resources.

Tlantic’s software collects information, crosses data and sends it to store colleagues so that they can improve not only the store operation but also the customer relationship. It’s available on PDAs, smartphones and tablets.



**Maxmat** is a hard-discount company, the leader in DIY, construction, bath and garden market prices. MaxMat’s business model is based on a wide product range offering an appropriate selection for different needs, from private to major projects of small and medium enterprises.



**MDS** is a partnership with the Suzano Group (Brazil) and is one of the world’s most attractive modern brokerage groups. MDS focuses on serving clients with insurance products and services that excel in efficacy, convenience, and value.

Its dominant presence in Portugal and Brazil speaks of its lengthy tradition of improving the field of insurance in the Latin world. MDS Portugal is the largest broker in the nation, while the Brazilian branch ranks in the top 3 brokers in the country and employs four hundred professionals across twelve offices. MDS was one of the founders of the highly successful international brokerage network Brokerslink, which today is ranked among the largest independent insurance broker networks in the world. The leadership MDS demonstrates, as a part of Brokerslink, helps to forge important new partnerships, while our access to some of the world’s most highly specialised insurance services means we are better able to serve our clients.



**Público** is the major daily newspaper in the country with a strong printed and digital presence and has celebrated in 2015 its 25<sup>th</sup> anniversary.

Público was awarded the European Newspaper of the Year in the category of nationwide newspapers by the European Newspapers Congress in 2014. In 2015, Público was awarded with 14 prizes of journalism, design, photography and infographic design, including a special mention in the category of best news site by the European Digital Media Awards, only behind The Guardian.

IM portfolio	
Technology	
WeDo Technologies	Bizdirect
Saphety	S21Sec
Movvo	
Partnerships	
MDS	Tlantic
Maxmat	Público

Turnover and underlying EBITDA						
Million euros	2014	2015	y.o.y.	4Q14	4Q15	y.o.y.
Turnover	252	249	-1.1%	66	62	-5.8%
Underlying EBITDA	19	16	-14.3%	8	7	-7.0%
Underlying EBITDA margin	7.5%	6.5%	-1.0 p.p.	11.6%	11.5%	-0.1 p.p.

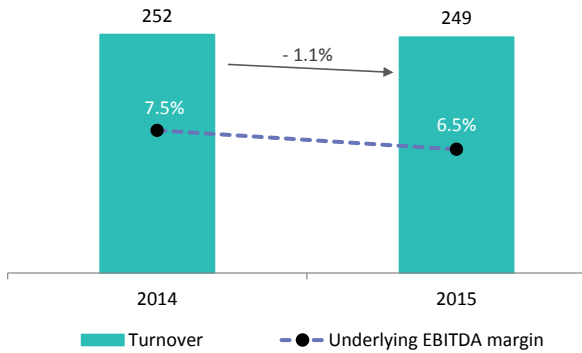
**IM turnover** reached €249 M, decreasing 1.1% when compared to 2014. **IM underlying EBITDA** amounted to €16 M, which translates into an **underlying EBITDA margin** of 6.5%.

Some of the most important milestones of IM in 2015 are:

- **WeDo Technologies:** during the year *Frost & Sullivan* proclaimed WeDo Technologies as the worldwide leader in the area of Financial Assurance (comprising of Revenue Assurance, Fraud Management and Margin Assurance) and *Analysys Mason* as the worldwide market leader in the Telecom Revenue Assurance and Fraud Management software space;
- **S21Sec:** continued to consolidate its presence in the cybersecurity market. The company was amongst the first companies in the world to identify Dridex (a banking malware) and to understand its sophisticated nature. This has become a key element in collaborating with Law Enforcement Agencies such as Europol, NCA, Guardia Civil and the FBI. Beyond the Law Enforcement



**Turnover and Underlying EBITDA – yearly performance**



community, S21sec has also been supporting the financial community;

- **Saphety**: recorded significant improvements in revenues and profitability in 2015, coupled with good commercial activity. International expansion continued to grow and international revenues represented more than 30% of total revenues in 2015;
- **Bizdirect**: increased the number of projects delivered and increased turnover by 8.7% in 2015;
- **Movvo**: continued its internationalisation efforts and reached important goals in the UK and Asia.

In relation to IM partnerships, MDS was able to increase EBITDA despite the unfavourable currency exchange effects and Maxmat increased both turnover and EBITDA in 2015. Tlantic turnover was below last year's, on the back of a challenging fourth quarter and the company's refocus is on the new product designed for small and medium-sized enterprises. Additionally, IM completed the sale of its 100% position in GeoStar to Springwater Tourism in October 2015.

## Sonae Sierra

**Sonae owns 50% of Sonae Sierra**, an international property company, dedicated to serving the needs of retail real estate investors. **Sonae Sierra** invest in retail assets and provide services on investment, development, expansion and property management for clients in geographies as diverse as Europe, South America, North Africa and Asia.

**Sonae Sierra** delivered another stellar performance in 2015, pursuing several development projects in Colombia (Cucuta), Morocco (Shopping Centre Zenata), Romania (ParkLake in Bucharest) and Spain (Designer Outlet in Malaga), among others. Additionally, Sonae Sierra celebrated new shopping centre management contracts in several countries such as Germany, Italy, Romania, Spain and Turkey.



### The environment always comes first

As a leading player in shopping centre development and management, Sonae Sierra adheres to the highest environmental standards and continuously focuses on environmental innovation.

Our efforts have received many honours and we are pleased to be the recipients of the Forbes Green Awards for our environmental strategy implementation in the project ParkLake and River Plaza Mall, Romania.

Operational indicators			
	2014	2015	y.o.y.
<b>Footfall</b> (million visitors)	<b>440</b>	<b>433</b>	<b>-1.6%</b>
Europe & New Markets	329	326	-0.8%
Brazil	111	107	-3.7%
<b>Occupancy rate (%)</b>	<b>95.5%</b>	<b>95.2%</b>	<b>-0.3 p.p.</b>
Europe	95.7%	96.1%	0.5 p.p.
Brazil	95.1%	92.6%	-2.5 p.p.
<b>Like-for-Like (Lfl) tenant sales</b>			
Europe	3.3%	3.1%	-
Brazil (local currency)	8.4%	2.8%	-
<b>Tenant sales</b> (million euros)	<b>4,617</b>	<b>4,501</b>	<b>-2.5%</b>
Europe (million euros)	3,119	3,182	2.0%
Brazil (million euros)	1,498	1,319	-11.9%
Brazil (million reais)	4,673	4,806	2.8%
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>46</b>	<b>45</b>	<b>-1</b>
Europe	36	35	-1
Brazil	10	10	0
<b>GLA under Management</b> ('000 sqm)	<b>2,307</b>	<b>2,273</b>	<b>-1.5%</b>
Europe & New Markets	1,788	1,742	-2.6%
Brazil	519	531	2.3%

During 2015, **tenant sales** in Europe increased 2.0%, to €3,182 M, corresponding to an increase in **Lfl tenant sales** of 3.1% and reinforcing the positive performance delivered throughout 2015. The **tenant sales** in Brazil increased 2.8% in reais, decreasing 11.9% in euros, entirely due to the depreciation of the Brazilian Real.

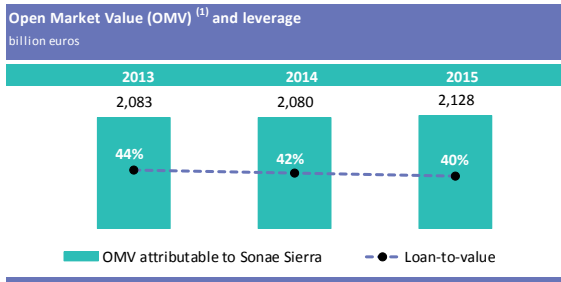
**Occupancy rates** stood at 95.2%, slightly below the level registered in 2014, completely driven by the operation in Brazil, a consequence of the current deceleration in private consumption, notwithstanding the positive performance of the more recent shopping malls.

Sierra's **turnover** reached €226 M, posting a neutral evolution when compared to 2014, despite the adverse exchange rate effect concerning the Brazilian Real against the Euro and the adverse effect of disposals. The **EBIT** stood at €105 M, less 1.0% y.o.y., corresponding to an **EBIT margin** of 46.6%.

**Direct results** amounted to €61 M, €8 M above 2014 and **indirect results** almost doubled, totalling €81 M and benefitting from the assets valuation which occurred in 2015. On average, the yields compression continued to benefit Sierra's indirect results, particularly in Iberia. **Net results** totalled €142 M, growing 47.1% y.o.y..

On 31<sup>st</sup> December 2015, the **Investment and Development Properties** attributable to **Sierra** reached €2,128 bn, €48 M above the 2014 year-end, driven by the investment in the pipeline of projects under development, as the increase in the valuations in Europe was totally off-set by the adverse exchange rate effect in the Brazilian portfolio and the disposals of Torre Colombo Ocidente and Zubiarte. Sierra currently has a significant number of projects under development, of which we would like to highlight the following: the shopping centre Parklake, in Romania, which has more than 93% of its GLA already let and/or committed and is scheduled to be inaugurated in 2016; the development of the shopping centre Zenata, in Morocco, and the Designer Outlet, in Spain, both scheduled to be inaugurated in 2017; and the first

Financial indicators						
Million euros	2014	2015	y.o.y.	4Q14	4Q15	y.o.y.
<b>Turnover</b>	<b>226</b>	<b>226</b>	<b>0.0%</b>	<b>62</b>	<b>64</b>	<b>2.7%</b>
<b>EBIT</b>	<b>106</b>	<b>105</b>	<b>-1.0%</b>	<b>30</b>	<b>29</b>	<b>-2.9%</b>
EBIT margin	47.0%	46.6%	-0.4 p.p.	47.7%	44.9%	-2.8 p.p.
Direct results	53	61	15.7%	17	19	11.8%
Indirect results	44	81	85.0%	20	28	42.2%
<b>Net results</b>	<b>96</b>	<b>142</b>	<b>47.1%</b>	<b>37</b>	<b>47</b>	<b>28.3%</b>
... attributable to Sonae	48	71	47.1%	18	23	28.3%



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

investment in Colombia, through the acquisition of a site in Cucuta.

**NAV (Net Asset Value)** reached €1,180 bn at the end of 2015, €65 M above December 2014, impacted by the adverse exchange rate effect on the Brazilian assets, which partially off-set the strong net results of the period.

**Loan-to-value** reached 40% in 2015, compared to a value of 42% in 2014 and 44% in 2013.

## NOS

**NOS** continues its track record of success. **NOS** is the most active and the fastest growing player in the market, continuously delivering an outstanding and solid performance at all levels. **NOS** is held by Sonacom, which holds a co-controlling influence at the company, with a participation of 25% through Zopt. Additionally, Sonacom also has a direct participation of 2.14% at **NOS**.

NOS is a telecommunications and entertainment group which offers a wide range of telecommunication services to all market segments (residential, personal, corporate and wholesale), with a leading position in Pay TV, Next Generation Broadband services and in cinema film exhibition and distribution in Portugal.

NOS has 4.12 million mobile phone customers, 1.54 million television customers, 1.6 fixed telephone and 1.145 million fixed broadband Internet customers. NOS offers the latest generation television, the fastest internet, unlimited telephone and mobile phone network, as well as a 4G network for mobile phones, covering 90% of the Portuguese population, and free internet at more than 700 thousand hotspots in Portugal and 14 million hotspots across the world. In addition, NOS operates more than 200 cinemas in Portugal.

NOS is listed on the main Portuguese stock exchange index (PSI-20), with capitalisation in excess of 3,732 million Euros. In 2015, NOS generated operating revenues of 1,440 million euros, EBITDA of 533.1 million euros, net profits of 82.7 million euros and EBITDA-CAPEX of 408.3 million euros.

Financial Indicators						
Million euros	2014	2015	y.o.y.	4Q14	4Q15	y.o.y.
Operating revenues	1,384	1,444	4.4%	354	376	6.4%
EBITDA	511	533	4.4%	114	123	8.6%
EBITDA margin	36.9%	36.9%	0.0 p.p.	32.1%	32.7%	0.7 p.p.
Net results	75	83	10.7%	12	9	-25.1%
Capex	374	408	9.0%	143	114	-20.2%
EBITDA - Capex	136	125	-8.2%	-29	10	-
Recurrent Capex	276	297	7.8%	83	80	-4.1%
EBITDA-Recurrent Capex	235	236	0.5%	30	44	43.4%

Operational Indicators						
('000)	2014	2015	y.o.y.	4Q14	4Q15	y.o.y.
Total RGUs (Net adds)	398	833	109.6%	165	187	12.8%
Convergent RGUs (Net adds)	1,641	1,000	-39.0%	366	189	-48.4%
Mobile (Net adds)	400	480	20.0%	107	98	-8.8%
Pay TV (Net adds)	-41	67	-	7	22	-
<b>Total RGUs</b>	<b>7,611</b>	<b>8,444</b>	<b>10.9%</b>	<b>7,611</b>	<b>8,444</b>	<b>10.9%</b>
Convergent RGUs	1,853	2,854	54.0%	1,853	2,854	54.0%
Convergent customers	385	591	53.6%	385	591	53.6%
ARPU/Unique subscriber with fixed access (euros)	38	42	10.8%	40	43	7.8%

**NOS** published its results on February 29<sup>th</sup> 2016, which are available at [www.nos.pt](http://www.nos.pt).

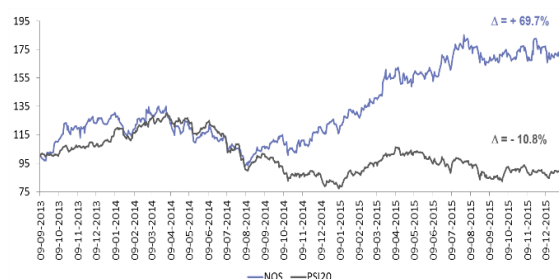
The **operating revenues** increased 4.4% y.o.y. to €1,444 M, in 2015. It should be noted that operating revenues increasing y.o.y. trend accelerated throughout the year, to 6.4% in the 4Q15, up from 2.0%, 3.2% and 5.8% y.o.y. in the 1Q15, the 2Q15 and the 3Q15 respectively.

**EBITDA** registered €533 M, improving 4.4% when compared to 2014 and benefiting from the 8.6% y.o.y. growth registered in the 4Q15.

**CAPEX** stood at €408 M in 2015, +9.0% y.o.y., on the back of higher telco growth related investment.

**NOS** reached, this year, a record RGU growth across all services. Total RGUs grew by 10.9%, to 8,444 M and convergent RGUs increased to 2,854 M, +54.0% y.o.y..

**ARPU** continued to grow, reaching 42.3 euros in 2015, increasing 10.8% when compared to 2014.



Following the merger between Optimus and Zon, and the subsequent creation of **NOS**, since September 9<sup>th</sup> 2013, the day when new shares issued were listed, to December 31<sup>st</sup> 2015, the company's market capitalisation has grown 70%, corresponding to a share price increase from €4.27 to €7.25.

The PSI20, the main Portuguese index, decreased its market capitalisation 11% in the same period.



## Outlook for 2016

The changes implemented in the organisational structure, aimed at having more focused and agile teams, will continue to support the execution of our portfolio strategy throughout 2016.

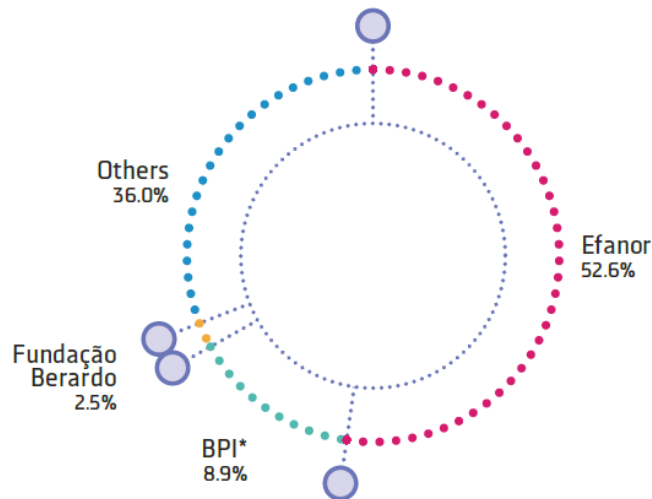
MC will be dedicated to defending its leadership position in the Portuguese market by reinforcing the winning attributes of its formats mostly in terms of price and range. MC believes that there are the necessary conditions to maintain the positive trend in sales evolution and to keep a comfortable level of profitability.

SR will continue its internationalisation efforts, following its strategic guidelines. In electronics, both in Portugal and in Spain, the company will pursue the omni-channel approach for well-located stores, which will help to drive the trends already witnessed throughout 2015. The sports and fashion division will continue to reinforce their competitive positions particularly with the renewed store concepts. The recent acquisition of Losan, besides improving the division's supply chain competencies, will have a positive contribution to the wholesale business.

Sierra will continue to follow the strategy of greater exposure to new development opportunities, asset valuation and provision of services to third parties. Moreover, it is expected to continue presenting a solid operating performance, an achievement that clearly reflects the quality of our assets, which is also expected to be reflected in further yield compression especially for the Iberian market.

At NOS, the results reached in 2015 are a strong indication that the company will continue to reinforce its competitive position in the Portuguese telecommunications market.

## Information on shareholdings and share performance



\* BPI stake includes Equity swap of circa 119 million shares (~6% of share capital).

Sonae shares are quoted on the Portuguese stock exchange, NYSE Euronext Lisbon, and are included in several indices, including the PSI-20, with a market cap weighting of 4.7%, as at the end of December 2015. The table below shows the key indicators of Sonae's share performance.

	2013	2014	2015
ISIN code	PTSON0AM0001		
BLOOMERG code	SON PL		
REUTERS code	SONP.IN		
Share capital	2,000,000,000	2,000,000,000	2,000,000,000
<b>Prices</b>			
Year close	1.049	1.024	1.048
Year high	1.110	1.419	1.500
Year low	0.664	0.942	1.024
Avg. trading volume per day (shares)	2,645,077	3,786,300	3,652,518
Average trading volume per day (€)	2,271,751	4,518,003	4,417,704
Market cap. as at 31 <sup>st</sup> Dec (M€)	2,098	2,048	2,096



Sonae's shares ended the year 2015 quoted at 1.048 euro, reflecting a nominal increase of 2.3% during the year, which compares with an increase of approximately 10.7% of the reference index of the Portuguese Stock Market – the PSI-20. The trading volume decreased slightly as Sonae's average in 2015 was approximately 3.7 million shares per day.

During 2015, regarding transactions with its own shares:

- Sonae acquired through the Euronext Lisbon Stock Exchange 118,820 own shares at an average price of 1.173 euros per share on January 28<sup>th</sup> 2015;
- Sonae sold 4,817,167 own shares to its subsidiaries at an average price of 1.278 euros per share; and sold 862,399 own shares to its Directors at an average price of 0.064 euros per share. Pursuant to the company's remuneration policy, this is equivalent to the amount of their contribution in the acquisition of shares, calculated considering a maximum of 5% of Sonae share price at the date of the attribution.

These transactions were aimed at fulfilling the obligations arising from the remuneration policy adopted by the company and its subsidiaries.

As of 31 December 2015, Sonae owned directly zero own shares and owned indirectly, through one of its subsidiaries, 137,859 own shares.

During 2015, the main announcements which had a possible impact on Sonae's share price, were as follows:

- 21.01.2015 - 2014 preliminary retail sales
- 11.03.2015 - 2014 annual results
- 07.05.2015 - 2015 first quarter results
- 11.05.2015 - Dividend payment for the year 2014
- 09.06.2015 - Sonae announced the completion of a bond issue
- 25.06.2015 - Sonae announced sale and leaseback operations
- 29.06.2015 - Sonae announced sale and leaseback operations
- 19.08.2015 - 2015 first semester results
- 27.10.2015 - Sonae announced affiliation agreement with the Spanish central purchasing body, IFA Group
- 28.10.2015 - Launching of Cartão Universo
- 05.11.2015 - 2015 first nine months results



19.11.2015 - Sonae announced the acquisition of Losan

29.12.2015 - Dividend payment for the year 2015

## Distribution of free reserves in 2015

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The Board of Directors proposed at the Shareholders' Extraordinary General Meeting held on December 16<sup>th</sup> 2015, the distribution of free reserves in the amount of €77 M. This proposal implied a gross dividend per share of 0.0385 euros, 5% above the dividend per share distributed in 2015 related to 2014 results.

This dividend corresponds to a dividend yield of 3.5%, based on the adjusted closing price as at December 31<sup>st</sup> 2015 (closing price + gross dividend per share), and to a payout ratio of 60.1% of the consolidated direct income attributable to equity holders of Sonae.

## Subsequent events

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On **January 12<sup>th</sup> 2016**, Sonae announced that MC launched Continente Negócios, an e-commerce platform completely dedicated to enterprise customers. This platform will offer more than 3,000 different products both from MC own brands as well as other supplier brands, including paper, stationery, equipment and technology, furniture or hygiene and cleanliness products.

On **February 1<sup>st</sup> 2016**, Sonae announced that RP made a sale and leaseback transaction of 12 food retail assets located in Portugal, with an estimated net book value of €114 M. The transaction amounted to €164 M.

On **March 1<sup>st</sup> 2016**, Sonae announced that RP made a sale and leaseback transaction of 3 Worten stores in Spain. This transaction totalled €27 M and was related to assets with an estimated net book value of €17 M.

On **March 7<sup>th</sup> 2016**, Sierra announced the sale of 25% of its stake in the Sierra Portugal Fund, to Madison International Realty. Following this transaction, Sierra retains a 22.5% stake in the Fund and will continue to manage both the Fund and the individual assets within it.

## Individual net income of Sonae, SGPS, SA

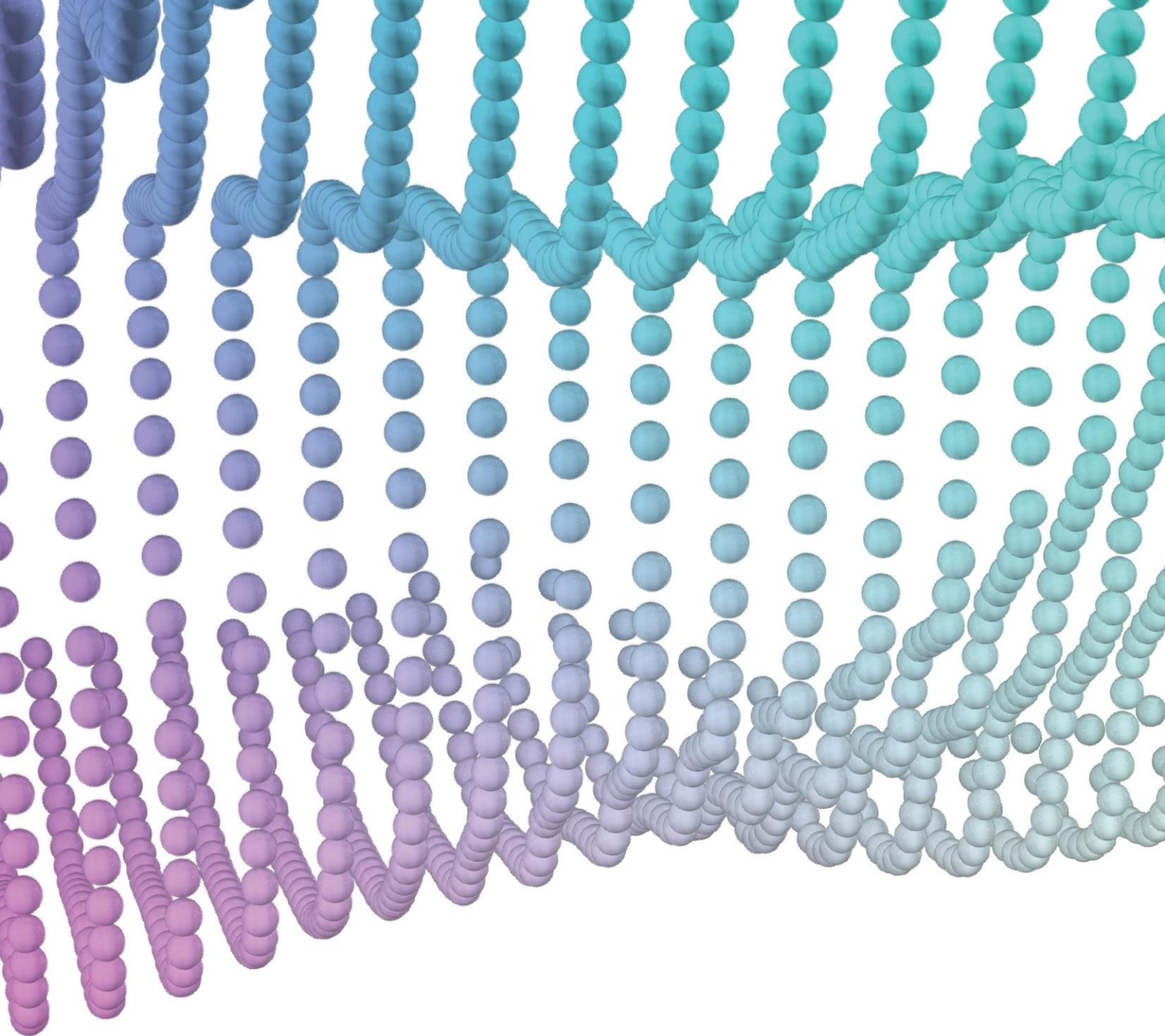
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Sonae, SGPS, SA operations, on a stand-alone basis, are essentially associated with the management of the share-holdings in its subsidiaries. In 2015, the individual net income of Sonae, SGPS, SA stood at negative 279,672,409.71 Euros.

## Proposed allocation of the 2015 net income and dividend distribution

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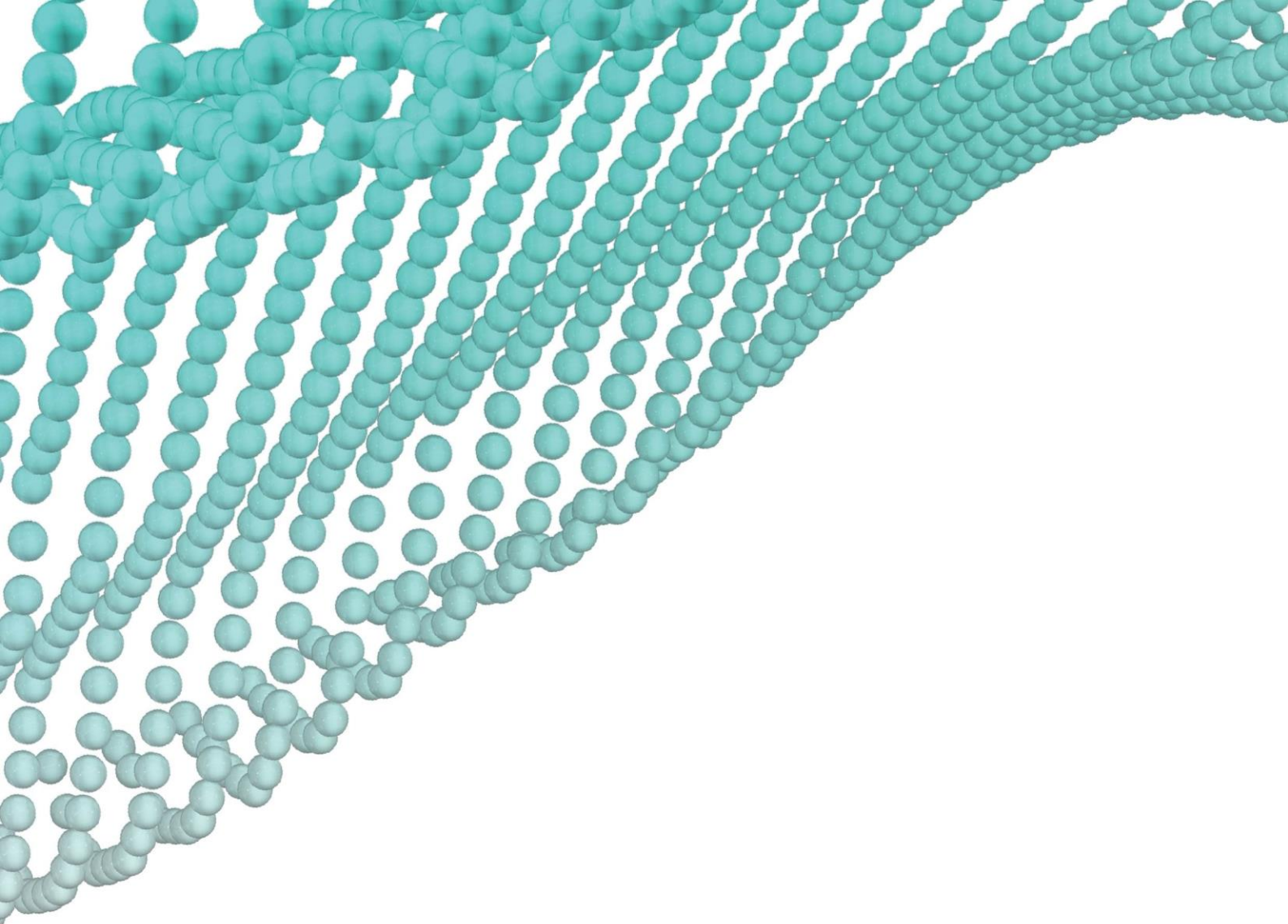
Under the terms of the law and the Articles of Association, the Board of Directors proposes to the Shareholders' General Meeting that the 2015 results, negative in the amount of 279,672,409.71 euros, be transferred to retained earnings. Considering the existence of free reserves in an amount sufficient to cover the negative retained earnings, it is additionally proposed that free reserves in the amount of 279,672,409.71 euros be used to cover such negative retained earnings.



.....● CLOSING REMARKS  
AND GLOSSARY



IMPROVING LIFE





## Closing remarks and acknowledgements

The Board of Directors would like to thank the Statutory Audit Board and the Statutory External Auditor for their valuable advice and assistance during 2015. The Board would also like to express its gratitude to suppliers, banks and other business associates of Sonae for their continuing involvement and for the confidence that they have shown in the organisation.

The Board of Directors also expresses its gratitude to all employees for their effort and dedication throughout the year.

Maia, March 15<sup>th</sup> 2016

### **The Board of Directors**

Duarte Paulo Teixeira de Azevedo, Executive Chairman

Ângelo Gabriel Ribeirinho dos Santos Paupério, Executive Director

Andrew Eustace Clavering Campbell, Non-Executive Director

Christine Cross, Non-Executive Director

Dag Johan Skattum, Non-Executive Director

José Manuel Neves Adelino, Non-Executive Director

Marcelo Faria de Lima, Non-Executive Director

Margaret Lorraine Trainer, Non-Executive Director

Tsega Gebreyes, Non-Executive Director

## Glossary

<b>CAPEX</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct result</b>	Results excluding contributions to indirect results.
<b>(Direct) EBIT</b>	Direct EBT - financial results.
<b>EBITDA</b>	Underlying EBITDA + equity method results (Sonae Sierra direct results and ZOPT net income) + non-recurrent items.
<b>EBITDA margin</b>	EBITDA / Turnover.
<b>(Direct) EBT</b>	Direct results before non-controlling interests and taxes.
<b>E&amp;A (Eliminations &amp; adjustments)</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
<b>EoP</b>	End of period.
<b>Free Cash Flow (FCF)</b>	EBITDA - CAPEX - change in working capital - financial results - income taxes.
<b>Financial net debt</b>	Total net debt excluding shareholders' loans.
<b>FMCG</b>	Fast-Moving Consumer Goods.
<b>Gearing (book value)</b>	The average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
<b>Gearing (market value)</b>	The average of the last four quarters considering, for each quarter, total net debt (EoP) / equity value considering the closing price of Sonae shares at the last day of each quarter.
<b>GLAs</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.

**Indirect result**

Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in a process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.

**Investment properties**

Shopping centres in operation owned and co-owned by Sonae Sierra.

**Liquidity**

Cash & equivalents + current investments, excluding the 2.14% participation at NOS.

**Like for Like sales (Lfl)**

Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.

**Loan to value (LTV) - Holding**

Holding Net debt / Investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.

**Loan to value (LTV) - Shopping Centres**

Net debt / (investment properties + properties under development).

**LTM**

Last twelve months.

**Net asset value (NAV)**

Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.

**Net debt**

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

**Net invested capital**

Total net debt + total shareholders' funds.

**Other income**

Dividends.

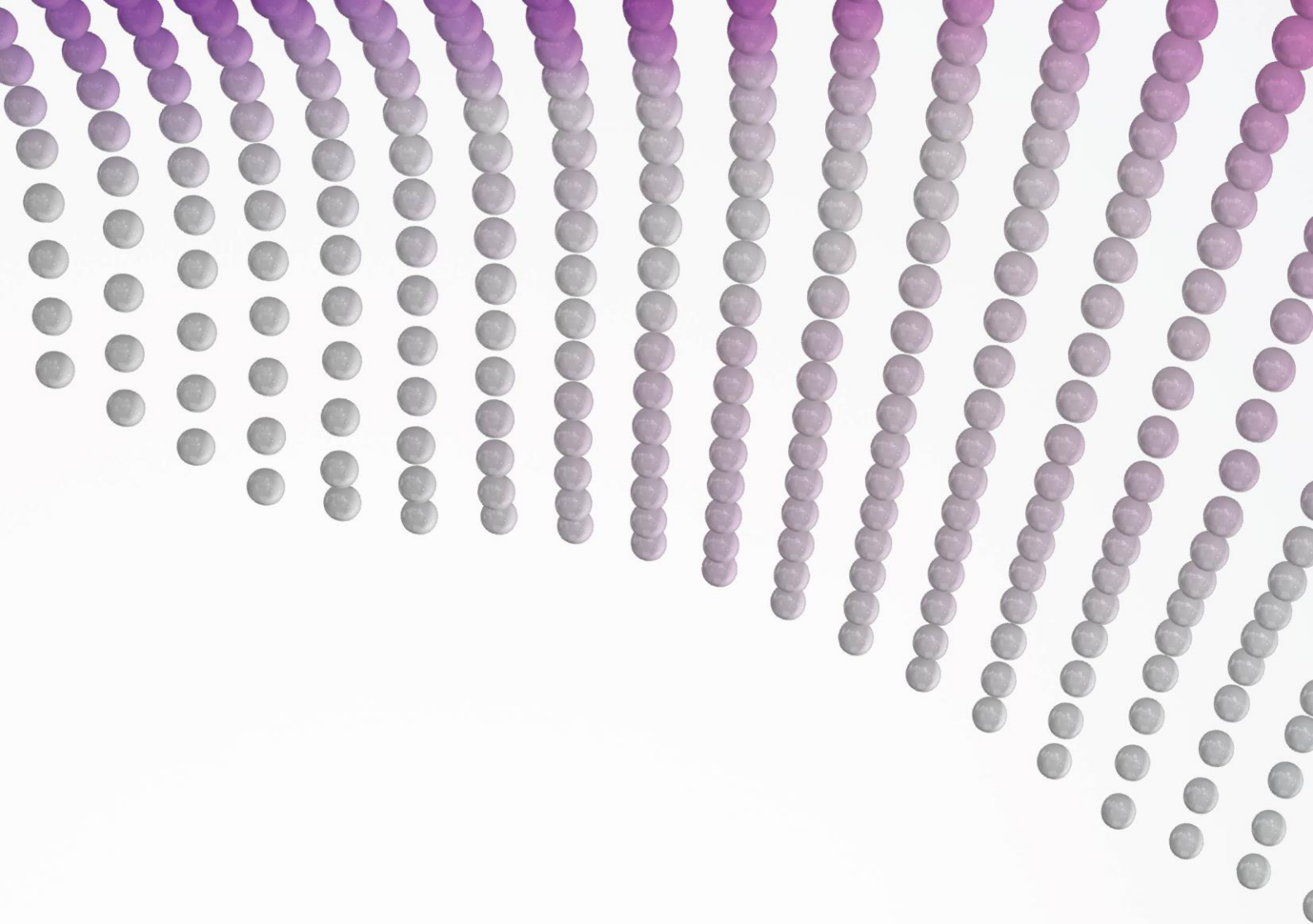
**Other loans**

Bonds, leasing and derivatives.

**Open market value (OMV)**

Fair value of properties in operation and under development (100%), provided by independent international entities.





.....● APPENDIX



IMPROVING LIFE







## Statement under the terms of Article 245 Paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 15<sup>th</sup> March 2016

### **The Board of Directors**

Duarte Paulo Teixeira de Azevedo, Executive Chairman

Ângelo Gabriel Ribeirinho dos Santos Paupério, Executive Director

Andrew Eustace Clavering Campbell, Non-Executive Director

Christine Cross, Non-Executive Director

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José Manuel Neves Adelino, Non-Executive Director

Marcelo Faria de Lima, Non-Executive Director

Margaret Lorraine Trainer, Non-Executive Director

Tsega Gebreyes, Non-Executive Director

## Article 447 of the Portuguese Companies Act and Article 14, paragraph 7, of the Portuguese Securities Commission (CMVM) Regulation nr. 05/2008

Disclosure of the number of held shares and other securities issued by the Company and of the transactions executed over such securities, during the financial year in analysis, by the members the statutory managing and auditing bodies and by people discharging managerial responsibilities ("dirigentes"), as well as by people closely connected with them pursuant to article 248 B of the Portuguese Securities Code:

	Date	Additions		Reductions		Position at 31.12.2015	Balance as of 31.12.2015
		Quantity	Aver. Price €	Quantity	Aver. Price €		Quantity
<b>Duarte Paulo Teixeira de Azevedo (*) (**) (***)</b>							
Efanor Investimentos, SGPS, SA (1)						Minority	
Migracom, SA (4)						Dominant	
Sonae - SGPS, SA (3)							0
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	19/05/2015	862,399	0.064				
Sale	17/12/2015			1,000,000	1.071		
Sale	28/12/2015			790,053	1.060		
Closely connected person							530 (a)
<b>Ângelo Gabriel Ribeiro dos Santos Paupério (*)</b>							
Sonae - SGPS, SA (3)							0
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	18/05/2015	751,429	0.064				
Sale	23/12/2015			1,521,855	1.077		
Enxomil - SGPS, SA (10)						Dominant	
Continente Bonds - 7% -2015							0 (b)
Reimbursement at maturity	25/07/2015			150,000	1.000		
<b>Belmiro Mendes de Azevedo (**)</b>							
Efanor Investimentos, SGPS, SA (1)						Dominant	
Continente Bonds - 7% -2015							0
Sale	09/01/2015			300,000	1.025		
Reimbursement at maturity	25/07/2015			576,990	1.000		
<b>Maria Margarida Carvalhais Teixeira de Azevedo (**)</b>							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA (3)							14,901
<b>Maria Cláudia Teixeira de Azevedo (**) (***)</b>							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA (3)							204,678
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	18/05/2015	195,183	0.064				
Sale	18/05/2015			195,000	1.260		
Sale	19/05/2015			183	1.260		
Linhacom, SGPS, SA (6)						Dominant	

	Date	Additions		Reductions		Position at 31.12.2015	Balance as of 31.12.2015
		Quantity	Aver. Price €	Quantity	Aver. Price €		Quantity
<b>(1) Efanor Investimentos, SGPS, SA</b>							
Sonae - SGPS, SA (3)						Dominant	200,100,000
Pareuro, BV (2)							
<b>(2) Pareuro, BV</b>							
Sonae - SGPS, SA (3)							849,533,095
<b>(3) Sonae - SGPS, SA</b>							
Sonae - SGPS, SA (treasury shares)							0
Purchase	30/01/2015	118,820	1.173				
Sale	08/05/2015			112,270	1.262		
Sale	15/05/2015			4,704,897	1.278		
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	19/05/2015			862,399	0.064		
Sonae Investments, BV (7)						Dominant	
Sontel, BV (8)						Dominant	
Sonaecom, SGPS, SA (9)						Dominant	
<b>(4) Migracom, SA</b>							
Sonae - SGPS, SA (3)							2,464,337
Sale	19/05/2015			247,362	1.264		
Sale	20/05/2015			300,037	1.254		
Sale	21/05/2015			315,000	1.251		
Purchase	17/12/2015	1,000,000	1.071				
Purchase	28/12/2015	790,053	1.060				
Imparfin - Investimentos e Participações Financeiras, SA (5)						Minority	
<b>(5) Imparfin - Investimentos e Participações Financeiras, SA</b>							
Sonae - SGPS, SA (3)							4,105,280
Continente Bonds - 7% -2015							0
Reimbursement at maturity	25/07/2015			100,000	1.000		
<b>(6) Linhacom, SGPS, SA</b>							
Sonae - SGPS, SA (3)							439,314
Imparfin - Investimentos e Participações Financeiras, SA (5)						Minority	
<b>(7) Sonae Investments BV</b>							
Sontel BV (8)						Dominant	
<b>(8) Sontel BV</b>							
Sonaecom, SGPS, SA (9)						Dominant	
<b>(9) Sonaecom SGPS, SA</b>							
Sonae - SGPS, SA (treasury shares)							137,859
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	20/03/2015			323,039	1.395		
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	18/05/2015			946,612	1.278		
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	18/05/2015			837,438	1.277		
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	22/07/2015			5,007	1.284		
<b>(10) Enxomil - SGPS, SA</b>							
Sonae - SGPS, SA (3)							2,021,855
Purchase	23/12/2015	1,521,855	1.077				
Continente Bonds - 7% -2015							0
Reimbursement at maturity	25/07/2015			400,000	1.000		

(\*) Member of the Board of Directors of Sonae - SGPS, SA

(\*\*) Member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1)

(\*\*\*) Member of the Board of Directors of Imparfin - Investimentos e Participações Financeiras, SA (5)

(a) article 248 S119B, paragraph 4), subparagraph b), of the Portuguese Securities Code - family member who resides with the person discharging managerial responsibilities for more than a year

(b) held by spouse

## Qualified holdings

Shares held and voting rights attributable to shareholders owning 2% or more of the share capital of the Sonae - SGPS, SA, calculated according to article 20 of the Portuguese Securities Code, as required by article 8, paragraph 1, subparagraph b), of the Portuguese Securities Market Commission (CMVM) Regulation nr. 05/2008:

Shareholder	Nr. of shares	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, SA (I)			
Directly	200,100,000	10.0050%	10.0057%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, SA)	849,533,095	42.4767%	42.4796%
By Maria Margarida Carvalhais Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, SA)	14,901	0.0007%	0.0007%
By Maria Cláudia Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, SA)	204,678	0.0102%	0.0102%
By Migracom, SA (company controlled by Efanor Investimentos, SGPS, SA's Director Duarte Paulo Teixeira de Azevedo)	2,464,337	0.1232%	0.1232%
By Linhacom, SGPS, SA (company controlled by Efanor Investimentos, SGPS, SA's Director Maria Cláudia Teixeira de Azevedo)	439,314	0.0220%	0.0220%
<b>Total attributable to Efanor Investimentos, SGPS, SA</b>	<b>1,052,756,325</b>	<b>52.6377%</b>	<b>52.6415%</b>
Banco BPI, SA			
Banco Português de Investimento, SA	132,851,868	6.6426%	6.6431%
Fundos de Pensões do Banco BPI	365,199	0.0183%	0.0183%
BPI Vida - Companhia de Seguros de Vida, SA	40,071,372	2.0036%	2.0037%
	4,751,416	0.2376%	0.2376%
<b>Total attributable to Banco BPI, SA (II)</b>	<b>178,039,855</b>	<b>8.9020%</b>	<b>8.9026%</b>
Fundação Berardo, Instituição Particular de Solidariedade Social			
	49,849,514	2.4925%	2.4926%
<b>Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social</b>	<b>49,849,514</b>	<b>2.4925%</b>	<b>2.4926%</b>

Source: communications received by the Company regarding qualified shareholdings up to 31st December 2015

\* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

\*\* Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

(I) Belmiro Mendes de Azevedo is, according to subparagraph b) of paragraph 1 of article 20 and paragraph 1 of article 21, both of the Portuguese Securities Code, the "ultimate beneficial owner", as he is the controlling shareholder of Efanor Investimentos, SGPS, SA and the latter wholly owns Pareuro BV

(II) total number of voting rights attributed to Banco BPI, SA as per article 20 of the Portuguese Securities Code



## Article 448 of the Portuguese Companies Act

Number of shares held by shareholders owning more than 10%, 33% and 50% of the Sonae - SGPS, SA share capital:

	Number of shares held as of 31.December.2015
<b>Efanor Investimentos, SGPS, SA</b>	
Sonae - SGPS, SA	200,100,000
Pareuro, BV	Dominated
<b>Pareuro, BV</b>	
Sonae - SGPS, SA	849,533,095