



SONAE

# 1ST HALF RESULTS 2016



# 1 HIGHLIGHTS and CEO's message

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- Sonae consolidated turnover increased 4.4%, to €2,431 M
- Sonae international revenues grew 13.6% y.o.y.
- Sonae MC increased turnover by 3.6%, corresponding to +0.4% LfL sales growth
- Worten improved EBITDA by €2 M
- Sonae Sierra disposed of 14 mature assets, paid dividends in the amount of €49 M and refinanced €260 M of debt
- NOS continued to profitably gain market share, increasing turnover by 6.2% and EBITDA by 7.6%

*"During the second quarter, Sonae witnessed significant achievements regarding the strategy implementation for its businesses. We continued to grow in retail and telecommunications segments, completed targeted acquisitions in Salsa and in the technology area, proceeded with the recycling capital strategy and reinforced investment in new shopping centres.*

*In operational terms, results are globally positive, although reflecting distinct realities in the different businesses. NOS and Sonae Sierra reported another good quarter, as well as Sonae MC, which ensured the strengthening of its market leadership, while consolidating its position as the player with the lowest prices, within benchmark levels of profitability.*

*Worten also increased its profitability and maintained a good turnover performance, in a seasonal weaker quarter in comparison with the previous year, due to the Easter effect. In the Sports and Fashion division, results were less positive, as they were affected both by the unfavourable weather conditions and by exchange currency effects.*

*On a consolidated level, EBTIDA reduction is more than explained by the lower contribution of Sonae RP, reflecting the sale of assets carried out over the last 12 months.*

*Despite the high levels of investment recorded this semester, debt continued to decline year on year, leading to the maintenance of an adequate level of financial strength, which coupled with the increasing quality of our teams, allow us to face with optimism the challenges that our strategic ambition brings."*

Ângelo Paupério, Co-CEO

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Following the merger between Optimus and Zon and the further creation of NOS, and ZOPT, which is reported using the equity method, Sonae decided to change the way results are reported to the market by separating each business in order to obtain more transparency between the segments: 1) Sonae MC, Sonae SR and Sonae RP; 2) Sonae IM, including Technology business and Partnerships (MDS, Maxmat, Tlantic and Publico); 3) Sonae Sierra; and, 4) NOS.

# 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae Consolidated results						
Million euros	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
<b>Turnover</b>	<b>2,329</b>	<b>2,431</b>	<b>4.4%</b>	<b>1,183</b>	<b>1,216</b>	<b>2.8%</b>
Sonae MC	1,633	1,691	3.6%	839	862	2.7%
Sonae SR	582	614	5.5%	283	283	-0.1%
Sonae RP	64	47	-27.0%	32	22	-29.4%
Sonae IM <sup>(1)</sup>	124	127	2.3%	64	70	9.2%
E&A <sup>(2)</sup>	-74	-48	-	-35	-21	-
<b>Underlying EBITDA</b>	<b>132</b>	<b>111</b>	<b>-15.4%</b>	<b>73</b>	<b>65</b>	<b>-10.0%</b>
Sonae MC	86	81	-6.3%	53	49	-7.3%
Sonae SR	-11	-8	30.9%	-7	-6	13.7%
Sonae RP	58	41	-29.1%	29	20	-32.2%
Sonae IM <sup>(1)</sup>	5	5	15.8%	3	4	72.3%
E&A <sup>(2)</sup>	-6	-8	-35.8%	-5	-2	60.6%
<b>Underlying EBITDA margin</b>	<b>5.7%</b>	<b>4.6%</b>	<b>-1.1 p.p.</b>	<b>6.1%</b>	<b>5.4%</b>	<b>-0.8 p.p.</b>
Equity method results <sup>(3)</sup>	24	23	-4.5%	12	11	-6.9%
o.w. S. Sierra (direct results)	13	13	0.1%	6	6	-2.2%
o.w. NOS	11	10	-5.5%	6	5	-6.4%
Non-recurrent items	35	55	59.4%	35	-6	-
<b>EBITDA</b>	<b>191</b>	<b>190</b>	<b>-0.4%</b>	<b>119</b>	<b>70</b>	<b>-41.3%</b>
<b>EBITDA margin</b>	<b>8.2%</b>	<b>7.8%</b>	<b>-0.4 p.p.</b>	<b>10.1%</b>	<b>5.8%</b>	<b>-4.3 p.p.</b>
D&A <sup>(4)</sup>	-88	-97	-10.5%	-43	-47	-8.7%
<b>EBIT</b>	<b>103</b>	<b>93</b>	<b>-9.8%</b>	<b>76</b>	<b>23</b>	<b>-69.5%</b>
Net financial activity	-36	-26	28.8%	-18	-11	37.8%
<b>EBT</b>	<b>67</b>	<b>67</b>	<b>0.7%</b>	<b>58</b>	<b>12</b>	<b>-79.2%</b>
Taxes	-11	-1	93.9%	-8	11	-
<b>Direct results <sup>(5)</sup></b>	<b>56</b>	<b>66</b>	<b>18.7%</b>	<b>50</b>	<b>23</b>	<b>-54.4%</b>
<b>Indirect results</b>	<b>43</b>	<b>11</b>	<b>-74.3%</b>	<b>27</b>	<b>26</b>	<b>-6.1%</b>
<b>Net income</b>	<b>99</b>	<b>77</b>	<b>-21.7%</b>	<b>78</b>	<b>49</b>	<b>-37.4%</b>
Non-controlling interests	-2	-1	58.4%	-1	-2	-
<b>Net income group share</b>	<b>97</b>	<b>77</b>	<b>-20.9%</b>	<b>77</b>	<b>46</b>	<b>-39.6%</b>

(1) Includes Technology and Partnerships contribution;

(2) Eliminations &amp; adjustments;

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

(4) Depreciations &amp; amortisations including provisions &amp; impairments;

(5) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	1H15	1H16	y.o.y.
<b>Net invested capital</b>	<b>3,249</b>	<b>3,328</b>	<b>2.4%</b>
Technical investment	1,903	1,811	-4.8%
Financial investment	1,330	1,233	-7.3%
Goodwill	609	796	30.6%
Working capital	-593	-511	13.8%
<b>Sonae shareholders funds</b>	<b>1,836</b>	<b>1,939</b>	<b>5.6%</b>
<b>Sonae net debt <sup>(1)</sup></b>	<b>1,413</b>	<b>1,389</b>	<b>-1.7%</b>
Net debt / Invested capital	43.5%	41.7%	-1.8 p.p.

(1) Financial net debt + net shareholder loans.

**Sonae consolidated turnover** reached €2,431 M, representing a growth of 4.4% when compared to 1H15, benefiting from the positive performance of MC and SR, which has more than compensated the lower turnover of RP, resulting from sale and leaseback transactions over the course of 2015 and in 1Q16.

**Sonae underlying EBITDA margin** declined to 4.6%, driven by lower RP revenues as a result of the sale and leaseback transactions and the promotional activity at MC.

**Sonae EBITDA** reached €190 M, equivalent to an EBITDA margin of 7.8% and includes the following contributions:

- (i) underlying EBITDA, amounting to €111 M;
- (ii) equity method results of €23 M, made up of Sierra's direct results, as well as NOS contribution; and,
- (iii) non-recurrent items of €55 M, benefiting mostly from the capital gains related to the sale and leaseback transactions completed in 1Q16.

Driven by the combination of the lower average net debt and in particular by the lower cost of outstanding debt, **Sonae net financial activity** improved by €10 M, registering a negative €26 M in 1H16.

Sonae continued to focus on increasing the average maturity of its debt and decreasing the average interest rate of outstanding debt, which reached 1.6% on June 30<sup>th</sup> 2016. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

**Sonae direct results** amounted to €66 M, increasing 18.7% on a yearly basis. Despite the lower EBIT, this was driven by less negative net financial results and taxes.

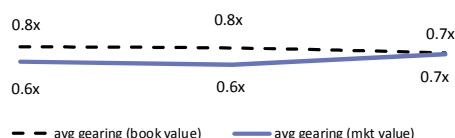
**Sonae indirect results** reached €11 M, including the positive effect of the valuation of Sierra's assets and the capital gain related to the sale of the 2.14% direct stake at NOS capital on June 15<sup>th</sup> 2016. Year on year, the contribution of indirect results was smaller driven by the negative mark-to-market effect of NOS (negative €16 M) and the lower contribution of Sierra's upward asset valuation (from €26 M to €16 M).

**Sonae shareholders' funds** stood at €1,939 M in 1H16, €103 M above 1H15. **Sonae net debt** reached €1,389 M in 1H16, decreasing 1.7% in comparison to 1H15.

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

### Gearing

	1H14	1H15	1H16
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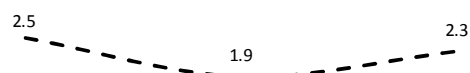
### Net debt

Million euros	1H15	1H16	y.o.y.
<b>Net financial debt</b>	<b>1,403</b>	<b>1,385</b>	<b>-1.3%</b>
MC, SR and RP	757	836	10.4%
IM	45	10	-76.7%
Holding & other	601	538	-10.4%
<b>Sonae net debt</b>	<b>1,413</b>	<b>1,389</b>	<b>-1.7%</b>

### Capital Structure - MC, SR and RP

Net debt to EBITDA

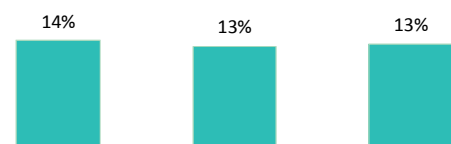
	1H14	1H15	1H16
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### Capital Structure

Loan-to-value (%) - Holding

	1H14	1H15	1H16
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### Sonae Capex

Million euros	1H15	1H16	% of Turnover
<b>Capex</b>	<b>116</b>	<b>208</b>	<b>8.6%</b>
Sonae MC	50	69	4.1%
Sonae SR	30	102	16.5%
Sonae RP	30	28	59.1%
Sonae IM	5	7	5.7%

**Average gearing at book value** reached 0.7x, decreasing 0.1x in comparison with 1H15. **Average gearing at market value** stood at 0.7x, increasing y.o.y. driven by Sonae's market price, as net debt evolution has remained largely unchanged.

Sonae continues to focus on presenting a robust capital structure, supported by low leverage and an improved maturity profile. No funding needs are expected for the next 18 months and more importantly, this capital structure guarantees the necessary financial strength to explore future growth opportunities.

**Net financial debt** of MC, SR and RP stood at €836 M in 1H16, €79 M above 1H15, driven by the cash-out related to the acquisition of 50% of Salsa, coupled with the consolidation of Salsa's debt. The **net debt to EBITDA** at MC, SR and RP stood at 2.3x, increasing when compared to 1H15, driven by the higher net debt.

**Holding net debt** reached €538 M, decreasing 10.4% y.o.y. and benefiting from the sale of the direct participation at NOS. **Loan-to-value** ratio of the holding stood at 13%, stable in relation to 1H15, despite the lower holding net debt.

**Sonae Capex** increased from €116 M to €208 M, mostly due to Sonae SR:

- **MC Capex** increased €19 M to €69 M, which includes the opening of 7 Continente Bom Dia, 1 Continente hypermarket and 6 Well's stores;

- **SR Capex** reached €102 M in 1H16, growing materially y.o.y. mostly impacted by the Capex related to the acquisition of Salsa, which occurred on June 30<sup>th</sup> 2016;

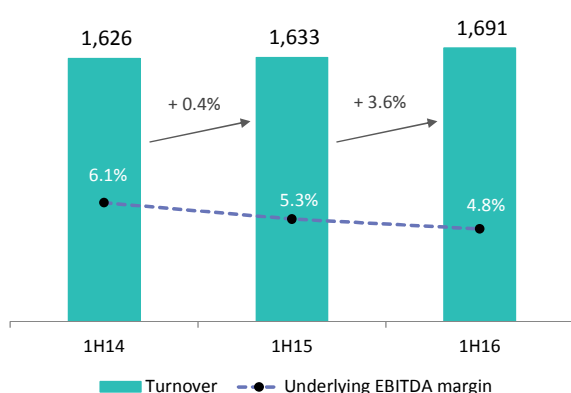
- **RP Capex** totalled €28 M in 1H16, in comparison to a value of €30 M in 1H15;

- **IM Capex** reached €7 M in 1H16, increasing €2 M when compared to 1H15.

# 3 SONAE MC RESULTS

Turnover and underlying EBITDA						
Million euros	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
Turnover	1,633	1,691	3.6%	839	862	2.7%
LfL sales (%)	-1.8%	0.4%	-	-2.4%	-0.4%	-
Underlying EBITDA	86	81	-6.3%	53	49	-7.3%
Underlying EBITDA margin	5.3%	4.8%	-0.5 p.p.	6.3%	5.7%	-0.6 p.p.

## Turnover and Underlying EBITDA evolution



**MC turnover** reached €1,691 M in 1H16, posting an increase of 3.6% when compared to 1H15, and continuing to reinforce Sonae's market share in a very mature and competitive market. This performance was backed by the opening of new convenience stores, of which we would like to highlight 7 Continente Bom Dia and 37 Meu Super stores.

**MC LfL sales** performance totalled 0.4% in 1H16, -1.8% in 1H15. In 2Q16, LfL sales growth totalled -0.4%, driven by the calendar effect. The calendar effect in 2Q16 was slightly negative when compared to 2Q15, as a result of Easter falling in 1Q16 (and 2Q15).

**MC underlying EBITDA** stood at €81 M, corresponding to an **underlying EBITDA margin** of 4.8%, less 50bps when compared to 1H15, reflecting MC's continued investment in price and market share growth. In addition to these effects, the opening of Bom Dia and Meu Super stores also has a short-term negative impact on MC's EBITDA margin.

**MC underlying EBITDA margin** before internal rents stood at 7.2% in 2Q16.

MC remained focused on reinforcing its value proposition, improving perception on price and quality of perishables and launching innovative price campaigns, along with the implementation of its programme for the expansion of local convenience and close proximity stores.

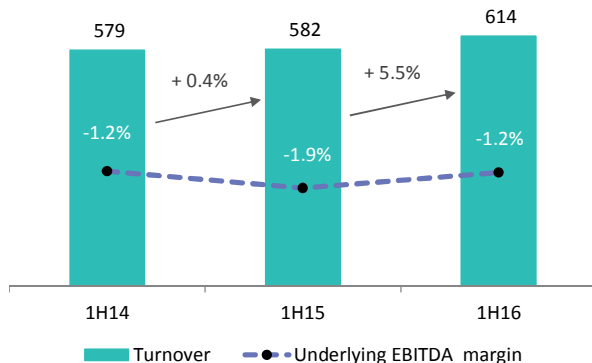
At the end of the semester, DECO, the Portuguese Consumers' Association, published the results of its most recent price survey covering the entire country, ranking Continente first in price leadership. This is an important achievement that recognises one of MC's most relevant areas of focus.



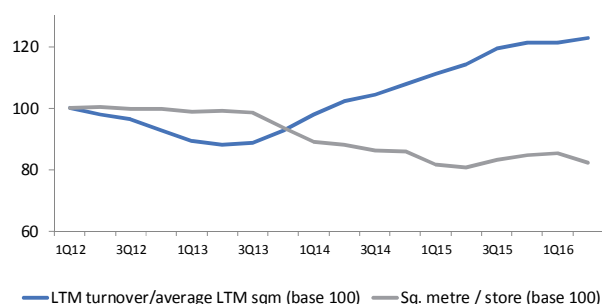
# 4 SONAE SR RESULTS

Performance per business						
	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
<b>Turnover (million €)</b>	<b>582</b>	<b>614</b>	<b>5.5%</b>	<b>283</b>	<b>283</b>	<b>-0.1%</b>
Worten	399	404	1.4%	190	188	-1.0%
Sports and Fashion	183	210	14.6%	93	95	1.6%
<b>EBITDA (million €)</b>	<b>-11</b>	<b>-8</b>	<b>30.9%</b>	<b>-7</b>	<b>-6</b>	<b>13.7%</b>
Worten	1	3	-	1	1	52.7%
Sports and Fashion	-12	-11	8.1%	-7	-7	8.0%
<b>EBITDA margin (%)</b>	<b>-1.9%</b>	<b>-1.2%</b>	<b>0.7 p.p.</b>	<b>-2.3%</b>	<b>-2.0%</b>	<b>0.3 p.p.</b>
Worten	0.2%	0.8%	0.6 p.p.	0.3%	0.5%	0.2 p.p.
Sports and Fashion	-6.4%	-5.1%	1.3 p.p.	-7.6%	-6.9%	0.7 p.p.
<b>LFL (%)</b>	<b>-0.2%</b>	<b>0.5%</b>	<b>-</b>	<b>-3.0%</b>	<b>-0.1%</b>	<b>-</b>
Worten	0.3%	0.8%	-	-2.0%	0.0%	-
Sports and Fashion	-1.2%	-0.2%	-	-4.8%	-0.4%	-

## Turnover and Underlying EBITDA evolution



## Sonae SR International Last 12 months (LTM) turnover/square metre (sqm) evolution



Note: Includes online sales. Excludes Losan contribution.

**SR turnover** stood at €614 M in 1H16, an increase of 5.5% when compared to 1H15. This evolution was driven by both SR divisions, which continued to show clear improvements in sales per sqm.

At **Worten**, turnover grew by 1.4%, to €404 M, backed by a positive performance in Portugal, consolidating market share in the context of a slight market growth, and a continuous recovery in Spain, where sales per sqm continued to grow driven by the store network optimisation, despite a less favourable market context so far (overall market decreasing and online market decelerating).

In **Sports and Fashion**, turnover grew by 14.6%, to €210 M. This growth was mostly driven by the inclusion of Losan and, to a lesser extent, Zippy's very positive performance in Portugal. Sales per sqm (excluding wholesale business, namely Losan) resumed growth, supported by significant improvement at Zippy, as well as positive developments at Sport Zone. This evolution was achieved in the context of, once again, adverse weather conditions, which had an impact on the Spring-Summer '16 collections in the fashion sector as a whole in Iberia.

**SR EBITDA** reached negative €8 M in 1H16, posting an improvement of 30.9% y.o.y., driven by both SR divisions.

At **Worten**, EBITDA improved €2 M, now standing at €3 M in 1H16, with both the Portuguese and Spanish operations contributing positively to this evolution. In Spain, the 2Q16 confirmed the positive trend registered since February (following the 1Q16, where performance was constrained by a disappointing January) and continued to reap the benefits and reinforced store network optimisation efforts. Both in Portugal and in Spain, omni-channel continues to be at the core of Worten's development and at the end of 1H16 these sales represented 25.3% of total turnover. Online sales grew by 4.2% in Iberia, backed by a growth of 22.9% in 2Q16, and Worten became the first electronics specialist to have a digital transactional platform in the Canary Islands.

In **Sports and Fashion**, EBITDA evolved from negative €12 M to negative €11 M. Despite the positive turnover performance, EBITDA evolution was hindered by MO's negative contribution. Sport Zone continued to register a positive y.o.y. EBITDA contribution (before central fees) in Spain, consolidating the improvements registered in the last 2 years.

SR completed the acquisition of 50% of Salsa's capital in 2Q16, hence starting a promising partnership in an internationally renowned Portuguese jeanswear specialist. Salsa's results will be consolidated in SR accounts from 3Q16 onwards.

**Zippy** continued to expand its international presence and entered Cyprus in 2Q16. Through own stores, franchising and wholesale, Zippy's products are currently available in approximately 40 countries.

# 5 SONAE RP RESULTS

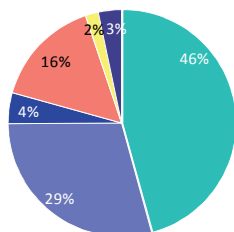
Turnover and Underlying EBITDA						
Million euros	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
Turnover	64	47	-27.0%	32	22	-29.4%
Underlying EBITDA	58	41	-29.1%	29	20	-32.2%
Underlying EBITDA margin	90.4%	87.8%	-2.6 p.p.	91.2%	87.7%	-3.5 p.p.

**RP turnover** decreased 27.0%, to €47 M, driven mostly by freehold reduction at MC, from 63% in 1H15, to 51% at the end of 1H16. The **underlying EBITDA** amounted to €41 M, corresponding to an **underlying EBITDA margin** of 87.8%.

**Net book value of the capital invested** in real estate assets amounted to €888 M at the end of 1H16.

RP Portfolio  
as % of Gross Book Value

- Continente
- Continente Modelo
- Continente Bom Dia
- Logistics & Offices
- Others
- Assets without income



RP completed 3 sale and leaseback transactions in the amount of €230 M in 1H16, equivalent to a capital gain of approximately €63 M. This strategy enabled releasing capital from mature real estate assets while also maintaining adequate operational flexibility.

MC's freehold is now at 51%, moving closer to the stated target freehold level of 50%. At the end of 1H16, MC's real estate portfolio included 22 Continente stores, 62 Continente Modelo stores and 20 Continente Bom Dia stores. As for SR's freehold, it stood at 22% as of 1H16.



# 6 SONAE IM RESULTS

**Sonae IM** has an active portfolio strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail and telecommunications.

## Technology portfolio

WeDo Technologies
Saphety
Bizdirect
S21Sec
Movvo
Brightpixel
InovRetail

## Turnover and Underlying EBITDA performance

Turnover and underlying EBITDA						
Million euros	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
Turnover	59	61	1.9%	31	34	9.3%
Underlying EBITDA	4	2	-52.0%	2	1	-26.7%
Underlying EBITDA margin	6.6%	3.1%	-3.5 p.p.	6.0%	4.0%	-2.0 p.p.

In the Technology arm, **IM turnover** reached €61 M, increasing 1.9% when compared to 1H15, driven by a growth of 9.3% in 2Q16. **Underlying EBITDA** amounted to €2 M, which translates into an **Underlying EBITDA margin** of 3.1%, although showing an improving trend in 2Q16 versus 1Q16.

**Note:** For consolidation purposes, Sonae IM also includes some partnerships - MDS, Maxmat, Tlantic and Público - which reached a turnover of €67 M and an underlying EBITDA of €4 M in 1H16.

**WeDo Technologies** is a worldwide market leader in enterprise business assurance software that works for more than 190 telco operators from more than 90 countries. During 1H16, WeDo acquired 5 new telco customers, continuing to enlarge its worldwide customer base. At the end of 1H16, 77% of its turnover was generated outside Portugal.

**S21sec** strengthened its position in the European cybersecurity market with the acquisition of SysValue in May 2016, becoming the leading pure play cybersecurity player in Portugal. Recently, **S21Sec** announced that it will actively participate in the development of future information security policies in Europe, as a member of the group that will work with the European Commission.

**Saphety** is a solutions provider for business processes optimisation that has a strong position in electronic invoicing and the EDI (Electronic Data Interchange) market, as well as in data synchronization for GS1 worldwide organizations. International revenues increased more than 35% when compared to 1H15, namely in SaphetySYNC line, with international markets representing circa 45% of total revenues. EBITDA also grew 24% y.o.y..

**Bizdirect** is specialised in IT solutions commercialisation, consulting and management of corporate software licensing contracts and Microsoft solutions integration. In 1H16 Bizdirect's turnover increased 14% with all business units over performing 1H15 and contributing to an EBITDA margin improvement of 0.7p.p..

**Movvo** refocused its efforts on building up the product robustness, coupled with an emphasis on creating a standardised offer, so to fully prepare the company for international scaling.

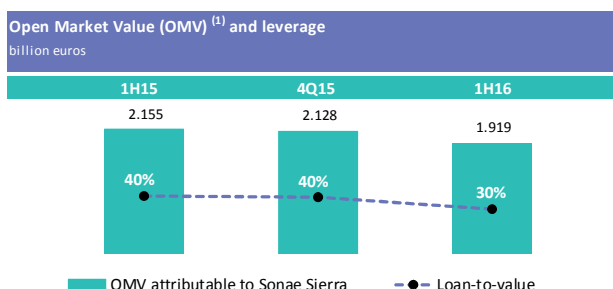
**Bright Pixel**, publicly launched in April, is a company composed of a group of experienced builders, creative thinkers and investors whose goal is to transform the creation of new ventures and the way companies address innovation. Bright Pixel is also promoting a close relationship with its partners by developing quick proof of concepts aimed at resolving technology and business needs in themes such as retail, media, cyber-security and telecommunications.

Already in July 2016, Sonae IM announced the investment in **InovRetail**, whose core business is the development of advanced analytics tools, aiming to assist retailers in improving their performance, by enabling them to make better informed decisions. The immediate steps include accelerating growth in existing markets, as well as, penetrating new ones, through investment in building up the team, improving the SaaS platform and reinforcing R&D.

# 7 SONAE SIERRA RESULTS

Operational Indicators			
	1H15	1H16	y.o.y.
<b>Footfall</b> (million visitors)	<b>211</b>	<b>204</b>	<b>-3.0%</b>
Europe & New Markets	159	156	-1.7%
Brazil	52	48	-7.1%
<b>Occupancy rate (%)</b>	<b>95.8%</b>	<b>96.1%</b>	<b>0.2 p.p.</b>
Europe	95.9%	97.1%	1.1 p.p.
Brazil	95.5%	93.0%	-2.6 p.p.
<b>Like-for-Like (Lfl) tenant sales</b>			
Europe	2.8%	3.9%	1.1 p.p.
Brazil (local currency)	7.3%	0.0%	-7.3 p.p.
<b>Tenant sales</b> (million euros)	<b>2,081</b>	<b>1,966</b>	<b>-5.5%</b>
Europe (million euros)	1,404	1,439	2.5%
Brazil (million euros)	676	525	-22.3%
Brazil (million reais)	2,235	2,166	-3.1%
<b>Nº of shopping centres owned and managed (EOP)</b>	<b>68</b>	<b>65</b>	<b>-3</b>
Europe	57	55	-2
Brazil	11	10	-1
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>46</b>	<b>44</b>	<b>-2</b>
Europe	36	35	-1
Brazil	10	9	-1
<b>GLA under Management</b> ('000 sqm)	<b>2,422</b>	<b>2,288</b>	<b>-5.5%</b>
Europe & New Markets	1,900	1,806	-4.9%
Brazil	522	481	-7.7%

Financial Indicators						
Million euros	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
<b>Turnover</b>	<b>108</b>	<b>100</b>	<b>-7.7%</b>	<b>53</b>	<b>48</b>	<b>-9.4%</b>
<b>EBIT</b>	<b>50</b>	<b>47</b>	<b>-5.9%</b>	<b>24</b>	<b>22</b>	<b>-9.9%</b>
EBIT margin	46.3%	47.2%	0.9 p.p.	45.1%	44.9%	-0.2 p.p.
Direct results	27	27	0.0%	12	12	-2.7%
Indirect results	52	32	-38.7%	54	30	-44.0%
<b>Net results</b>	<b>79</b>	<b>59</b>	<b>-25.6%</b>	<b>67</b>	<b>42</b>	<b>-36.4%</b>
... attributable to Sonae	40	30	-25.6%	33	21	-36.4%



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

**Tenant sales** in Europe increased 2.5%, to €1,439 M, corresponding to an increase in Lfl tenant sales of 3.9%. The **tenant sales** in Brazil reached 0.0% in Lfl terms.

**Occupancy rates** stood at 96.1%, backed by a strong performance in Europe, notwithstanding the performance in Brazil, impacted by the challenging macroeconomic environment.

**Sierra's turnover** reached €100 M, a decrease of 7.7% when compared to 1H15, driven by the execution of Sierra's capital recycling strategy. We would also like to highlight asset disposals such as Colombo Tower (Portugal), Zubiarte (Spain), Loop 5 (Germany), Boavista Shopping (Brazil), the 25% dilution in the Sierra Portugal Fund, and the recent dilution in the ownership of AlgarveShopping, Estação Viana Shopping and Luz del Tajo (following the closing of the partnership with CBRE Global Investment Partners). The adverse exchange rate effect of the Brazilian Real against the Euro (average rate 6M16 vis-à-vis average rate 6M15) has also had a negative impact on turnover performance. The **EBIT** stood at €47 M, less 5.9% y.o.y., corresponding to an **EBIT margin** of 47.2%. Excluding the portfolio changes and the exchange rate effect mentioned previously, EBIT increased 11% as a consequence of higher rental income and higher services rendered mainly to clients outside Sierra's shopping centre portfolio.

**Direct results** amounted to €27 M, with no change in comparison to 1H15 and **indirect results** reached €32 M, benefiting from the capital gains of disposals and from the increased asset valuations that occurred at the end of the semester, driven by operational improvements and yields compression in Iberia.

Sierra currently has 6 projects under development: ParkLake (Romania), Nuremberg (Germany), Zenata (Morocco), Malaga Designer Outlet (Spain), NorteShopping Expansion (Portugal) and Cucuta (Colombia). ParkLake will be inaugurated in September 2016 and will comprise of a GLA of 70,000 sqm with over 200 shops, representing an investment of €180 M.

On June 30<sup>th</sup> 2016, the **Investment and Development Properties** attributable to Sierra reached €1.919 bn, €209 M below the 2015 year-end, driven by the effect of the disposals, which more than off-set the investment in the pipeline of projects under development and the positive exchange rate effect (closing rate 6M16 vis-à-vis closing rate 12M15).

**NAV** (Net Asset Value) reached €1.244 bn at the end of 1H16, €64 M above December 2015, reflecting the direct results of the period, the favourable exchange rate effect less the dividends payment.

In 1H16, Sierra was able to refinance approximately €260 M of its debt facilities, improving credit conditions such as the cost and the debt's average maturity. **Loan-to-value** reached 30% in 1H16, compared to a value of 40% in 1H15, reflecting the effect of the cash received from the recent asset disposals.

# 8 NOS RESULTS

Financial Indicators						
Million euros	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
Operating revenues	700	743	6.2%	356	373	4.8%
EBITDA	266	287	7.6%	139	149	7.3%
EBITDA margin	38.1%	38.6%	0.5 p.p	38.9%	39.9%	1.0 p.p
Net results	47	51	7.6%	24	27	10.0%
Capex	197	196	-0.3%	102	101	-1.4%

Operational Indicators						
('000)	1H15	1H16	y.o.y.	2Q15	2Q16	y.o.y.
Total RGUs (Net adds)	404	282	-	239	151	-
Convergent RGUs (Net adds)	590	303	-	249	168	-
Mobile (Net adds)	218	147	-	131	97	-
Pay TV (Net adds)	26	31	-	14	13	-
Total RGUs	8,029	8,746	8.9%	8,029	8,746	8.9%
Convergent RGUs	2,443	3,157	29.2%	2,443	3,157	29.2%
Convergent customers	510	644	26.3%	510	644	26.3%
ARPU/Unique subscriber with fixed access (euros)	42	43	3.9%	42	43	2.3%

NOS published its results on July 27<sup>th</sup> 2016, which are available at [www.nos.pt](http://www.nos.pt).

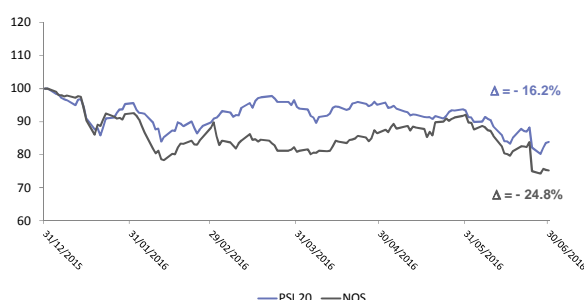
The **operating revenues** increased 6.2% y.o.y to €743 M, in 1H16, maintaining the very positive top line performance.

**EBITDA** registered €287 M, improving 7.6% when compared to 1H15 and corresponding to an EBITDA margin of 38.6%.

**Net results** grew by 7.6%, to €51 M.

**Total RGUs** grew by 8.9%, to 8,746 M and **convergent RGUs** increased to 3,157 M, +29.2% y.o.y..

**ARPU** continued to grow, reaching 43 euros in 1H16, increasing 3.9% when compared to 1H15.



During 1H16, NOS market capitalisation decreased 24.8%, corresponding to a share price decrease from €7.246 to €5.450.

The PSI20, the main Portuguese index, decreased its market capitalisation 16.2% in the same period.

# 9 CORPORATE INFORMATION

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## Main corporate events in the 2Q16

On **May 12<sup>th</sup> 2016**, Sonae announced Sonae SR agreement to acquire a 50% stake in IVN – Serviços Partilhados, S.A., which trades under the trademark “Salsa”. Salsa is an internationally renowned Portuguese jeanswear brand, recognised for its entrepreneurial spirit and development of innovative products. The conclusion of this transaction was announced to the market on **June 30<sup>th</sup> 2016**.

On **June 15<sup>th</sup> 2016**, Sonaecom – SGPS, S.A. announced the sale of its 2.14% direct participation in the capital of NOS – SGPS, S.A. to Zopt – SGPS, S.A. This participation corresponded to 11,012,532 shares, amounting to approximately €83 M.

## Subsequent events

On **August 5<sup>th</sup> 2016**, Sonae IM announced an agreement with Novo Banco to be the leading investor in a transaction involving the acquisition of participation units in 3 venture capital funds from Novo Banco. These participations will enable Sonae IM to reinforce its portfolio through sizable stakes in companies such as Outsystems and Feedzai.

# 10 ADDITIONAL INFORMATION

## Methodological notes

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

## Glossary

<b>CAPEX</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct results</b>	Results 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 results) + 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 on the last day of each quarter.
<b>GLA</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
<b>Indirect results</b>	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
<b>Investment properties</b>	Shopping centres in operation owned and co-owned by Sonae Sierra.

<b>Liquidity</b>	Cash & equivalents + current investments.
<b>Like for Like sales (Lfl)</b>	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
<b>Loan to value (LTV) - Holding</b>	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
<b>Loan to value (LTV) - Shopping Centres</b>	Net debt / (investment properties + properties under development).
<b>LTM</b>	Last twelve months.
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
<b>Net debt</b>	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
<b>Net invested capital</b>	Total net debt + total shareholders' funds.
<b>Other income</b>	Dividends.
<b>Other loans</b>	Bonds, leasing and derivatives.
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by independent international entities.
<b>Return on Invested Capital (RoIC)</b>	EBIT (LTM) / net invested capital.
<b>Return on equity (ROE)</b>	Total net income n (equity holders) / shareholders' funds n-1 (equity holders).
<b>RGU</b>	Revenue generating unit.
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
<b>Underlying EBITDA</b>	Recurrent EBITDA from the businesses consolidated using the full consolidation method



## Number of stores and sales area

	Nr. of Stores						Sales Area ('000 sqm)					
	31 Dec 2015	Stores Opened	M&A	Banner Changed	Stores Closed	30 Jun 2016	31 Dec 2015	Stores Opened (3)	M&A	Banner Changed	Stores Closed	30 Jun 2016
<b>Sonae MC</b>	<b>746</b>	<b>61</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>792</b>	<b>673</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>694</b>
<b>Company Operated <sup>(1)</sup></b>	<b>509</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>526</b>	<b>619</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>635</b>
Continente	40	1	0	0	0	41	283	6	0	0	0	290
Continente Modelo	123	0	0	0	0	123	246	0	0	0	0	246
Continente Bom Dia	52	7	0	0	0	59	58	10	0	0	0	68
Well's	152	6	0	0	0	158	16	0	0	0	0	16
Bom Bocado / Bagga	111	3	0	0	-1	113	6	0	0	0	0	6
Note! / Makenotes	25	1	0	0	0	26	6	0	0	0	0	6
Other <sup>(2)</sup>	6	1	0	0	-1	6	4	0	0	0	-1	3
<b>Franchising</b>	<b>237</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>266</b>	<b>54</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>60</b>
Continente Modelo	7	0	0	0	0	7	17	0	0	0	0	17
Meu Super	205	37	0	0	-13	229	35	7	0	0	-2	40
Well's	15	5	0	0	0	20	1	0	0	0	0	2
Bom Bocado / Bagga	5	0	0	0	0	5	0	0	0	0	0	0
Note!	5	0	0	0	0	5	1	0	0	0	0	1
<b>Sonae SR</b>	<b>596</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>-17</b>	<b>594</b>	<b>381</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>374</b>
<b>Company Operated <sup>(1)</sup></b>	<b>516</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>-12</b>	<b>515</b>	<b>360</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>353</b>
<b>Electronics</b>	<b>227</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>226</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>183</b>
Portugal	177	2	0	0	-2	177	118	0	0	0	0	118
Worten	138	2	0	0	0	140	116	0	0	0	0	116
Worten Mobile	39	0	0	0	-2	37	1	0	0	0	0	1
Spain	50	3	0	0	-4	49	72	0	0	0	-6	66
Worten	50	3	0	0	-4	49	72	0	0	0	-6	66
<b>Sports</b>	<b>108</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>112</b>	<b>95</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>96</b>
Portugal	75	3	0	0	0	78	62	1	0	0	0	64
Sport Zone	75	3	0	0	0	78	62	1	0	0	0	64
Spain	33	2	0	0	-1	34	33	1	0	0	-1	32
Sport Zone	33	2	0	0	-1	34	33	1	0	0	-1	32
<b>Fashion</b>	<b>181</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>177</b>	<b>76</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>73</b>
Portugal	147	1	0	0	-2	146	66	-1	0	0	-1	64
Mo	108	0	0	0	-1	107	54	-1	0	0	0	52
Zippy <sup>(4)</sup>	39	1	0	0	-1	39	12	0	0	0	0	12
Spain	34	0	0	0	-3	31	10	0	0	0	-1	9
Zippy	24	0	0	0	-3	21	7	0	0	0	-1	6
Losan	10	0	0	0	0	10	3	0	0	0	0	3
<b>Franchising</b>	<b>80</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>79</b>	<b>21</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>21</b>
<b>Electronics</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
Portugal	4	0	0	0	0	4	2	0	0	0	0	2
Worten	4	0	0	0	0	4	2	0	0	0	0	2
<b>Sports</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
Portugal	4	0	0	0	0	4	2	0	0	0	0	2
Sport Zone	4	0	0	0	0	4	2	0	0	0	0	2
<b>Other Countries <sup>(5)</sup></b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Fashion</b>	<b>67</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>66</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>15</b>
Portugal (Mo)	5	0	0	0	0	5	1	0	0	0	0	1
<b>Other Countries</b>	<b>62</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>61</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>14</b>
Zippy <sup>(6)</sup>	50	3	0	0	-5	48	10	1	0	0	-1	10
Mo <sup>(7)</sup>	12	0	0	0	0	12	4	0	0	0	0	4
Losan <sup>(8)</sup>	0	1	0	0	0	1	0	0	0	0	0	0
<b>Sonae IM</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>
<b>Maxmat</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>

(1) Includes Joint-Ventures;

(2) Includes outlet;

(3) Includes changes in sales area due to refurbishments;

(4) Includes a pop up store opened in 2014 converted into a permanent store;

(5) Includes India, France and Spain;

(6) Includes Turkey, Saudi Arabia, Egypt, Kazakhstan, Azerbaijan, Dominican Republic, Venezuela, Morocco, Lebanon, Qatar, St. Maarten (2015), Jordan (2015), Armenia, Chile (2015), Georgia, Equator, Cyprus, Kurdistan, Libya, Tunisia, Philippines and Mozambique;

(7) Includes Spain, Bulgaria, Mozambique and Saudi Arabia;

(8) Bahrain.

## Sonae Consolidated Profit and Loss Account

Sonae profit and loss account			
Million euros	1H15	1H16	y.o.y.
<b>Turnover</b>	<b>2,329</b>	<b>2,431</b>	<b>4.4%</b>
<b>Underlying EBITDA</b>	<b>132</b>	<b>111</b>	<b>-15.4%</b>
<b>Underlying EBITDA margin</b>	<b>5.7%</b>	<b>4.6%</b>	<b>-1.1 p.p.</b>
<b>EBITDA</b>	<b>191</b>	<b>190</b>	<b>-0.4%</b>
<b>EBITDA margin</b>	<b>8.2%</b>	<b>7.8%</b>	<b>-0.4 p.p.</b>
Depreciations & amortisations <sup>(1)</sup>	-88	-97	-10.5%
<b>EBIT</b>	<b>103</b>	<b>93</b>	<b>-9.8%</b>
Net financial activity	-36	-26	28.8%
<b>EBT</b>	<b>67</b>	<b>67</b>	<b>0.7%</b>
Taxes	-11	-1	93.9%
<b>Direct results</b>	<b>56</b>	<b>66</b>	<b>18.7%</b>
<b>Indirect results</b> <sup>(2)</sup>	<b>43</b>	<b>11</b>	<b>-74.3%</b>
<b>Net income</b>	<b>99</b>	<b>77</b>	<b>-21.7%</b>
Minority interests	-2	-1	58.4%
<b>Net income group share</b>	<b>97</b>	<b>77</b>	<b>-20.9%</b>

(1) Includes provisions and impairments; (2) Includes: (i) Sonae's Sierra indirect income contribution; (ii) NOS mark to market effect; (iii) other asset provisions for possible future liabilities in non-core and/or discontinued operations and (iv) non-cash impairments for operational assets.

## Sonae Consolidated Statement of Financial Position

Sonae statement of financial position			
Million euros	1H15	1H16	y.o.y.
<b>TOTAL ASSETS</b>	<b>5,215</b>	<b>5,350</b>	<b>2.6%</b>
<b>Non current assets</b>	<b>3,898</b>	<b>3,951</b>	<b>1.4%</b>
Tangible and intangible assets	1,897	1,810	-4.6%
Assets available for sale	5	0	-
Goodwill	609	796	30.6%
Investment properties	1	1	-6.0%
Other investments	1,263	1,244	-1.6%
Deferred tax assets	96	68	-29.4%
Others	27	33	19.7%
<b>Current assets</b>	<b>1,317</b>	<b>1,399</b>	<b>6.2%</b>
Stocks	564	654	15.9%
Trade debtors	79	114	44.6%
Liquidity	346	331	-4.3%
Others	328	300	-8.6%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,836</b>	<b>1,939</b>	<b>5.6%</b>
Equity holders	1,696	1,732	2.1%
Attributable to minority interests	140	208	47.8%
<b>LIABILITIES</b>	<b>3,379</b>	<b>3,410</b>	<b>0.9%</b>
<b>Non-current liabilities</b>	<b>1,206</b>	<b>1,507</b>	<b>25.0%</b>
Bank loans	335	656	95.6%
Other loans	698	707	1.2%
Deferred tax liabilities	91	68	-24.8%
Provisions	32	39	20.5%
Others	50	38	-23.1%
<b>Current liabilities</b>	<b>2,173</b>	<b>1,903</b>	<b>-12.4%</b>
Bank loans	118	335	183.2%
Other loans	609	29	-95.2%
Trade creditors	922	993	7.7%
Others	524	546	4.2%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5,215</b>	<b>5,350</b>	<b>2.6%</b>

## Appendix

Statement under the terms of Article 246, 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 progress of the business 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, 17 of August 2016

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

José Manuel Neves Adelino

Ângelo Gabriel Ribeirinho dos Santos Paupério

Marcelo Faria de Lima

Andrew Eustace Clavering Campbell

Margaret Lorraine Trainer

Christine Cross

Tsega Gebreyes

Dag Johan Skattum

## Appendix required by articles 9 nr. 1, a) and 14, nr. 7 of CMVM Regulation nr. 05/2008

		Additions		Reductions		Position at 30.06.2016	Balance as of 30.06.2016
	Date	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)							805,730
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Closely connected person	29-03-2016	805,730	0.051				530 (a)
<b>Ângelo Gabriel Ribeirinho dos Santos Paupério (*)</b>							
Sonae - SGPS, SA (3)							664,248
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Enxomil - SGPS, SA (10)	29-03-2016	664,248	0.051			Dominant	
<b>Belmiro Mendes de Azevedo (**)</b>							
Efanor Investimentos, SGPS, SA (1)						Dominant	
<b>Maria Margarida Carvalhais Teixeira de Azevedo (**)</b>							
Efanor Investimentos, SGPS, SA (1)						Minoritary	
Sonae - SGPS, SA (3)							14,901
<b>Maria Cláudia Teixeira de Azevedo (**) (***)</b>							
Efanor Investimentos, SGPS, SA (1)						Minoritary	
Sonae - SGPS, SA (3)							319,150
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Linhacom, SGPS, SA (6)	29-03-2016	114,472	0.051			Dominant	
		Additions		Reductions		Position at 30.06.2016	Balance as of 30.06.2016
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €		Quantity
<b>(1) Efanor Investimentos, SGPS, SA</b>							
Sonae - SGPS, SA (3)							200,100,000
Pareuro, BV (2)						Dominant	
<b>(2) Pareuro, BV</b>							
Sonae - SGPS, SA (3)							849,533,095
<b>(3) Sonae - SGPS, SA</b>							
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
Imparfin - Investimentos e Participações Financeiras, SA (5)						Minority	
<b>(5) Imparfin - Investimentos e Participações Financeiras, SA</b>							
Sonae - SGPS, SA (3)							4,105,280
<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)							0
Sale	31-03-2016			137,859	1.064		
<b>(10) Enxomil - SGPS, SA</b>							
Sonae - SGPS, SA (3)							2,021,855

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



## 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 9 paragraph 1, subparagraph c), 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%	10.0050%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, SA)	849,533,095	42.4767%	42.4767%
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)	319,150	0.0160%	0.0160%
By Duarte Paulo Teixeira de Azevedo (Director of Sonae, SGPS, SA and Efanor Investimentos, SGPS, SA)	805,730	0.0403%	0.0403%
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>1,053,676,527</b>	<b>52.6838%</b>	<b>52.6838%</b>
Banco BPI, SA			
Banco Português de Investimento, SA	365,199	0.0183%	0.0183%
Fundos de Pensões do Banco BPI	40,071,372	2.0036%	2.0036%
BPI Vida - Companhia de Seguros de Vida, SA	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>8.9020%</b>
Fundação Berardo, Instituição Particular de Solidariedade Social			
	49,849,514	2.4925%	2.4925%
<b>Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social</b>	<b>49,849,514</b>	<b>2.4925%</b>	<b>2.4925%</b>

Source: communications received by the Company regarding qualified shareholdings up to 30<sup>th</sup> June 2016

\* 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

## Condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016 AND 2015 AND 31 DECEMBER 2015

(Amounts expressed in euro)

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

ASSETS	Notes	30 Jun 2016	30 Jun 2015	31 Dec 2015
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	8	1,557,898,110	1,657,694,583	1,543,114,788
Intangible assets	9	251,785,116	239,692,537	244,450,349
Investment properties		891,004	947,988	919,609
Goodwill	10	796,055,593	609,445,302	624,543,913
Investments in joint ventures and associates	5	1,216,147,495	1,231,776,448	1,214,889,100
Other investments	6 and 11	27,543,497	30,729,858	29,549,661
Deferred tax assets	14	67,608,087	95,793,394	63,869,618
Other non-current assets	12	32,742,079	27,351,341	31,610,627
<b>Total Non-Current Assets</b>		<b>3,950,670,981</b>	<b>3,893,431,451</b>	<b>3,752,947,665</b>
<b>CURRENT ASSETS:</b>				
Inventories		653,928,639	564,377,431	634,764,894
Trade account receivables and other debtors	13	413,892,709	327,954,878	340,621,061
Investments	11	1,848,262	80,038,857	82,430,974
Cash and cash equivalents	15	329,208,258	344,917,430	282,751,583
<b>Total Current Assets</b>		<b>1,398,877,868</b>	<b>1,317,288,596</b>	<b>1,340,568,512</b>
<b>Assets available for sale</b>	16	<b>-</b>	<b>4,525,381</b>	<b>131,044,138</b>
<b>TOTAL ASSETS</b>		<b>5,349,548,849</b>	<b>5,215,245,428</b>	<b>5,224,560,315</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	17	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	17	(115,587,743)	(127,053,683)	(123,493,932)
Reserves and retained earnings		(229,222,043)	(273,953,776)	(393,321,903)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		76,522,364	96,710,933	175,306,228
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>1,731,712,578</b>	<b>1,695,703,474</b>	<b>1,658,490,393</b>
<b>Equity attributable to non-controlling interests</b>	18	<b>207,611,732</b>	<b>140,454,523</b>	<b>136,303,721</b>
<b>TOTAL EQUITY</b>		<b>1,939,324,310</b>	<b>1,836,157,997</b>	<b>1,794,794,114</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	19	1,362,271,620	1,033,510,811	1,272,864,874
Other non-current liabilities	21	38,125,373	49,575,061	36,028,880
Deferred tax liabilities	14	68,086,722	90,596,958	72,759,772
Provisions	24	38,969,336	32,341,763	38,810,058
<b>Total Non-Current Liabilities</b>		<b>1,507,453,051</b>	<b>1,206,024,593</b>	<b>1,420,463,584</b>
<b>CURRENT LIABILITIES:</b>				
Loans	19	364,427,657	727,643,748	314,262,928
Trade creditors and other liabilities	23	1,535,085,609	1,441,719,472	1,691,955,699
Provisions	24	3,258,222	3,699,618	3,083,990
<b>Total Current Liabilities</b>		<b>1,902,771,488</b>	<b>2,173,062,838</b>	<b>2,009,302,617</b>
<b>TOTAL LIABILITIES</b>		<b>3,410,224,539</b>	<b>3,379,087,431</b>	<b>3,429,766,201</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,349,548,849</b>	<b>5,215,245,428</b>	<b>5,224,560,315</b>

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016 AND 2015

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

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2016	2 <sup>nd</sup> Quarter 2015	30 Jun 2016	30 Jun 2015
Sales	30	1,158,143,112	1,136,670,423	2,327,071,961	2,238,932,328
Services rendered	30	57,897,700	46,232,333	104,332,259	90,033,961
Gains and losses on investments		1,850,370	(3,193,261)	1,851,952	(3,193,261)
Investment income investments recorded at fair value through profit	11	8,944,466	4,768,426	(6,318,903)	21,342,287
Financial income		690,673	2,121,630	2,099,626	7,331,674
Other income	27	180,828,784	205,883,247	409,525,679	356,463,767
Cost of goods sold and materials consumed		(972,382,618)	(934,048,831)	(1,951,511,392)	(1,832,119,190)
Changes in stocks of finished goods and work in progress		375,546	3,223	439,937	15,147
External supplies and services		(173,652,336)	(156,402,101)	(335,306,872)	(307,864,765)
Staff costs		(178,910,271)	(170,606,535)	(357,623,621)	(337,027,393)
Depreciation and amortisation	8 and 9	(44,105,903)	(42,936,378)	(87,062,388)	(85,854,653)
Provisions and impairment losses		(424,304)	(690,056)	(8,222,330)	(2,773,904)
Financial expense		(11,996,537)	(20,313,160)	(27,728,675)	(43,350,965)
Other expenses		(15,900,003)	(21,233,279)	(32,712,833)	(42,942,355)
Share of results of joint ventures and associated companies	5	26,292,276	39,071,258	39,226,817	50,478,968
Profit/(Loss) before taxation		37,650,955	85,326,939	78,061,217	109,471,646
Taxation	28	10,873,331	(7,818,058)	(647,133)	(10,616,126)
Profit/(Loss) after taxation		48,524,286	77,508,881	77,414,084	98,855,520
Attributable to:					
Equity holders of the Parent Company:		46,440,466	76,871,990	76,522,364	96,710,933
Non-controlling interests	18	2,083,820	636,891	891,720	2,144,587
Profit/(Loss) per share					
Basic	29	0.025585	0.042093	0.042634	0.053659
Diluted	29	0.023930	0.040404	0.039799	0.051464

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015

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

(Amounts expressed in euro)	2 <sup>nd</sup> Quarter 2016	2 <sup>nd</sup> Quarter 2015	30 Jun 2016	30 Jun 2015
Net Profit / (Loss) for the period	48,524,286	77,508,881	77,414,084	98,855,520
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	7,581,220	(376,267)	3,095,479	(1,533,253)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5.4)	(5,201,416)	(680,397)	(11,377,435)	(4,495,204)
Changes in hedge and fair value reserves	2,669,830	(2,326,167)	557,780	(2,741,926)
Deferred taxes related with other components of comprehensive income	(651,027)	569,671	(135,790)	675,180
Others	(45,694)	(51,845)	(54,022)	(70,782)
Other comprehensive income for the period	4,352,913	(2,865,005)	(7,913,988)	(8,165,985)
Total comprehensive income for the period	52,877,200	74,643,877	69,500,096	90,689,535
Attributable to:				
Equity holders of parent company	47,842,677	74,143,812	68,977,578	88,777,593
Non controlling interests	5,034,523	500,065	522,518	1,911,942

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2016 AND 2015

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

	Share Capital	Own Shares	Reserves and Retained Earnings						Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 18)	Total Equity
			Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings					
(Amounts expressed in euro)													
			Attributable to Equity Holders of Parent Company										
Balance as at 1 January 2015	2,000,000,000	(136,273,735)	196,260,390	3,375,818	(1,124,124)	1,366,866	22,313,000	(557,725,640)	(335,533,690)	143,838,207	1,672,030,782	160,200,533	1,832,231,315
Total comprehensive income for the period	-	-	-	(787,506)	-	(2,026,780)	-	(5,119,054)	(7,933,340)	96,710,933	88,777,593	1,911,942	90,689,535
Appropriation of consolidated net profit of 2014													
Transfer to legal reserves and retained earnings	-	-	47,951,202	-	-	-	-	95,887,005	143,838,207	(143,838,207)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	(68,258,971)	(68,258,971)	-	(68,258,971)	(1,474,671)	(69,733,642)
Acquisition of own shares	-	9,220,052	-	-	-	-	-	-	-	-	9,220,052	-	9,220,052
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	-	(7,448,365)	(7,448,365)	-	(7,448,365)	(135,858)	(7,584,223)
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	-	(1,868,136)	(1,868,136)	-	(1,868,136)	(20,044,995)	(21,913,131)
Others	-	-	-	-	-	-	-	3,250,519	3,250,519	-	3,250,519	(2,428)	3,248,091
Balance as at 30 June 2015	2,000,000,000	(127,053,683)	244,211,592	2,588,312	(1,124,124)	(659,914)	22,313,000	(541,282,642)	(273,953,776)	96,710,933	1,695,703,474	140,454,523	1,836,157,997
Balance as at 1 January 2016	2,000,000,000	(123,493,932)	244,211,592	1,135,801	-	272,950	22,313,000	(661,255,246)	(393,321,903)	175,306,228	1,658,490,393	136,303,721	1,794,794,114
Total comprehensive income for the period	-	-	-	1,173,656	-	408,991	-	(9,127,433)	(7,544,786)	76,522,364	68,977,578	522,518	69,500,096
Appropriation of consolidated net profit of 2015													
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	-	175,306,228	175,306,228	(175,306,228)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	(1,866,817)	(1,866,817)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	-	(492,503)	(492,503)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	-	(3,650,807)	(3,650,807)	-	(3,650,807)	(79,384)	(3,730,191)
Partial cancellation of Cash Settled Equity Swap (Note 17)	-	7,906,189	-	-	-	-	-	(49,840)	(49,840)	-	7,856,349	-	7,856,349
Percentage change in subsidiaries	-	-	-	-	-	-	-	39,065	39,065	-	39,065	134,197	173,262
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	73,090,000	73,090,000
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	2,000,000,000	(115,587,743)	244,211,592	2,309,457	-	681,941	22,313,000	(498,738,033)	(229,222,043)	76,522,364	1,731,712,578	207,611,732	1,939,324,310

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016 AND 2015

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

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2016	2 <sup>nd</sup> Quarter 2015	30 Jun 2016	30 Jun 2015
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		3,622,953	38,136,751	(164,156,683)	(102,610,591)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments	11	83,186,984	-	83,186,984	-
Tangible and Intangible assets	8	423,661	183,146,691	230,165,372	183,627,662
Interests and similar income		561,867	859,528	1,076,239	1,287,270
Loans granted		1,535	1,715,000	1,535	4,350,098
Dividends		34,763,574	9,154,163	34,765,188	9,154,163
Others		6,935,697	7,807,985	6,935,697	7,807,985
		124,772,885	202,683,367	356,131,015	206,227,178
Cash Payments arising from:					
Investments		(65,264,916)	(916,123)	(65,638,931)	(1,161,653)
Tangible and Intangible assets		(69,962,283)	(41,919,404)	(139,434,621)	(106,728,285)
Loans granted		-	(2,682,226)	-	(4,047,226)
Others		(193,928)	(633,133)	(382,808)	(633,133)
		(135,421,127)	(46,150,886)	(205,456,360)	(112,570,297)
Net cash used in investment activities (2)		(10,648,242)	156,532,481	150,674,655	93,656,881
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Investments		3,468,144	449,453	3,641,405	575,347
Loans obtained		1,989,564,379	856,012,862	3,940,962,527	1,366,882,565
Others		296,059	-	296,059	-
		1,993,328,582	856,462,315	3,944,899,991	1,367,457,912
Cash Payments arising from:					
Investments		(2,802,437)	(25,556,560)	(2,802,437)	(28,057,117)
Loans obtained		(1,938,552,284)	(1,041,325,828)	(3,885,451,822)	(1,491,435,368)
Interests and similar charges		(14,528,870)	(17,904,948)	(22,108,639)	(36,863,677)
Dividends		(2,329,498)	(74,453,081)	(2,329,498)	(74,453,081)
Purchase of own shares		-	-	-	(139,401)
Others		(212,683)	(345,032)	(715,169)	(1,234,599)
		(1,958,425,772)	(1,159,585,449)	(3,913,407,565)	(1,632,183,243)
Net cash used in financing activities (3)		34,902,810	(303,123,134)	31,492,426	(264,725,331)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		27,877,521	(108,453,902)	18,010,398	(273,679,041)
Effect of foreign exchange rate		(568,312)	(277,352)	(428,069)	(112,587)
Cash and cash equivalents at the beginning of the period	15	260,133,097	422,881,708	270,140,463	588,271,612
Cash and cash equivalents at the end of the period	15	288,578,930	314,705,158	288,578,930	314,705,158

The accompanying notes are part of these condensed financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 JUNE 2016

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

*(Amounts expressed in euro)*

## 1 INTRODUCTION

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SONAE, SGPS, SA ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 6 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 30.

## 2 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2015.

### 2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as from the consolidated financial statements issuance date.

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

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

**New accounting standards and their impact on the consolidated financial statements:**

Up to the financial statements approval date, the following standards interpretations, some of which become mandatory during 2016, have been endorsed by the European Union.

With mandatory application in 2016:	Effective date (for financial years beginning on or after)
IAS 19 (amendment) – (Employee benefits)	01 Feb 2015
Improvements of international financial reporting standards (2010-2012 cycle )	01 Feb 2015
Improvements of international financial reporting standards (2012-2014 cycle )	01 Jan 2016
IFRS 11 (amendment) – Accounting for acquisitions of interests in Joint Operations	01 Jan 2016
IAS 1 – (amendment) – Presentation of financial statements	01 Jan 2016
IAS 16 and IAS 38 – (amendment) – (Clarification of acceptable methods of depreciation and amortisation)	01 Jan 2016
IAS 16 – (amendment) – Tangible Assets and IAS 41 (amendments) – Bearer Plants	01 Jan 2016
IAS 27 – (amendment) – Equity method in separate financial statements	01 Jan 2016

These standards were first applied by the Group in 2016. The application of these standards and interpretations had no material effect on these financial statements.

The following standards, interpretations, amendments and revisions haven't been until the date of approval of these financial statements, endorsed by the European Union, whose application is mandatory in future financial years:

With mandatory application after 2016:	Effective date (for financial years beginning on or after)
IFRS 9 - (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 15 – (Revenue from contracts with customers)	01 Jan 2018
IFRS 16 – Leases (recognition and measurement principles)	01 Jan 2019
IFRS 10, IFRS 12 and IAS 28 - (amendment) - (clarification of various aspects related to the application of the exception for consolidation by investment entities)	01 Jan 2016
IFRS 10 and IAS 28 (amendment) – (Elimination of the inconsistency between the requirements of these standards when dealing with the sale or contribution of assets between an investor and its associate or joint venture)	Undefined
IAS 12 (amendment) – (Recognition of deferred tax assets for unrealised losses issued)	01 Jan 2017
IAS 7 (amendment) – (Disclosures on the cash flow statements)	01 Jan 2017
IFRS 2 - (amendment) – (Share based payments– classification and measurement)	01 Jan 2018

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 June 2016, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group, and with the exception of IFRS 9, IFRS 15 and IFRS 16, important impacts are not expected.

### 3 CHANGES IN ACCOUNTING POLICIES

During the period was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after the 1<sup>st</sup> January 2016 as disclosed in Note 2 and which didn't have any significant impacts on the financial statements as at 30 June 2016.

#### 4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 30 June 2016 and 31 December 2015 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 Jun 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
<b>Sonae - SGPS, S.A.</b>	<b>Maia</b>	<b>HOLDING</b>	<b>HOLDING</b>	<b>HOLDING</b>	<b>HOLDING</b>
<b>Retail</b>					
Aduanas Caspe, S.L.U.	a) Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Arat Inmuebles, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
BB Food Service, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Comercial Losan Polonia SP Z.O.O	a) Varsaw (Poland)	100.00%	100.00%	100.00%	100.00%
Comercial Losan, S.L.U.	a) Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
1) Contibomba - Comércio e Distribuição de Combustíveis, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a) Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a) Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Discovery Sports, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a) Matosinhos (Portugal)	75.00%	75.00%	75.00%	75.00%
Farmácia Selecção, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a) Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonae Dois	a) Maia (Portugal)	97.82%	97.82%	97.92%	97.92%
Global Usebti, S.L.	a) Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%

HighDome PCC Limited (Cell Europe)	a)	Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Igimo – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Iginha – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoconti – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoestrutura – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imomuro – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoresultado – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imosistema – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Infofield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
2) Irmãos Vila Nova, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
2) Irmãos Vila Nova III - Imobiliária, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
2) IVN - Serviços Partilhados, SA	a)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	-	-
2) IVN Asia Limited	a)	Hong Kong (China)	100.00%	50.00%	-	-
Losan Colombia, S.A.S	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	100.00%
Losan Overseas Textile, S.L	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Losan Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJB Design, Lda	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
1) Modelo.com - Vendas p/Correspond., SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predilugar- Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
2) Salsa DE GmbH	a)	Dusseldorf (Germany)	100.00%	50.00%	-	-
2) Salsa Distribution USA LLC	a)	New York (USA)	100.00%	50.00%	-	-
2) Salsa France, S.A.R.L.	a)	Paris (France)	99.99%	50.00%	-	-



2)	Salsa Luxembourg, Sàrl	a)	Luxemburgo	100.00%	50.00%	-	-
2)	SLS Salsa - Comércio e Difusão de Vestuário, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
2)	SLS Salsa España - Comercio y Difusión de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	50.00%	-	-
	SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae Center Serviços II, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Investimentos, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sonae SR Malta Holding Limited	a)	Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	90.00%	100.00%	90.00%
	Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
	SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Specialized Retail, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
	Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
	Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	100.00%	100.00%
	Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
	Worten - Equipamento para o Lar, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy çocuk malz.dag.ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Sonae IM</b>						
Accive Insurance – Consultoria e Franchising, Lda	a)	Porto (Portugal)	100.00%	35.01%	100.00%	35.01%
Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70.00%	35.01%	70.00%	35.01%
ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
2) Bright Development Studio, S.A.	a)	Maia (Portugal)	100.00%	89.97%	-	-
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
Herco, Consultoria de Risco, SA	a)	Maia (Portugal)	100.00%	50.01%	100.00%	50.01%
HighDome PCC Limited	a)	Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
2) Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	a)	Porto (Portugal)	100.00%	50.01%	-	-
Itrust – Cyber Security and Intelligence, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Larim Corretora de Resseguros Ltda	a)	Rio de Janeiro (Brazil)	99.99%	50.01%	99.99%	50.01%
Lazam/mds Correctora Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
3) MDS África, SGPS, SA	a)	Porto (Portugal)	50.00%	25.05%	100.00%	50.01%
MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
MDS Affinity-Sociedade de Mediação Lda	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50.01%	25.01%	50.01%	25.01%
4) Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon (Portugal)	100.00%	50.01%	100.00%	50.01%
MDS Malta Holding Limited	a)	Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
MDS, SGPS, SA	a)	Maia (Portugal)	50.01%	50.01%	50.01%	50.01%
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
PCI-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%
5) RSI Corretora de Seguros, Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	89.96%	99.99%	69.98%

	S21 Sec Ciber Seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	69.86%
	S21 Sec Gestion, SA	a)	Navarra (Spain)	100.00%	89.97%	77.80%	69.99%
	S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	89.97%	100.00%	69.99%
	S21 Sec México, SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	99.87%	69.89%
	S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	99.99%	69.98%
	Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
	Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
	Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
	Sonaecom-Cyber Security and Int., SGPS,SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaecom - Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%
	Sonaecom BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
	Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
	Sonae Investment Management - Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
2)	Sysvalue – Consultoria, Integração e Segurança em Sistemas de Informação, SA	a)	Lisbon (Portugal)	100.00%	89.97%	-	-
	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
	Tlantic, BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	72.10%	72.10%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	72.10%	100.00%	72.10%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	72.10%	100.00%	72.10%
	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
	We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
4)	We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%

We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Mexico S. de RL	a)	Cidade do México (México)	100.00%	89.97%	100.00%	89.97%
We Do Tecnologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
<b>Others</b>						
Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
6) SFS – Serviços de Gestão e Marketing, SA	a)	Maia (Portugal)	100.00%	100.00%	-	-
Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae RE, SA	a)	Luxemburgo	99.92%	99.92%	99.92%	99.92%
Sonaecenter Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

\* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) (s) subsidiary which owns the stake in question holds the share capital of this company.

a) Control held by majority of voting rights which confer power of relevant activities that influence;

b) Control held by Management control;

- 1) Companies merged into Modelo Continente Hipermercados, SA, at 1 January 2016;
- 2) Company acquired during the period;
- 3) On May 6, 2016, the share capital of MDS Africa, SGPS, SA was increased, through the issuance of the new shares subscribed by a new shareholder. Now this company is a joint venture (Note 5);
- 4) Company liquidated during the period;
- 5) Company incorporated by merger in Lazam/mds Correctora Ltda at 1 January 2016.
- 6) Company created during the period.

These entities are consolidated using the full consolidation method.

## 5 JOINT VENTURES AND ASSOCIATED COMPANIES

### 5.1 Detail of book value of Investment in joint ventures and associates

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

COMPANY	30 Jun 2016	31 Dec 2015
<b>Sonae Sierra</b>		
Sonae Sierra SGPS, SA (consolidated)	528,243,727	499,327,197
<b>ZOPT (NOS)</b>		
ZOPT, SGPS, S.A. (consolidated)	680,158,489	710,450,710
<b>Sonae IM</b>		
Intelligent Big Data, S.L.	-	-
1) MDS Africa SGPS, S.A.	250,000	-
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.	-	-
Unipress - Centro Gráfico, Lda	616,859	580,205
<b>Investments in joint ventures</b>	<b>1,209,269,075</b>	<b>1,210,358,112</b>
<b>Retail</b>		
APOR - Agência para a Modernização do Porto, S.A.	329,640	373,147
2) MOVVO, S.A.	2,063,874	-
Ulabox, S.L.	3,343,892	2,879,651
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,025,872	1,236,445
<b>Sonae IM</b>		
Brokerslink Management AG	115,142	41,745
<b>Investment in associated companies</b>	<b>6,878,420</b>	<b>4,530,988</b>
<b>Total</b>	<b>1,216,147,495</b>	<b>1,214,889,100</b>

- 1) On May 6, 2016, the share capital of MDS Africa, SGPS, SA was increased, through the issuance of the new shares subscribed by a new shareholder, through this subsidiary to form a joint venture changing the consolidation method the full method to the equity method (Note 4);
- 2) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 6).

### 5.2 Detail of joint ventures and associated companies

Joint Ventures entities and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 30 June 2016 and 31 December 2015 are as follows:

## 5.2.1 Joint ventures

COMPANY		Percentage of capital held			
		30 Jun 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
Sonae Sierra					
3shoppings - Holding, SGPS, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Beralands BV	Amsterdam (Netherlands))	100.00%	50.00%	100.00%	50.00%
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
Cascaishopping Holding I, SGPS, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
CCCB Caldas da Rainha - Centro Comercial,SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Estação Viana - Centro Comercial, SA	Viana do Castelo	100.00%	25.05%	100.00%	25.05%

	(Portugal)				
Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%
Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberian Assets, SA	Madrid (Spain)	49.78%	12.48%	49.78%	12.48%
Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%
Loop 5 - Shopping Centre GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	11.88%	50.00%	11.88%
Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Microcom Doi, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
1) Münster Arkaden, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Park Avenue Development of Shopping Centers, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%



	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxemburgo	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Campinas Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
2)	Project Guia, SA	Maia (Portugal)	100.00%	50.00%	-	-
	Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Project Sierra Cúcuta, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Four, SA	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 2 (two), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Two, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%

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

2)	Sierra Maroc Services SARL	Casablanca (Marrocos)	100.00%	50.00%	-	-
	Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%
	Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istambul (Turkey)	100.00%	50.00%	100.00%	50.00%
	Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Services Holland 2 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
	Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
	Sonae Sierra Brazil, BV Sarl	Luxemburgo	50.00%	25.00%	50.00%	25.00%
	Sonae Sierra, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
	SPF - Sierra Portugal	Luxemburgo	100.00%	50.00%	100.00%	50.00%
	SPF - Sierra Portugal Real Estate, Sarl	Luxemburgo	47.50%	23.75%	47.50%	23.75%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
	Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Zenata Commercial Project, SA	Mohammedia (Marrocos)	100.00%	5.50%	100.00%	5.50%
<b>ZOPT (NOS)</b>						
	Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.50%	20.00%	4.50%
	Canal 20 TV, SA	Madrid (Spain)	50.00%	11.25%	50.00%	11.25%
	Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.25%	50.00%	11.25%
	Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.25%	100.00%	11.25%

Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	6.75%	30.00%	6.75%
Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	11.25%	99.87%	11.25%
Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	22.47%	99.87%	22.47%
Lusomundo Moçambique, Lda	Maputo (Mozambique)	100.00%	22.50%	100.00%	22.50%
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Sistemas, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Sistemas España, SL	Madrid (Spain)	100.00%	22.50%	100.00%	22.50%
MSTAR, SA	Maputo (Mozambique)	30.00%	6.75%	30.00%	6.75%
NOS Açores Comunicações, SA	Ponta Delgada (Portugal)	83.82%	18.86%	83.82%	18.86%
NOS Communications Sàrl	Luxemburgo	100.00%	22.50%	100.00%	22.50%
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Madeira Comunicações, SA	Funchal (Madeira)	77.95%	17.54%	77.95%	17.54%
NOS Technology – Conceção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS SGPS, SA	Lisbon (Portugal)	52.15%	22.50%	52.15%	22.50%
NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
Sport TV Portugal	Lisbon (Portugal)	50.00%	11.25%	50.00%	11.25%
Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	22.50%	100.00%	22.50%
Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	6.75%	30.00%	6.75%
ZAP Cinemas, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZAP Media, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZAP Publishing, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZON Finance BV	Amsterdam (Netherlands)	100.00%	22.50%	100.00%	22.50%
ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%

## Sonae IM

Intelligent Big Data, SL	Gipuzcoa (Spain)	50.00%	44.99%	50.00%	35.00%
SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	45.00%	40.49%	45.00%	40.49%
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%

\*the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) (s) subsidiary which owns the stake in question holds the share capital of this company.

- 1) Company liquidated during the period;
- 2) Company created during the period.

## 5.2.2 Associated companies

COMPANY		Head Office	Percentage of capital held			
			30 Jun 2016		31 Dec 2015	
			Direct*	Total*	Direct*	Total*
Retail						
1)	APOR – Agência para a Modernização do Porto, S.A.	Porto	22.75%	22.75%	22.75%	22.75%
	MOVVO, SA	Porto	22.89%	22.89%	16.00%	16.00%
	Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%
	Ulabox, S.L.	Barcelona (Spain)	34.07%	34.07%	28.57%	28.57%

\* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) (s) subsidiary which owns the stake in question holds the share capital of this company.

- 1) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 6).

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

### 5.3 Financial indicators of participations

#### 5.3.1 Joint ventures

The aggregated values of main financial indicators of joint ventures can be summarized as follows:

Joint ventures	30 Jun 2016		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
<b>Assets</b>			
Investment properties	292,098,153	685,000	-
Tangible assets	1,195,665	1,199,177,000	1,210,184
Intangible assets	2,376,739	624,539,000	10,652
Goodwill	4,273,688	1,749,507,000	-
Investments in joint ventures and associates	925,642,281	192,922,000	-
Other non-current assets	122,311,053	142,932,000	9,789
<b>Non-current assets</b>	<b>1,347,897,579</b>	<b>3,909,762,000</b>	<b>1,230,625</b>
Cash and cash equivalents	142,607,981	24,074,000	183,512
Other current assets	45,930,374	533,599,000	2,370,720
<b>Current assets</b>	<b>188,538,355</b>	<b>557,673,000</b>	<b>2,554,232</b>
<b>Assets classified as available for sale</b>	<b>586,948,848</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>2,123,384,782</b>	<b>4,467,435,000</b>	<b>3,784,857</b>
<b>Liabilities</b>			
Loans	197,324,755	1,181,890,000	50,000
Other non-current liabilities	40,409,188	288,563,000	1,334,129
<b>Non-current liabilities</b>	<b>237,733,943</b>	<b>1,470,453,000</b>	<b>1,384,129</b>
Loans	22,610,034	108,272,000	26,262
Other current liabilities	97,434,159	546,490,000	1,227,055
<b>Total current liabilities</b>	<b>120,044,193</b>	<b>654,762,000</b>	<b>1,253,317</b>
<b>Liabilities directly associated with assets classified as available for sale</b>	<b>279,266,235</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>637,044,371</b>	<b>2,125,215,000</b>	<b>2,642,752</b>
Equity attributable to the equity holders of the Parent Company	1,020,784,451	1,109,838,662	1,142,105
Non-controlling interests	465,555,960	1,232,381,338	-
<b>Total equity</b>	<b>1,486,340,411</b>	<b>2,342,220,000</b>	<b>1,142,105</b>
<b>Total equity and liabilities</b>	<b>2,123,384,782</b>	<b>4,467,435,000</b>	<b>3,784,857</b>

	31 Dec 2015		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Joint ventures			
Assets			
Investment properties	286,938,906	697,557	-
Tangible assets	1,230,400	1,218,762,526	1,557,119
Intangible assets	2,705,989	639,261,319	13,213
Goodwill	4,273,686	1,749,506,673	-
Investments in joint ventures and associates	905,893,688	264,465,220	-
Other non-current assets	120,895,811	145,726,069	97
Non-current assets	1,321,938,480	4,018,419,364	1,570,429
Cash and cash equivalents	73,040,437	21,504,911	71,511
Other current assets	47,206,085	465,454,752	1,908,042
Current assets	120,246,522	486,959,663	1,979,553
Assets classified as available for sale	870,360,745	-	-
Total assets	2,312,545,747	4,505,379,027	3,549,982
Liabilities			
Loans	171,839,762	979,421,660	1,698,657
Other non-current liabilities	40,582,022	257,648,405	5,306
Non-current liabilities	212,421,784	1,237,070,065	1,703,963
Loans	60,196,509	180,262,683	26,262
Other current liabilities	158,012,185	582,696,254	1,233,012
Total current liabilities	218,208,694	762,958,937	1,259,274
Liabilities directly associated with assets classified as available for sale	424,352,495	-	-
Total liabilities	854,982,973	2,000,029,002	2,963,237
Equity attributable to the equity holders of the Parent Company	938,240,752	1,258,356,499	586,745
Non-controlling interests	519,322,022	1,246,993,526	-
Total equity	1,457,562,774	2,505,350,025	586,745
Total equity and liabilities	2,312,545,747	4,505,379,027	3,549,982
	30 Jun 2016		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Joint ventures			
Turnover	98,828,544	733,956,000	2,075,567
Other operating income	15,030,866	9,158,000	12,021
	113,859,410	743,114,000	2,087,588
External supplies and services	(49,174,491)	(90,852,131)	590,284
Amortisation	(555,045)	(204,378,000)	(357,613)
Other operating costs	(25,979,229)	(374,595,324)	(2,329,601)
	(75,708,765)	(669,825,455)	(2,096,930)
Financial income	2,897,109	-	-
Financial expense	(12,000,859)	(21,789,754)	(9,332)
Financial results	(9,103,750)	(21,789,754)	(9,332)
Results of joint ventures and associated companies	55,948,569	-	-
Other income / expense	28,971,628	-	-
Results before taxation	113,967,092	51,498,791	-
Income taxation	(9,034,300)	(10,591,660)	(3,071)
Consolidated net income/(loss) for the year	104,932,792	40,907,131	(21,745)
Attributable to:			
Equity holders of the Parent Company	59,011,035	20,428,980	(21,745)
Non-controlling interests	45,921,757	20,478,150	-
	104,932,792	40,907,130	(21,745)
Other comprehensive income for the period	47,581,707	(46,817,000)	-
Total comprehensive income for the period	152,514,499	(5,909,870)	(21,745)



	30 Jun 2015		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Joint ventures			
Turnover	95,599,457	693,735,340	1,970,167
Other operating income	44,206,728	6,212,012	13,843
	139,806,185	699,947,352	1,984,010
External supplies and services	(48,605,798)	(89,169,402)	(949,335)
Amortisation	(255,498)	(188,933,776)	(394,851)
Other operating costs	(27,290,715)	(344,495,701)	(949,037)
	(76,152,011)	(622,598,879)	(2,293,223)
Financial income	2,586,940	-	21,648
Financial expense	(11,051,586)	(20,842,318)	(38,070)
Financial results	(8,464,646)	(20,842,318)	(16,422)
Results of joint ventures and associated companies	91,375,155	-	-
Results before taxation	146,564,683	56,506,155	(325,635)
Income taxation	(15,514,232)	(13,241,653)	(1,283)
Consolidated net income/(loss) for the year	131,050,451	43,264,502	(326,918)
Attributable to:	-	-	-
Equity holders of the Parent Company	79,290,212	21,622,070	(326,918)
Non-controlling interests	51,760,239	21,642,432	-
	131,050,451	43,264,502	(326,918)
Other comprehensive income for the period	(19,333,959)	23,115,000	-
Total comprehensive income for the period	111,716,492	66,379,502	(326,918)

### 5.3.2 Associated companies

The aggregated values of main financial indicators of associated companies can be summarized as follows:

	30 Jun 2016				31 Dec 2015		
	MOVVO, SA	Sempre a Postos	Ulabox	Others	Sempre a Postos	Ulabox	Others
Associates							
Non-Current Assets	969,064	1,483,590	913,370	19,422	1,778,633	1,923,349	18,619
Current Assets	1,839,227	9,573,714	2,186,221	1,528,213	10,076,920	2,548,955	1,679,225
Non-Current Liabilities	2,240,946	1,263	-	-	8,594	-	-
Current Liabilities	903,732	6,952,554	343,021	98,667	6,901,181	103,517	57,638
Equity attributable to the equity holders of the Parent Company	(336,387)	4,103,487	2,756,570	1,448,968	4,945,778	4,368,787	1,640,206

	30 Jun 2016				30 Jun 2015		
	MOVVO, SA	Sempre a Postos	Ulabox	Others	Sempre a Postos	Ulabox	Others
Associates							
Turnover	172,630	24,751,981	3,588,458	11,315	24,040,342	1,831,653	51,530
Other operational income	-	1,884,819	-	-	2,199,488	-	139
Operational expenses	(2,080,563)	(25,905,348)	(5,377,076)	(214,924)	(25,425,925)	(2,454,086)	(127,637)
Net financial expense	(24,301)	5,331	-	11,280	7,858	-	18,062
Taxation	-	(167,293)	-	-	(194,410)	-	(22)
Consolidated profit/(loss) for the period	(1,932,234)	569,490	(1,788,618)	(192,328)	627,353	(622,433)	(57,928)
Other comprehensive income for the period	-	-	-	-	-	-	-
Other comprehensive income for the period	(1,932,234)	569,490	(1,788,618)	(192,328)	627,353	(622,433)	(57,928)



#### 5.4 Movements occurred in the period

During the period ended at 30 June 2016 and 2015, movements in investments in joint ventures and associated companies are as follows:

	30 Jun 2016			30 Jun 2015		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
<b>Joint ventures</b>						
Opening balance as at 1 January	638,605,623	571,752,490	1,210,358,113	621,439,679	579,547,428	1,200,987,107
Change of consolidation method	250,000	-	250,000	-	-	-
Equity method:						
Gains or losses in joint controlled and associated companies	39,663,720	-	39,663,720	50,485,416	-	50,485,416
Distributed dividends	(20,355,320)	-	(20,355,320)	(19,654,052)	-	(19,654,052)
Effect in equity capital and non-controlling interests	(20,647,437)	-	(20,647,437)	(4,495,204)	-	(4,495,204)
	637,516,586	571,752,490	1,209,269,076	647,775,839	579,547,428	1,227,323,267
<b>Investments in associates companies</b>						
Opening balance as at 1 January	2,807,145	1,723,842	4,530,987	1,502,111	137,494	1,639,605
Acquisitions during the period	-	-	-	1,599,541	1,400,759	3,000,300
Capital increase in associated companies	1,173,407	-	1,173,407	-	-	-
Transfer of "Other non-current investments" and change method	(176,938)	2,140,811	1,963,873	-	-	-
Equity method:						
Gains or losses in joint controlled and associates companies	(436,903)	-	(436,903)	(6,448)	-	(6,448)
Distributed dividends	(352,945)	-	(352,945)	(180,276)	-	(180,276)
	3,013,766	3,864,653	6,878,419	2,914,928	1,538,253	4,453,181
<b>Total</b>	<b>640,530,352</b>	<b>575,617,143</b>	<b>1,216,147,495</b>	<b>650,690,767</b>	<b>581,085,681</b>	<b>1,231,776,448</b>

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

- 12 million euro related to the currency translation reserve related to the exchange rate appreciation of the real in Brazil;
- 16 million euro negative related to the sold of all the direct participation of Group in NOS (2.14%) to ZOPT, (Note 11); and
- 11 million euro negative relating to currency translation reserve related to financial participation in which NOS have in the Finstar in Angola; and

The amount of dividends distributed related to Joint ventures investments includes 12,355,320 euro from Sonae Sierra and 8,000,000 euro from ZOPT.

## 6 OTHER NON – CURRENT INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 30 June 2016 and 31 December 2015 are as follows:

		Percentage of share capital held					
		30 Jun 2016		31 Dec 2015		Statment of financial position	
Company	Head office	Direct	Total	Direct	Total	30 Jun 2016	31 Dec 2015
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	898,197
1) Solferias- Operadores Turísticos, SA	Lisbon	-	-	11.11%	11.11%	-	133,162
2) MOVVO, S.A.	Porto	22.89%	22.89%	16.00%	16.00%	-	991,315
Sonae IM							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	75,069	75,069
Cooper Gay Swett & Crawford Ltd	London	9.72%	4.86%	9.72%	4.86%	15,249,229	15,249,229
Other investments						11,284,026	12,192,713
Total (Note 11)						27,543,497	29,549,661

1) Participation disposed in the period;

2) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 5).

On 30 June 2016, are included in “Other investments”, among others 9,985,498 euro (9,996,932 euro as at 31 December 2015), related to deposited amounts on an Escrow Account which is invested in investment funds with superior rating and contractual liability guarantees assumed in the disposal of a Sonae Distribuição Brazil and for which provisions were recorded in the applicable situations (Note 24).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer, that didn’t happen as there are some points of disagreement on the use of the Escrow Account, namely as whether or not, to retain the Escrow Account for on-going fiscal procedures that have not yet been decided (Note 25). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae.

Financial investment in Cooper Gay Sweet & Crawford, Ltd maintained its fair value at 31 December 2015 as it was considered that there are no material valuation differences. The financial participation in Cooper Gay Sweet & Crawford Ltd was measured at its fair value as at 31 December 2015 taking into consideration the multiples of EBITDA or multiples of sales by region and the transaction price of the United States of America operation sold in February 2016. The value of Cooper Gay Sweet & Crawford Ltd is net of impairment in the value of 1,517,355 euro.

## 7 CHANGES IN CONSOLIDATION PERIMETER

During the period ended at 30 June 2016, were acquired the following companies:

COMPANY	Head Office	Percentage of share capital held	
		At acquisition date	
		Direct	Total
<b>Retail</b>			
Irmãos Vila Nova, SA	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
Irmãos Vila Nova III - Imobiliária, SA	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
IVN - Serviços Partilhados, SA	Vila Nova de Famalicão (Portugal)	50.00%	50.00%
IVN Asia Limited	Hong Kong (China)	100.00%	50.00%
Salsa DE GmbH	Dusseldorf (Germany)	100.00%	50.00%
Salsa Distribution USA LLC	New York (USA)	100.00%	50.00%
Salsa France, S.A.R.L.	Paris (France)	99.99%	50.00%
Salsa Luxembourg, Sàrl	Luxemburgo	100.00%	50.00%
SLS Salsa - Comércio e Difusão de Vestuário, S.A.	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
SLS Salsa España - Comercio y Difusión de Vestuario, S.A.U.	Pontevedra (Spain)	100.00%	50.00%
<b>Sonae IM</b>			
Sysvalue-Consult.,Int. e seg. em S.I.,SA	Mexico City (Mexico)	100.00%	89.97%
Iberosegur-Soc. Ibérica Med. Seguros,Lda	Porto (Portugal)	100.00%	50.01%

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

Amounts in euro	Retail		Sonae IM	
	At acquisition date	30 Jun 2016	At acquisition date	30 Jun 2016
Net acquired assets				
Tangible and intangible assets (Note 8 and 9)	13,925,984	13,925,984	4,640	4,346
Inventories	21,955,255	21,955,255	-	-
Deferred tax assets	1,691,120	1,691,120	9	9
Other assets	17,073,717	17,073,717	804,625	532,993
Cash and cash equivalents	7,501,069	7,501,069	164,722	105,152
Non recurrent loans	(57,408,768)	(57,408,768)	(100,000)	(101,253)
Deferred tax liabilities	(33,611)	(33,611)	-	-
Other liabilities	(26,072,256)	(26,072,256)	(721,872)	(429,559)
Total net acquired assets	(21,367,490)	(21,367,490)	152,124	111,688
Goodwill	167,547,490		1,068,458	
Non-controlling interests (Note 18)	73,090,000		(46,058)	
Acquisition price	73,090,000		1,266,640	
Effective cash paid	73,090,000		611,690	
Future cash paid	-		654,950	
	73,090,000		1,266,640	
Net cash flow resulting from the acquisition				
Effective cash paid	(73,090,000)		(579,690)	
Cash and cash equivalents acquired	7,501,069		164,722	
	(65,588,931)		(414,968)	

Valores em euros	Retail		Sonae IM	
	Since acquisition date	6 months	Since acquisition date	6 months
Sales and services	-	55,093,319	258,972	951,487
Other income	-	3,161,205	-	8,978
Cost of sales	-	(26,263,149)	(79,508)	(434,294)
External supplies and services	-	(12,529,272)	(60,533)	(176,308)
Staff costs	-	(10,954,555)	(138,820)	(417,435)
Depreciation and amortisation	-	(1,830,037)	(293)	(4,512)
Other expenses and losses	-	(1,859,018)	(1,741)	(12,583)
Net financial income	-	(2,658,302)	(339)	(5,068)
Net financial income	-	(352,513)	-	-
Profit/loss before taxation	-	1,807,678	(22,262)	(89,735)
Taxation	-	(724,435)	(81)	(81)
Net Income	-	1,083,243	(22,343)	(89,816)

IVN – Serviços Partilhados, SA holds the brand Salsa which is a Portuguese brand of jeanswear of international renown, recognized for its entrepreneurial spirit and the development of innovative products. Being a truly international company, their products can be found in about 2,000 points of sale in 32 countries. In 2015, the company recorded a consolidated turnover of 106 million euro, 56% of which is generated out of Portugal.

This acquisition fits in Sonae's strategic pillars, namely international expansion, diversification of investment styles and the reinforcement of the base of assets and competencies. Salsa will continue to rely on the current management team and in line with the terms of the agreement, their results will be included in Sonae Investimentos by the full consolidation method, being reported in the segment of Sports and Fashion of Sonae SR.

Following the acquisition of these companies, a preliminary assessment was made regarding the fair value of the assets acquired and the liabilities assumed. However, given that the transaction occurred on 30 June 2016, it has not yet been possible to complete the fair value allocation and calculation of Goodwill which will be made in the maximum period of 12 months from the date of acquisition. The purchase price allocation can be done within one year of the date of acquisition as allowed by IFRS3 – Business Combinations.

## 8 TANGIBLE ASSETS

During the six months periods ended as at 30 June 2016 and 2015, movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2016	1,340,030,432	1,331,776,249	195,582,343	24,255,352	2,891,644,376
Investment	11,437,720	479,713	917,477	99,610,194	112,445,104
Acquisitions of subsidiaries (Note 7)	22,243,102	12,070,843	7,994,539	-	42,308,484
Disposals	(30,748,984)	(22,640,977)	(3,423,240)	(1,075,108)	(57,888,309)
Exchange rate effect	195,606	79,303	404,950	11,819	691,678
Transfers	18,286,288	70,301,239	7,695,332	(96,577,198)	(294,339)
<b>Closing balance as at 30 June 2016</b>	<b>1,361,444,164</b>	<b>1,392,066,370</b>	<b>209,171,401</b>	<b>26,225,059</b>	<b>2,988,906,994</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2016	367,362,667	828,106,126	153,060,796	-	1,348,529,589
Depreciation of the period	9,976,693	52,062,470	7,892,383	-	69,931,546
Impairment losses of the period (Note 24)	6,536,987	-	143	-	6,537,130
Acquisitions of subsidiaries (Note 7)	16,818,072	7,737,813	6,299,351	-	30,855,236
Disposals	(3,936,186)	(17,671,807)	(3,278,513)	-	(24,886,506)
Exchange rate effect	188,788	29,982	290,195	-	508,965
Transfers	349,129	(511,653)	(304,552)	-	(467,076)
<b>Closing balance as at 30 June 2016</b>	<b>397,296,150</b>	<b>869,752,931</b>	<b>163,959,803</b>	<b>-</b>	<b>1,431,008,884</b>
<b>Carrying amount as at 30 June 2016</b>	<b>964,148,014</b>	<b>522,313,439</b>	<b>45,211,598</b>	<b>26,225,059</b>	<b>1,557,898,110</b>
	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2015	1,668,538,078	1,286,938,925	184,269,466	27,306,514	3,167,052,983
Investment	2,931,922	846,557	756,380	58,577,301	63,112,160
Disposals	(166,324,923)	(25,354,221)	(4,314,034)	(1,106,312)	(197,099,490)
Exchange rate effect	(91,925)	(21,031)	(188,239)	68	(301,127)
Transfers	1,654,393	44,626,523	7,785,909	(54,825,094)	(758,269)
<b>Closing balance as at 30 June 2015</b>	<b>1,506,707,545</b>	<b>1,307,036,753</b>	<b>188,309,482</b>	<b>29,952,477</b>	<b>3,032,006,257</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2015	432,793,307	783,680,414	148,631,381	-	1,365,105,102
Depreciation and impairment losses of the period	12,343,553	52,310,818	6,455,873	-	71,110,244
Impairment losses of the period	(9,991)	36,762	-	-	26,771
Disposals	(35,634,614)	(21,375,813)	(4,128,108)	-	(61,138,535)
Exchange rate effect	(85,135)	(17,741)	(139,685)	-	(242,561)
Transfers	4,906	(350,581)	(203,672)	-	(549,347)
<b>Closing balance as at 30 June 2015</b>	<b>409,412,026</b>	<b>814,283,859</b>	<b>150,615,789</b>	<b>-</b>	<b>1,374,311,674</b>
<b>Carrying amount as at 30 June 2015</b>	<b>1,097,295,519</b>	<b>492,752,894</b>	<b>37,693,693</b>	<b>29,952,477</b>	<b>1,657,694,583</b>

The investment during the period ended at 30 June 2016 and 2015 includes, approximately, 111.3 million euro (62.2 million euro in 2015) of assets acquisition primarily associated with the opening and remodelling of stores of Sonae retail operating segments.

During the period ended as at 30 June 2016 and 2015, several sale and leaseback transactions were accounted. The accounting values of the disposed assets, approximately, 170.1 million euro (134 million euro as at 30 June 2015), corresponds to 16 real estate food retail assets located in Portugal and 3 stores Worten on Spain (15 real estate food retail assets located in Portugal on 30 June 2015). These operations resulted in a cash inflow of 230 million euro (184.7 million euro as at 30 June 2015) and generated a net capital gain of approximately, 63.1 million euro (40 million euro as at 30 June 2015 (Note 27).

Major amounts included under the caption “Tangible assets in progress” refer to the following projects:

	30 Jun 2016	30 Jun 2015
Refurbishment and expansion of stores in the retail businesses located in Portugal	20,170,106	14,889,110
Refurbishment and expansion of stores in the retail businesses located in Spain	1,921,489	816,444
Projects of “Continente” stores for which advance payments were made	1,206,600	8,804,900
Others	2,926,864	5,442,023
	26,225,059	29,952,477

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

	Land and buildings	Plant and machinery	Others tangible assets	Total tangible assets
<b>Impairment losses</b>				
Opening balance as at 1 January 2016	99,853,204	33,179,776	531,383	133,564,363
Impairment losses of the period (Note 24)	6,536,987	-	143	6,537,130
Acquisition of subsidiary	416,568	-	-	416,568
Disposals	(14,011,634)	(2,751,317)	(53,744)	(16,816,695)
Transfers	-	(17,029)	(9,915)	(26,944)
Closing balance as at 30 June 2016 (Note 24)	92,795,125	30,411,430	467,867	123,674,422

## 9 INTANGIBLE ASSETS

During the six month period ended at 30 June 2016 and 2015, movements in intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
<b>Gross assets:</b>				
Opening balance as at 1 January 2016	117,783,711	385,338,394	33,660,059	536,782,164
Investment	74,899	1,079,096	20,014,068	21,168,063
Acquisitions of subsidiaries (Note 7)	9,400	5,846,464	99,731	5,955,595
Disposals	(94,666)	(56,286)	(145,743)	(296,695)
Exchange rate effect	(104,413)	4,150,224	(37,990)	4,007,821
Transfers	128,911	16,221,129	(16,914,740)	(564,700)
Closing balance as at 30 June 2016	117,797,842	412,579,021	36,675,385	567,052,248
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2016	38,812,220	253,519,595	-	292,331,815
Depreciation of the period	676,708	16,442,393	-	17,119,101
Acquisitions of subsidiaries (Note 7)	-	3,478,219	-	3,478,219
Disposals	(94,666)	844	-	(93,822)
Exchange rate effect	(88,323)	2,482,876	-	2,394,553
Transfers	(47)	37,313	-	37,266
Closing balance as at 30 June 2016	39,305,892	275,961,240	-	315,267,132
Carrying amount as at 30 June 2016	78,491,950	136,617,781	36,675,385	251,785,116

	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
<b>Gross assets:</b>				
Opening balance as at 1 January 2015	116,610,221	330,979,840	37,819,101	485,409,162
Investment	24,801	775,704	23,185,446	23,985,951
Disposals	(63,330)	(661,171)	(208,546)	(933,047)
Exchange rate effect	437,516	(1,738,125)	69,107	(1,231,502)
Transfers	187,167	14,770,094	(14,453,503)	503,758
<b>Closing balance as at 30 June 2015</b>	<b>117,196,375</b>	<b>344,126,342</b>	<b>46,411,605</b>	<b>507,734,322</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2015	37,123,054	217,326,220	-	254,449,274
Depreciation of the period	1,073,245	13,658,947	-	14,732,192
Disposals	(61,994)	(507,623)	-	(569,617)
Exchange rate effect	364,746	(963,912)	-	(599,166)
Transfers	5,565	23,537	-	29,102
<b>Closing balance as at 30 June 2015</b>	<b>38,504,616</b>	<b>229,537,169</b>	<b>-</b>	<b>268,041,785</b>
<b>Carrying amount as at 30 June 2015</b>	<b>78,691,759</b>	<b>114,589,173</b>	<b>46,411,605</b>	<b>239,692,537</b>

## 10 GOODWILL

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

- Retail - Goodwill is allocated to each operating segment, Food based retail (Sonae MC) and Specialized retail (Sonae SR), being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment and country, distributed by country and each of the properties in case of Retail real estate operating segment (Sonae RP);

- Sonae IM - This segment's Goodwill is mainly related to: (i) Information Systems; (ii) Insurance business including values generated previous to the date of the adoption of IFRS and supported by the value of the customer portfolio (Portugal) as well as with the subsequent business combination acquired in Brazil.

As at 30 June 2016 and 31 December 2015, the caption "Goodwill" was as follows by insignia and country:

Insignia	30 Jun 2016				Total
	Portugal	Spain	Brazil	Other countries	
Sonae MC	478,207,362	-	-	-	478,207,362
Sonae SR					
electronics	65,283,532	-	-	-	65,283,532
fashion	176,283,974	18,200,351	-	692,021	195,176,346
sports	10,957,847	-	-	-	10,957,847
Sonae RP	2,651,900	-	-	-	2,651,900
Sonae IM					
MDS	9,258,966	-	21,374,512	-	30,633,478
Information Systems and Multimedia	778,944	-	7,090	12,359,094	13,145,128
	<b>743,422,525</b>	<b>18,200,351</b>	<b>21,381,602</b>	<b>13,051,115</b>	<b>796,055,593</b>



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

During the six months periods ended as at 30 June 2016 and 2015, movements in Goodwill as well as in the corresponding impairment losses, are as follows:

	30 Jun 2016	30 Jun 2015
<b>Gross value:</b>		
Opening balance	639,617,937	625,358,011
Goodwill generated in the period (Note 7)	168,615,948	767,299
Other variations	(948,478)	(326,434)
Currency translation	3,638,595	(1,586,027)
Closing balance	810,924,002	624,212,849
<b>Accumulated impairment losses:</b>		
Opening balance	15,074,024	14,767,547
Increases	(205,615)	-
Closing balance	14,868,409	14,767,547
Carrying amount	796,055,593	609,445,302

## 11 OTHERS INVESTMENTS

On 30 June 2016 and 2015 the movements in caption "Other Investments" can be detailed as follows:

	30 Jun 2016		30 Jun 2015	
	Non current	Current	Non current	Current
<b>Other investments</b>				
Fair value (net of impairment losses) as at 1 January	29,549,661	79,924,887	30,566,117	57,667,740
Acquisitions in the period	1,023,760	81,518	200,000	527
Disposals in the period	(1,069,914)	(64,177,472)	-	(6,270)
Increase/(Decrease) in fair value	3,863	(15,681,846)	(36,259)	21,342,287
Transfers	(1,963,873)	-	-	-
Fair value (net of impairment losses) as at 30 June	27,543,497	147,087	30,729,858	79,004,284
<b>Derivative financial instruments (Note 19)</b>				
Fair value as at 1 January	-	2,506,087	-	3,995,221
Acquisitions in the period	-	175,134	-	-
Increase/(Decrease) in fair value	-	(980,046)	-	(2,960,648)
Fair value as at 30 June	-	1,701,175	-	1,034,573
	27,543,497	1,848,262	30,729,858	80,038,857

Under the caption "Other non-current financial investments" an amount of 9,985,498 euro (9,999,892 euro in 30 June 2015) is recorded related to deposited amounts on an *Escrow Account* (Note 6)

As established in the shareholders agreement between Sonaecom, Kento Holding Limited and Jadeium BV (currently named Unitel International Holdings, BV), on 14 June 2016, Sonaecom sold all its direct participation in NOS (2.14%) to ZOPT by the amount of 82,840,847 euro. This transaction generated a gain

of 18,725,887, that 50% of this gain were annulled through investments in associated companies and companies jointly controlled, according to the defined in IAS 28 - Investments in associates and, the other 50% registered in Gains and losses on investments recorded at fair value through profit. Additionally, the transaction also gave impact on equity of about 9 million euros, recorded under the caption effect of equity and non-controlling interests by reducing the fair value of 2.14% (Note 5.4).

The amount of increase / (decrease) in fair value under the caption “Other current investments” on current asset, is mainly associated with the registration to the fair value of the participation on NOS in the amount of - 15,681,846 euros (21,342,2871 euros in 30 June 2015). The fair value of this investment is determined based on the price of NOS shares and the respective changes are recorded in the consolidated income statement.

On 30 June 2016, the “Decreases during the period” in other current assets correspond to the sale of direct participation in Sonaecom NOS (2.14%) for ZOPT. To determine the fair value of NOS shares on the date of the sale, it was used the day's closing price 14 June 2016 (5.822).

The Other non-current Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The heading of “Other non-current Investments” includes 2,308,770 euro (3,963,348 euro in 30 June 2015) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The Other non-current Investments are net of impairment losses amounting to 371,105 euro (309,924 euro in 30 June 2015) (Note 24).

## 12 OTHER NON – CURRENT ASSETS

As at 30 June 2016 and 31 December 2015, “Other non- current assets” are detailed as follows:

	30 Jun 2016			31 Dec 2015		
	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount
<b>Trade accounts receivable and other debtors</b>						
Legal deposits	728,435	-	728,435	605,316	-	605,316
Cautions	4,810,281	-	4,810,281	4,633,112	-	4,633,112
Special regime for payment of tax and social security debts	6,240,960	-	6,240,960	6,240,960	-	6,240,960
Financial investments debtors	-	-	-	527,618	-	527,618
Others	380,622	-	380,622	456,286	-	456,286
	12,160,298	-	12,160,298	12,463,292	-	12,463,292
<b>Reinsurer's' share of technical provisions</b>	20,581,781	-	20,581,781	19,103,740	-	19,103,740
<b>Other non-current assets</b>	-	-	-	43,595	-	43,595
	32,742,079	-	32,742,079	31,610,627	-	31,610,627

The amount disclosed as “Special regime for payment of tax and social security debts” corresponds to taxes voluntarily paid which were previously disputed and subject to reimbursement claims of Income Taxes. The

tax litigations are still in progress, although following the payment of guarantees previously given where canceled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favor of Sonae.

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The value of the provisions is related to outstanding claims declared (Note 24).

### 13 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2016 and 31 December 2015, "Trade account receivable and other current assets" are detailed as follows:

	30 Jun 2016	31 Dec 2015
Trade accounts receivable	124,467,520	103,297,115
Taxes recoverable	86,212,687	78,953,427
Granted loans and other receivables to related companies	23,217	22,061
Other debtors		
Trade creditors - debtor balances	54,371,661	37,379,130
Dividends to be received of jointly controlled companies	-	12,192,750
Disposal of financial investments	714,791	2,642,097
VAT recoverable on real estate assets	1,554,699	2,560,040
Disposal of tangible assets	3,108,329	2,304,243
Receivables from insurance companies	2,823,289	3,047,910
Vouchers and gift cards	992,548	1,214,062
Advances to suppliers	3,508,183	852,495
Other current assets	17,745,894	27,857,801
	84,819,394	90,050,528
Other current assets		
Commercial discounts	80,360,531	47,174,036
Invoices to be issued	13,933,600	10,390,059
External supplies and services	22,740,053	11,503,748
Rents	6,517,245	6,155,172
Commissions to be received	104,133	928,439
Other current assets	14,282,118	10,432,333
	137,937,680	86,583,787
Accumulated impairment losses in receivables accounts (Note 24)	(19,567,789)	(18,285,857)
	413,892,709	340,621,061

## 14 DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2016 and 31 December 2015 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Difference between fair value and acquisition cost	6,127,552	6,127,552	21,547,769	24,586,821
Temporary differences on tangible assets and intangible	1,797,132	1,622,953	42,314,086	43,830,296
Provisions and impairment losses not accepted for tax purposes	9,196,047	9,009,843	-	-
Write off of tangible and intangible assets	207	73,408	-	-
Valuation of hedging derivatives	170,872	242,174	433,085	364,824
Revaluation of tangible assets	-	-	1,108,210	1,166,623
Tax losses carried forward	45,033,235	41,618,697	-	-
Reinvested capital gains/(losses)	-	-	353,424	547,219
Tax Benefits	614,221	2,222,202	-	-
Others	4,668,821	2,952,789	2,330,148	2,263,989
	67,608,087	63,869,618	68,086,722	72,759,772

In accordance with the tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2016 and 31 December 2015, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 Jun 2016			31 Dec 2015		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	207,816	43,641	2027	230,791	48,466	2027
Generated in 2016	264,140	55,469	2028	-	-	
	1,666,192	349,900		1,425,027	299,256	
Without limited time use	160,018,701	40,039,026		151,590,107	37,927,462	
With a time limit different from the above mentioned	13,800,318	4,644,309		10,258,659	3,391,979	
	175,485,211	45,033,235		163,273,793	41,618,697	

As at 30 June 2016 and 31 December 2015, deferred tax resulting from tax losses carried forward were assessed. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences. This evaluation centered on the business plan of Sonae entities, which were reviewed and updated periodically.

As at 30 June 2016 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 37.6 million euro (35.1 million euro as at 31 December 2015). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 30 June 2016 and 31 December 2015, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies

As at 30 June 2016 there was tax losses carried forward, for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarized as follows:

	30 Jun 2016			31 Dec 2015		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	7,621,978	1,600,616	2017	8,379,732	1,759,744	2017
Generated in 2013	4,118,456	864,876	2018	3,957,748	831,127	2018
Generated in 2014	5,914,345	1,242,013	2026	5,856,149	1,229,791	2026
Generated in 2015	2,661,360	558,886	2027	2,629,640	552,224	2027
Generated in 2016	1,294,385	271,821	2028	-	-	
	21,610,524	4,538,212		20,823,269	4,372,886	
Without limited time use	193,804,327	50,054,898		189,969,957	48,704,159	
With a time limit different from the above mentioned	112,723,303	28,195,064		101,948,790	25,518,479	
	328,138,154	82,788,174		312,742,016	78,595,524	

## 15 CASH AND CASH EQUIVALENTS

As at 30 June 2016 and 31 December 2015, Cash and cash equivalents can be detailed as follows:

	30 Jun 2016	31 Dec 2015
Cash at hand	7,974,971	9,325,162
Bank deposits	296,224,980	115,357,583
Treasury applications	25,008,307	158,068,838
Cash and cash equivalents on the statement of financial position	329,208,258	282,751,583
Bank overdrafts (Note 19)	(40,629,328)	(12,611,120)
Cash and cash equivalents on the statement of cash flows	288,578,930	270,140,463

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

## 16 NON - CURRENT ASSETS HELD FOR SALE

As at 31 December 2015 were transferred to "Non-Current Assets held for sale" 131 million euro which corresponded to the net value of the assets disposed in 2016 but to this date the transactions were already in advanced process of negotiation

The above-mentioned transactions occurred in the 1<sup>st</sup> half of 2016, and include:

- a sale and leaseback transaction of 12 food retail real estate assets located in Portugal, this operation totaled 164 million euro;
- a Sale and Leaseback transaction of 3 Worten stores in Spain, located in Madrid, Barcelona and Valencia, this transaction totaled to 26.8 million euro.

## 17 SHARE CAPITAL

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### Share Capital

As at 30 June 2016, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

### Cash Settled Equity Swap

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

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132,800,000 Sonae Holding shares, representative of 6.64% of its capital.

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

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 23). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

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

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

Considering the operations mentioned above, the amount of the liability recorded amounts to 102,821,254 euro (Note 23) (103,602,523 euro as at 31 December 2015) reflecting the market value of 111,158,112 Sonae Holding shares (118,663,355 shares as at 31 December 2015).

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

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

The value to get established on the basis of dividends distributed by Sonae is credited in equity to offset the charge of the distribution.

## Capital Structure

As at 30 June 2016, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA e suas filiais	52.48

## 18 NON – CONTROLLING INTEREST

As at 30 June 2016 and 31 December 2015, Non-controlling interests can be detailed as follows:

COMPANY	30 Jun 2016				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Retail</b>					
Real Estate Investment Funds	128,072,437	21,158,254	2,795,055	461,760	(492,503)
IVN - Serviços Partilhados, SA (Consolidated)	(21,367,490)	-	73,090,000	-	-
Others	49,899,519	2,230,162	22,424,006	759,744	(57,405)
<b>Sonae IM</b>					
Sonaeacom, SGPS, SA (consolidated)	965,413,847	2,397,912	94,871,941	(340,900)	(1,809,412)
MDS, SGPS, SA (consolidated)	26,611,782	10,809	14,429,563	10,817	-
<b>Others</b>					
Others	1,457,046	373,165	1,167	299	-
<b>Total</b>	<b>1,150,087,141</b>	<b>26,170,302</b>	<b>207,611,732</b>	<b>891,720</b>	<b>(2,359,320)</b>
COMPANY	31 Dec 2015				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Retail</b>					
Real Estate Investment Funds	129,481,158	22,506,516	1,698,470	727,499	(1,031,352)
Others	47,902,622	2,420,670	22,701,912	863,507	(56,603)
<b>Sonae IM</b>					
Sonaeacom, SGPS, SA (consolidated)	1,003,586,540	34,567,046	99,283,284	2,035,502	(1,418,022)
MDS, SGPS, SA (consolidated)	23,077,858	(4,395,487)	12,619,188	(2,157,187)	(94,943)
<b>Others</b>					
Others	1,083,881	500,468	867	402	-
<b>Total</b>	<b>1,205,132,059</b>	<b>55,599,213</b>	<b>136,303,721</b>	<b>1,469,723</b>	<b>(2,600,920)</b>



Movements in non-controlling interests during the periods ended as at 30 June 2016 and 2015 are as follows:

	30 Jun 2016						
	Retail			Sonae IM		Others	
	Real Estate Investment Funds	IVN - Serviços Partilhados, SA (Consolidated)	Others	Sonaeacm, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	Total
Opening balance as at 1 January	2,691,601	-	21,708,781	99,303,284	12,599,187	868	136,303,721
Distributed dividends	-	-	(57,405)	(1,809,412)	-	-	(1,866,817)
Distribution of investment income fund	(492,503)	-	-	-	-	-	(492,503)
Changes of increased shareholding by acquisitions	134,197	-	-	-	-	-	134,197
Change in currency translation reserve	-	-	38,741	47,098	1,835,984	-	1,921,823
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	(2,322,292)	-	-	(2,322,292)
Acquisition of subsidiaries	-	73,090,000	-	-	-	-	73,090,000
Obligation fulfilled by share attribution to employees	-	-	(38,873)	-	(40,511)	-	(79,384)
Changes in hedging reserves	-	-	12,999	-	-	-	12,999
Others	-	-	19	(5,837)	24,086	-	18,268
Profit for the period attributable to non-controlling interests	461,760	-	759,744	(340,900)	10,817	299	891,720
Closing balance as at 30 June	2,795,055	73,090,000	22,424,006	94,871,941	14,429,563	1,167	207,611,732

	30 Jun 2015					Total
	Retail		Sonae IM		Others	
	Real Estate Investment Funds	Others	Sonae IM, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	33,627,820	19,341,826	99,447,776	7,782,645	466	160,200,533
Distributed dividends	(56,649)	-	(1,418,022)	-	-	(1,474,671)
Changes of increased shareholding by acquisitions	(20,508,577)	-	358,355	105,227	-	(20,044,995)
Change in currency translation reserve	-	(9,071)	37,115	(773,944)	-	(745,900)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	553,222	-	-	553,222
Obligation fulfilled by share attribution to employees	(14,969)	(34,368)	-	(86,521)	-	(135,858)
Changes in hedging reserves	-	(39,966)	-	-	-	(39,966)
Others	-	89,956	(92,385)	-	-	(2,429)
Profit for the period attributable to non-controlling interests	770,292	(43,197)	2,280,465	(863,418)	445	2,144,587
Closing balance as at 30 June	13,817,917	19,305,180	101,166,526	6,163,989	911	140,454,523

As at 30 June 2016 the acquisitions had the following impacts at the level of the financial statements:

	Acquisitions		
	IVN - Serviços Partilhados, SA (Consolidated)	Others	Total
Additional percentage acquired	50.00%		
Share of the acquired equity	73,090,000	173,262	73,263,262
Acquisition cost	(73,090,000)	(134,197)	(73,224,197)
Impact on equity	-	39,065	39,065

## 19 LOANS

As at 30 June 2016 and 31 December 2015, "Loans" can be detailed as follows:

	30 Jun 2016		31 Dec 2015	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
<b>Bank loans</b>				
Sonae, SGPS, SA - commercial paper	154,500,000	150,000,000	159,300,000	180,000,000
Sonae Investimentos, SGPS, SA - commercial paper	102,500,000	235,000,000	60,000,000	160,000,000
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated /2015/2020	-	55,000,000	-	55,000,000
Sonae Investimentos affiliated /2015/2019	-	25,000,000	-	25,000,000
Sonae Investimentos affiliated /2016/2023	7,883,333	41,367,912	-	-
Sonae Holding affiliated /2014/2018	-	40,000,000	-	40,000,000
Sonae Holding affiliated /2014/2021	-	30,000,000	-	30,000,000
MDS, SGPS, SA - commercial paper	5,250,000	14,950,000	5,250,000	14,950,000
MDS SGPS, SA affiliated / 2011/2016	3,157,310	1,942,960	3,131,055	3,247,020
Others	21,263,450	12,779,815	18,363,593	8,631,589
	294,554,093	656,040,687	246,044,648	566,828,609
Bank overdrafts (Note 15)	40,629,328	-	12,611,120	-
Up-front fees beard with the issuance of borrowings	-	(519,651)	-	(521,997)
<b>Bank loans</b>	<b>335,183,421</b>	<b>655,521,036</b>	<b>258,655,767</b>	<b>566,306,612</b>
<b>Bonds:</b>				
Bonds Sonae SGPS/ 2014/2018	-	-	-	60,000,000
Bonds Sonae SGPS/ 2014/2020	-	50,000,000	-	50,000,000
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	-
Bonds Sonae Investments BV / 2014/2019	-	196,687,823	-	194,535,791
Bonds Sonae Investimentos SGPS/ 2012/2017	-	-	50,000,000	95,000,000
Bonds Sonae Investimentos SGPS/ June 2013/2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos / June 2016/2021	25,000,000	95,000,000	-	-
Up-front fees beard with the issuance of borrowings	(37,919)	(7,053,341)	(37,919)	(6,973,692)
<b>Bonds</b>	<b>24,962,081</b>	<b>699,634,482</b>	<b>49,962,081</b>	<b>697,562,099</b>
Other loans	1,232,186	5,325,985	1,092,795	5,764,682
Derivative instruments (Note 20)	686,475	-	860,503	-
<b>Other loans</b>	<b>1,918,661</b>	<b>5,325,985</b>	<b>1,953,298</b>	<b>5,764,682</b>
<b>Obligations under finance leases</b>	<b>2,363,494</b>	<b>1,790,117</b>	<b>3,691,782</b>	<b>3,231,481</b>
	<b>364,427,657</b>	<b>1,362,271,620</b>	<b>314,262,928</b>	<b>1,272,864,874</b>

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

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

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

The bonds can be converted at the request of the bondholder when the quote of Sonae SGPS, SA, in accordance with the technical data sheet, exceeds 1.656 euros per share, which price is subject to

adjustments in accordance with market practices, in particular when the dividend exceeds 0.0287 euros per share.

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

Bonds and bank loans bear an average interest rate of 1.60% as at 30 June 2016 (2.05% as at 31 December 2015). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

The derivatives are recorded at fair value (Note 20).

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

	30 Jun 2016	31 Dec 2015
N+1 <sup>a)</sup>	363,779,101	313,440,343
N+2	177,397,566	225,888,798
N+3	401,142,388	193,792,207
N+4	340,956,963	331,879,992
N+5	282,909,870	377,426,614
After N+5	181,250,000	167,337,163
	1,747,435,888	1,609,765,117

a) Includes the amounts drawn under commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of the loans, and taking into account Sonae's best estimated regarding their reimbursement date.

As at 30 June 2016, Sonae has, as detailed below, "Cash and cash equivalents" in the amount of 329 million euro (283 million euro on 31 December 2015) and available credit lines as follows:

	30 Jun 2016		31 Dec 2015	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	44,368,680	265,000,000	122,683,306	341,050,000
Agreed credit facilities	336,270,890	699,625,000	293,260,890	732,250,000

## 20 DERIVATIVES

### Exchange rate derivatives

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

Thus Sonae entered into several exchange rate "forwards" and options in order to manage its exchange rate exposure.

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 686,475 euro as liabilities (860,503 euro as at 31 December 2015) and 1,524,383 euro as assets (1,983,962 euro as at 31 December 2015).

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

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

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

#### Interest rate derivatives

Sonae does not have any interest rate hedging derivatives recorded as at 30 June 2016.

#### Interest rate and exchange rate derivatives

As at 30 June 2016 no contracts existed related to interest rate and exchange rate derivatives at the same time.

#### Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Hedging derivatives				
Exchange rate	1,524,383	1,983,963	686,475	860,503
Derivatives not qualified as hedging				
Exchange rate	-	522,124	-	-
Other derivatives	176,792	-	-	-
	1,701,175	2,506,087	686,475	860,503

## 21 OTHER NON – CURRENT LIABILITIES

As at 30 June 2016 and 31 December 2015, "Other non-current liabilities" are detailed as follows:

	30 Jun 2016	31 Dec 2015
Shareholders loans	3,255,003	2,780,947
Fixed assets suppliers	234,410	604,822
Other non-current liabilities	2,291,649	2,095,698
Deferral of the disposal of the extended warranties	28,573,321	28,196,895
Accruals and deferrals	3,770,990	2,350,518
Other non-current liabilities	38,125,373	36,028,880

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

## 22 SHARE BASED PAYMENTS

In 2016 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 30 June 2016, all Sonae Holding share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2016, 2015 and 31 December 2014. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

As at 30 June 2016 and 31 December 2015, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

				Number of shares	
	Grant year	Vesting year	Number of participants	Share price on date of assignment	
					30 Jun 2016
					31 Dec 2015
Shares	2013	2016	-	0.701	-
	2014	2017	238	1.343	4,410,333
	2015	2018	263	1.278	3,934,567
	2016	2019	287	0.970	5,047,438
					-
<b>Total</b>					13,392,338
					13,495,195

During the period ending 30 June 2016 the movements on the above mentioned share based plans were the following:

	Aggregate number of participants	Number of shares
Balance as at 31 December 2015	625	13,495,195
Grant	283	4,965,755
Vesting	(98)	(5,610,617)
Canceled / extinct / corrected / transferred <sup>(1)</sup>	(22)	542,005
Closing balance as at 30 June 2016	788	13,392,338

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

As at 30 June 2016 and 31 December 2015, the fair value of total liabilities on the date of allocation arising from share based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value *	
		30 Jun 2016	31 Dec 2015
2013	2016	-	5,663,432
2014	2017	3,565,019	3,008,946
2015	2018	1,908,265	1,322,038
2016	2019	816,002	-
Total		6,289,286	9,994,416

\* Share market value as of 30 June 2016 and 31 December 2015.

As at 30 June 2016 and 31 December 2015 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	30 Jun 2016	31 Dec 2015
Recorded in staff costs in the current period	2,707,344	2,024,040
Recorded in previous years	5,394,471	6,312,164
	8,101,815	8,336,204
Recorded in other liabilities	-	-
Recorded value in Other reserves	8,101,815	8,336,204
	8,101,815	8,336,204

## 23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2016 and 31 December 2015, "Trade creditors and other current liabilities" were made up as follows:

	30 Jun 2016	31 Dec 2015
Trade creditors	992,542,690	1,161,697,200
Taxes payable	91,179,741	92,269,879
Other creditors		
Fixed asset suppliers	35,403,466	44,750,697
Other debts	148,512,785	154,763,112
	<b>183,916,251</b>	<b>199,513,809</b>
Other current liabilities		
Holiday pay and bonuses	123,582,114	111,077,895
Other external supplies and services	39,857,753	41,018,028
Deferred Revenue of warranty extension	27,562,811	24,471,084
Responsibilities assumed on sale of real state	18,324,530	10,031,166
Rentals	10,059,882	6,773,465
Marketing expenses	9,908,922	14,159,475
Advance receipts from trade receivables	8,946,946	8,407,899
Interest payable	3,139,330	5,022,010
Expenses on purchases	5,504,614	5,270,530
Insurance payable	5,184,338	1,745,005
Others	15,375,687	10,498,254
	<b>267,446,927</b>	<b>238,474,811</b>
	<b>1,535,085,609</b>	<b>1,691,955,699</b>

The caption "Other debts" includes:

- 102,821,254 euro (103,602,523 euro as at 31 December 2015) relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 17;
- 12,100,988 euro (14,219,757 euro as at 31 December 2015) of attributed discounts not yet redeemed related to loyalty card "Cartao Cliente";
- 12,462,714 euro (14,365,559 euro as at 31 December 2015) related to vouchers, gift cards and discount tickets not yet redeemed.



## 24 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 30 June 2016 and 2015 are as follows:

Caption	Balance as at 01 Jan 2016	Increase	Decrease	Entries on the perimeter	Balance as at 30 Jun 2016
Accumulated impairment losses on investments (Notes 6 and 11)	1,886,603	-	(800)	(17,606)	1,868,197
Impairment losses on fixed tangible assets (Note 8)	133,564,363	6,537,130	(16,843,639)	416,568	123,674,422
Impairment losses on intangible assets	1,497,024	-	-	-	1,497,024
Accumulated impairment losses on trade account receivables and other debtors (Note 13)	18,285,857	1,770,590	(2,484,703)	2,030,705	19,602,449
Non current provisions	38,810,058	3,413,546	(3,254,268)	-	38,969,336
Current provisions	3,083,990	-	(44,268)	218,500	3,258,222
	197,127,895	11,721,266	(22,627,678)	186,221,483	372,442,966

Caption	Balance as at 01 Jan 2015	Increase	Decrease	Transfers	Balance as at 30 Jun 2015
Accumulated impairment losses on investments	6,301,835	36,663	(2,262,691)	(3,765,883)	309,924
Impairment losses on fixed tangible assets	143,623,367	440,865	(4,989,084)	-	139,075,148
Impairment losses on intangible assets	1,497,101	-	-	-	1,497,101
Accumulated impairment losses on trade account receivables and other debtors	22,496,541	8,759,675	(2,746,932)	-	28,509,284
Non current provisions	36,489,900	1,111,156	(5,259,293)	-	32,341,763
Current provisions	3,724,196	61,966	(86,544)	-	3,699,618
	214,132,940	10,410,325	(15,344,544)	(3,765,883)	205,432,838

As at 30 June 2016 and 31 December 2015, provision's details can be analyzed as follows:

	30 Jun 2016	31 Dec 2015
Technical provisions on reinsurance	21,244,534	20,463,598
Future liabilities relating to subsidiaries of retail in Brazil sold	8,143,340	6,779,929
Clients guarantees	1,896,330	3,363,334
Judicial claims	1,732,302	3,558,791
Others	(32,798,006)	7,728,396
	218,500	41,894,048

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

## 25 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2016 and 31 December 2015, major contingent liabilities were guarantees given and can be detailed as follows:

### - Guarantees and sureties given

	30 Jun 2016	31 Dec 2015
Guarantees given:		
on tax claims	1,145,623,607	1,083,444,776
on judicial claims	925,359	695,238
on municipal claims	8,533,084	8,268,603
contract by proper compliments	18,524,755	17,445,799
other guarantees	6,596,658	4,824,720

#### a) Tax Claims

The main tax claims were bank guarantees given or sureties as follows:

- Retail operating segment subsidiaries of the Company granted guarantees or securities in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 546.9 million euro (520 million euro as at 31 December 2015) related from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients;
- The caption guarantees given on tax claims include guarantees granted, in the amount of 144.3 million euro (144.3 million euro in 2015), in favor of Tax authorities regarding 2007 to 2012. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable;
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for corresponding to a prior cover tax losses accumulated by the subsidiary, which has been brought to the cost of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, thus including cover losses upon liquidation of the subsidiary company;
- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group;

- Fiscal lawsuit related to income tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 18.3 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 37.6 million euro (135 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility

**b) Contingent liabilities related to tax claims paid under regularization programs of tax debts**

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

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 12).

**c) Other contingent liabilities**

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (on the 13<sup>rd</sup> December 2005) and that exceed 40 million euro. On the 31 December 2015, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 31.4 million euro. Furthermore, there are other tax assessments totaling 44.5 million euro for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

It was not created any provision to cover possible risks related to events/disputes for which guarantees were given for being understanding of the Board of Directors that the resolution of these events / disputes without loss to Sonae.

## 26 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Parent Company	117,009	93,362	344,945	433,670
Jointly controlled companies	8,910,259	7,820,843	19,788,111	22,879,546
Associated companies	16,106,296	15,629,279	1,077,324	544,081
Other related parties	27,335,767	29,513,713	9,602,525	10,370,969
	52,469,331	53,057,197	30,812,905	34,228,266
Transactions	Interest income		Interest expenses	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Parent Company	-	-	168,233	11,789
Jointly controlled companies	-	188,051	-	-
Other related parties	-	-	37,446	126,432
	-	188,051	205,679	138,221
Balances	Accounts receivable		Accounts payable	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Parent Company	48,961	65,568	319,714	611,479
Jointly controlled companies	7,774,473	16,621,469	8,135,767	10,403,025
Associated companies	3,448,318	4,024,521	148,634	1,868,694
Other related parties	18,396,880	17,816,186	7,293,077	7,431,116
	29,668,632	38,527,744	15,897,192	20,314,314
Balances	Loans		Loans	
	Obtained		Granted	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Jointly controlled companies	1,000	1,000	-	-
Other related parties	2,962,735	2,887,573	3,570	3,570
	2,963,735	2,888,573	3,570	3,570

## 27 OTHER INCOME

As at 30 June 2016 and 2015, the caption "Other Income" is made up as follow:

	30 Jun 2016	30 Jun 2015
Supplementary income	311,058,985	270,368,505
Prompt payment discounts obtained	12,056,401	11,354,676
Foreign currency exchange gains	8,967,814	19,550,593
Own work capitalised	6,761,187	6,138,020
Gains on sales of assets	63,860,700	41,814,575
Impairment losses reversals	3,508,824	5,658,695
Others	3,311,768	1,578,703
	409,525,679	356,463,767

As at 30 June 2016, the caption "Gains on disposal of assets" included:

- 13.6 million euro related to operations Sale and Leaseback of 4 retail food assets located in Portugal (Note 8); and
- 49.5 million euro from the sale of assets classified as held for sale in 2015 (Note 16).

## 28 INCOME TAX

As at 30 June 2016 and 2015, income tax is made up as follows:

	30 Jun 2016	30 Jun 2015
Current tax	9,297,119	18,615,169
Deferred tax	(8,649,986)	(7,999,043)
	647,133	10,616,126

## 29 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	30 Jun 2016	30 Jun 2015
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	76,522,364	96,710,933
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	3,852,999	3,749,212
<b>Net profit taken into consideration to calculate diluted earnings per share</b>	<b>80,375,363</b>	<b>100,460,145</b>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	1,885,261,759	1,872,196,974
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	71,142,333
Outstanding shares related with share based payments	13,392,338	13,771,884
Shares related to performance bonus that can be bought at market price	(8,198,289)	(5,054,782)
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>2,017,569,335</b>	<b>1,952,056,409</b>
<b>Earnings per share</b>		
Basic	0.042634	0.053659
Diluted	0.039838	0.051464

## 30 SEGMENT INFORMATION

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

In retail, the group has three segments:

- Sonae MC is a food retail unit, operating 526 stores and 266 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado / Bagga, Note! / Makenotes and Wells;
- Sonae SR is a specialised retail unit, with a presence in the electronics, sports and fashion market operating 515 stores and 79 stores operated under franchise agreements under the Worten, Sport Zone, MO, Zippy and Losan business concepts;
- Sonae RP is a retail real estate unit which actively manages properties of Sonae, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

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

In addition to the operating segments above mentioned Sonae still has two major partnerships Sonae Sierra and Zopt (includes NOS) whose relevant information is disclosed in Note 5.

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

The main operating segment information can be detailed as follows:

Turnover	30 Jun 2016	Inter-segment income	30 Jun 2015	Inter-segment income
Sonae MC	1,691,397,582	(884,845)	1,632,893,816	(800,032)
Sonae SR	614,028,919	(14,905,673)	581,920,978	(15,336,579)
Sonae RP	46,861,403	(41,628,881)	64,194,354	(59,929,534)
Sonae IM	126,886,949	(8,325,525)	123,975,463	(8,442,099)
Other, eliminations and adjustments	(47,770,633)	(79,456)	(74,018,322)	(80,000)
Total consolidated	2,431,404,220	(65,824,380)	2,328,966,289	(84,588,244)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Sonae MC	44,300,200	42,848,316	381,801	1,302,451	29,363,440	39,528,824
Sonae SR	23,390,906	21,725,374	814,455	693,034	(40,622,449)	(39,194,411)
Sonae RP	11,822,963	14,132,315	6,536,987	-	85,925,926	83,554,570
Sonae IM	7,167,141	7,064,723	487,174	772,723	(2,644,022)	(2,493,746)
Other, eliminations and adjustments <sup>(1)</sup>	381,178	83,925	1,913	5,696	20,539,872	21,184,820
Total direct consolidated	87,062,388	85,854,653	8,222,330	2,773,904	92,562,767	102,580,057

	Net financial expenses <sup>(2)</sup>		Income tax <sup>(2)</sup>	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Retail	(30,321,604)	(30,667,086)	346,921	10,579,426
Sonae IM	(1,473,176)	(1,009,093)	(2,074,613)	(354,501)
Holding <sup>(1)</sup>	6,165,731	(4,343,112)	2,374,825	391,201
Total consolidated	(25,629,049)	(36,019,291)	647,133	10,616,126

	Investment (CAPEX)		Net invested capital	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	31 Dec 2015
Sonae MC	69,430,184	49,645,556	685,269,250	533,730,705
Sonae SR	101,540,711	29,716,573	468,097,211	171,408,087
Sonae RP	27,673,184	29,651,931	887,728,266	1,046,536,798
Sonae IM	7,216,187	5,211,361	148,280,211	132,664,890
Other, eliminations and adjustments <sup>(1)</sup>	2,215,300	2,101,462	1,138,948,999	1,203,292,497
Total consolidated	208,075,566	116,326,883	3,328,323,937	3,087,632,977

	Total net debt	
	30 Jun 2016	31 Dec 2015
Retail	836,987,675	643,978,322
Sonae IM	51,274,769	39,546,259
Holding <sup>(1)</sup>	500,737,165	609,314,264
Total consolidated	1,388,999,609	1,292,838,845

<sup>1)</sup> Includes Sonae Individual accounts;

<sup>2)</sup> These captions are accompanied by management in a more aggregated form, and not allocated to individual operating segments identified above.

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

	Turnover		EBIT	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
Inter-segment income	(65,824,380)	(84,588,244)	-	-
Equity method	-	-	23,136,055	24,231,156
Others	18,053,747	10,569,922	(2,596,183)	(3,046,336)
Other, eliminations and adjustments	(47,770,633)	(74,018,322)	20,539,872	21,184,820

	Investment		Invested capital	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	31 Dec 2015
Inter-segment income and contributions from companies non individualized as segments	2,215,300	2,101,462	25,622,758	79,931,177
Investments	-	-	1,216,147,495	1,214,889,100
Cash settled equity swap <sup>(3)</sup>	-	-	(102,821,254)	(103,720,530)
Dividends available	-	-	-	12,192,750
Other, eliminations and adjustments	2,215,300	2,101,462	1,138,948,999	1,203,292,497

<sup>3)</sup> Financial Instrument reported in Note 16.

All performance measures are reconciled to the financial statements in note 31.



**Glossary:**

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

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

Others, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Others" in Note 4;

Investments (CAPEX) = Investments in tangible and intangible assets and investments in acquisitions.

### 31 PRESENTATION OF CONSOLIDATED INCOME STATEMENTS

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

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

The reconciliation between consolidated income and direct-indirect income for the periods ended 30 June 2016 and 2015 can be summarised as follows:

	30 Jun 2016			30 Jun 2015		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	2,431,404,220	-	2,431,404,220	2,328,966,289	-	2,328,966,289
Investment income						
Dividends	1,864,173	1,762,005	102,168	1,542,101	1,542,101	-
Impairment losses	-	-	-	(4,735,362)	(4,735,362)	-
Others	(12,221)	-	(12,221)	-	-	-
Other income						
Impairment losses reversal	2,041,820	-	2,041,820	3,087,192	-	3,087,192
Others	343,638,610	-	343,638,610	314,791,794	-	314,791,794
Total income	2,778,936,603	1,762,005	2,777,174,598	2,643,652,014	(3,193,261)	2,646,845,275
Total expenses	(2,664,156,520)	(508,533)	(2,663,647,987)	(2,513,535,183)	(1,485,958)	(2,512,049,225)
Depreciation and amortisation	(87,062,388)	-	(87,062,388)	(85,854,653)	-	(85,854,653)
Non-recurring impairment losses over inventories	(4,070,343)	-	(4,070,343)	(2,542,240)	-	(2,542,240)
Provisions and impairment						
Others	(8,222,330)	-	(8,222,330)	(2,773,904)	-	(2,773,904)
<b>Profit before financial results and share of results in associated companies</b>	15,425,022	1,253,472	14,171,550	38,946,034	(4,679,219)	43,625,253
Non-recurring Profit/(Loss)	55,357,330	-	55,357,330	34,723,648	-	34,723,648
Gains and losses on investments recorded at fair value through results	(6,318,903)	(6,318,903)	-	21,342,287	21,342,287	-
Financial profit/(loss)	(25,629,049)	-	(25,629,049)	(36,019,291)	-	(36,019,291)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	29,505,518	16,090,762	13,414,756	39,645,106	26,247,812	13,397,294
ZOPT	10,214,490	-	10,214,490	10,811,035	-	10,811,035
Others	(493,191)	-	(493,191)	22,827	-	22,827
<b>Profit before income tax</b>	78,061,217	11,025,331	67,035,886	109,471,646	42,910,880	66,560,766
Income tax	(647,133)	-	(647,133)	(10,616,126)	-	(10,616,126)
<b>Net profit for the period</b>	77,414,084	11,025,331	66,388,753	98,855,520	42,910,880	55,944,640
Attributable to equity holders of Sonae	76,522,364	11,482,579	65,039,785	96,710,933	42,910,880	53,800,053
Non-controlling interests	891,720	(457,248)	1,348,968	2,144,587	-	2,144,587
<b>"Underlying" EBITDA (b)</b>			111,382,622			131,708,858
<b>Direct EBITDA (a)</b>			189,876,007			190,663,662
<b>Direct EBIT (c)</b>			92,562,767			102,580,057

- (a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings (Sonae Sierra direct results, and ZOPT) + unusual results;
- (b) "Underlying" EBITDA = EBITDA – effect of share result in joint ventures and associated undertakings –non-recurrent results;
- (c) EBIT = EBT - financial results;
- (d) EBT = Direct results before non-controlling interests and taxes;
- (e) Direct income = Results excluding contributions to indirect income;
- (f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for noncurrent assets (including goodwill) and; (iv) provision for

assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

## 32 APPROVAL OF THE FINANCIAL STATEMENTS

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The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 17 August 2016.

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

## Condensed individual financial statements

**Condensed Individual Statement of Financial Position as at 30 June 2016 and 2015 and as at 31 December 2015**

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

(Amounts expressed in euro)

ASSETS	Notes	30.June.2016	30.June.2015	31.December.2015
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		78,189	105,266	90,243
Intangible assets		332	3,887	2,153
Investments in subsidiaries, associates and joint ventures	4	3,980,217,640	2,433,361,222	3,936,004,695
Other investments	5	30,465,254	29,613,226	29,617,075
Deferred taxes		-	762,989	-
Other non-current assets	6	347,400,000	347,400,000	347,400,000
Total non-current assets		4,358,161,415	2,811,246,590	4,313,114,166
<b>CURRENT ASSETS:</b>				
Trade account receivables and other current assets	7	117,656,130	1,975,874,757	72,845,986
Cash and cash equivalents	8	516,686	31,897	390,501
Total current assets		118,172,816	1,975,906,654	73,236,487
<b>TOTAL ASSETS</b>		<b>4,476,334,231</b>	<b>4,787,153,244</b>	<b>4,386,350,653</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,613,868,304	1,918,422,544	1,848,829,207
Profit for the period		32,498,351	49,077,393	(279,672,410)
<b>TOTAL EQUITY</b>		<b>3,646,366,655</b>	<b>3,967,499,937</b>	<b>3,569,156,797</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	357,094,480	342,111,885	387,406,442
Total non-current liabilities		357,094,480	342,111,885	387,406,442
<b>CURRENT LIABILITIES:</b>				
Loans	10	154,500,776	204,002,141	159,300,000
Trade creditors and other current liabilities	11	318,372,320	273,539,281	270,487,414
Total current liabilities		472,873,096	477,541,422	429,787,414
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,476,334,231</b>	<b>4,787,153,244</b>	<b>4,386,350,653</b>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

## Condensed Individual Income Statements for the periods ended 30 June 2016 and 2015

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

(Amounts expressed in euro)

	Notes	2 <sup>nd</sup> Quarter 2016	2 <sup>nd</sup> Quarter 2015	30.June.2016	30.June.2015
Services rendered		117,388	119,094	232,692	238,188
Gains or losses on investments	14	17,055,034	-	28,236,292	27,019,285
Financial income		7,560,817	27,541,270	14,942,634	52,701,645
Other income		705,027	529,298	1,301,524	1,085,997
External supplies and services		(944,449)	(617,212)	(1,661,233)	(1,679,668)
Staff costs		(465,460)	(614,362)	(985,939)	(1,220,136)
Depreciation and amortisation		(9,027)	(8,481)	(17,962)	(16,465)
Provisions and impairment losses		(1,913)	-	(1,913)	-
Financial expense		(3,449,686)	(9,184,757)	(7,427,634)	(20,445,728)
Other expenses		(287,581)	(272,797)	(410,390)	(476,699)
Profit/(Loss) before taxation		20,280,150	17,492,054	34,208,071	57,206,419
Taxation		168,328	(4,427,241)	(1,709,720)	(8,129,026)
Profit/(Loss) after taxation		20,448,478	13,064,812	32,498,351	49,077,393
Profit/(Loss) per share					
Basic	15	0.010226	0.006584	0.016251	0.024663
Diluted	15	0.010222	0.006589	0.016246	0.024652

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

**Condensed Individual Statements of Comprehensive Income for the periods ended at 30 June 2016 and 2015**

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

(Amounts expressed in euro)

	2 <sup>nd</sup> Quarter 2016	2 <sup>nd</sup> Quarter 2015	30.June.2016	30.June.2015
Net Profit / (Loss) for the period	20,448,478	13,064,812	32,498,351	49,077,393
Changes on fair value of available-for-sale financial assets	38,838,033	11,974,563	45,061,123	76,085,567
Other comprehensive income for the period	38,838,033	11,974,563	45,061,123	76,085,567
Total comprehensive income for the period	59,286,511	25,039,375	77,559,474	125,162,960

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors



### Condensed Individual Statements of Changes in Equity for the periods ended at 30 June 2016 and 2015

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

(Amounts expressed in euro)

	Share capital	Treasury shares	Legal reserve	Reserves and retained earnings			Total reserves and retained earnings	Net profit/(loss)	Total
				Fair value reserve	Hedging reserve	Other reserves and retained earnings			
Balance as at 1 January 2015	2,000,000,000	(6,857,332)	196,260,390	176,990,899	-	583,589,490	760,580,389	959,024,034	3,909,007,481
Total comprehensive income for the period	-	-	-	76,085,567	-	-	76,085,567	49,077,393	125,162,960
Appropriation of profit of 2014:									
Transfer to legal reserves and retained earnings	-	-	47,951,202	-	-	838,072,832	838,072,832	(886,024,034)	-
Dividends distributed	-	-	-	-	-	5,215	5,215	(73,000,000)	(72,994,785)
Purchase of treasury shares	-	(139,401)	-	-	-	-	-	-	(139,401)
Sale of treasury shares	-	5,912,942	-	-	-	241,601	241,601	-	6,154,543
Share based payments	-	1,083,791	-	-	-	(774,652)	(774,652)	-	309,139
Balance as at 30 June 2015	2,000,000,000	-	244,211,592	253,076,466	-	1,421,134,486	1,674,210,952	49,077,393	3,967,499,937
Balance as at 1 January 2016	2,000,000,000	-	244,211,592	260,223,788	-	1,344,393,827	1,604,617,615	(279,672,410)	3,569,156,797
Total comprehensive income for the period	-	-	-	45,061,123	-	-	45,061,123	32,498,351	77,559,474
Appropriation of profit of 2015:									
Transfer to retained earnings	-	-	-	-	-	(279,672,410)	(279,672,410)	279,672,410	-
Obligation fulfilled by a third party	-	(1,118,141)	-	-	-	-	-	-	(1,118,141)
Shares sold under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	-	1,118,141	-	-	-	(207,467)	(207,467)	-	910,674
Share based payments	-	-	-	-	-	(142,149)	(142,149)	-	(142,149)
Balance as at 30 June 2016	2,000,000,000	-	244,211,592	305,284,911	-	1,064,371,801	1,369,656,712	32,498,351	3,646,366,655

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

**Condensed Individual Cash Flow Statements for the periods ended 30 June 2016 and 2015**

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

(Amounts expressed in euro)

	Notes	2 <sup>nd</sup> Quarter 2016	2 <sup>nd</sup> Quarter 2015	30.June.2016	30.June.2015
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		(865,650)	(3,983,447)	(1,689,783)	(2,390,278)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		-	-	-	1,815,901,002
Tangible and intangible assets		584	2	584	2
Interest and similar income		535,627	562,042	1,601,874	3,860,010
Dividends		29,304,807	3,702,683	29,304,807	3,702,683
Loans granted		517,821,000	748,648,000	1,077,231,939	1,617,266,900
		547,662,018	752,912,727	1,108,139,204	3,440,730,597
Cash Payments arising from:					
Tangible and intangible assets		(4,085)	(1,080)	(4,085)	(1,080)
Loans granted		(517,821,000)	(748,567,000)	(1,077,231,939)	(3,317,613,788)
		(517,825,085)	(748,568,080)	(1,077,236,024)	(3,317,614,868)
Net cash used in investment activities (2)		29,836,933	4,344,647	30,903,180	123,115,729
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		1,567,641,000	891,599,286	3,030,806,007	1,186,641,286
Sale of own shares		-	4,072,868	-	4,072,868
Others		382	-	5,998	-
		1,567,641,382	895,672,154	3,030,812,005	1,190,714,154
Cash Payments arising from:					
Loans obtained		(1,591,109,286)	(1,022,790,000)	(3,049,116,293)	(1,507,167,370)
Interest and similar charges		(6,483,053)	(16,237,723)	(10,783,700)	(28,876,065)
Dividends		-	(72,978,350)	-	(72,978,350)
Purchase of treasury shares		-	-	-	(139,401)
		(1,597,592,339)	(1,112,006,073)	(3,059,899,993)	(1,609,161,186)
Net cash used in financing activities (3)		(29,950,957)	(216,333,919)	(29,087,988)	(418,447,032)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(979,674)	(215,972,719)	125,409	(297,721,581)
Cash and cash equivalents at the beginning of the period		1,495,584	210,672,261	390,501	292,421,123
Cash and cash equivalents at the end of the period	8	515,910	(5,300,458)	515,910	(5,300,458)

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

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

(Amounts expressed in euro)

### 1 INTRODUCTION

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SONAE, SGPS, SA (“Sonae Holding”), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

### 2 BASIS OF PREPARATION

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

### 3 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2015.

#### 4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 30 June 2016 and 31 December 2015 the company held investments in the following companies:

30.June.2016							
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	589,893,500	-	-	32,059,500	-	621,953,000
Sonaecom, SGPS, SA	26.02%	167,717,536	-	-	12,153,445	-	179,870,981
Sonaggest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	1,496,231,545	-	-	-	-	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		3,936,004,695	-	-	44,212,945	-	3,980,217,640

31.December.2015							
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	557,372,500	-	-	32,521,000	-	589,893,500
Sonaecom, SGPS, SA	26.02%	117,483,298	-	-	50,234,238	-	167,717,536
Sonaggest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	1,836,500,000	-	-	(341,000,000)	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		2,357,749,457	1,836,500,000	-	82,755,238	(341,000,000)	3,936,004,695

(a) The value of this investment is the price paid in the public tender offer for the de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

(b) Market value was determined based on an independent valuation for the period of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests.

In previous years the company recorded impairment losses on the following investments: Sontel BV (165,500,000 euro), Sonae Investments, BV (32,500,000 euro), Sonae RE, SA (3,089,000 euro) and Sonaecenter Serviços, SA (341,000,000 euro).

#### 5 OTHER INVESTMENTS

As at 30 June 2016 and 31 December 2015 other investments are as follows:

30.June.2016					
Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,564,649	-	-	848,179	30,412,828
Total	29,617,075	-	-	848,179	30,465,254

Companies	31.December.2015				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,086,999	-	-	477,650	29,564,649
Total	29,139,425	-	-	477,650	29,617,075

## 6 OTHER NON-CURRENT ASSETS

As at 30 June 2016 and 31 December 2015 the amount recognized under this caption refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos, SGPS, SA at market conditions in 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period.

In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

As at 30 June 2016 and 31 December 2015, the Company held 6,948 bonds.

The fair value of these bonds as at 30 June 2016 is 52,118 euro (56,404 euro as at 31 December 2015) per bond, having been determined based on the discounted cash flow method and using as reference market values. There is no evidence of impairment on this loan.

## 7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2016 and 31 December 2015 trade accounts receivable and other current assets are detailed as follows:

	30.June.2016	31.December.2015
Trade accounts receivable	205,359	500,159
Group companies		
Dividends	11,123,853	12,192,750
Interests	-	709,630
Taxes - Special regime for taxation of groups of companies	71,268,686	31,251,889
Taxes and contributions receivable	19,148,078	25,714,649
Accrued income and prepayments	15,665,178	2,166,828
Others	244,976	310,081
Total	117,656,130	72,845,986

The amount recorded in the caption taxes-special regime for taxation of groups corresponds to the tax estimate calculated by the companies taxed under the Special Regime for Taxation of Corporate Groups, of which the Company is the dominant company.

The caption "Accrued income and prepayments" mainly includes receivables relating to interests from loans granted to group companies.

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity of less than one year.

## 8 CASH AND CASH EQUIVALENTS

As at 30 June 2016 and 31 December 2015 cash and cash equivalents are detailed as follows:

	30.June.2016	31.December.2015
Cash at hand	1,837	1,086
Bank deposits	514,849	389,415
Cash and cash equivalents on the balance sheet	516,686	390,501
Bank overdrafts	(776)	-
Cash and cash equivalents on the cash flow statement	515,910	390,501

## 9 SHARE CAPITAL

As at 30 June 2016 and 31 December 2015 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

## 10 LOANS

As at 30 June 2016 and 31 December 2015, loans are made up as follows:

	30.June.2016	31.December.2015
Bonds Sonae, SGPS 2014/2018	-	60,000,000
Bonds Sonae, SGPS 2014/2020	50,000,000	50,000,000
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	-
Up-front fees not yet charged to income statement	(2,905,520)	(2,593,558)
Bonds	207,094,480	207,406,442
Sonae SGPS - Commercial paper	150,000,000	180,000,000
Bank loans	150,000,000	180,000,000
Non-current loans	357,094,480	387,406,442
Bank overdrafts	776	-
Sonae SGPS - Commercial paper	154,500,000	159,300,000
Bank loans	154,500,776	159,300,000
Current loans	154,500,776	159,300,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 77 million euro credit facilities available to meet its liquidity requirements as follows:

	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	146,500,000	215,000,000
Available credit facilities amounts	12,000,000	65,000,000

The interest rate as at 30 June 2016 of the bonds and bank loans was, in average, 1.35% (1.76% as at 31 December 2015).

## Maturity of Borrowings

As at 30 June 2016 and 31 December 2015 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	30.June.2016	31.December.2015
N+1	154,500,776	159,300,000
N+2	35,000,000	35,000,000
N+3	70,000,000	80,000,000
N+4	-	70,000,000
N+5	95,000,000	60,000,000
after N+5	160,000,000	145,000,000

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2016 and 31 December 2015, trade creditors and other current liabilities are detailed as follows:

	30.June.2016	31.December.2015
Trade creditors	323,162	403,764
Group companies		
Loans	217,818,161	201,328,447
Taxes - Special regime for taxation of groups of companies	83,986,538	42,710,114
Taxes and contributions payable	14,072,029	20,205,511
Accrued expenses	2,050,000	5,721,569
Others	122,430	118,009
Total	318,372,320	270,487,414

## 12 CONTINGENT LIABILITIES

As at 30 June 2016 and 31 December 2015, contingent liabilities are detailed as follows:

	30.June.2016	31.December.2015
Guarantees given:		
on tax claims	143,672,470	128,624,001
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries a)	386,112,500	359,213,603

(a) Guarantees given to Tax Authorities in favour of subsidiaries to defer tax claims. The main tax claims for which guarantees were issued are disclosed in consolidated financial statements.

## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Balance	30.June.2016	31.December.2015
Group companies	97,815,369	34,281,214
Jointly controlled companies	310,134	12,398,109
Other partners in group companies	50,000	98,000
Accounts receivable	98,175,503	46,777,323
Parent company	319,714	611,470
Group companies	84,460,019	45,526,331
Other partners in group companies	8,898	13,588
Accounts payable	84,788,632	46,151,389
Group companies	347,400,000	347,400,000
Loans granted	347,400,000	347,400,000
Group companies	217,818,161	201,328,447
Loans obtained	217,818,161	201,328,447



Transactions	30.June.2016	30.June.2015
Group companies	1,277,495	1,057,306
Jointly controlled companies	104,775	267
Other partners in group companies	50,000	158,868
<b>Services rendered and other income</b>	<b>1,432,270</b>	<b>1,216,441</b>
Parent company	344,945	433,670
Group companies	688,036	625,816
Jointly controlled companies	-	56,469
Other partners in group companies	21,477	8,540
<b>Purchases and services obtained</b>	<b>1,054,458</b>	<b>1,124,495</b>
Group companies	14,942,634	52,623,050
<b>Interest income</b>	<b>14,942,634</b>	<b>52,623,050</b>
Parent company	56,341	-
Group companies	1,990,501	4,484,052
<b>Interest expenses</b>	<b>2,046,842</b>	<b>4,484,052</b>
Group companies	15,880,590	14,826,535
Jointly controlled companies	12,355,320	12,192,750
<b>Dividend income (Note 14)</b>	<b>28,235,910</b>	<b>27,019,285</b>
Group companies	-	3,070,964
Jointly controlled companies	-	946,797
Other partners in group companies	-	55,107
<b>Sale of treasury shares</b>	<b>-</b>	<b>4,072,868</b>

All Sonae, SGPS, S.A. subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA (parent company), subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA (other partners in group companies) are also considered related parties.

## 14 INVESTMENTS INCOME

As at 30 June 2016 and 2015, investment income can be detailed as follows:

	30.June.2016	30.June.2015
Dividends	28,235,910	27,019,285
Gains / (losses) on investments	382	-
	<b>28,236,292</b>	<b>27,019,285</b>

Dividends were distributed from Sonae Investimentos, SGPS, SA (11,123,853 euro), Sonaegest, SA (57,405 euro), Sonae Sierra, SGPS, SA (12,355,320 euro) and Sonaecom, SGPS, SA (4,699,332 euro).

## 15 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	30.June.2016	30.June.2015
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	32,498,351	49,077,393
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	32,498,351	49,077,393
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings	1,999,792,831	1,989,939,564
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,324,728	1,531,948
Number of shares that could be acquired at average market price	(728,353)	(696,441)
Weighted average number of shares used to calculate diluted earnings per share	2,000,389,206	1,990,775,071
<b>Profit/(Loss) per share</b>		
Basic	0.016251	0.024663
Diluted	0.016246	0.024652

## 16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 17 August 2016.

## 17 INFORMATION REQUIRED BY LAW

### Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 June 2016 short-term loan contracts were entered into with the following companies:

Efanor Investimentos, SGPS, SA

Sonae Investimentos, SGPS, SA

Sonae RE, SA

Sonaecom, SGPS, SA

Sontel, BV

As at 30 June 2016, there were no amounts owed by subsidiaries.

As at 30 June 2016 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonaecenter Serviços, SA	608,161
Sonae RE, SA	1,644,000
Sontel, BV	215,566,000
Total	<u>217,818,161</u>

#### The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

## SAFE HARBOUR

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

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

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

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

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