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# INVESTOR PRESENTATION



September 2014

1.

# SONAE OVERVIEW



# Group Structure

## A RETAIL COMPANY with 2 core partnerships

- Market leader in Portugal in food and specialized retail formats
- Board control of Shopping Centers and Telecommunications businesses

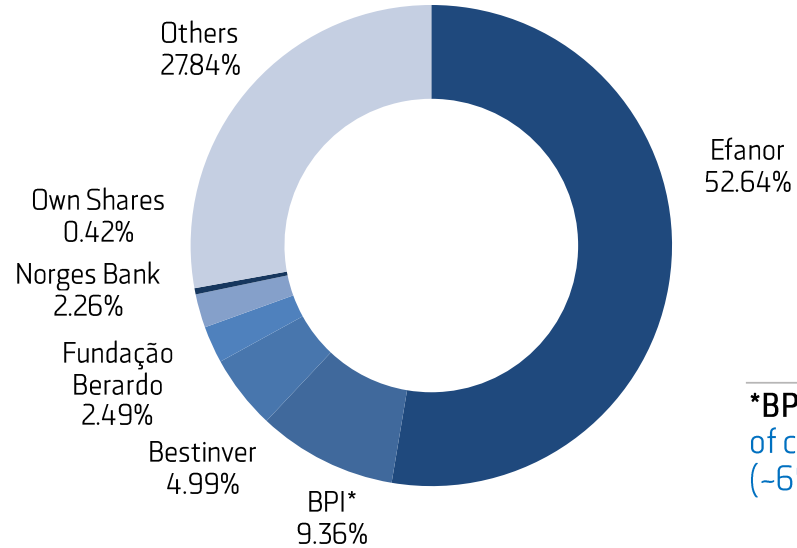
# SONAE

<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>50%</b>	<b>89.9%</b>
<b>SONAE MC</b> Food Retail	<b>SONAE SR</b> Specialised Retail	<b>SONAE RP</b> Retail Properties	<b>SONAE SIERRA</b> Shopping Centres	<b>SONAE COM</b> Telco
	Sports goods, fashion and electronics	Retail real estate assets	Shopping centre developer, owner and manager	Telecommunication, Software and Systems Information and Media
CORE BUSINESSES		RELATED BUSINESSES	CORE PARTNERSHIPS	
<b>RETAIL &amp; RELATED BUSINESSES</b>				

# Shareholdings

## A STABLE SHAREHOLDER STRUCTURE

Reference shareholder, Efanor, a family holding company



# FREE FLOAT OF CIRCA 40%

\*BPI stake includes Equity swap of circa 122 million Sonae shares (~6% of share capital)

SHARE CAPITAL  
2,000 million

AVERAGE DAILY VOLUME (1H14)  
~4.14 million shares

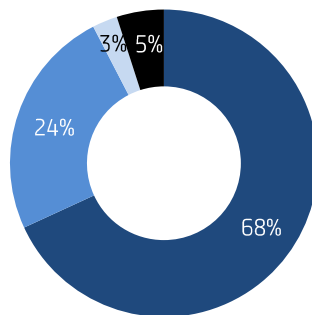
MARKET CAP (as of 30.06.2014)  
~2.40 billion euros

# Group Breakdown

## BREAKDOWN PER BUSINESS

### Turnover breakdown (1H14)

% Total Turnover (1H14)



- Sonae MC
- Sonae SR
- Sonae RP
- Sonae Investment Management (incl. SSI and Media)

### UNDERLYING EBITDA MARGIN

% Turnover	1H13 PF	2013 PF	1H14
Sonae	6.9%	7.8%	6.7%
Sonae MC	6.7%	7.6%	6.1%
Sonae SR	-3.3%	0.0%	-1.2%
Sonae RP	89.9%	92.4%	90.1%
Investment Management	3.0%	6.6%	4.1%

### CAPITAL EMPLOYED

Breakdown of invested capital per business (M€)	1H14	% in total
<b>Sonae</b>	<b>3,239</b>	
Sonae MC	574	17.7%
Sonae SR	235	7.3%
Sonae RP	1,231	38.0%
Investment Management	153	4.7%
Other (incl. NOS and Sonae Sierra stake)	1,046	32.3%

# Corporate Strategy

## VALUE CREATION THROUGH INTERNATIONAL EXPANSION AND THE STRENGTHENING OF THE CORE BUSINESSES

### CORPORATE STRATEGIC PILLARS

#### INTERNATIONAL EXPANSION

- NEW GROWTH AVENUES
- PROFIT FROM “WORLD CLASS” COMPETENCIES

- Current core business with leader formats in mature markets
- Widen competencies, knowledge and experience pool
- New sources of value creation

#### DIVERSIFY INVESTMENT STYLE

- ADOPT THE MOST APPROPRIATE INVESTMENT STYLE
  - FRANCHISING
  - PARTNERSHIPS
  - MINORITY STAKES

- Use capital light models (renting vs. owning; partnerships vs. full control; and franchising)
- Add local knowledge
- Reduce Capital employed needs

#### LEVERAGE EXCEPTIONAL ASSETS AND COMPETENCIES

- INNOVATE
- GENERATE NEW BUSINESSES
- STRENGTHEN COMPETITIVE POSITION

- Capitalize on assets and competencies in own market to launch new projects in adjacent areas
- Reinforce competitive position
- Grow “share-of-wallet”

# Strategy

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## CORPORATE STRATEGY REFLECTED IN EACH RETAIL BUSINESS STRATEGY

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### SONAE MC

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#### FOCUS ON LEADERSHIP AND PROFITABILITY

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- Consolidate market leadership
- Grow convenience channel
- Explore new adjacent business opportunities
- Continue to implement efficiency projects
- Look for international growth opportunities (eg. JV in Angola)

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### SONAE SR

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#### INTERNATIONAL GROWTH AND MULTI-CHANNEL PUSH

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- Launch/grow Iberian e-commerce operations
- Explore franchising, JVs and wholesale opportunities as a means to accelerate growth
- Consolidate market positions in Portugal and improve profitability
- Continue to use Portugal as a test plant for new formats

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### SONAE RP

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#### ACTIVE ASSET MANAGEMENT

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- Plan to release invested capital by reducing freehold ownership of sales area in food retail
- Focus on Asset Management of retail real estate assets and operational efficiency
- Seek Property Development opportunities

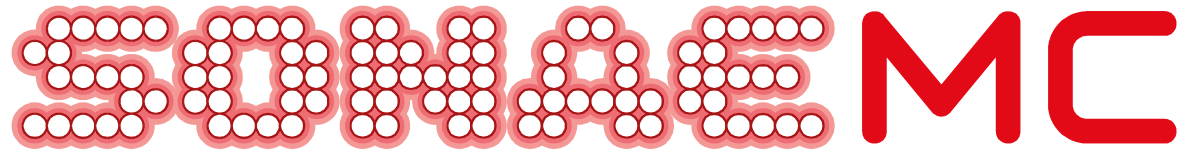


A close-up photograph of a showerhead spraying water against a clear blue sky. The water droplets are captured in mid-air, creating a dynamic, sparkling effect. In the bottom right corner, there is a decorative graphic consisting of several overlapping circles in various shades of blue and teal. The overall composition is clean and modern.

2.

# OPERATIONAL REVIEW





STRENGTHENING OF **LEADING POSITION** IN FOOD RETAIL MARKET, WHILE **PROTECTING PROFITABILITY**

## A LEADING BRAND IN PORTUGAL



Considered over the last 13 years, one of **the most trusted brands in Portugal** by consumers (survey “Trusted brands” carried out by Reader’s Digest)



## EXPOSURE TO DIVERSE FOOD FORMATS

SINGLE BRANDING OF SONAE MC STORES UNDER “CONTINENTE” COMPLETED DURING 2011

### CONTINENTE

HYPERS



First mover advantage, prime locations

- 40 stores (of which 24 are anchored with leading shopping centres)
- Average 7.1 thousand m<sup>2</sup>
- Price and diversity (~70k SKUs)
- Light bazaar + textiles representing ~15% of sales

### CONTINENTE MODELO

SUPERS



Typically located in medium sized population centres

- 118 stores, average 2 thousand m<sup>2</sup>
- # SKUs well above competitors
- Light bazaar representing less than 10% of sales (no textiles)

### CONTINENTE BOM DIA

SUPERS



Location and convenience (urban)

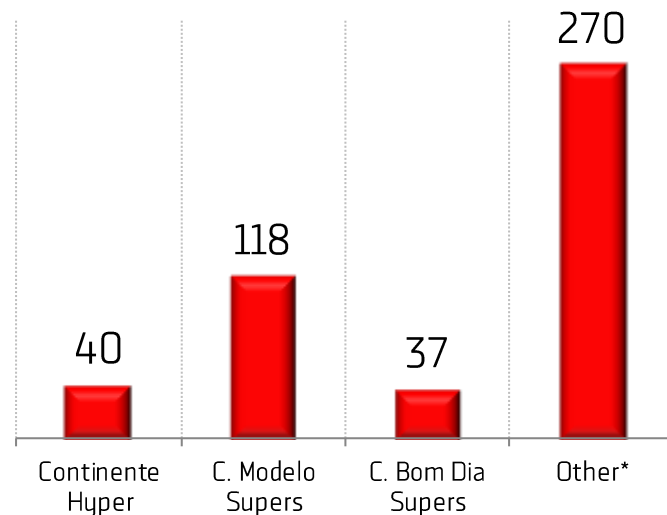
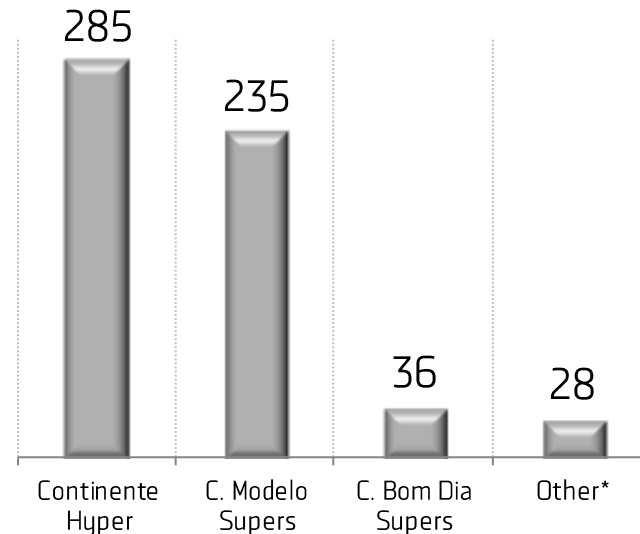
- 37 small, convenience food stores
- Average sales area of 986m<sup>2</sup>
- Renewed concept based on quality and variety of fresh products, ideal for more frequent daily shopping
- Growth opportunity in large cities

## Retail Area

617,000 m<sup>2</sup>  
OF RETAIL SPACE,  
DISTRIBUTED  
BETWEEN HYPERS  
AND SUPERS

## SONAE MC RETAIL SPACE BY FORMAT (1H14)

STORES (total= 465)

'000 M<sup>2</sup> (total= 584 thousand)

\* Mainly parapharmacy  
and coffee shops

**+ 103 stores** (33,000 m<sup>2</sup>) under franchising including 89 "Meu Super" stores

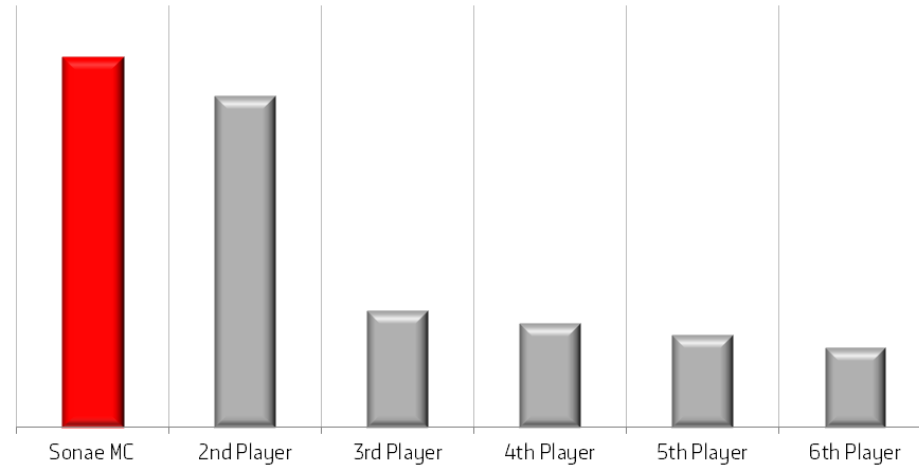
# Market Share Growth

## REINFORCEMENT OF LEADERSHIP IN THE PORTUGUESE FOOD RETAIL MARKET



## FOOD RETAIL MARKET SHARES – 1H14

CONTINENTE



Source: Homescan Nielsen, cumulative YTD evolution - 15<sup>th</sup> June 2014

In 1H14, **SONAE MC turnover** increased by 2.6% y.o.y. with further market share gains reflecting the approximately 5% growth in volume sales

# Loyalty Card

# A DIFFERENTIATING TOOL AMONG RETAILERS IN THE PORTUGUESE MARKET

PERFORMANCE  
LEVERAGES  
ON THE VALUE  
AND SUCCESS  
OF THE LOYALTY  
PROGRAM



## SUPERIOR CUSTOMER INSIGHT IN PORTUGAL

- Targeted promotions, with discounts provided as “credit” in repeated purchase
- Superior customer profiling and knowledge of consumer habits

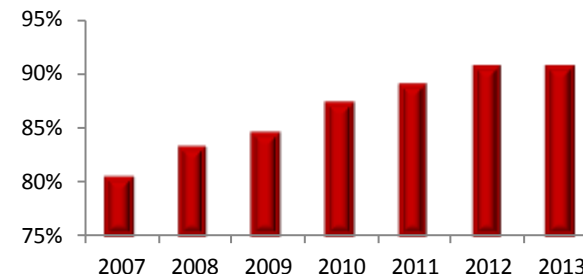
### NUMBER OF ACTIVE LOYALTY CARDS

**3.4 million**

3 out of 4 Portuguese households

### % OF SALES ASSOCIATED WITH LOYALTY CARD

**FY13 > 90%**



# E-commerce website

# A renewed user experience...

# Also supported by new businesses!

- >15% annual growth
- ~500.000 deliveries/year
- ~30.000 SKUs
- ~550.000 Registered users
- >50.000 Buying users/year
- >100 M Pageviews/year

**CONTINENTE** Ana Cláudia Santos Logout

Saldos: € 73,06 As minhas listas (1) A minha Conta

Loja: Cartão Continente Acesso Directo 707 10 66 66 Ajuda Pesquisar por palavra-chave

Descontos: Megastore Continente / Continente Online / homepage

Animais Lactónicos Bebê Bebidas Limpeza Mercearia Casa Congelados Frescos Higiene Lazer Webs Outros

**HIPER DESCONTO** DE 20 DE NOVEMBRO A 2 DE DEZEMBRO **75% DESCONTO EM CARTÃO** Ver sugestões

**Carrinho** Tem 3 artigos Total €6,47 Desconto Cartão €0,00 **Comprar**

- Reserve a sua entrega
- Capões Disponíveis (6000)
- Ver Carrinho Completo
- Últimos Artigos Adicionados

Alimentação para Ave: Espiga de Pinho Vito Rábure € 7,69

Alimentação híbrida para Cão Junior € 1,59 **Ligar Carrinho**

**CREME PARA BARRAR CONTINENTE em: 250 GR** €0,75 (0,03 por unidade) **Só no mês** Até 10 de novembro

**PORTO PLATINUM RESERVA (ROF) GARANTA 15 CL** €9,99 (€1,00 por unidade) **Só no mês** Até 24 de novembro

Novinho Bife do Lombo Continente Arroz embalado emb. 400 g (aprox.) € 28,49 /kg	Farinha CONTINENTE Costeira € 3,62 /kg	Alimento pt Gato Adulto c/ Frango CONTINENTE Costeira € 0,76 /unid.	Melão Amarelo CONTINENTE Costeira € 1,84 /kg
Queijo Bife CONTINENTE Costeira € 2,08 /unid.	Barras Papagueio CONTINENTE Costeira € 3,29 /unid.	Alimento Híbrido para Cão Junior PEDIGREE PAL Pedigree € 1,75 /unid.	Alimento para Gato Sabor de Quinta WHITEKAT Whitecat € 2,41 /unid.
Alimento para Ave Espiga de Pinho Vito Rábure Marca Continente Ind. € 2,96 /unid.	Azeite Aromatizado Marca Serral € 8,24 /unid.	Farinha Premium Exótica RÍDA RÍDA € 3,84 /unid.	Kitl Plus Farinha Para Docerios 400g OUTRAS MARCAS OUTRAS MARCAS € 2,19 /unid.

Partilha Facebook Twitter

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Orthopedy

Contact Lenses

Supplements

Mattresses

Tickets

Non food

School Books

# New adjacent business opportunities

## LEVERAGE ON KNOW-HOW IN RETAIL

## FRANCHISING

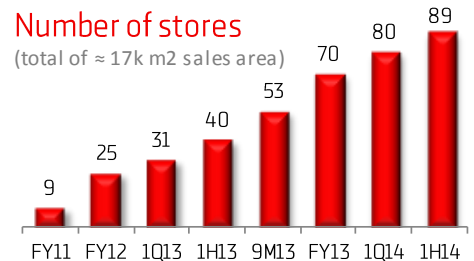


## Meu Super reaches 100 stores in the beginning of September

- Franchised local food retail stores
- **Convenience stores**, located in residential areas; sales area between 150m<sup>2</sup> and 500m<sup>2</sup>
- Franchisees with guaranteed competitive prices for a wide range of products, with access to **Continente's private label** and local suppliers products (particularly perishables)
- Franchisees do not pay royalties nor start commissions and benefit from the **know-how of the leading retailer in Portugal** (to study the business viability and store operation)
- Logistics are supported by wholesale **distribution networks**
- The format is already responsible for about 500 jobs and is present in 16 Portuguese districts

### Number of stores

(total of ≈ 17k m2 sales area)



## New adjacent business opportunities

### LEVERAGE ON KNOW-HOW IN RETAIL



#### Coffee shops and small snack-bars

- Typically next to Sonae MC supers
- Variety and quality with a fast Service fresh products and great price
- 100 stores (1H14)



#### Health and well-being

- Parapharmacy, beauty products, health and well-being care
- Eye glasses and optical services
- 146 stores (1H14)



#### Book shops, stationery and tobacco

- 300 m<sup>2</sup> of average store size
- 18 stores (1H14)

Discounts available on **Continente's** loyalty card



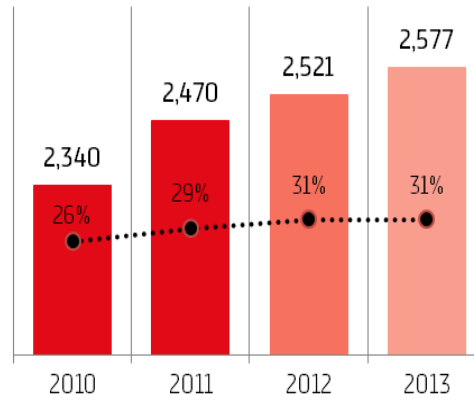
## Private Label

Exported to Cape Verde, Timor and Thailand

PERFORMANCE REFLECTS THE STRONG AND CONTINUOUS INVESTMENT IN PRIVATE LABEL



## # OWN REFERENCES AND % FMCG SALES



OWN LABEL PROGRAMME IS MANAGED INTERNALLY AND NOW COMPRISES MOST PRODUCT CATEGORIES

### INVESTMENT IN OWN BRANDS

- Broadening of private label range
- An important offer within the current adverse consumer environment (allowing customers to trade-down into a trusted brand)
- Larger volumes and increased know-how

# Profitable growth

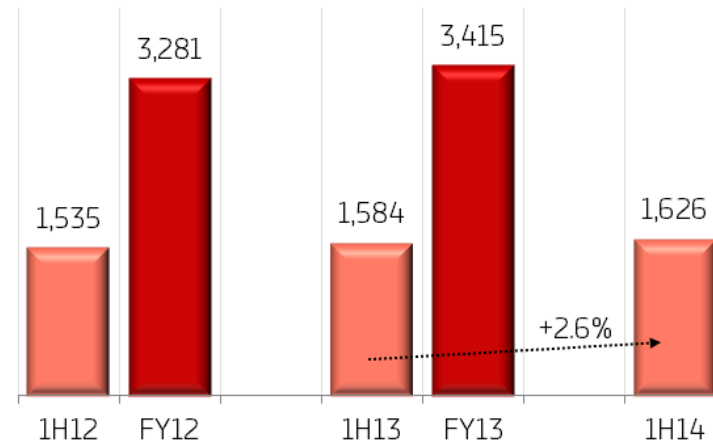
## GROWING MARKET SHARE, WHILE REINFORCING REFERENCE PROFITABILITY



### 1H14 TURNOVER GROWING 2.6% Y.O.Y.

Thanks to a high variety of products available to consumers, a very effective promotion activity, and with focus in continuous improvement of the quality of products

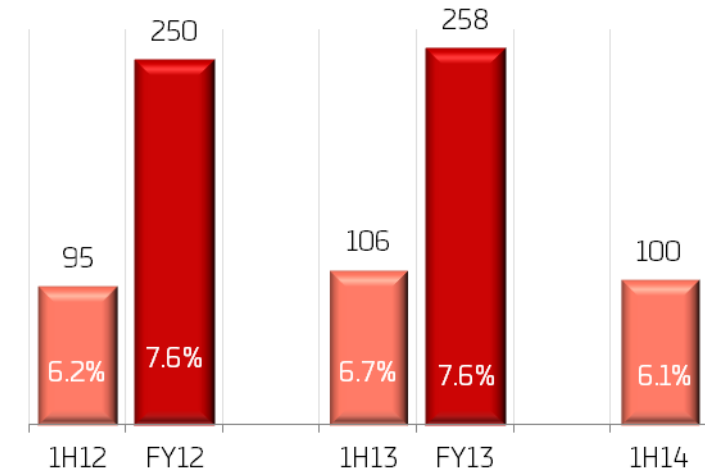
#### TURNOVER (M €)



### 1H14 Underlying EBITDA margin of 6.1%

and 7.7% for the 2Q14 that were achieved despite the highly competitive environment that led us to a strong promotional effort, causing an internal deflation of 2.2%

#### UNDERLYING EBITDA (M € and % sales)



# International Opportunities



JV to explore the **nascent modern food market in Angola**

## RELEVANT OPORTUNITY



- 6th biggest economy in Africa
- Expected to grow at a CAGR of +7.2% between 2010-2016<sup>(\*)</sup>
- GDP per cap ~ 5.1k USD (2011)<sup>(\*)</sup>
- Population of ~19.6m (Luanda ~5m)
- Language: Portuguese

“Organized” retail estimated to represent currently **no more than 10%** of overall food market

## EXPLORED WITH AN APPROPRIATE STRUCTURE

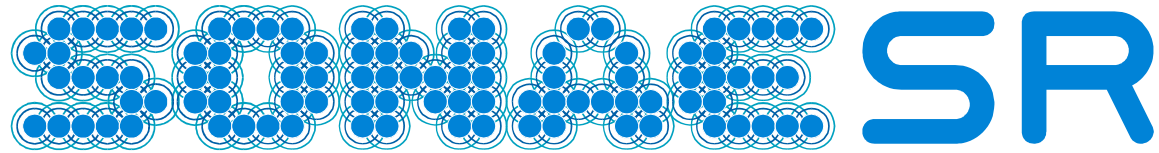
- JV with local partners (49% Sonae MC)
- Sonae MC responsible for managing the operations
- Wholesale/retail projects and a separate structure to hold related real estate (Sonae MC stakes of up to 10%)
- Initial phase to involve 4-5 hypers + 1 distribution centre (majority in Luanda region)
- Local sourcing (initially <20%) to grow over time

Regulatory approvals obtained but negotiations still being finalised

Deployment likely to start in 2014

First store opening (Continente brand) expected for 2015

<sup>(\*)</sup> Source: IMF – World Economic Outlook and World Bank



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# INTERNATIONAL EXPANSION AND CONSOLIDATION OF MARKET LEADERSHIP IN PORTUGAL

# Breakdown per retail format

## Revenues

## Number and size of the stores

### Electronics



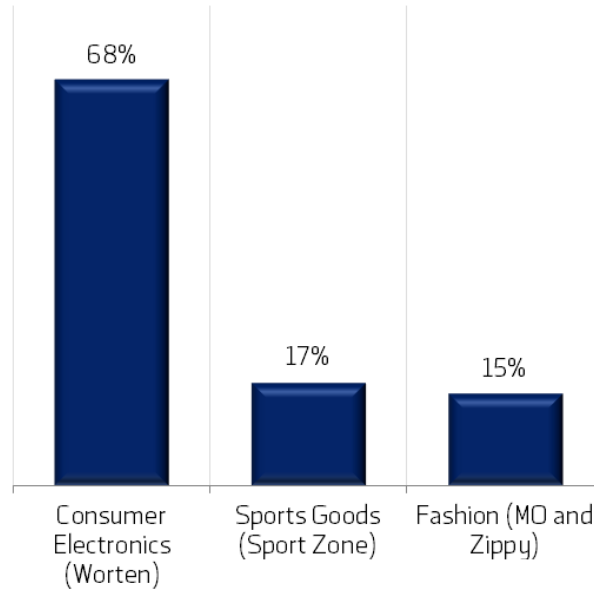
### Sports



### Fashion: Apparel and Kids apparel



REVENUES 1H14 in % of total SR



	1H14	Stores	Total '000 m <sup>2</sup>	Average m <sup>2</sup> /store
Worten	Portugal	183	126	688
	Spain	43	77	1,783
Sport Zone	Portugal	77	64	832
	Spain	34	37	1,097
MO	Portugal	113	56	500
	Spain	9	4	402
	Malta	4	1	226
Zippy	Portugal	37	12	332
	Spain	40	12	302
	Saudi Arabia	11	3	310
	Malta	4	1	167
	Other Countries	26	6	216
Total	Portugal	410	259	
	Spain	126	130	
	Other Countries	45	11	
<b>Total Sonae SR</b>		<b>581</b>	<b>399</b>	

# Constrained discretionary consumption in Iberia

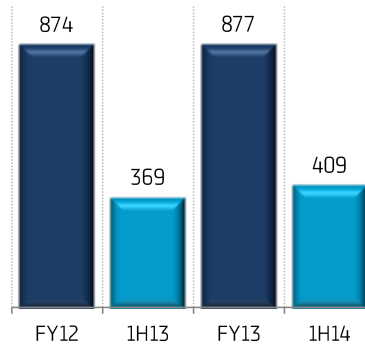
## “Lfl” sales trend - Portugal

1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
-5%	-11%	-2%	5%	6%	13%

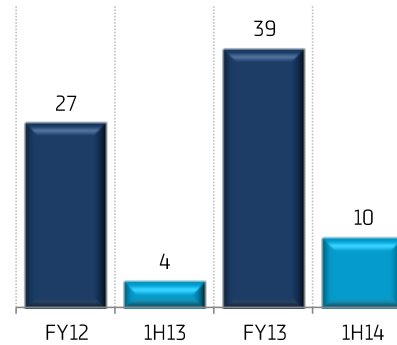
## “Lfl” sales trend - International

1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
-17%	-12%	-5%	5%	7%	4%

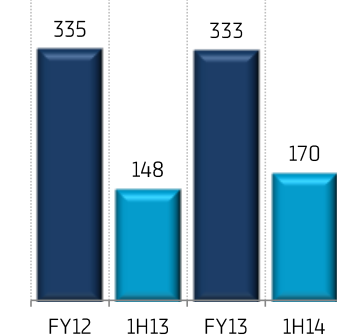
TURNOVER Portugal (M€)



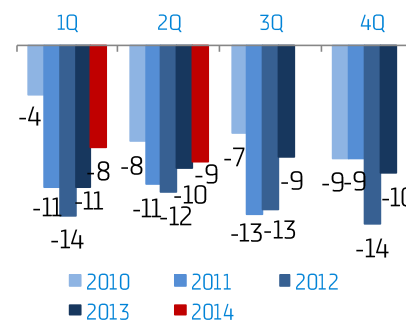
EBITDA Portugal (M€)



TURNOVER International (M€)



EBITDA International (M€)



## Portugal

STORES

410

S. AREA

259k m<sup>2</sup>

Worten	183
Sport Zone	77
MO	113
Zippy	37

## International

STORES

171

including 53 under franchising

S. AREA

140k m<sup>2</sup>

Worten Spain	43
Sport Zone Spain	34
MO Spain	9
MO Malta	4
Zippy Spain	40
Zippy others	41

# International Expansion

INTERNATIONALIZATION MOSTLY BASED ON NEW EXPANSION MODELS: JOINT-VENTURES AND FRANCHISING

## JOINT-VENTURES

Worten **Canary Islands**  
 SportZone **Canary Islands**  
 MO **Canary Islands**

## FRANCHISING CONTRACTS

Zippy **Canary Islands**  
 Zippy **Middle East**  
 Zippy **Latin America**  
 Zippy **U.S.A.**

171 STORES  
 16 COUNTRIES

Spain	Turkey
Saudi Arabia	Egypt
Kazakhstan	Malta
Azerbaijan	Morocco
Venezuela	Lebanon
Jordan	Qatar
St. Maarten	U.S.A.
Dominican Rep.	

To be... > 22 COUNTRIES

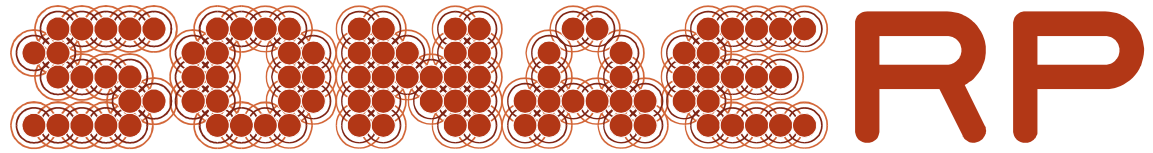
New country 1H14

Stores to be opened

Armenia

United Arab Emirates	Colombia
Kuwait	Georgia
Panama	
Bahrain	

Zippy franchised store sales already representing 20% of total



# ACTIVE MANAGEMENT OF RETAIL REAL ESTATE ASSETS

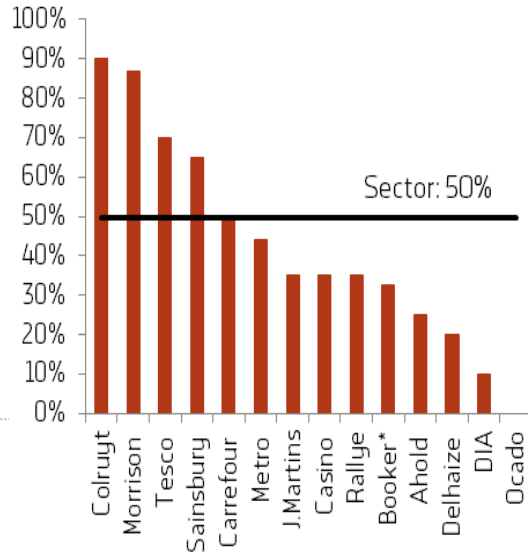




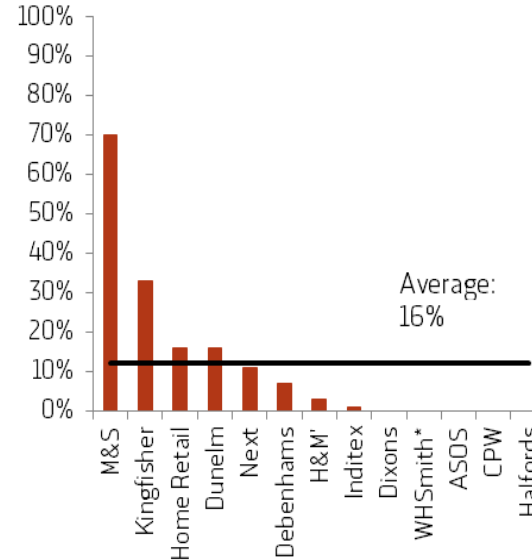
# Retail Properties

**REAL ESTATE SEEN AS A "DEFENSIVE SUPPORT" FOR VALUATION OF RETAILERS IN AN UNCERTAIN ECONOMIC ENVIRONMENT**

**FOOD RETAIL**  
% of space owned freehold



**GENERAL RETAIL**  
% of space owned freehold



Despite transactions carried out in the last 2 years Sonae still had at the end of 2013 a level of freehold retail real estate well above other retailers in Europe

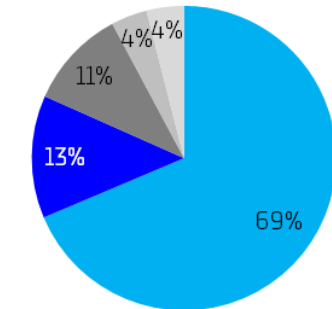
**SONAE MC**  
**73% freehold**  
**SONAE SR**  
**28% freehold**

Source: Equity Research, 16<sup>th</sup> June 2014 Barclays Food and General Retail Valuation sheet

# Assets Portfolio

**FOCUSED ON THE MANAGEMENT AND ENHANCEMENT OF RETAIL REAL ESTATE ASSETS IN SUPPORT OF CORE BUSINESSES**

**INVESTED CAPITAL**  
(1H14)  
**1.23 billion Euros**  
(Net book value)



- Sonae MC stores
- Sonae SR stores
- Logistics and Offices
- Third Parties (commercial galleries)
- Expansion

**HYPERMARKETS (1H14)**  
**Continente**  
40 stores  
84% total sales area

**SUPERMARKETS**  
**Continente Modelo**  
118 stores  
69% total sales area

**SUPERMARKETS**  
**Continente Bom Dia**  
37 stores  
38% total sales area

8 SALE & LEASEBACK TRANSACTIONS COMPLETED (2010/2011)  
Total Cash-In = 153 M€  
Capital Gains = 56 M€

2 SALE & LEASEBACK TRANSACTIONS COMPLETED (1H14)

Total Cash-In = 5.9 M€  
Capital Gains = 1M€



3.

## CORE PARTNERSHIPS

**SONAE SIERRA** (Shopping Centres)

50% ownership – Equity Consolidated

**SONAECOM / NOS** (Telecoms)

89.9% voting rights – Equity Consolidated



# Resilient Performance

## A SELF SUSTAINABLE COMPANY WITH INCREASING EXPOSURE TO EMERGING MARKETS

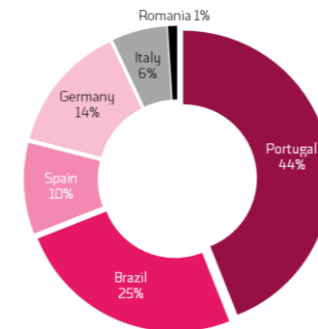
IN 1H14\*:

- **Occupancy rate = 94.7%**
- Overall tenant sales in Europe decreased due to the sale of Parque Principado, ValeCenter and Airone
- Expansion restricted in Europe but partially offset by a good development activity in Brazil
- **Positive LfL in Europe and in Brazil**

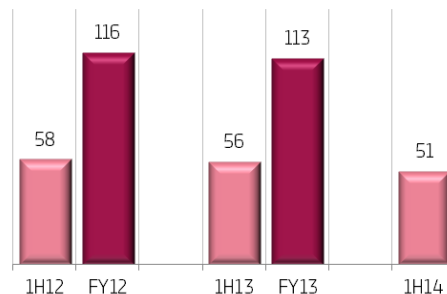
### INTERNATIONAL SHOPPING CENTRE SPECIALIST, 50% OWNED JOINT-VENTURE WITH GROSVENOR

- With presence in Portugal, Brazil, Spain, Italy, Germany, Greece and Romania
- Stakes in **47** Shopping Centres with a Net Asset Value of ~1.0 billion euros

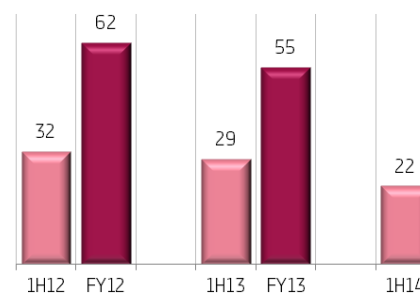
OMV BREAKDOWN 1H14  
Assets owned and Co-owned - OMV (100% basis)



### EBITDA (M€)



### DIRECT PROFITS (M€)



Occupancy rate growth reflecting the **benchmark quality** of Sonae Sierra assets

### MARKET VALUATIONS:

Indirect Results totaled 26 M€ particularly influenced by the yields recovery in Portugal and Spain

(\* ) As per Sonae Sierra's published accounts (100%)

## Growth Avenues

### GROW IN EMERGENT MARKETS AND SERVICES BUSINESS

IPO of Sonae Sierra Brasil  
completed during 2011:  
~33% of share capital,  
raising equity for  
future developments  
in the region

#### GROW IN PROMISING MARKETS:

- Focus on **controlling dominant shopping centres in Brazil**
- Recycle capital from mature, non-controlled assets to other projects with **development potential**
- Reinforce **emerging markets** presence
- Grow in **services** to 3<sup>rd</sup> parties, profiting from the expertise as retail property developer and asset manager

#### CONTINUE TO PURSUE OPERATIONAL IMPROVEMENTS,

Aiming to off-set the fall in consumption in certain sectors in Europe

#### NEW APPROACH TOWARDS EUROPEAN ASSET PORTFOLIO

- Shift to a more “capital light” approach in Iberia, concentrating on key assets
- Prepare the company for an European recovery in selected countries, **freeing up capital** and starting with best projects

# Value Creation

## CONSOLIDATION UNLOCKS A SIGNIFICANT VALUE CREATION

\*On February 20<sup>th</sup> 2014:

Following Sonaecom's voluntary tender offer for the acquisition of own shares (price equivalent to €2.45 per Sonaecom share, to be composed of ZON OPTIMUS shares with a price of €5.08), Sonaecom's direct participation in ZON OPTIMUS was reduced from 7.28% to 2.14%.

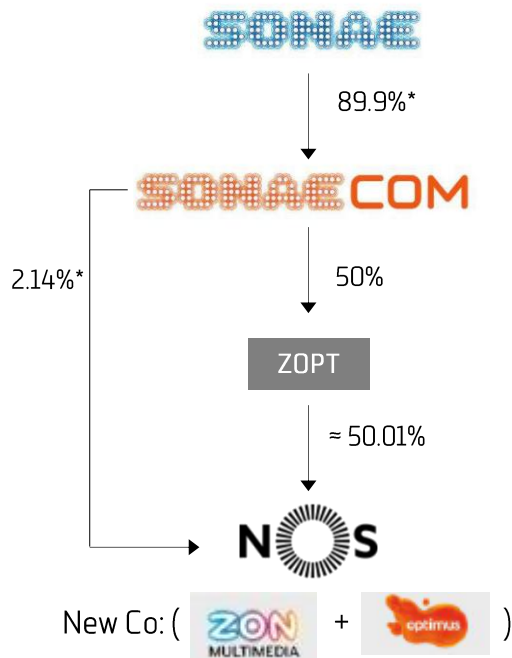
Sonae further increased its participation in Sonaecom's capital from 74% to almost 90%.

On May 9<sup>th</sup>, Sonae held 89.9% of Sonaecom's voting rights.

On May 16<sup>th</sup> 2014, **NOS** was launched, a single brand for all segments and for all services, replacing ZON OPTIMUS.

Results have beaten all expectations – in just 7 weeks after launch, total awareness was more than 90%.

August 27<sup>th</sup> 2013: ZON OPTIMUS (NOS) was created

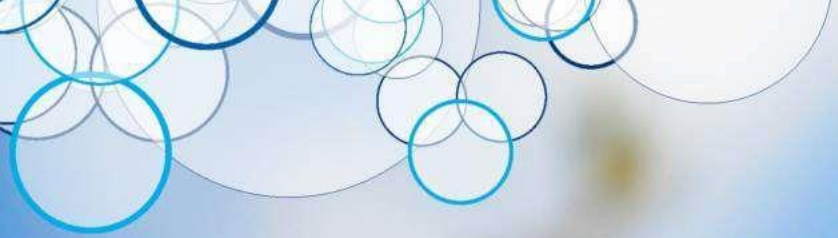


Merger by incorporation of Optimus into Zon

NOS market performance



Subsequent to the merger between Optimus and Zon (currently NOS), and since the day in which new shares issued were listed on September 9<sup>th</sup> 2013, and until June 30<sup>th</sup> 2014, the company's market capitalisation grew 12.4%, corresponding to a share price increase from 4.27€ to 4.80€.



4.

# RECENT FINANCIAL PERFORMANCE



## Overview

Turnover sustained by  
market share gains

Efficiency gains allowing for  
increased operational  
profitability

## KEY FINANCIALS 1H14

TURNOVER

**2.31bn**

UNDERLYING EBITDA

**154m**

UNDERLYING EBITDA Mg.

**6.7%**

NET DEBT

**-560m<sub>yoy\*</sub>**

\* Includes the deconsolidation of approx. 430 M€ debt from Optimus

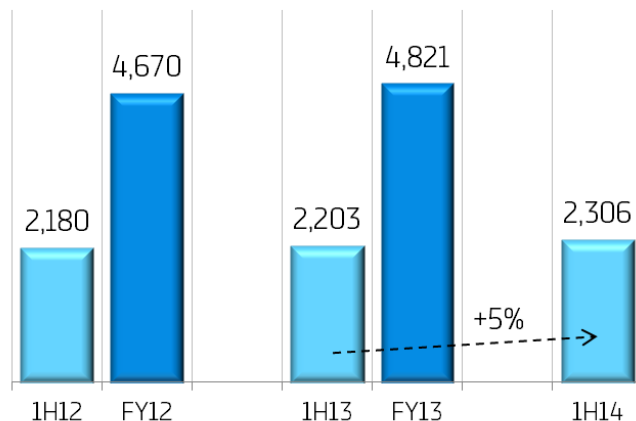


## Turnover

DESPITE THE SHARP  
DECLINE IN PRIVATE  
CONSUMPTION  
FELT IN IBERIA  
CONSOLIDATED  
TURNOVER  
GREW  
TO €2.31 Bn in 1H14

... THANKS TO MARKET SHARE GAINS

CONSOLIDATED TURNOVER  
Million Euros



TURNOVER PER BUSINESS (M€)

	1H13	1H14	y.o.y.
SONAE	2,203	2,306	5%
SONAE MC	1,584	1,626	3%
SONAE SR	518	579	12%
SONAE RP	62	63	2%
INVEST. MANAGEM.	107	118	10%

TURNOVER PER BUSINESS (M€)

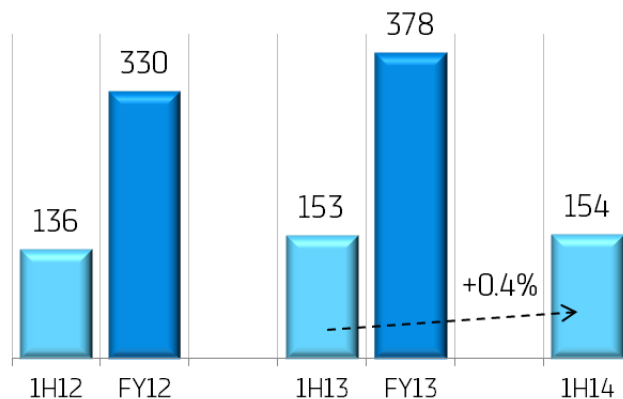
	2012	2013	y.o.y.
SONAE	4,670	4,821	3%
SONAE MC	3,281	3,415	4%
SONAE SR	1,209	1,210	0%
SONAE RP	120	124	3%
INVEST. MANAGEM.	209	223	6%

## EBITDA

IN A DIFFICULT  
MACRO  
ENVIRONMENT,  
GROUP'S  
UNDERLYING  
EBITDA REACHES  
€154M in 1H14

... SUPPORTED BY THE IMPLEMENTATION OF OPERATIONAL  
EFFICIENCY PROGRAMMES

UNDERLYING EBITDA  
Million Euros



UNDERLYING EBITDA (M€)

	1H13	1H14	y.o.y.
SONAE	153	154	0%
SONAE MC	106	100	-6%
SONAE SR	-17	-7	60%
SONAE RP	55	57	2%
INVEST. MANAGEM.	3	5	52%

UNDERLYING EBITDA (M€)

	2012	2013	y.o.y.
SONAE	330	378	14%
SONAE MC	250	258	3%
SONAE SR	-25	0	-
SONAE RP	107	115	7%
INVEST. MANAGEM.	0	15	-

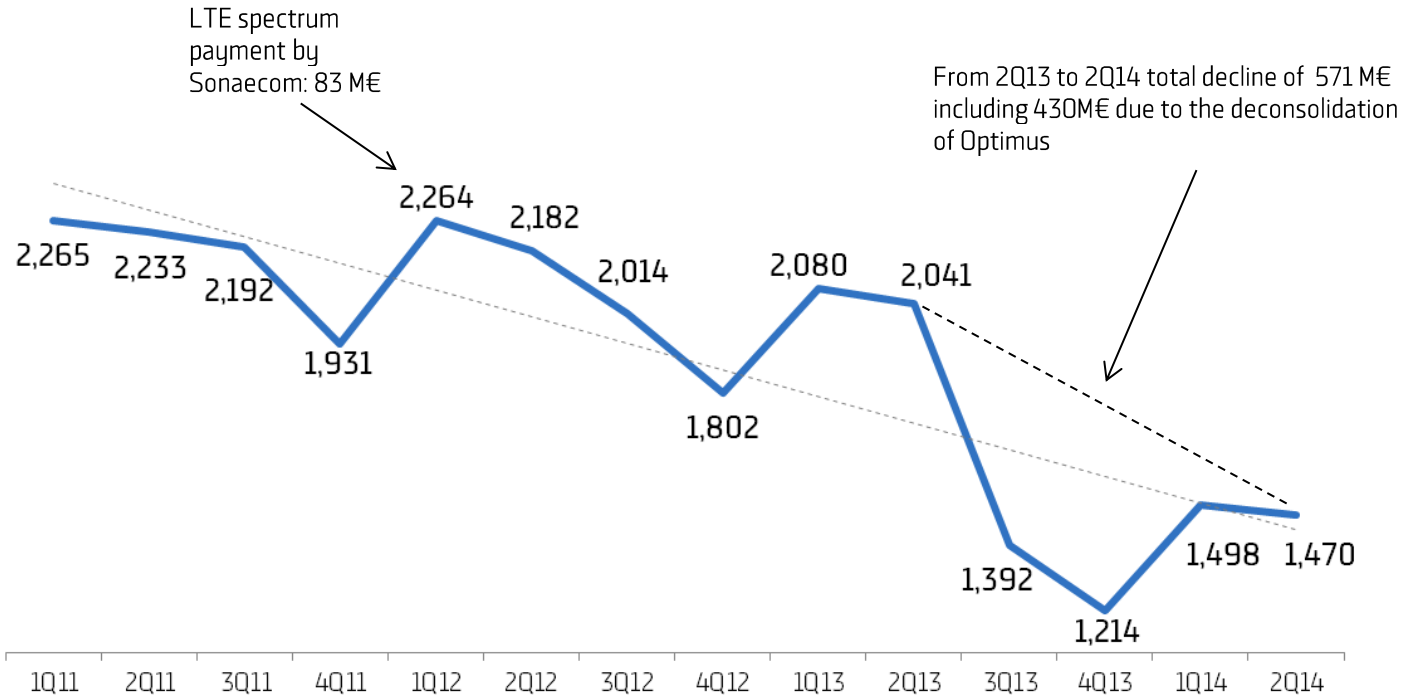
# Capital Structure

<b>Net Financial Debt</b>	<b>1H14</b>
Retail Units	945
Holding & Other	483
Investment Management	42
<b>TOTAL NET FINANCIAL DEBT</b>	<b>1,470*</b>

\*Includes a €200M retail bond.

With refinancing needs secured until the beginning of the 3<sup>rd</sup> quarter of 2015

## FINANCIAL NET DEBT



Sonae further reinforced its capital structure with another quarter of debt reduction

## Capital Structure

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June 4<sup>th</sup> 2014  
Sonae issued 210.5 M€  
Convertible bond

## COVERTIBLE BONDS

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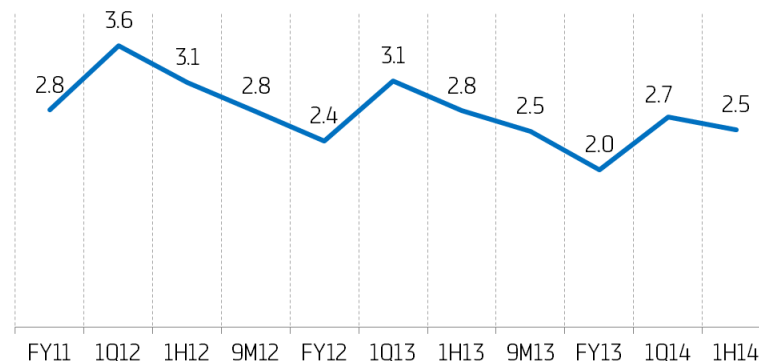
- 210.5 M€
- 122 million shares
- Initial conversion price 1.726 €/share
- Premium 35%
- Maturity 5 years – redeemed at par at maturity
- Coupon 1.625% per annum, payable semi-annually in arrear



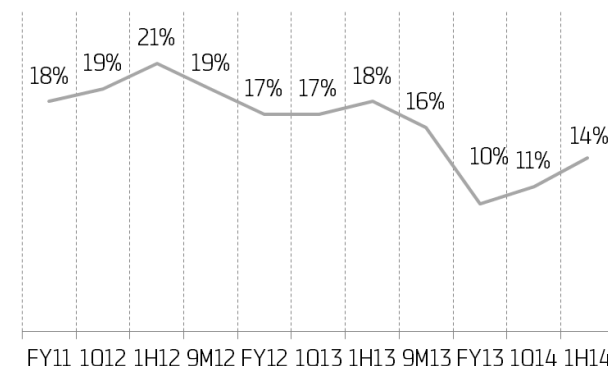
# Capital Structure

**AN APPROPRIATE CAPITAL STRUCTURE IN EACH BUSINESS TO SUPPORT ACTIVITIES AND INVESTMENTS**

**RETAIL  
NET DEBT/REC. EBITDA**



**HOLDING  
LOAN-TO-VALUE(\*)**



(\*) Holding net debt as a % of Sonae's gross asset value (Retail businesses @ market multiples, except for SR SP (invested capital @ book value) + Sonae RP @ book value + IM equity value (@ book value; % share) + share of Sonae sierra NAV + share of Sonaecom market cap excluding the payment to be made to France Telecom)

## Shareholder Remuneration

### DIVIDEND PAYER ON A REGULAR BASIS

The resilience of the cash flows generated gives confidence on the ability to maintain shareholder remuneration policy

OBJECTIVE  
TO MAINTAIN  
AN ADEQUATE  
SHAREHOLDER  
REMUNERATION

**3.48 cents**

DIVIDEND PER  
SHARE 2013

+5% vs. 2012

**3.3%**

DIVIDEND YIELD

Considering  
2013.12.31 Share  
Price (€1.049)

**46%**

PAY-OUT RATIO

Considering 2013 direct  
Net Profits attributable  
to equity holders

## Valuation

DESPITE POSITIVE PERFORMANCE IN 2013, STILL SIGNIFICANT DISCOUNT VS “SUM-OF-THE-PARTS” VALUATION

### Material share price over performance during 2013

**+ 52.7%**

2013 FY share price appreciation

**€ 2.1bn**

SONAE MC EV based on European food retail market multiples (excluding real estate)

**€ 0.55**

Market value of Core Partnerships per share

Considering average trading multiples of European food retailers at December 13 (EV/LTM sales: 0.6x; EV/LTM EBITDA: 8.8x)

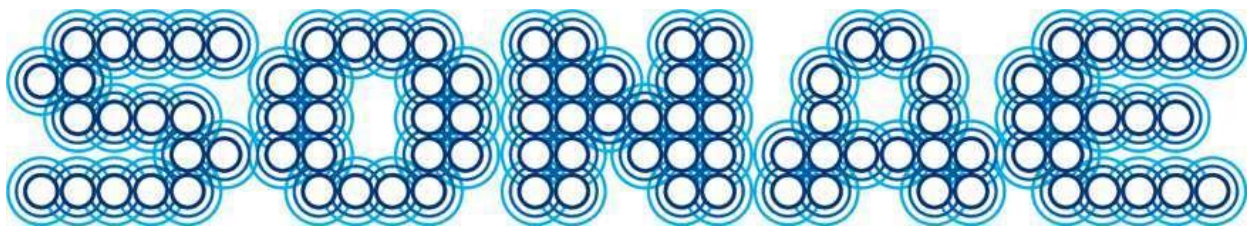
Considering Sonaecom's share price as at 2013.12.31 (€2.569) and latest published Sona Sierra NAV (1.0Bn as at Dec-13)

## CONCLUSION

## AN ATTRACTIVE INVESTMENT OPPORTUNITY

- Growing leading market positions in Portugal, while protecting operational profitability
- An **internationalisation strategy** based on a “capital light” approach, enabling future growth and value creation
- **Significant deleveraging** made possible by organic cash flow generation
- **Undervalued** share price, driven by macro concerns
- Attractive **dividend yield**
- Proven **management track record**





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# INVESTOR PRESENTATION

September 2014

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## **SAFE HARBOUR**

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

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

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