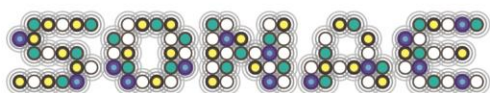


SONAE 9 MONTHS RESULTS 2014



IMPROVING LIFE

1 HIGHLIGHTS

Reinforcing leadership while maintaining operating profitability

Sonae MC:

- 9M14 sales growth of 1.8% with further market share gains
- 3rd quarter underlying EBITDA margin of 7.8% maintaining previous quarters performance

Sonae SR:

- Double digit 9M14 turnover growth of 10.4%
- Positive 3rd quarter underlying EBITDA
- 18% increase in international organic sales per m²

Further improvement of Sonae Sierra occupancy rates to 95.1% and LfL tenant sales growth in Europe reached 4.2%. Moreover, following entering in China and in Morocco, Sonae Sierra signed an agreement for the creation in Russia of a 50/50 joint-venture with OST development, reinforcing its international expansion

NOS strong operational trends in 9M14 led to market share gains and improvements in core telco financial performance

Direct Result grew by 20.3% in 9M14, reaching 92 million euros

Sonae further reinforced its capital structure, and concluded several financing operations with maturities up to 6 years

2 CEO MESSAGE

“The quarter was characterized by growing consumer spending in discretionary products in our main markets and continuing price wars in food and telecom in Portugal.

Within this context, SONAE MC continued to defend and improve its position winning market share and limiting impacts on profitability. This has been achieved through continued work on operational efficiency and new projects to improve promotional efficiency as well as a new focus on communicating our real price advantage.

Likewise, NOS is increasingly demonstrating that it is the natural leader in convergence, posting very strong net-adds in all the key segments, at the same time that structural cost savings from the merger process are beginning to show through and compensating price pressures.

SONAE SIERRA has registered overall improving tenant sales and, whereas rental income will naturally lag, there are already positive rental income figures in Portugal. SONAE SIERRA BRASIL has been successful in leasing the most recently opened centres in a market where many are failing to do so.

SONAE SR is driving our consolidated growth despite the fact that we are in many circumstances shifting to smaller store formats and thus decreasing overall Gross Lettable Area (GLA). The combination of LfL growth and improved sales productivity of refurbished stores is driving significant improvements in sales per sqm.

Our INVESTMENT MANAGEMENT activity, besides concluding the sale of Mainroad to NOS, completed the acquisition of a majority stake in S21Sec – a very promising company in the field of cyber security, which has an important fit with our SSI division.

Net debt versus the same quarter in the previous year increased 17 M€, which is a very satisfactory result given the payment of over 100 M€ that became due to France Telecom in the quarter regarding the acquisition of their stake in SONAECOM agreed in 2013.”

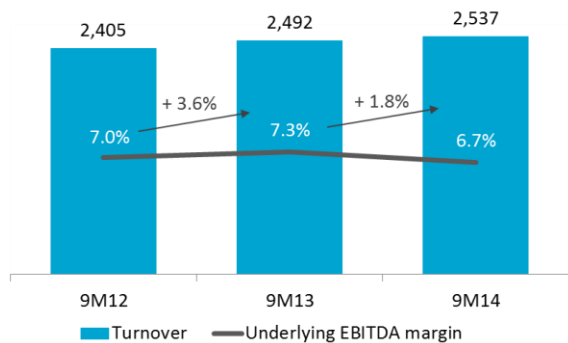
Paulo Azevedo, CEO

Following the merger between Zon and Optimus and its report using the equity method, we decided to change the way we report our results to the market by separating each business, in order to obtain more transparency between the segments: 1) Sonae Retail: Sonae MC, SR and RP; 2) Investment Management, including Software and Systems Information, and Público businesses from Sonaecom; 3) Sonae Sierra and 4) NOS. Moreover, Sonae adjusted the 2013 profit and loss statements on a pro forma basis (3Q13 PF and 9M13 PF), assuming that the merger between ZON and Optimus occurred in January 1st 2013, with some consolidation effects in our co-controlled vehicle company. This criterion, besides assuring an easier and fairer comparability between 2013 and 2014 results, is in line with the current reporting pro forma method adopted by Sonaecom, NOS and market expectations.

3 SONAE RETAIL RESULTS

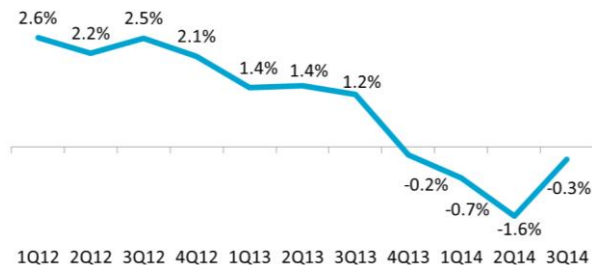
Sonae MC

Turnover and underlying EBITDA margin



Inflation rate evolution

Quarterly Inflation rate
(Retail sale of food, beverages and tobacco)



Note: Data provided by Eurostat as of October 27th 2014.

Sonae MC turnover totalled 2,537 M€ in 9M14 corresponding to an increase of 45 M€ and 1.8% when compared to the same period of the previous year. The turnover increase was driven by approximately 4.2% volume sales growth mostly supported by the opening of 6 Continente Modelo stores and 5 Continente Bom Dia stores over the last 12 months.

During this period **Sonae MC** continued to strengthen its leading market share in the Portuguese food retail sector¹ which is a consequence of the loyalty of our customers who trust in the value for money of our products. Furthermore, Continente private label portfolio represented in 9M14 approximately 30% of the turnover of FMCG categories proving the customers' acceptance of our products. **Sonae MC's** ecommerce platform posted a 10% y.o.y. growth in online sales.

Once again, the third quarter of 2014 was characterized by the highly competitive environment in the retail sector in Portugal which led us to maintain the strong promotional activity causing an internal deflation of 2.4% in the 9M14 (and 2.6% in the 3Q14 which shows sign of a slower pace in the 2nd half of the 3Q). Despite the deflation, **Sonae MC** reached an **underlying EBITDA margin** of 6.7% (171 M€) in 9M14 and 7.8% (71 M€) in 3Q14. It is worth highlighting that **Sonae MC** develops an efficient and targeted promotional activity based on the Continente loyalty card which accounted for more than 90% of sales in the period.

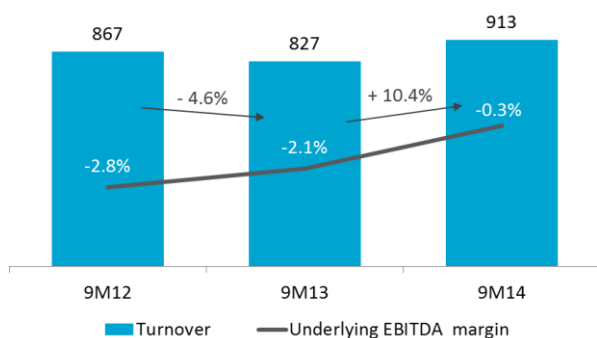
Sonae MC continues to explore initial opportunities both in wholesale and franchising. During the 9M14 **Sonae MC** opened 42 Meu Super stores and 1 note! store under franchising agreements, thus finalizing the first nine months of the year with 123 stores of this format (36,000 m²).

¹ For example, A. C. Nielsen's Homescan survey YTD up until 10th August: +1.1 p.p. market share for Continente.

3 SONAE RETAIL RESULTS (cont.)

Sonae SR

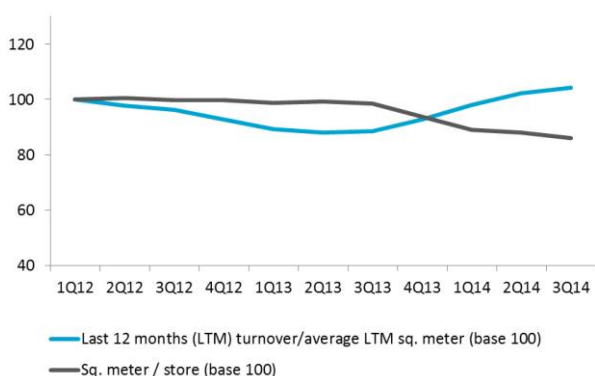
Turnover and underlying EBITDA margin



Turnover and underlying EBITDA per geography

Sonae SR per geography	9M13	9M14	y.o.y	3Q13	3Q14	y.o.y
Turnover (million €)	827	913	10.4%	310	334	7.9%
Portugal	598	653	9.2%	229	243	6.5%
International	229	260	13.6%	81	90	11.8%
EBITDA (million €)	-17	-3	82.9%	0	4	-
Portugal	13	24	87.1%	9	14	51.4%
International	-30	-27	9.7%	-9	-10	-10.1%
EBITDA margin	-2.1%	-0.3%	1.7 p.p.	0.0%	1.2%	1.1 p.p.
Portugal	2.2%	3.7%	1.5 p.p.	3.9%	5.6%	1.7 p.p.
International	-13.0%	-10.4%	2.7 p.p.	-10.9%	-10.8%	0.2 p.p.

SR International organic²– LTM turnover/m² evolution



² Includes e-commerce sales.

In 9M14, **Sonae SR turnover** totalled 913 M€, 86 M€ and 10.4% above 9M13 corresponding to 7% growth on a like-for-like (Lfl) basis.

Sonae SR underlying EBITDA is positive in the quarter and close to breakeven in the first nine months of the year. In 9M14, **Sonae SR** recovered from losses of 17 M€ at the underlying EBITDA level to losses of 3 M€ corresponding to -0.3% **underlying EBITDA margin**, an improvement of 1.7 p.p. y.o.y.. In quarterly terms the underlying EBITDA margin was 1.2%. Once again, these results prove the success of the turnaround measures that have been implemented over the last years.

In Portugal, 9M14 **Sonae SR turnover** increased 55 M€ to 653 M€ and **underlying EBITDA** amounted to 24 M€ corresponding to an **underlying EBITDA margin** of 3.7%, 1.5 p.p. higher than last year. Internationally, **Sonae SR turnover** totalled 260 M€ and a negative **underlying EBITDA margin** of 10.4%, a 2.7 p.p. better performance enhanced by sales increase and efficiency improvements.

During 9M14, **Sonae SR** performance was translated as follows:

- **Worten** strengthened its leadership position in the Portuguese electronic market, with an estimated market share gain of 1.5 p.p.³;
 - the new concept of smaller stores in Spain continued showing good results. Organic international sales per m² at **Worten**, **Sport Zone** and **Zippy** increased by 18%;
 - **MO** in Portugal grew at double-digit on a Lfl basis proving the success of its new value proposition which includes brand, store and product improvement; and,
 - **Zippy** started a partnership with Continente loyalty card at the end of third quarter providing new saving solutions to the Portuguese families. This partnership will contribute to the increase of Zippy's attractiveness in Portugal with effects expected to start in 4Q14.
- Already in October, Zippy reinforced its presence in Latin America by entering the Chilean market.

³ For example, GfK survey YTD: +1.5 p.p. (until September) market share for Worten Portugal.

3 SONAE RETAIL RESULTS (cont.)

Sonae RP

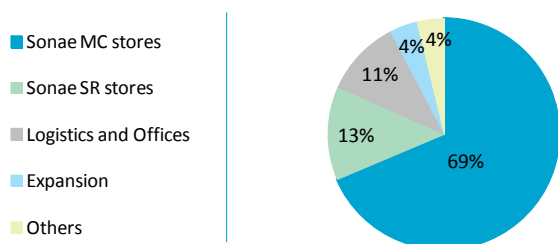
Turnover and underlying EBITDA

Million euros	9M13	9M14	y.o.y.	3Q13	3Q14	y.o.y.
Turnover	93	95	2.1%	31	32	2.1%
Underlying EBITDA	84	85	2.3%	28	29	2.5%
Underlying EBITDA margin	90.2%	90.5%	0.2 p.p.	90.9%	91.2%	0.3 p.p.

In 9M14, **Sonae RP turnover** amounted to 95 M€, increasing 2.1% when compared to the same period of the previous year. The **underlying EBITDA** increased 2 M€ to 85 M€ which translates into an **underlying EBITDA margin** of 90.5% and a LTM EBIT ROCE of 7.2%.

The **net book value of the capital invested** in retail real estate assets amounted, at the end of 9M14, 1.22 bn€, corresponding to a portfolio that includes namely 33 Continente stores, 81 Continente Modelo stores and 15 Continente Bom Dia stores. Sonae currently maintains a freehold level of approximately 73% of its food retail selling area and 28% of its non-food retail space.

Sonae RP Portfolio



During 9M14 there were 3 sale and leaseback transactions completed, in the total amount of 11.5 M€. Sonae continues to reassess its strategy regarding potential alternatives to monetize its real estate assets and is exploring different options. The alternative to be chosen will have to be accretive for the company and its shareholders.

Sonae Retail CAPEX

CAPEX per business

Million euros	9M13	9M14	% of Turnover
Sonae Retail	110	122	3.4%
Sonae MC	70	62	2.5%
Sonae SR	18	41	4.5%
Sonae RP	22	19	19.9%
Underlying EBITDA - capex	139	132	-

In the first 9 months of 2014, **Sonae MC CAPEX** reached 62 M€, 7 M€ below the value achieved in the same period last year.

Regarding **Sonae SR CAPEX**, it amounted to 41 M€, 23 M€ above the figure registered in 9M13 especially due to the refurbishment of stores with the new concept. The investments developed by **Sonae SR** in 9M14 included the opening of:

- 1 MO store, 1 Worten store and 1 Worten Mobile store in Portugal; and,
- 2 Worten stores and 2 Sport Zone stores in Spain.

It is worth mentioning that the average number of m² in Worten in Spain has been reduced as a result of the implementation of the new concept with smaller stores supported by the omni-channel strategy.

At the end of September 2014, **Sonae SR** operated 518 stores (377,000 m²), including 118 outside Portugal and 63 stores under franchising agreements (18,000 m²), including 52 outside of Portugal. During 9M14, **Sonae SR** reinforced its international expansion opening 10 new stores under franchising agreements: 1 Sport Zone store in Spain, 1 MO store in Malta and 8 Zippy stores namely in Armenia, Malta, Saudi Arabia, and Lebanon.

In 9M14, **Sonae RP CAPEX** stood at 19 M€, 3 M€ below the same period in 2013.

4 INVESTMENT MANAGEMENT

The **Investment Management** unit includes the businesses from:

- Partnerships: MDS, Maxmat⁴, GeoStar⁵ and Público;
- Software and Systems Information (SSI) units from Sonaecom: WeDo Technologies, Saphety, Bizdirect and S21Sec; and,
- Retail technology: Tlantic⁴ and Movvo.

Turnover and underlying EBITDA

Million euros	9M13	9M14	y.o.y.	3Q13	3Q14	y.o.y.
Turnover	164	186	13.5%	57	67	18.2%
Underlying EBITDA	8	11	45.7%	5	6	41.3%
Underlying EBITDA margin	4.7%	6.1%	1.3 p.p.	8.1%	9.7%	1.6 p.p.

In 9M14, **Investment Management turnover** reached 186 M€, 13.5% and 22 M€ above the figure registered in 9M13. This result was, in part, impacted by the increase of 6.6%⁶ of the SSI business, which totalled 89.3 M€⁶ in 9M14 but also by the turnover increase in the other areas. It is worth to highlight the 18.2% increase in the 3Q14 **Investment Management** turnover when compared to the value amounted in the same period last year.

Furthermore, **Investment Management underlying EBITDA** totalled 11 M€, 45.7% above 9M13 corresponding to an **underlying EBITDA margin** of 6.1% in 9M14 (9.7% in 3Q14).

Regarding our partnerships:

- **MDS** performance has been impacted by the pressure faced in insurance premiums and the depreciation of the Brazilian Real. Despite the worse performance in the quarter versus 3Q13 the company expects to recover in 4Q14;
- **GeoStar**, gained market share⁷ in the quarter presenting 0.1% increase in BSP sales versus a market decrease of 1.1%;

- **Maxmat** continued to improve its operational performance in the quarter and delivered the best quarter of the year both in terms of turnover and EBITDA growth.

In what concerns the SSI unit, it suffered some changes in its portfolio. On 22nd September 2014, Sonaecom announced the sale of the total share capital of **Mainroad** to NOS. **Mainroad** is a leading company in Portugal in the area of Information Technology, holding two Data Centers – one in Porto and another in Lisbon - and offering a full set of services: Business Continuity, Cloud Computing and IT Managed Services.

As reported in 1H14 earnings announcement, Sonaecom acquired a 60% stake of the share capital of **S21Sec**, a multinational with the main office based in Madrid, specialized in cyber security services.

These two transactions demonstrate that SSI continues to take solid steps in the wake of its strategy of active management of its portfolio.

Another important milestone in the SSI business is related to **Saphety**, which is extending its operation to Russia, strengthening its current geographical presence (Denmark, Finland, Greece, Sweden, Portugal and Colombia).

Regarding the retail technology businesses, during 3Q14 **Sonae** concluded an investment in **Movvo** (ex-Around Knowledge). Movvo is a Portuguese startup that developed a proprietary tagless real time location technology. This technology allows to measure the flow of people in physical spaces and provides relevant information for retailers.

⁴ Sonae holds 50% of Maxmat and 77.7% of Tlantic and adopts the full consolidation method to report its results.

⁵ GeoStar is reported using the equity method.

⁶ Includes Mainroad contribute.

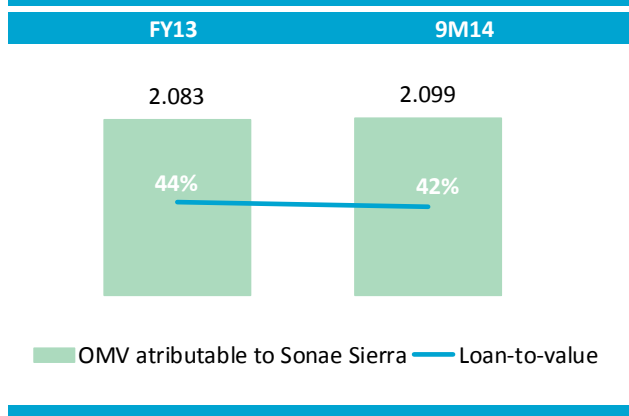
⁷ BSP refers to IATA Billing and Settlement plan.

5 SONAE SIERRA RESULTS

Sonae Sierra - Operational data			
	9M13	9M14	y.o.y.
Footfall (million visitors)	294	320	8.7%
Europe & New Markets	222	240	8.5%
Brazil	73	80	9.3%
Occupancy rate (%)	95.0%	95.1%	0.1 p.p.
Europe	95.0%	95.6%	0.5 p.p.
Brazil	95.1%	93.7%	-1.4 p.p.
"Like-for-Like" (Lfl) Tenant sales			
Europe	-2.8%	4.2%	7.0 p.p.
Brazil (local currency)	4.8%	7.5%	2.7 p.p.
Tenant sales (million euros)	3,243	3,226	-0.5%
Europe (million euros)	2,260	2,197	-2.8%
Brazil (million euros)	983	1,029	4.7%
Brazil (million reais)	2,727	3,191	17.0%
Nº of shopping centres owned/co-owned (EOP)	48	47	-1
Europe	39	37	-2
Brazil	9	10	1
GLA under Management ('000 m2)	2,217	2,256	1.8%
Europe & New Markets	1,776	1,737	-2.2%
Brazil	441	519	17.7%

Sonae Sierra - Financial indicators						
Million euros	9M13	9M14	y.o.y.	3Q13	3Q14	y.o.y.
Turnover	166	164	-1.3%	55	55	-0.2%
EBITDA	84	78	-6.5%	27	27	-1.2%
EBITDA margin	50.5%	47.8%	-2.7 p.p.	49.7%	49.2%	-0.5 p.p.
Direct result	43	36	-15.7%	13	14	6.3%
Indirect result	-38	24	-	-4	-2	41.5%
Net results	5	60	-	10	12	23.7%
... attributable to Sonae	3	30	-	5	6	23.7%

Sonae Sierra Open Market Value (OMV) and leverage



The benchmark quality of **Sonae Sierra** assets continues to be reflected in a high average **occupancy rate** which, in 9M14, totalled 95.1%. Moreover, **Sonae Sierra occupancy rate** in Europe reached 95.6% reflecting the higher private consumption and consumer confidence witnessed in Portugal. In Brazil this rate was 93.7%, 1.4 p.p. below the percentage totalled in the same period of 2013. This result was reached due to the initial lower occupancy rate of Passeio das Águas.

Lfl tenant sales in Europe in 9M14 increased to 4.2%, recovering 7 p.p. when compared to 9M13, which shows a very positive evolution. Despite this positive evolution and the higher occupancy rate, **tenant sales** in Europe decreased by 2.8% y.o.y. due to the perimeter changes (sale of Parque Principado in Spain in October 7th 2013, ValeCenter and Airone in Italy in December 20th 2013 and 90% of Sonae Sierra ownership in Le Terrazze Shopping centre also in Italy in July 2nd 2014). In Brazil **Lfl tenant sales** registered 7.5% and **tenant sales** in local currency improved by 17% y.o.y..

The 9M14 **turnover** decreased 2 M€ when compared with the value amounted in 9M13, totalling 164 M€. This result was mainly driven by the European sale of assets in 2013 and 2014 and to the adverse currency exchange effect (from Brazilian real). The **EBITDA** registered 78 M€, 6.5% below 9M13 impacted by the lower turnover which translates into an **EBITDA margin** of 47.8%.

The **direct results** were also impacted by the already mentioned sale of assets and the adverse FX change effect recording 36 M€, 7 M€ below 9M13. **Indirect result** amounted to 24 M€ in 9M14 which were influenced by the yields compression in Portugal and Spain but also by the positive evolution of the operational performance. However, **indirect results**, this quarter, were not impacted by the real estate valuations since Sonae Sierra only revalues its assets in a semi-annual basis. Nevertheless, **net results** recover by 55 M€ totalling 60 M€ in 9M14 as a consequence of the higher indirect results registered in 1H14.

On September 30th 2014 the **OMV (Open Market Value)** attributable to Sonae Sierra was 2,099 bn€, 16 M€ above December 31st 2013, as a result of the real estate yields recovery and the real appreciation. **NAV (Net Asset Value)** was positively impacted for the same reasons as OMV, reaching at 9M14 1,096 bn€, 95 M€ above December 2013.

At the end of September 2014 the **Loan-to-value** ratio remains at a conservative level of 42%.

6 NOS RESULTS

NOS financial highlights

NOS Financial Indicators - Pro-forma Results						
Million euros	9M13 PF	9M14	y.o.y.	3Q13 PF	3Q14	y.o.y.
Operating revenues	1,071	1,030	-3.8%	362	348	-3.8%
EBITDA	418	397	-5.1%	140	133	-4.6%
EBITDA margin	39.1%	38.5%	-0.5 p.p.	38.7%	38.4%	-0.3 p.p.
Net results	77	62	-18.4%	18	19	2.0%
CAPEX	189	232	22.8%	62	87	40.6%
EBITDA-CAPEX	230	165	-28.0%	78	47	-40.2%
Recurrent CAPEX	184	193	4.5%	60	68	13.1%
EBITDA-Recurrent CAPEX	234	204	-12.7%	80	65	-18.1%

In 9M14, **NOS operating revenues** decreased 3.8% y.o.y. reaching 1,030 M€.

EBITDA stood at 397 M€, decreasing 5.1% when compared to 9M13.

Recurrent CAPEX increased 4.5% when compared with the value achieved in 9M13, recording 193 M€ in 9M14. As a consequence of EBITDA evolution, EBITDA-Recurrent CAPEX decreased 12.7%.

Net financial debt to EBITDA stood at 1.9x at the end of 9M14.

The average **maturity** of its **net financial debt** is now 2.5 years.

NOS published its 9M14 results on November 5th 2014 which are available at www.nos.pt.

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 9th 2013, and until September 30th 2014, the company's market capitalisation grew 11.8%, corresponding to a share price increase from 4.27€ to 4.77€. The PSI20, the main Portuguese index, decreased its market capitalisation 3.6% in the same period.

NOS operational highlights

NOS Operational Indicators			
('000)	3Q13	2Q14	3Q14
Total RGUs	7,254	7,296	7,445
Convergent RGUs	72	1,008	1,488
Mobile	3,238	3,397	3,536
% 3P&4P Subscribers	66.4%	69.2%	70.9%
IRIS Subscribers	390	561	633
IRIS as % 3P&4P Subscribers	48.2%	69.2%	76.6%

Acceleration in pace of growth of core convergent services reaching 1.488 million **convergent RGUs** at the end of 3Q14, with 480 thousand net adds.

Mobile net adds of 139 thousand in 3Q14 driven by continued strong growth of 145 thousands post-paid services.

IRIS, **NOS** leading edge TV interface, achieved another record quarter with additional 71.9 thousand subscribers, reaching 76.6% as a **percentage of the 3&4P subscriber** base.



7 OVERALL PERFORMANCE

Consolidated results						
Million euros	9M13 PF	9M14	y.o.y.	3Q13 PF	3Q14	y.o.y.
Sonae MC	2,492	2,537	1.8%	908	911	0.4%
Sonae SR	827	913	10.4%	310	334	7.9%
Sonae RP	93	95	2.1%	31	32	2.1%
Investment manag.	164	186	13.5%	57	67	18.2%
E&A ⁽¹⁾	-109	-121	-11.6%	-40	-40	0.4%
Turnover	3,467	3,610	4.1%	1,264	1,304	3.1%
Sonae MC	183	171	-6.5%	77	71	-6.9%
Sonae SR	-17	-3	82.9%	0	4	-
Sonae RP	84	85	2.3%	28	29	2.5%
Investment manag.	8	11	45.7%	5	6	41.3%
E&A ⁽¹⁾	1	-5	-	-5	-5	1.6%
Underlying EBITDA	258	259	0.7%	105	106	1.1%
Underlying EBITDA margin	7.4%	7.2%	-0.2 p.p.	8.3%	8.1%	-0.2 p.p.
Equity method results ⁽²⁾	41	35	-16.7%	13	15	16.5%
o.w. S. Sierra (diret results)	21	18	-15.7%	7	7	6.2%
o.w. NOS	20	16	-17.2%	5	7	43.0%
Non-recurrent items	0	-1	-	0	1	-
EBITDA	299	293	-1.9%	117	122	3.9%
EBITDA margin	8.6%	8.1%	-0.5 p.p.	9.3%	9.3%	0.1 p.p.
D&A ⁽³⁾	-147	-132	10.2%	-47	-45	3.9%
EBIT	153	162	6.0%	71	77	9.0%
Net financial activity	-65	-58	11.0%	-19	-20	-1.8%
EBT	88	104	18.7%	51	58	12.0%
Taxes	-11	-12	-7.6%	-7	-11	-45.5%
Direct Results ⁽⁴⁾	77	92	20.3%	44	47	6.5%
Indirect Results	289	5	-98.3%	306	-1	-
Net income	366	97	-73.4%	350	45	-87.0%
Non-controlling interests	-124	-2	98.4%	-123	-3	97.9%
Net income group share	242	95	-60.7%	227	43	-81.1%
Indirect Results ⁽⁵⁾	-10	5	-	7	-1	-
Net income ⁽⁵⁾	67	97	45.5%	51	41	-18.7%
Non-controlling interests ⁽⁵⁾	-2	-2	15.8%	-2	-3	-13.7%
Net income group share ⁽⁵⁾	64	95	47.7%	49	39	-20.2%

(1) Eliminations & adjustments;

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

(3) Depreciations & amortizations including provisions & impairments;

(4) Direct results before non-controlling interests;

(5) Excluding Zon-Optimus merger effects and impairments booked 3Q13.

Indirect results registered 5 M€ which are not comparable with the 289 M€ totalled in the previous year since the 9M13 indirect results include a gain related to the NOS merger as well as some impairments booked in 3Q13.

In 9M14, **consolidated turnover** totalled 3,610 M€, 143 M€ and 4.1% above the same period of the previous year. This result was mainly impacted by the stronger performance of Sonae SR and Investment Management which turnover grew 10.4% and 13.5%, respectively.

Despite Sonae MC underlying EBITDA being negatively impacted by the highly competitive environment among the Portuguese food retail industry, the **consolidated underlying EBITDA** increased 0.7% when compared to 9M13 reaching 259 M€. This achievement was backed on the improvements in the underlying EBITDA of Sonae SR (+82.9% vs. 9M13) and Investment Management (+45.7% vs. 9M13).

In 9M14, **EBITDA** amounted to 293 M€ which includes the contributions of the:

- (i) before mentioned underlying EBITDA of 259 M€; and,
- (ii) equity method results of 35 M€ (from Sonae Sierra direct results, NOS and GeoStar).

Net financial results registered negative 58 M€ in 9M14, 11% below the value totalled in the previous year, supported by the lower level of net debt. The average interest rate of outstanding credit facilities at the end of 9M14 was slightly above 3%. These financial results are only related to Retail and Investment Management businesses.

In 9M14 **direct results** were 16 M€ above the figure registered in the same period of the previous year, totalling 92 M€. This result was mostly driven by the lower D&A (-15 M€ vs. 9M13), and the improvement in net financial activity (-7 M€ vs. 9M13), that more than compensated the decrease in the equity method results (-7 M€ vs. 9M13).

Net income attributable to the Group ⁽⁵⁾ reached 95 M€, a figure 31 M€ above result achieved last year, mostly driven by the higher direct results reached but also to the Sonae Sierra Indirect results enhanced by the real estate yields reduction effect booked in the 1H14.

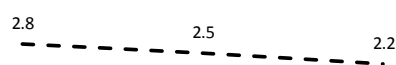
8 CAPITAL STRUCTURE

Net invested capital			
Million euros	9M13	9M14	y.o.y.
Net invested capital	3,276	3,209	-2.1%
Technical investment	2,066	2,015	-2.5%
Financial investment	1,347	1,246	-7.5%
Goodwill	618	612	-1.0%
Working capital	-755	-664	12.0%
Total shareholders funds	1,879	1,795	-4.5%
Total net debt⁽¹⁾	1,397	1,414	1.2%
Net debt / Invested capital	42.6%	44.1%	1.4 p.p.

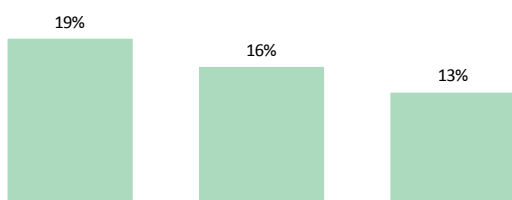
(1) Financial net debt + net shareholder loans.

Net debt			
Million euros	9M13	9M14	y.o.y.
Net financial debt	1,392	1,408	1.2%
Retail units	896	821	-8.3%
Sonaecom Group	-168	-	-
Investment management	18	38	114.9%
Holding & other	646	549	-15.1%
Total net debt	1,397	1,414	1.2%

Capital Structure - Retail		
Net debt to EBITDA		
9M12	9M13	9M14



Capital Structure		
Loan-to-value (%) - Holding		
9M12	9M13	9M14



In 9M14, **total shareholders' funds** totalled 1,795 M€, 85 M€ below the same period of last year.

Total net debt totalled 1,414 M€ at the end of September, a figure marginally above the value registered in 9M13, driven by the payment of Sonaecom shares to France Telecom made in August. If we exclude this payment to France Telecom, Net Debt would have been reduced by 88 M€. This commitment was already reflected in the consolidated accounts, since June 2013, under "other creditors", but was not qualified as financial debt. The company thus continued to improve the relevant leverage ratios.

In relation to the **debt maturity profile**, during the 3Q Sonae concluded a series of transactions with maturities up to 6 years, which enabled Sonae to smooth the maturity profile, whilst optimizing its cost of funding, strengthening its capital structure and diversifying its financing sources.

In 9M14 **retail net debt** totalled 821 M€, reducing 75 M€ when compared to 9M13, driven by sustainable cash flow generation over the last 12 months. The company thus continued to strengthen its capital structure, with total net debt to EBITDA reaching 2.2x in 9M14, a ratio that compares with 2.5x in the same period of 2013.

The **holding net debt** was reduced to 549 M€ at the end of September 2014. The "loan-to-value" ratio of the holding remains at conservative levels of 13% in 9M14, an improvement of 3 p.p. when compared to 9M13.

9 CORPORATE INFORMATION

Main corporate events in 3Q14

On **July 2nd 2014**, Sonae Sierra and ING, the global financial institution, sold 90% of its ownership in Le Terrazze Shopping centre to Union Investment, the international real estate investment manager. Sonae Sierra will continue to be responsible for the shopping centre's management service and will be a joint venture partner of Union Investment by remaining owner of a 10% share of Le Terrazze.

On **August 27th 2014**, Sonae Sierra signed a contract to create a 50/50 joint-venture with OST Development for the provision of Property Management and Leasing services to the development pipeline of this important professional services client.

On **September 22nd 2014**, Sonaecom announced that its affiliate Sonaecom - Sistemas de Informação, SGPS, S.A., has reached an agreement with NOS – Comunicações, S.A., to sell to NOS the total share capital of Mainroad - Serviços em Tecnologias da Informação, S.A..

Subsequent information

On **October 24th 2014**, Well's opened its first store under franchising agreement in Largo do Rato (Lisbon). Well's stores in franchising benefit from information systems that are integrated within Sonae, which facilitates the management and business logistics for the partner and allows the businessmen and their teams to focus their attention on the service for the client.

On **October 27th 2014**, Sonae SR announced its entrance in the Chilean market, thus strengthening its international expansion. Sonae signed an agreement with Phoenix Group to open five Zippy stores under franchising agreement by the end of the year.

Sonae provides additional operating and financial information in Excel format.
Click here to be taken to the information directly
www.sonae.pt

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

CAPEX	Investments in tangible and intangible assets and investments in acquisitions.
Direct results	Results excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results (Sonae Sierra direct results, NOS and Geostar) + non-recurrent items.
EBITDA margin	EBITDA / Turnover.
(Direct) EBT	Direct results before non-controlling interests and taxes.
Eliminations & adjustments	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
EoP	End of period.
Free Cash Flow (FCF)	EBITDA - operating CAPEX - change in working capital - financial investments - financial results - income taxes.
Financial net debt	Total net debt excluding shareholders loans.
FMCG	Fast-moving Consumer Goods.
GLAs	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
Indirect results	Includes Sonae Sierra’s results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae’s portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in a process of being discontinued/repositioned); (iv) results from “mark to market” methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned by Sonae Sierra.
Liquidity	Cash & equivalents + current investments, excluding the 2.14% participation at NOS.
Like for Like sales (LfL)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.

Loan to value (LTV) - Holding	Holding Net debt / Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies.
Loan to value (LTV) - Shopping Centres	Net debt / (investment properties + properties under development).
LTM	Last twelve months.
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, excluding the 2.14% participation at NOS, and other long term financial applications.
Net Invested capital	Total net debt + total shareholders' funds.
Other income	Dividends.
Other loans	Bonds, leasing and derivatives.
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by independent international entities.
Return on invested capital (RoIC)	EBIT (12 months) / Net invested capital.
Return on equity (ROE)	Total net income n (equity holders) / Shareholders' Funds n-1 (equity holders).
RGU	Revenue generating unit
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortizations.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method (Sonae MC, SR and RP and Investment Management).

Consolidated Profit and Loss Account

Consolidated profit and loss account						
Million euros	9M13 PF	9M14	y.o.y.	3Q13 PF	3Q14	y.o.y.
Turnover	3,467	3,610	4.1%	1,264	1,304	3.1%
Underlying EBITDA	258	259	0.7%	105	106	1.1%
Underlying EBITDA margin	7.4%	7.2%	-0.2 p.p.	8.3%	8.1%	-0.2 p.p.
EBITDA	299	293	-1.9%	117	122	3.9%
EBITDA margin	8.6%	8.1%	-0.5 p.p.	9.3%	9.3%	0.1 p.p.
Depreciations & amortizations ⁽¹⁾	-147	-132	10.2%	-47	-45	3.9%
EBIT	153	162	6.0%	71	77	9.0%
Net financial Activity	-65	-58	11.0%	-19	-20	-1.8%
Other items ⁽²⁾	0	0	-	0	0	-
EBT	88	104	18.7%	51	58	12.0%
Taxes	-11	-12	-7.6%	-7	-11	-45.5%
Direct results	77	92	20.3%	44	47	6.5%
Indirect results ⁽³⁾	289	5	-98.3%	306	-1	-
Net income	366	97	-73.4%	350	45	-87.0%
Minority interests	-124	-2	98.4%	-123	-3	97.9%
Net income group share	242	95	-60.7%	227	43	-81.1%

(1) Includes provisions, impairments, reversion of impairments; (2) dividends; (3) Includes: (i) Sonae's Sierra indirect income contribution; (ii) the capital gain with NOS merger; (iii) other asset provisions for possible future liabilities in non-core and/or discontinued operations and (iv) non-cash impairments for operational assets.

Consolidated Statement of Financial Position

Consolidated statement of financial position			
Million euros	9M13	9M14	y.o.y.
TOTAL ASSETS	5,402	5,501	1.8%
Non current assets	4,054	3,991	-1.6%
Tangible and intangible assets	2,065	2,014	-2.5%
Goodwill	618	612	-1.0%
Investment properties	0	1	158.7%
Other investments	1,198	1,205	0.6%
Deferred tax assets	139	137	-1.5%
Others	34	22	-36.5%
Current assets	1,348	1,510	12.0%
Stocks	530	560	5.7%
Trade debtors	76	90	18.0%
Liquidity	299	487	63.0%
Others	443	372	-15.9%
SHAREHOLDERS' FUNDS	1,879	1,795	-4.5%
Equity holders	1,540	1,633	6.1%
Attributable to minority interests	340	162	-52.4%
LIABILITIES	3,523	3,706	5.2%
Non-current liabilities	1,686	1,115	-33.9%
Bank loans	396	292	-26.2%
Other loans	1,049	593	-43.4%
Deferred tax liabilities	139	131	-5.8%
Provisions	56	35	-38.0%
Others	48	65	36.7%
Current liabilities	1,836	2,591	41.1%
Bank loans	91	218	140.2%
Other loans	171	805	-
Trade creditors	998	1,063	6.6%
Others	576	505	-12.5%
SHAREHOLDERS' FUNDS + LIABILITIES	5,402	5,501	1.8%

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

Media and Investor Contacts

Patrícia Vieira Pinto
Head of Investor Relations
pavpinto@sonae.pt
Tel.: + 351 22 010 4794

Catarina Oliveira Fernandes
Head of Communication, Brand and Corporate Responsibility
catarina.fernandes@sonae.pt
Tel: + 351 22 010 4775

Rita Barrocas
External Communication
rbarrocas@sonae.pt
Tel: + 351 22 010 4745

Sonae
Lugar do Espido Via Norte
4471-909 Maia
Portugal
Tel.: +351 229487522
Fax: +351 22940463

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