

SONAE

9 MONTHS RESULTS

2016

The SONAE logo is located in the bottom left corner. It features the word "SONAE" in a stylized, blue, pixelated font. The letters are composed of small blue squares, giving it a digital or mosaic-like appearance. The logo is positioned over a large, light green circular graphic that has a white outline and a gradient fill.

1 HIGHLIGHTS and CEO's message

- Sonae consolidated turnover increased 6.7%, to €3,882 M
- Sonae MC grew turnover by 5.3% in 9M16, enhanced by a growth of 8.4% in 3Q16
- Worten grew turnover by 1.3% and raised EBITDA by almost €7 M in 9M16
- Sports and Fashion registered a material EBITDA improvement of €10 M in 9M16
- Sonae Sierra successfully opened ParkLake, an innovative Shopping Centre in Bucharest
- NOS increased revenues well ahead of the market
- Sonae refinanced credit facilities in the amount of €780 M since the beginning of 3Q16, further strengthening its balance sheet and improving overall funding conditions

“The third quarter was undeniably positive for Sonae. On a consolidated basis we enjoyed double-digit growth in turnover and EBITDA, we improved the competitive standing of our main businesses and we continued to strengthen our capital structure.

On a comparable basis, all of our retail businesses grew, most notably Continente which retained its status as the acknowledged price leader in the market.

Sonae Sierra successfully opened ParkLake, the first Sierra shopping centre developed in Romania and maintained high occupancy rates and profitability levels in European and Brazilian operations.

In telecommunications NOS remained as the operator with highest turnover growth in the market, continued to improve profitability and secured a pivotal position in the management of sport content.

In the year-on-year comparison, consolidated debt at the end of the period continued to decline, and currently has a lower cost and extended maturity, reflecting a more robust balance sheet.

All in all, comforted by the success of adopted strategies, and standing on a greater financial strength, we face future challenges with renewed confidence.”

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae Consolidated results						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	3,639	3,882	6.7%	1,310	1,451	10.7%
Sonae MC	2,549	2,685	5.3%	917	993	8.4%
Sonae SR	917	1,008	9.9%	335	394	17.5%
Sonae RP	92	69	-24.9%	28	22	-20.1%
Sonae IM ⁽¹⁾	187	190	1.5%	63	63	-0.3%
E&A ⁽²⁾	-107	-69	-	-33	-22	-
Underlying EBITDA	226	210	-6.8%	94	99	5.2%
Sonae MC	152	147	-3.5%	66	66	0.2%
Sonae SR	-9	8	-	2	15	-
Sonae RP	83	60	-27.3%	25	19	-23.2%
Sonae IM ⁽¹⁾	9	9	-1.6%	5	4	-18.5%
E&A ⁽²⁾	-10	-13	-	-4	-5	-
Underlying EBITDA margin	6.2%	5.4%	-0.8 p.p.	7.2%	6.8%	-0.4 p.p.
Equity method results ⁽³⁾	38	35	-6.3%	14	12	-9.5%
o.w. S. Sierra (direct results)	21	20	-5.1%	8	7	-14.0%
o.w. NOS	16	16	-3.9%	6	6	-0.9%
Non-recurrent items	28	55	95.4%	-6	0	100.0%
EBITDA	292	301	3.1%	101	111	9.9%
EBITDA margin	8.0%	7.8%	-0.3 p.p.	7.7%	7.7%	-0.1 p.p.
D&A ⁽⁴⁾	-135	-146	-8.3%	-47	-49	-4.2%
EBIT	157	155	-1.3%	54	62	14.8%
Net financial activity	-52	-37	27.9%	-16	-12	25.6%
EBT	105	118	11.7%	39	51	30.6%
Taxes	-4	2	-	7	3	-56.7%
Direct results ⁽⁵⁾	102	120	18.1%	46	54	17.4%
Indirect results	44	21	-51.9%	1	10	-
Net income	146	141	-3.0%	47	64	36.4%
Non-controlling interests	-3	-3	-0.4%	-1	-2	-115.5%
Net income group share	142	138	-3.1%	46	61	34.5%

(1) Includes Technology and Partnerships contribution;

(2) Eliminations & adjustments;

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

(4) Depreciations & amortisations including provisions & impairments;

(5) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	9M15	9M16	y.o.y.
Net invested capital	3,157	3,264	3.4%
Technical investment	1,900	1,811	-4.7%
Financial investment	1,302	1,261	-3.1%
Goodwill	605	796	31.7%
Working capital	-649	-634	2.3%
Sonae shareholders funds	1,845	2,016	9.3%
Sonae net debt ⁽¹⁾	1,312	1,248	-4.9%
Net debt / Invested capital	41.6%	38.2%	-3.3 p.p.

(1) Financial net debt + net shareholder loans.

Sonae consolidated turnover stood at €3,882 M, increasing 6.7% when compared to the same period of 2015, benefiting from the positive performance of all the businesses with the exception of RP, driven by the sale and leaseback transactions completed over the course of 2015 and in 1Q16.

Sonae EBITDA increased €9 M, to €301 M, mostly driven by:

- (i) a €17 M recovery of SR underlying EBITDA: amounting to approximately €7 M at Worten and €10 M at Sports and Fashion (which includes the positive contribution of legacy businesses, namely Sport Zone and Zippy, as well as the integration of the acquired companies Losan and Salsa); and,
- (ii) the impact of MC investment in price and store network expansion, which has resulted in a €5 M reduction in underlying EBITDA.

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 €15 M, registering a negative €37 M in 9M16. Sonae average interest rate of outstanding debt continued to decrease and reached 1.4% on September 30th 2016. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

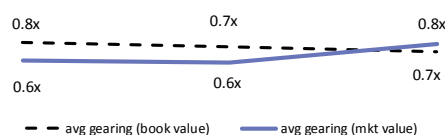
Sonae direct results amounted to €120 M, increasing 18.1% on a yearly basis. This was driven by less negative net financial activity and taxes, notwithstanding the lower EBIT.

Sonae indirect results reached €21 M, including the positive effect of the valuation of Sierra's assets in 1H16, the opening of ParkLake in Romania in 3Q16 and the capital gain related to the sale of the 2.14% direct stake in NOS on June 15th 2016. It should be noted that the mark-to-market effect of NOS is included in indirect results until the completion of its sale to Zopt.

Sonae shareholders' funds stood at €2,016 M at the end of 9M16, €171 M above 9M15. **Sonae net debt** reached €1,248 M, decreasing 4.9% in comparison to 9M15.

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Gearing		
3Q14	3Q15	3Q16

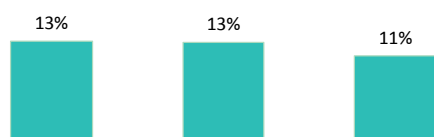


Net debt			
Million euros	9M15	9M16	y.o.y.
Net financial debt	1,303	1,244	-4.5%
MC, SR and RP	695	726	4.5%
IM	19	2	-90.5%
Holding & other	589	517	-12.3%
Sonae net debt	1,312	1,248	-4.9%

Capital Structure - MC, SR and RP		
Net debt to EBITDA		
3Q14	3Q15	3Q16



Capital Structure		
Loan-to-value (%) - Holding		
9M14	9M15	9M16



Sonae Capex			
Million euros	9M15	9M16	% of Turnover
Capex	171	293	7.5%
Sonae MC	74	114	4.3%
Sonae SR	47	119	11.8%
Sonae RP	36	42	60.6%
Sonae IM	7	15	7.7%

Average gearing at book value reached 0.7x, remaining broadly flat in comparison with last year. **Average gearing at market value** stood at 0.8x, increasing y.o.y. driven by Sonae's market price, as net debt decreased.

Sonae continues to focus on presenting a robust capital structure, optimising funding costs whilst maintaining sufficient back up liquidity and an improved maturity profile (which is currently above 4 years). Sonae started in the 3Q16 an **ambitious program to further strengthen the capital structure** by launching a formal tender with local and international banks for the refinancing of its facilities, having already refinanced more than **€430 M** in long-term facilities and around **€350 M** in short-term facilities. Accordingly, Sonae totally fulfilled its practice of being fully financed for the next 18 months and at the same time improved its general funding conditions.

Net financial debt of MC, SR and RP stood at €726 M in 9M16, €31 M above 9M15, 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 2.0x, increasing when compared to 9M15, driven by the higher net debt.

Holding net debt reached €517 M, decreasing 12.3% y.o.y. and benefiting from the sale of the direct participation at NOS. **Loan-to-value** ratio of the holding stood at 11%, decreasing in relation to 9M15, benefiting from the lower holding net debt.

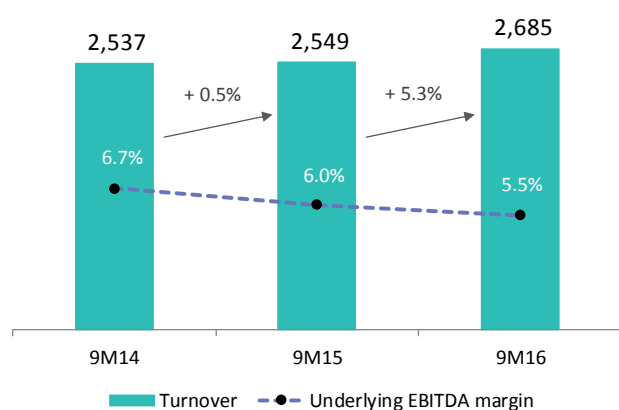
Sonae Capex increased from €171 M to €293 M, mostly due to Sonae SR:

- **MC Capex** increased €40 M to €114 M, motivated by the acceleration of the store network expansion, which includes the opening of 14 Continente Bom Dia stores, 1 Continente hypermarket and 14 Well's stores;
- **SR Capex** reached €119 M in 9M16, growing materially y.o.y. mostly impacted by the Capex related to the acquisition of Salsa, which occurred on June 30th 2016;
- **RP Capex** totalled €42 M in 9M16, growing by €6 M y.o.y. mostly driven by MC store network expansion and future developments;
- **IM Capex** reached €15 M in 9M16, increasing €8 M when compared to 9M15, impacted by the technology area.

3 SONAE MC RESULTS

Turnover and underlying EBITDA						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	2,549	2,685	5.3%	917	993	8.4%
Lfl sales (%)	-2.2%	1.8%	-	-2.9%	4.1%	-
Underlying EBITDA	152	147	-3.5%	66	66	0.2%
Underlying EBITDA margin	6.0%	5.5%	-0.5 p.p.	7.2%	6.7%	-0.5 p.p.

Turnover and Underlying EBITDA evolution



Over the last quarters, **MC** has been focused on the implementation of various measures aimed at improving Continente value proposition, which included price perception, communicating the distinctive products' offer (especially for perishables and exclusive brands) and also launching innovative promotions. **MC Lfl sales** performance totalled 4.1% in 3Q16 and 1.8% in 9M16. It is worth highlighting that DECO, the Portuguese Consumers' Association, has recently published the results of its most recent price survey covering the entire country, ranking Continente again as the price leader in Portugal.

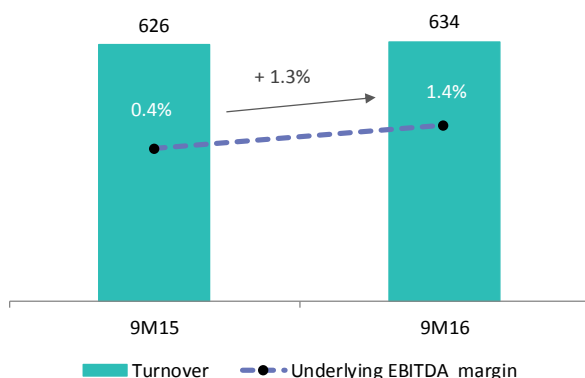
At the same time, **MC** remained focused on implementing its strategy of **store network expansion** through convenience formats, namely Continente Bom Dia - proximity own stores with average sales area slightly below 1 thousand sqm, and Meu Super - franchised local food stores with average sales area around 300 sqm. Accordingly, **MC** opened 14 Continente Bom Dia stores and 54 Meu Super stores in 9M16, which has contributed towards a **MC turnover** increase of 5.3% y.o.y., to €2,685 M, which includes a material growth of 8.4% in 3Q16. This strategy has allowed MC not only to defend but also to increase its leading market share.

Despite this strong expansion effort combined with a continuous price investment to face the still strong competitive environment, **MC underlying EBITDA margin** reached 5.5%, 50bps below 9M15.

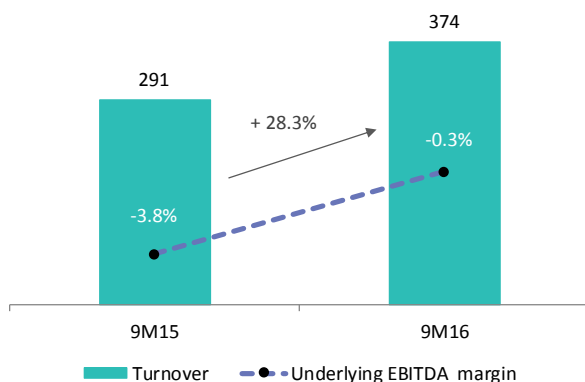
4 SONAE SR RESULTS

Performance per business						
	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover (million €)	917	1,008	9.9%	335	394	17.5%
Worten	626	634	1.3%	227	229	1.2%
Sports and Fashion	291	374	28.3%	108	164	51.5%
EBITDA (million €)	-9	8	-	2	15	-
Worten	2	9	-	2	6	253.2%
Sports and Fashion	-11	-1	88.6%	1	9	-
EBITDA margin (%)	-1.0%	0.7%	1.7 p.p.	0.6%	3.8%	3.2 p.p.
Worten	0.4%	1.4%	1.0 p.p.	0.7%	2.5%	1.8 p.p.
Sports and Fashion	-3.8%	-0.3%	3.5 p.p.	0.5%	5.7%	5.3 p.p.
LFL (%)	-1.4%	2.0%	-	-3.5%	4.8%	-
Worten	-0.7%	2.9%	-	-2.4%	6.7%	-
Sports and Fashion	-2.8%	0.1%	-	-5.2%	1.1%	-

Worten Turnover and Underlying EBITDA evolution



Sports and Fashion Turnover and Underlying EBITDA evolution



Worten division continued to be focused on increasing its **EBITDA**, which raised from €2 M to €9 M y.o.y., benefiting from the improvement of the results in all operations: Portugal, Spain mainland, Canary Islands and omni-channel, thus reinforcing its position in the Iberian market.

Operationally, the team further implemented its omni-channel strategy in Iberia, leveraging on its physical store network and e-commerce presence. Accordingly, **omni-channel sales** maintained the increasing trend fuelled by a significant growth of online sales close to 20%. Importantly, it should be noted that **Worten** posted **Lfl sales growth** of 6.7% in 3Q16.

Importantly, during 9M16, **Worten** store network was reinforced particularly driven by refurbishments, especially in Spain, allowing to reach important goals in sales area productivity. The **sales per sqm** continued to grow, increasing by 7% y.o.y..

In what concerns the **Sports and Fashion** division, which includes Sport Zone, Mo and Zippy, as well as the acquired businesses: Losan – a wholesale player specialised in kids wear, and Salsa – a recognised jeanswear brand, **turnover** grew by 28.3% in 9M16, to €374. This growth benefited from the positive contribution of Zippy and Sport Zone, but also from the consolidation of Losan and Salsa results. Both acquired brands have a strong international presence as well as a proven track record and will contribute towards reinforcing **Sports and Fashion** competencies.

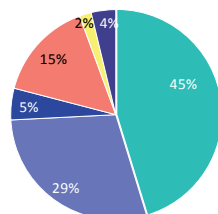
The **Sports and Fashion EBITDA** improved significantly by €10 M in 9M16, to negative €1 M, reaching €9 M in 3Q16. The legacy businesses, namely Sport Zone and Zippy, had a positive contribution to this evolution. It should be noted that Sport Zone in Spain continued to register a positive y.o.y. EBITDA contribution. Regarding Mo, despite the recent efforts in rebalancing its value proposition, the performance of this brand was still below expectations.

SR turnover stood at €1,008 M in 9M16, posting an increase of 9.9% when compared to 9M15, backed by both Worten and Sports and Fashion divisions. As for **SR EBITDA**, it stood at €8 M in 9M16, posting a material improvement y.o.y., driven by both SR divisions.

5 SONAE RP RESULTS

RP Portfolio as % of Gross Book Value

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



Turnover and Underlying EBITDA

Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	92	69	-24.9%	28	22	-20.1%
Underlying EBITDA	83	60	-27.3%	25	19	-23.2%
Underlying EBITDA margin	90.1%	87.2%	-2.9 p.p.	89.4%	85.9%	-3.5 p.p.

RP manages Sonae's retail real estate portfolio and currently includes real estate assets with a net book value amounting to €909 M.

RP completed 3 sale and leaseback transactions in the amount of €230 M in 9M16, 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. At the end of 9M16, MC's real estate portfolio included 22 Continente stores, 62 Continente Modelo stores and 21 Continente Bom Dia stores. As for SR's freehold, it stood at 22% as of 9M16.

RP turnover decreased 24.9%, to €69 M, driven mostly by freehold reduction at MC, from 62% in 9M15, to 51% at the end of 9M16. The **underlying EBITDA** amounted to €60 M, corresponding to an **underlying EBITDA margin** of 87.2%.

It should be noted that **RP** has been responsible for a considerable part of MC's convenience store network expansion. Accordingly, **RP Capex** as of 9M16 stood at €42 M and grew by €6 M y.o.y..

6 SONAE IM RESULTS

Technology portfolio

WeDo Technologies	Movvo
Saphety	Brightpixel
Bizdirect	InovRetail
S21Sec	

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, aiming to develop innovative solutions and with an international focus. **IM** core areas of interest include business analytics solutions, mobility solutions for retail, in-store technologies, fraud assurance and cybersecurity solutions.

Turnover and Underlying EBITDA performance

Turnover and underlying EBITDA

Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	89	88	-0.8%	29	27	-6.3%
Underlying EBITDA	6	3	-50.6%	2	1	-48.2%
Underlying EBITDA margin	7.1%	3.6%	-3.6 p.p.	8.2%	4.5%	-3.7 p.p.

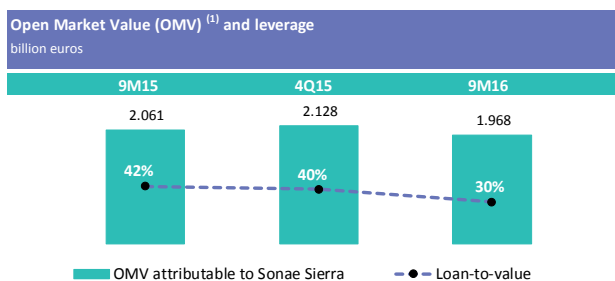
In the Technology arm, **IM turnover** reached €88 M, decreasing 0.8% when compared to 9M15. **Underlying EBITDA** amounted to €3 M, which translates into an **Underlying EBITDA margin** of 3.6%.

Note: For consolidation purposes, Sonae IM also includes some Partnerships - MDS, Maxmat, Tlantic and Público - which reached a turnover of €102.6 M and an underlying EBITDA of €6.6 M in 9M16.

7 SONAE SIERRA RESULTS

Operational Indicators			
	9M15	9M16	y.o.y.
Footfall (million visitors)	319	313	-1.8%
Europe & New Markets	242	242	0.2%
Brazil	77	71	-8.3%
Occupancy rate (%)	95.1%	96.4%	1.3 p.p.
Europe	96.0%	97.1%	1.1 p.p.
Brazil	92.6%	94.5%	1.9 p.p.
Like-for-Like (Lfl) tenant sales			
Europe	2.6%	3.3%	0.7 p.p.
Brazil (local currency)	5.1%	0.4%	-4.7 p.p.
Tenant sales (million euros)	3,194	3,107	-2.7%
Europe (million euros)	2,231	2,286	2.5%
Brazil (million euros)	963	821	-14.7%
Brazil (million reais)	3,354	3,236	-3.5%
Nº of shopping centres owned and managed (EOP)	67	66	-1
Europe	56	56	0
Brazil	11	10	-1
Nº of shopping centres owned/co-owned (EOP)	46	45	-1
Europe	36	36	0
Brazil	10	9	-1
GLA under Management ('000 sqm)	2,374	2,288	-3.6%
Europe & New Markets	1,852	1,888	1.9%
Brazil	522	481	-7.8%

Financial Indicators						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	162	150	-7.2%	54	51	-6.0%
EBIT	76	71	-7.7%	26	23	-11.1%
EBIT margin	47.2%	46.9%	-0.3 p.p.	48.9%	46.3%	-2.6 p.p.
Direct results	42	40	-5.0%	16	13	-13.6%
Indirect results	52	52	-0.3%	0	20	-
Net results	95	93	-2.4%	15	34	116.4%
... attributable to Sonae	47	46	-2.4%	8	17	116.4%



⁽¹⁾ Includes investment properties at open market value and development properties at cost.

Sierra has been further implementing its recycling capital strategy by reducing exposure to more mature shopping malls and reinvesting in developing others:

- ParkLake was opened in September 1st and is the **first Sierra's development in Romania**. It represents an investment of €180 M and comprises over 200 stores in 70 thousand sqm. The results so far exceed our best expectations. **Indirect results** in 3Q16 reached €20 M, benefiting from the positive effect of the value created in the Parklake development. Additionally, Sierra has 5 projects under development: Nuremberg (Germany), Zenata (Morocco), Malaga Designer Outlet (Spain), NorteShopping Expansion (Portugal) and Cucuta (Colombia).
- Over the last 12 months, Sonae Sierra sold Colombo Tower (Portugal), Zubiarte (Spain), Loop 5 (Germany), Boavista Shopping (Brazil), diluted 25% in the Sierra Portugal Fund and also reduced the ownership of AlgarveShopping, Estação Viana Shopping and Luz del Tajo (following the closing of a partnership with CBRE Global Investment Partners). Consequently, on September 30th 2016, the **Investment and Development Properties** attributable to Sierra reached €1.968 bn, €160 M below the 2015 year-end, driven by the effect of the disposals, which more than off-set the investments in projects under development, the positive exchange rate effect in the Brazilian real (closing rate 9M16 vis-à-vis closing rate 12M15) and assets revaluation.

On the **operational side**, Sierra further proved the quality of its assets:

- In **Europe**, tenant sales increased 2.5%, to €2,286 M, corresponding to an increase in Lfl tenant sales of 3.3% and occupancy rates increased further to 97.1%;
- In **Brazil**, tenant sales reached 0.4% in Lfl terms, returning to a positive trend although declining 3.5% y.o.y. to 3,236 M reais, due to the still challenging macroeconomic environment. Despite this, **occupancy rates** are already registering a small recovery.

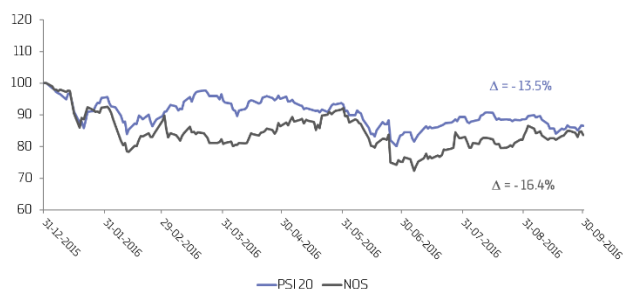
Sierra's turnover reached €150 M, a decrease of 7.2% when compared to 9M15, only driven by the asset disposals already mentioned. The **EBIT** stood at €71 M, less 7.7% y.o.y., corresponding to an **EBIT margin** of 46.9%. Excluding the portfolio changes and the exchange rate effect mentioned previously, EBIT increased 5% as a consequence of higher rental income and higher services rendered mainly to clients outside Sierra's shopping centre portfolio.

NAV (Net Asset Value) reached €1.286 bn at the end of 9M16, €107 M above December 2015, reflecting both the direct and indirect results of the period, the favourable exchange rate effect less the dividends payment. **Loan-to-value** stood at 30% in 9M16, compared to a value of 42% in 9M15.

8 NOS RESULTS

Financial Indicators						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Operating revenues	1,068	1,124	5.3%	368	381	3.5%
EBITDA	410	432	5.3%	144	145	1.2%
EBITDA margin	38.4%	38.4%	0.0 p.p	39.0%	38.1%	-0.9 p.p
Net results	74	78	6.6%	26	28	4.8%
Capex	295	293	-0.7%	98	97	-1.4%

Operational Indicators						
('000)	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Total RGUs (Net adds)	651	477	-	247	195	-
Convergent RGUs (Net adds)	812	417	-	222	114	-
Mobile (Net adds)	382	273	-	164	125	-
Pay TV (Net adds)	45	42	-	20	12	-
Total RGUs	8,277	8,942	8.0%	8,277	8,942	8.0%
Convergent RGUs	2,665	3,271	22.7%	2,665	3,271	22.7%
Convergent customers	556	661	19.0%	556	661	19.0%
ARPU/Unique subscriber with fixed access (euros)	42	43	3.4%	42	43	2.0%



NOS published its results on November 7th 2016, which are available at www.nos.pt.

NOS continued to show a very solid operating and financial performance.

The **operating revenues** increased 5.3% y.o.y to €1,124 M, in 9M16, maintaining the positive top line performance.

EBITDA registered €432 M, improving 5.3% when compared to 9M15 and corresponding to an EBITDA margin of 38.4%.

Net results grew by 6.6%, to €78 M.

Total RGUs grew by 8.0%, to 8,942 M and **convergent RGUs** increased to 3,271 M, +22.7% y.o.y..

ARPU continued to grow, reaching 43 euros in 9M16, increasing 3.4% when compared to 9M15.

During 9M16, NOS market capitalisation decreased 16.4%, corresponding to a share price decrease from €7.246 to €6.057.

The PSI-20, the main Portuguese index, decreased its market capitalisation 13.5% in the same period.

9 CORPORATE INFORMATION

Main corporate events in the 3Q16

On **September 21st 2016**, Sonae announced that in the context of a partnership with Satya Capital, Sonae MC and Satya Capital, acquired 2 food retail stores in Mozambique. The total investment amounted to \$6M, divided between Sonae MC and Satya with a 30/70 ratio respectively.

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 and ZOPT net results) + non-recurrent items.
EBITDA margin	EBITDA / turnover.
(Direct) EBT	Direct results before non-controlling interests and taxes.
E&A (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 - CAPEX - change in working capital - financial results - income taxes.
Financial net debt	Total net debt excluding shareholders' loans.
FMCG	Fast-Moving Consumer Goods.
Gearing (book value)	The average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
Gearing (market value)	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.
GLA	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 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.
Investment properties	Shopping centres in operation owned and co-owned by Sonae Sierra.
Liquidity	Cash & equivalents + current investments.

Like for Like sales (Lfl)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to value (LTV) - Holding	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
Loan to value (LTV) - Shopping Centres	Net debt / (investment properties + properties under development).
LTM	Last twelve months.
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, 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 (LTM) / 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 amortisations.
Underlying EBITDA	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 Sept 2016	31 Dec 2015	Stores Opened (3)	M&A	Banner Changed	Stores Closed	30 Sept 2016
Sonae MC	746	100	0	0	-21	825	673	32	0	0	-4	701
Company Operated ⁽¹⁾	509	41	0	0	-2	548	619	22	0	0	-1	640
Continente	40	1	0	0	0	41	283	0	0	0	0	283
Continente Modelo	123	0	0	0	0	123	246	0	0	0	0	246
Continente Bom Dia	52	14	0	0	0	66	58	19	0	0	0	77
Well's	152	14	0	0	0	166	16	1	0	0	0	17
Bom Bocado / Bagga	111	6	0	0	-1	116	6	0	0	0	0	7
Note! / Makenotes	25	4	0	0	0	29	6	1	0	0	0	7
Other ⁽²⁾	6	2	0	0	-1	7	4	0	0	0	-1	3
Franchising	237	59	0	0	-19	277	54	10	0	0	-3	61
Continente Modelo	7	0	0	0	0	7	17	0	0	0	0	17
Meu Super	205	54	0	0	-19	240	35	10	0	0	-3	42
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
Sonae SR	596	36	94	0	-27	699	381	11	9	0	-13	389
Company Operated ⁽¹⁾	516	26	67	0	-19	590	360	9	7	0	-11	365
Electronics	227	10	0	0	-10	227	189	3	0	0	-7	185
Portugal	177	3	0	0	-4	176	118	0	0	0	0	118
Worten	138	3	0	0	-1	140	116	0	0	0	0	116
Worten Mobile	39	0	0	0	-3	36	1	0	0	0	0	1
Spain	50	7	0	0	-6	51	72	3	0	0	-7	67
Worten	50	7	0	0	-6	51	72	3	0	0	-7	67
Sports	108	14	0	0	-1	121	95	7	0	0	-1	101
Portugal	75	5	0	0	0	80	62	2	0	0	0	65
Sport Zone	75	5	0	0	0	80	62	2	0	0	0	65
Spain	33	9	0	0	-1	41	33	5	0	0	-1	36
Sport Zone	33	9	0	0	-1	41	33	5	0	0	-1	36
Fashion	181	2	67	0	-8	242	76	-1	7	0	-3	79
Portugal	147	2	42	0	-2	189	66	-1	5	0	-1	69
Mo	108	1	0	0	-1	108	54	-1	0	0	0	53
Zippy ⁽⁴⁾	39	1	0	0	-1	39	12	0	0	0	0	12
Salsa	0	0	42	0	0	42	0	0	5	0	0	5
Spain	34	0	15	0	-6	43	10	0	1	0	-2	9
Zippy	24	0	0	0	-6	18	7	0	0	0	-2	5
Losan	10	0	0	0	0	10	3	0	0	0	0	3
Salsa	0	0	15	0	0	15	0	0	1	0	0	1
France	0	0	8	0	0	8	0	0	1	0	0	1
Salsa	0	0	8	0	0	8	0	0	1	0	0	1
Germany	0	0	1	0	0	1	0	0	0	0	0	0
Salsa	0	0	1	0	0	1	0	0	0	0	0	0
Luxembourg	0	0	1	0	0	1	0	0	0	0	0	0
Salsa	0	0	1	0	0	1	0	0	0	0	0	0
Franchising	80	10	27	0	-8	109	21	2	3	0	-2	24
Electronics	4	0	0	0	0	4	2	0	0	0	0	2
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
Sports	9	3	0	0	0	12	4	1	0	0	0	5
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
Other Countries ⁽⁵⁾	5	3	0	0	0	8	2	1	0	0	0	3
Fashion	67	7	27	0	-8	93	15	1	3	0	-2	17
Portugal (Mo)	5	0	0	0	0	5	1	0	0	0	0	1
Other Countries	62	7	27	0	-8	88	14	1	3	0	-2	16
Zippy ⁽⁶⁾	50	5	0	0	-6	49	10	1	0	0	-1	10
Mo ⁽⁷⁾	12	1	0	0	-2	11	4	0	0	0	-1	3
Losan ⁽⁸⁾	0	1	0	0	0	1	0	0	0	0	0	0
Salsa ⁽⁹⁾	0	0	27	0	0	27	0	0	3	0	0	3
Sonae IM	30	0	0	0	0	30	54	0	0	0	0	54
Maxmat	30	0	0	0	0	30	54	0	0	0	0	54

(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, Mozambique, Saudi Arabia and Cambodia;

(8) Bahrein;

(9) Includes Saudi Arabia, Qatar, Kuwait, United Arab Emirates, Lebanon, Bahrein, Morocco, Slovenia, Martinique and Angola.

Sonae Consolidated Profit and Loss Account

Sonae profit and loss account			
Million euros	9M15	9M16	y.o.y.
Turnover	3,639	3,882	6.7%
Underlying EBITDA	226	210	-6.8%
Underlying EBITDA margin	6.2%	5.4%	-0.8 p.p.
EBITDA	292	301	3.1%
EBITDA margin	8.0%	7.8%	-0.3 p.p.
Depreciations & amortisations ⁽¹⁾	-135	-146	-8.3%
EBIT	157	155	-1.3%
Net financial activity	-52	-37	27.9%
EBT	105	118	11.7%
Taxes	-4	2	-
Direct results	102	120	18.1%
Indirect results ⁽²⁾	44	21	-51.9%
Net income	146	141	-3.0%
Minority interests	-3	-3	-0.4%
Net income group share	142	138	-3.1%

(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	9M15	9M16	y.o.y.
TOTAL ASSETS	5,165	5,430	5.1%
Non current assets	3,869	4,010	3.6%
Tangible and intangible assets	1,890	1,840	-2.6%
Assets available for sale	5	0	-
Goodwill	605	796	31.7%
Investment properties	1	1	-6.0%
Other investments	1,232	1,272	3.2%
Deferred tax assets	99	67	-31.8%
Others	37	33	-10.6%
Current assets	1,297	1,420	9.5%
Stocks	591	672	13.8%
Trade debtors	82	117	43.9%
Liquidity	250	346	38.4%
Others	375	285	-24.1%
SHAREHOLDERS' FUNDS	1,845	2,016	9.3%
Equity holders	1,706	1,807	5.9%
Attributable to minority interests	139	209	50.8%
LIABILITIES	3,321	3,413	2.8%
Non-current liabilities	1,395	1,347	-3.5%
Bank loans	516	531	2.8%
Other loans	700	671	-4.1%
Deferred tax liabilities	90	65	-27.7%
Provisions	39	40	1.5%
Others	50	40	-20.8%
Current liabilities	1,925	2,067	7.3%
Bank loans	294	368	25.2%
Other loans	55	31	-44.3%
Trade creditors	1,053	1,121	6.4%
Others	523	547	4.6%
SHAREHOLDERS' FUNDS + LIABILITIES	5,165	5,430	5.1%

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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
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SONAE is listed on the Euronext Stock Exchange.
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