SONAE

FULL YEAR 2012 RESULTS

IMPROVING LIFE

1 HIGHLIGHTS

Market share gains and international expansion mitigate impact of restrained private consumption in Iberia

- Sonae MC revenues almost stable vs. 2011 thanks to market share gains and growth in online sales
- Sonae SR turnover down by 4%, as a result of exposure to more discretionary consumption categories
- 6% growth in Sonae SR's international sales, with positive results from franchising operations and new online approach

Consolidated recurrent EBITDA margin up by 0.4pp

- Sonae MC increases operational efficiency, achieving an EBITDA margin of 7.6% (+0.6pp y.o.y.)
- Sonae SR's profitability penalized by tough market environment and restructuring of Sports and Fashion divisions
- Sonaecom and Sonae Sierra improve EBITDA margins by 3.0 and 1.5 pp respectively

Organic cash-flow generation driving the reinforcement of capital structure

- Net income attributable to shareholders decreased to 33 M€, impacted by indirect results
- Significant working capital improvement driven by a 17.2% reduction in stock levels
- Consolidated net debt reduced by 147 M€ compared to YE11 and by 338 M€ in cumulative terms in the last 3 years

2 CEO STATEMENT

"As expected, the combination of the on-going private sector deleveraging and the consolidation of public finances, led both Portugal and Spain to an economic recession in 2012, marked by rising unemployment levels and a significant reduction in families' disposable income. Despite this adverse macro environment, we are pleased with the operating and financial performance delivered by our businesses in the year, which translated into a resilient top line performance and, notably, an improved operational profitability and cash flow generation.

During 2012, Sonae MC reinforced its position in the Portuguese market, growing its EBITDA and EBIT margins, a distinctive achievement made possible by the successful implementation of extensive productivity and efficiency programmes over the course of the last years. These efforts have also allowed us to transfer more value to customers during the year and to continue to ensure the delivery of the best value propositions to the end consumer in Portugal. At Sonae SR, our non-food retail business, the initiatives undertaken in the year have already allowed for an improved cash flow generation, mostly driven by the optimization of its supply chain. These necessary adjustments have, however, weighed negatively in the 2012's margins and profitability. Worten, the key electronics format, has been able to increase its market share and protect profitability in Portugal, while taking further steps towards the implementation of a multi-channel approach to consumers.

During 2012, Sonaecom has met important strategic goals in areas such as brand image, mobile data, 4G and customer experience, while again increasing its profitability levels. The year was also marked by the public announcement of the agreement between the largest shareholders of Optimus and Zon on the terms of a proposed merger between the 2 companies.

At Sonae Sierra, the decline of rental revenues in southern Europe was significantly compensated by other geographies, notably by the performance in Brazil, and the company was able to register a 3% growth at the EBITDA level. The 2012 net income of Sonae Sierra was significantly impacted by a further expansion of yields in southern Europe and the impairment of some projects which will not be developed in the short term. It should nevertheless be noted that these are non-cash results and that Sierra was again able during 2012 to increase its direct profitability, demonstrating a remarkable resilience in the current context.

Our consolidated net income was down against 2011, as a result of the higher cost of debt and the impacts arising from asset impairments and the lower valuation of Sierra's shopping centres in Europe. Both of these were determined by the prevailing macroeconomic situation and financial turmoil, with no impact over our operating profitability and cash flow generation. We ended 2012 with a strengthened capital structure, with our net debt down by almost 150 million Euros year-on-year, whilst maintaining the necessary investment level in all businesses and continuing our dividend policy.

Given the financial results achieved in 2012 and our confidence in the companies' ability to follow this course, we will propose to shareholders the payment of a dividend of 3.31 euro cents per share, corresponding to a dividend yield of 4.8% calculated using the 2012 year-end closing share price."

Paulo Azevedo, CEO Sonae

3 OVERALL PERFORMANCE

Consolidated profit & loss account
Million euros

	2011PF[(1)]	2012	Var
Turnover	5.541	5.379	-3%
Turnover (ex-fuel)	**5.521**	**5.379**	**-3%**
Recurrent EBITDA	**592**	**597**	**1%**
Recurrent EBITDA margin	10,7%	11,1%	0,4 p.p
EBITDA	**602**	**600**	**0%**
EBITDA margin	10,9%	11,2%	0,3 p.p
EBIT	**234**	**232**	**-1%**
Net financial activity	-82	-94	-15%
Other items	-5	0	-
Shopping centres direct results	31	31	2%
EBT	**178**	**169**	**-5%**
Taxes	-24	-25	-5%
Direct results before non-controlling interests	**154**	**144**	**-6%**
Non-controlling interests	-23	-39	-70%
Direct income group share	**131**	**105**	**-20%**
Indirect results group share	**-27**	**-72**	**-**
Net income group share	**104**	**33**	**-69%**

(1) The 2011 results were restated to reflect (i) the change in the consolidation method applicable to Sonae Sierra and Geostar, currently registered according to the Equity Method; and (ii) the change made by Sonaecom in the accounting criteria for costs related to customers' loyalty contracts. For further information please refer to the Methodological Notes in Section 12; (2) Includes Sonae's Sierra indirect income contribution and other asset provisions for possible future liabilities and impairments related with non-core financial investments and/or discontinued businesses.

Net invested capital
Million euros

	2011PF	2012
Net invested capital	**3.663**	**3.485**
Technical investment[1]	3.253	3.166
Financial investment	541	483
Goodwill	660	658
Working capital	-791	-822
Total shareholders funds	**1.700**	**1.669**
Total net debt[2]	**1.963**	**1.816**
Net debt / Invested capital	54%	52%

(1) Includes available for sale assets; (2) Financial net debt + net shareholder loans.

- The operating context in 2012 was influenced by the macroeconomic adjustment process carried out in Iberia, which has led to a significant reduction of private consumption, particularly evident in the most discretionary categories. For example, in the case of Portugal, private consumption is estimated to have decreased by circa 6% in 2012[1]. Against this backdrop, Sonae achieved market shares gains in its main business areas which, in parallel with the growing international activity, allowed for a consolidated **turnover** of 5,379 M€ (3%[2] below 2011).

- **Recurrent EBITDA margin** reached 11.1% in 2012, up by 0.4 p.p. against the previous year. This positive performance was determined by the EBITDA generation of the food retail and telecommunications businesses, enabling the company to reach a Consolidated Recurrent EBITDA of 597 M€ in 2012. **EBITDA** remained practically stable against 2011, a remarkable result as no capital gains associated with the sale & leaseback of stores were registered in 2012.

- During the year, **direct income** totalled 144 M€, 6% below the previous year, mainly as a result of higher financing costs. **Indirect results**[3], mostly as a result of the devaluation of Sonae Sierra's shopping centres in Iberia and Italy, significantly deteriorated in the period, from -27 M€ in 2011 to -72 M€ in 2012. As a result of the evolutions above, but also due to the non-existence of capital gains associated with sale of assets by Sonae RP (vs. 16 M€ registered in 2011), **Net income group share** was down to 33 M€ in 2012.

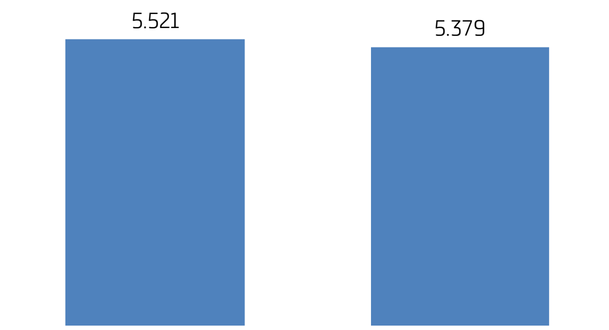
- During 2012, consolidated **Capex** for the group amounted to 292 M€ and was essentially allocated to the remodelling and maintenance of retail assets in Iberia and, in the case of Sonaecom, to the 4G network deployment.

- On 31st December, total **net debt** totalled 1,816 M€, which represents a y.o.y. reduction of 147 M€, despite the impact of the LTE spectrum acquisition made by Sonaecom (83 M€) and the payment of dividends to Sonae's shareholders. Sonae thus continued to strengthen its financial structure, with its debt decreasing sustainably y.o.y. over the last 13 quarters and representing, at the end of 2012, 52% of invested capital (2 p.p. lower than at the end of 2011). It is worth noting that the reduction in leverage during 2012 was achieved solely thanks to the improved organic cash flow generation of the businesses.

[1]Source: INE Monthly Economic Survey – December 2012
[2]The analysis excludes sales related to petrol stations (as Sonae has transferred the management of all of its petrol stations during 2011), and incorporates the change in the consolidation of Sonae Sierra and Geostar to the Equity Method (please refer to Methodological Notes in Section 12)
[3]Includes non-cash assets provisions related with non-core or discontinued businesses

4 TURNOVER

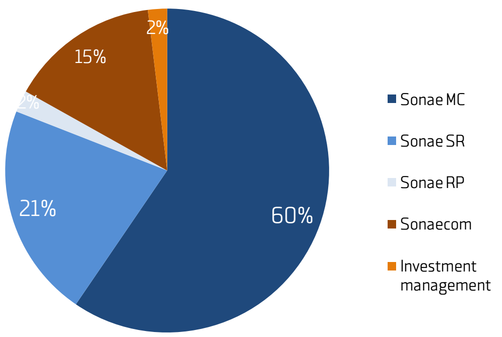
Turnover - Ex-fuel
Million euros



Turnover
Million euros

	2011PF	2012	Var
Turnover	5.541	5.379	-3%
Turnover (ex-fuel)	**5.521**	**5.379**	**-3%**
Sonae MC	3.327	3.281	-1%
Sonae SR	1.235	1.180	-4%
Sonae RP	119	120	0%
Sonaecom	864	825	-4%
Investment management	106	105	-1%
Eliminations & adjustments	-131	-133	-2%
Petrol stations	20	0	-100%

Turnover breakdown (2012)
% total turnover



During 2012, Sonae registered a **consolidated turnover** of 5,379 M€[4], a reduction of only 3% against the previous year**.** The most significant contributions for this evolution were the following:

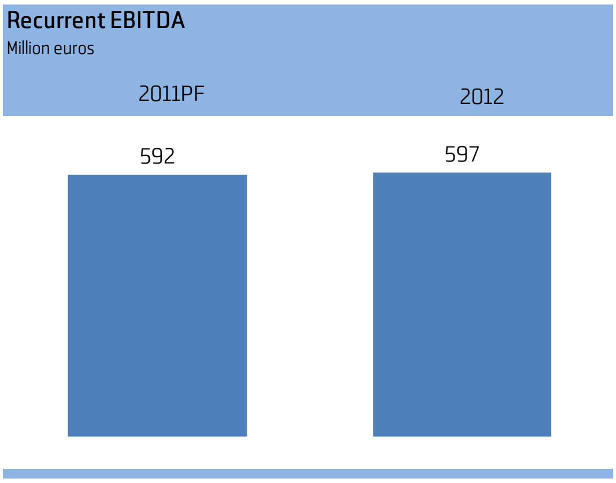
- **Sonae MC**'s turnover totalled 3,281 M€, 1.4% below 2011, reflecting the negative evolution in sales on an "LfL" basis (-2% in 2012). The market shares gains achieved in the year, with Sonae MC again strengthening its leading position in the Portuguese food retail sector, together with selective expansion of its sales area, allowed for a top line evolution well above market average. Continente's private label portfolio continued to increase its relative weight in Sonae MC's sales, representing in 2012 almost 31% of the turnover on FMCG categories, up by 2 p.p. against 2011. It is also worth highlighting the 16% y.o.y growth in online sales registered by Continente in 2012.

- **Sonae SR** with a 1,180 M€ turnover (-4.0% or -9.3% on an "LfL" basis), reflecting the negative sales behaviour in more discretionary categories in Iberia, which have further deteriorated in the 4Q12, and a lower level of expansion of sales area (+0.5% in 2012 vs. +15% in 2011). Sonae SR's sales in Portugal decreased by 8%, which was only partially compensated by the 5.8% turnover growth attained in the international markets. In the key consumer electronics segment, Worten increased, once again, the leadership in the Portuguese market. The sales outside Portugal, accounted for more than 28% of total sales in 2012, 3 p.p. above the figure registered in 2011. Sonae SR has further strengthened its international presence during the year, with openings of new Zippy franchised stores in Azerbaijan, Malta, the Dominican Republic and Venezuela.

- **Sonaecom** with revenues of 825 M€, 4% below 2011. The y.o.y. reduction results from decreases both at the level of product sales (-15.7%) and service revenues (-3.3%), with the latter evolution determined not only by the impact of the austerity measures over the level of telecoms expenditure but also by the lower level of regulated tariffs (mobile termination rates and roaming). It is worth noting the positive performance of the IT/IS division (SSI), with the respective service revenues up by 11% y.o.y. in 2012.

[4] See note 2 on previous page

5 RECURRENT EBITDA



Recurrent EBITDA Million euros	2011PF	2012	Var
Sonae	**592**	**597**	**1%**
Sonae MC	235	250	7%
Sonae SR	1	-25	-
Sonae RP	104	107	3%
Sonaecom	235	250	6%
Investment management	4	5	22%
Eliminations & adjustments	13	9	-30%

Recurrent EBITDA % of turnover	2011PF	2012	Var
Sonae	**10.7%**	**11.1%**	**0.4 p.p**
Sonae MC	7.0%	7.6%	0.6 p.p
Sonae SR	0.1%	-2.1%	-2.2 p.p
Sonae RP	87.2%	89.4%	2.2 p.p
Sonaecom	27.3%	30.2%	3.0 p.p
Investment management	4.2%	5.2%	1.0 p.p

In consolidated terms, the **Group´s recurrent EBITDA** totalled 597 M€, representing a profitability margin of 11.1%, a remarkable increase of 0.4 p.p. against 2011. In a difficult macroeconomic environment, this performance was supported by the widespread implementation of projects to improve the operating efficiency in our different business areas. In terms of performance per business, it is worth highlighting:

- **Sonae MC** with 250 M€ (+7% or 15 M€), representing a profitability of 7.6% over turnover (+0.6 p.p. compared to 2011), a remarkable outcome in the current context of reductions in consumption. Sonae MC was able to sustain its competitiveness during this period via a combination of focused promotional activities, leveraged on its customer loyalty card (which was involved in approximately 90% of the sales in the period), a rigorous cost control, a strict inventory management policy (with YE stock levels down by 15%) and further productivity gains delivered by the successful implementation of several internal initiatives.

- **Sonae SR**´s contribution totalled -25 M€ in the year, significantly worse than the +1 M€ recurrent EBITDA registered in 2011. The relevant cost savings and gains in efficiency obtained by the businesses during 2012 were not sufficient to compensate the large decreases in sales of discretionary categories in Iberia, which have further deteriorated in the 4Q12. Additionally, the Sports and Fashion divisions were negatively affected in turnover and margin by the restructurings that had to be implemented in the respective supply model during 2012. These efforts have, nevertheless, already allowed for an improved cash flow generation and significant reduction in stock levels.

- **Sonae RP** with 107 M€, 3 M€ above 2011, translating into a margin of 89.4% over sales, demonstrating the efficient management and continuous enhancement of the retail real estate assets in its portfolio (mainly comprised of stores operated by Sonae MC and Sonae SR). Sonae currently maintains a freehold level of approximately 77% of its food retail selling area and 26% of its non-food retail space (of which, circa 40% in Portugal and 5% in Spain)

- **Sonaecom**´s contribution totalled 250 M€ in 2012 (+6% or +15 M€), corresponding to a record sales margin of 30.2% (up by 3 p.p. against 2011), with all of its business divisions registering a positive growth in the respective EBITDA generation. It is particularly worth highlighting the growth of the already benchmark EBITDA margin obtained by the Optimus' mobile business (up by 4.8 p.p., to 43.1% in 2012), a performance clearly ahead of its main competitors.

6 SONAE SIERRA RESULTS

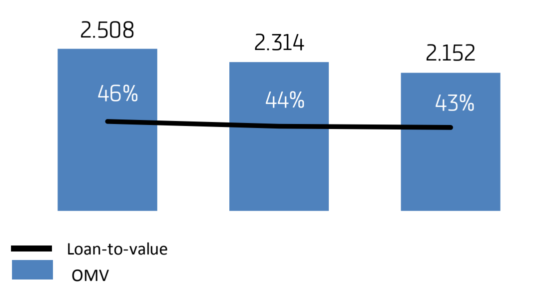
RESULTS OF ASSOCIATED COMPANIES

Sonae Sierra - Operational data	2011	2012	Var
Footfall (million visitors)	428	426	-
Europe	325	318	-
Brazil	103	107	-
Ocuppancy rate (%)	97%	96%	-0,8 p.p
Europe	96%	96%	-0,5 p.p
Brazil	99%	97%	-1,7 p.p
Tenant sales (million euros)	5.204	5.114	-1,7%
Europe	3.494	3.365	-3,7%
Brazil	1.709	1.749	2,3%
Nº of shopping centres owned/co-owned (EOP)	49	47	-2
Europe	39	39	0
Brazil	10	8	-2
GLA owned in operating centres ('000 m2)	1.924	1.930	0%
Europe	1.551	1.589	2%
Brazil	373	341	-9%

Sonae Sierra - Financial indicators	2011	2012	Var
Turnover	227	227	0%
EBITDA	113	116	3%
EBITDA margin	49,7%	51,2%	1,5 p.p
Direct result	61	63	3%
Indirect result	-51	-108	-110%
Net results	10	-46	-
... attributable to Sonae	5	-23	-

Sonae Sierra
Open Market Value (OMV) and leverage

2010 2011 2012



- In the context of a strong reduction in consumption levels in southern European countries, with inevitable impacts on the retail real estate occupancy rates, Sonae Sierra, maintained, at the end of 2012, an **overall occupancy rate** in its portfolio of 96%, a decrease of just 0.8 p.p. when compared to 2011. In the overall portfolio under management, tenant sales decreased by 1.7% mainly influenced by the economic conditions in Portugal and Spain, which drove tenant sales down by 3.7% in the European portfolio. This trend was partly offset by the continued strong operating performance in Brazil, with circa 8% growth in "LfL" tenant sales, in local currency terms, during 2012.

- Sonae Sierra's **turnover**[5] remained stable at 227 M€, with the negative evolution of rental income in Iberia compensated by the effect of the new openings, the growth attained in Brazil and the expansion of development services rendered to third parties.

- **EBITDA** grew to 116 M€ in 2012, 3% above the figure registered in 2011, reflecting the resilient top line performance and the gains in efficiency delivered by the cost control efforts across all areas of the company, which translated into a 51.2% EBITDA margin in the period, 1.5 p.p. above 2011.

- In the same period, Sonae Sierra registered negative **net results** of 46 M€, of which the share attributable to Sonae was -23 M€. These losses were solely determined by the negative impact of **indirect results**, -108 M€ during 2012, mainly due to average yields expansion in Portugal (+33 bps), Spain (+67 bps) and Italy (+35 bps), only partially compensated by the compression of yields and improved operational performance in Brazil. Importantly, Sierra's direct results increased y.o.y. by 2%, to 63 M€, again demonstrating the quality of its assets and the remarkable resilience of its operating performance.

- On 31st December 2012, the company´s **OMV** (Open Market Value) was 2.1 Bn€, down against 2011 largely because of the yields expansion referred above and of the asset sales completed in Brazil and Germany. In terms of portfolio, it is worth highlighting the 2 openings that occurred during 2012: "Le Terrazze" in Italy and "Uberlândia" in Brazil. The "Loan-to-value" ratio reduced from 44% to 43% at the end of December 2012, even after taking into account the development of projects under construction in Brazil and Germany. As a result of the above, Sonae Sierra's **Net Asset Value** was 1.05 Bn€ at the end of 2012.

[5] Financial indicators as published by Sonae Sierra on the 8th March 2013 (management accounts). Sonae holds a 50% stake in Sonae Sierra.

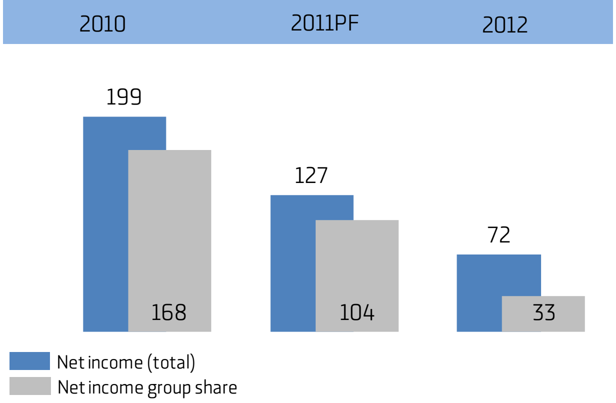
7 NET RESULTS

Consolidated results
Million euros

	2011PF	2012	Var
Recurrent EBITDA	592	597	1%
Recurrent EBITDA margin	10,7%	11,1%	0,4 p.p
EBITDA	602	600	0%
EBITDA margin	10,9%	11,2%	0,3 p.p
Depreciations & amortizations (1)	-368	-368	0%
EBIT	234	232	-1%
Net financial activity	-82	-94	-15%
Other items	-5	0	-
Shopping centers direct results	31	31	2%
EBT	178	169	-5%
Taxes	-24	-25	-5%
Direct results before non-controlling interests	154	144	-6%
Non-controlling interests	-23	-39	-70%
Diret income group share	131	105	-20%
Indirect results group share	-27	-72	-
Net income group share	104	33	-69%

(1) Includes provisions & impairments.

Net income
Million euros



- In 2012, **consolidated EBITDA** reached 600 M€, only 2 M€ bellow the previous year. This stabilization of the EBITDA generation, despite the absence of non-recurrent gains at Sonae RP (vs. 16 M€ registered in 2011), determined by the fact that no retail property sales were completed during 2012, was made possible by the improved operational performance of both Sonae MC and Sonaecom and by the capital gains registered by MDS (insurance brokerage subsidiary, incorporated under the Investment Management area) on the sale of part of its shareholding in Cooper Gay Swett & Crawford[6].

- **Net financial expenses** totalled 94 M€ in 2012, 15% above the figure registered in 2011, with the lower amount of average debt being more than compensated by the increase in interest costs, solely explained by the increase in credit spreads, as average Euribor rates have actually been lower in 2012 than in 2011. As a result, driven by the exposure to variable rates, the average interest rate of outstanding credit facilities at the end of 2012 has not deteriorated significantly when compared to December 2011 and stood at approximately 3%.

- **Earnings before taxes** reached 169 M€, 5% below 2011, with the higher net financial expenses more than offsetting the improved Recurrent EBITDA generation and the 2% growth in the direct contribution from Sonae Sierra.

- **Indirect Results** deteriorated significantly against 2011, mostly reflecting Sonae's share (50%) in Sonae Sierra's non-cash indirect results, the evolution of which was described in Section 6 of this report.

- **Net income attributable to the Group** was down against 2011 by 71 M€, mostly as a consequence of no capital gains being registered in the year (vs. 16 M€ registered in 2011) and the higher negative impact resulting from indirect results (down by 45 M€ y.o.y.).

[6] Please refer to "Subsequent Information" in the Corporate Information section of this Report.

8 INVESTED CAPITAL

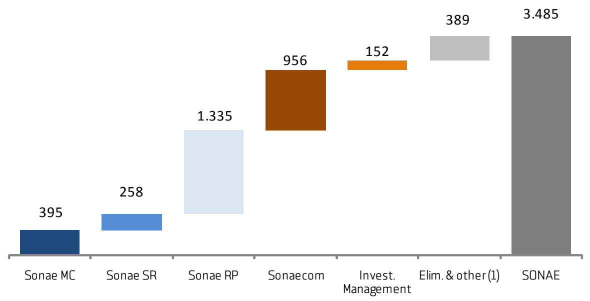
Capex
Million euros

	2011PF	2012	% of Turnover
Sonae	**429**	**292**	**5%**
Sonae MC	92	78	2%
Sonae SR	84	34	3%
Sonae RP	9	16	13%
Sonaecom	238	143	17%
Investment management	6	1	1%
Eliminations & adjustments	0	21	-
Recurrent EBITDA - CAPEX	**163**	**305**	**-**

Net invested capital
Million euros

	2011PF	2012
Invested capital	**3.663**	**3.485**
Technical investment	3.253	3.166
Financial investment	541	483
Goodwill	660	658
Working capital	-791	-822

Breakdown invested capital (2012)
Million euros



(1) includes the value of partnerships accounted as financial investments (including Sonae Sierra)

During the course of 2012, Sonae carried out a **total investment** of 292 M€, 137 M€ below the figure registered during 2011. This reduction is mostly justified by the impact of the LTE licence acquisition at Sonaecom at the end of 2011 (110 M€) and by the lower degree of international expansion carried out by Sonae SR during the current year.

The investment carried out in 2012 was essentially distributed among the following projects:

- Selective opening of new retail stores in Portugal, including 2 Continente Modelo, 5 Continente Bom Dia and 2 Worten stores;
- Consolidation of Sonae SR's store network in the international markets. At the end of 2012, Sonae SR's formats had a total of 146 stores outside of Portugal, including 20 under franchising agreements. The lower rate of store openings by Sonae SR's formats is clearly evidenced by the 50 M€ y.o.y. reduction on its CAPEX;
- Programmed remodelling of a number of retail units so as to ensure they remain as a reference in their respective catchment areas, with a particular emphasis in 2012 to the successful remodelling of the Continente stores in Cascais and Évora, under a completely new and innovative layout;
- Strengthening of the coverage and capacity of the Optimus´ mobile network. After securing the ideal combination of LTE spectrum bands at the end of 2011, Optimus' 4G/LTE network now covers 80% of the population, exceeding the coverage targets set for 2012;
- Also at Sonaecom, the acquisition by WeDo Technologies of Connectiv Solutions Inc, a US software company, an investment of 10 M€ made during the 2Q12, thus reinforcing WeDo's position in the global business assurance telecom market.

The increasing **cash-flow generation** of Sonae's business continues to be evidenced by the 142 M€ growth at the level (recurrent EBITDA - Capex) registered in 2012, when compared to 2011.

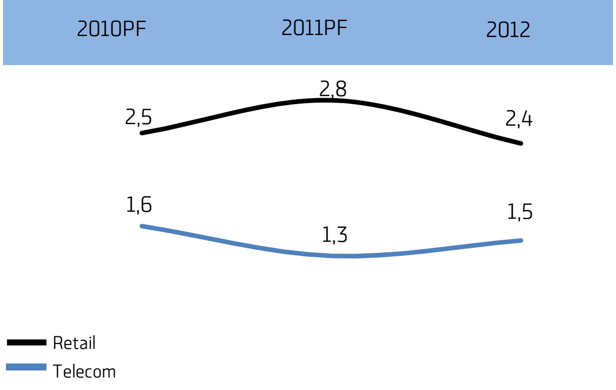
On 31st December 2012, Sonae´s overall **net invested capital** was 3,485 M€, of which circa 57% is invested in the retail businesses, corresponding to Sonae RP an overall asset portfolio with a book value of 1,335 M€, mostly comprised of stores operated by Sonae MC and Sonae SR. It is important to note that the level of freehold of food retail stores stands currently at 77%, a value above the average of our European peers. Sonaecom´s contribution to the previously mentioned invested capital was 956 M€, 129 M€ above the same period last year, essentially as a result of the investments carried out in the development of its 4G network.

9 CAPITAL STRUCTURE

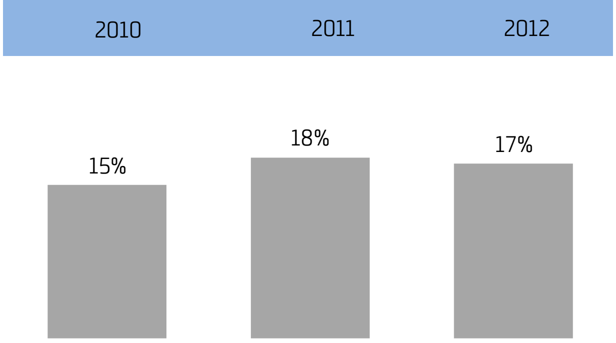
Net debt
Million euros

	2011PF	2012	Var
Net financial debt	**1.931**	**1.802**	**-129**
Retail units	1.001	796	-204
Sonaecom	310	361	51
Investment management	23	27	4
Holding & other	597	618	20
Shareholder loans	**32**	**15**	**-17**
Total net debt	**1.963**	**1.816**	**-147**

Capital structure
Net debt to EBITDA



Capital Structure
Loan-to-value (%) - Holding



As at the end of 2012, Sonae´s **net financial debt** amounted to 1,802 M€, translating into a reduction of 129 M€ or 7%, over the course of the last 12 months. This was possible despite the impact resulting from the initial payment (83 M€), made in the beginning of 2012, relative to the acquisition of the LTE spectrum by Sonaecom and the continuation of Sonae and Sonaecom's dividend policy. This evolution is all the more significant when considered over the last 3 years (a cumulative reduction of circa 338 M€ on total net debt), which is particularly remarkable when considering the strong investments in international expansion carried out during this period and the total dividends paid in that period.

In relation to the debt profile, it should be noted that the transactions completed during 2012 enabled Sonae to complete the refinancing program of its medium and long-term credit facilities maturing until the end of 2013, as well as to partially ensure the refinancing of debt maturities in 2014.

At the end of December 2012, consolidated net debt represented 52% of capital employed which compares with 54% at the end of 2011. In terms of allocation per business, the following is worth highlighting:

- The **retail units** net debt totalled 796 M€, 204 M€ below YE11, exclusively as a result of the business' strong capacity to generate cash-flow as no sale & leaseback of retail real estate assets were completed during 2012. This reduction in net debt has more than compensated the lower EBITDA generation, determined by the performance of the non-food businesses, allowing for a significant improvement of the Net Debt to recurrent EBITDA ratio from 2.8x at the end of 2011 to 2.4x at the end of 2012;

- **Sonaecom´s** net debt increased by 51 M€ to 361 M€, exclusively due to the initial payment foreseen under LTE spectrum acquisition (83 M€) and the circa 25 M€ dividends distribution made during the first half of the year. The Net Debt to recurrent EBITDA ratio increased from 1.3x to 1.5x at the end of 2012, with the previously explained higher net debt level more than offsetting the very positive EBITDA performance;

- The **holding net debt** increased circa 20 M€, to 618 M€, at end of December 2012, mostly driven by the impact of the dividend payment made in 2012 (circa 66 M€). The "loan-to-value" ratio of the holding remains at conservative levels and registered a slight improvement from 18% at YE11 to 17% in December 2012.

10 CORPORATE INFORMATION

4Q12 main corporate events

On **October 4th**, **Sonae Sierra Brasil** ("SSB"), a Sonae Sierra subsidiary, announced the **acquisition of an additional stake** of 9.5% in the "Franca Shopping" centre for an amount of R$9 million (bringing its total stake in that asset to 76.9%). Subsequently, on **November 5**, the company announced the agreement for the **sale of its ownership interests in 3 non-strategic shopping centres** - 51% in "Shopping Penha", 30% in "Tivoli Shopping" and 10.4% in "Pátio Brasil Shopping" - for a total of R$212.9 million (approximately 81 M€). These transactions were fully aligned with SSB's strategy of focusing on the control of dominant shopping centres in the region and recycling capital from mature, non-dominant assets to projects with greater development potential.

On **October 15th**, **Sonae SR** further strengthened its international presence with the opening of its first store in **Latin America**. This first step towards establishing international presence in the region took place with the opening of a "Zippy" store in the Dominican Republic, under a franchising agreement with the Phoenix Group. The expansion plan for Latin America envisages the opening of 25 Zippy stores by 2016.

On **November 19th**, the **Sierra Fund** sold its 100% interest in the shopping centre Münster Arkaden (Germany) to Aachener Grundvermögen. Through this sale the Sierra Fund allowed its investors to capitalize on the high demand for high quality shopping centres in Germany. Following this transaction, Sonae Sierra will continue to be responsible for the management of Münster Arkaden.

On **December 14th**, **Sonaecom**, Kento Holding and Unitel International Holdings reached an agreement to recommend to the Boards of Zon Multimédia, SGPS, SA and Optimus SGPS, SA a **merger between the two companies**, based on the incorporation of Optimus SGPS into Zon. The companies have further agreed that they would consider an exchange ratio based on a valuation of Zon corresponding to 150% of Optimus SGPS as acceptable for the transaction.

Subsequent information

On **January 16th**, Sonae's controlled company, MDS SGPS, SA, after obtaining all the required approvals, executed the partial **sale of its shareholding in Cooper Gay Swett & Crawford Limited**, a transaction which had been agreed in October 2012. With this transaction, MDS had a capital inflow of approximately USD 27.1 M and accounted for a capital gain of circa 15 M€.

On **February 15th** Sonae and France Telecom ("FT-Orange") executed an agreement whereby, respectively, a **call and put option** was granted over the 20% stake in Sonaecom's share capital presently held by a subsidiary of FT-Orange. Sonae's call option may be exercised during an 18-month period and FT-Orange's put option within the subsequent 3-month period. The price for the exercise of both options is of 98.9 M€, which may be increased up to 113.5 M€ in case Sonaecom or Optimus participate in any consolidation process within a 24-month period.

On **March 7th**, the **Extraordinary Shareholder Meetings** of Optimus SGPS and Zon **approved the merger project** by incorporation between the 2 companies, under the terms that had been approved by the respective Boards on January 21st. The implementation of the merger is now conditional upon the prior fulfilment of the following conditions: (i) the non-opposition from the Competition Authority; (ii) the issuance of a statement waiving the obligation to launch a mandatory takeover bid by the Portuguese Securities and Exchange Commission; and (iii) the fulfilment of the remaining administrative and corporate formalities applicable or necessary to the completion of the merger.

11 OUTLOOK AND DIVIDEND PROPOSAL

Outlook for 2013

In 2013, Iberian economies are expected to continue to face the majority of the headwinds presented in 2012, with public consolidation efforts determining material tax increases over personal income and corporations, which will again inevitably lead to a further reduction in disposable income and rising levels of unemployment. Consequently, a further reduction of internal economic activity is widely expected for both Portugal and Spain.

During 2013, **Sonae MC** will continue to focus on delivering the best value proposal to consumers in Portugal, thus aiming for sales performance above market average and, consequently, to again reinforce its market share. Exposure to more discretionary categories is expected to determine a further reduction in sales density at **Sonae SR**. However, cost saving efforts, the expected growth in the franchising area and in online sales, the optimisation of its store portfolio and the benefits of the restructuring of the Sports and Fashion divisions carried out in 2012, should translate into an improved cash flow generation during the current year.

In terms of our core partnerships, **Sonae Sierra** will have to face a new drop of private consumption in southern Europe, which is expected to progressively impact on its rental revenues in these markets. The exposure to Brazil and growing services business should at least partially compensate these effects during 2013. The company will also continue to pursue opportunities to recycle capital from mature projects to new developments in geographic areas with growth potential.

2013 will be an important year for **Sonaecom**, with the expected completion of the merger between Optimus and Zon. The combination of the 2 companies is expected to generate significant synergies over time and open new growth opportunities for the enlarged operation, thus creating value for all stakeholders.

As a Group, we will continue to explore international growth opportunities and leverage our exceptional asset base in Portugal, strengthening our competitive positions and innovating with new projects in adjacent business areas. Despite the investments to be carried out, the continuation of our dividend policy and the impact of the consumption retraction, we will also continue along the deleveraging path, aiming to reach the end of 2013 with a further reduction in consolidated net debt.

Proposed distribution of dividends

In view of the net results for the financial year 2012, the Board of Directors will propose at the Shareholders' Annual General Meeting a gross dividend of 0.0331 Euros per share, an amount equal to the previous year. This dividend corresponds to a dividend yield of 4.8% on the closing price as at 31st December 2012 and to a payout ratio of 63% of the consolidated direct net income attributable to equity holders of Sonae.

Sonae provides additional operating and financial information in Excel format.
Click here to be taken to the information directly or visit our website (www.sonae.pt)

12 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 and was subject to audit procedures.

The accounting standard IFRS 11 - Joint Arrangements changes the accounting method of joint-controlled investments, namely eliminating the possibility of proportional consolidation of entities that fall under the concept of joint-ventures, as is the case of Sonae Sierra and Geostar. Under these terms, Sonae has decided, as it is already possible under the current standards, in anticipation of the requirement for this change to be implemented for annual reporting periods beginning on 1st January 2014 and in order to facilitate a future comparison of its financial reporting, to start reporting Sonae Sierra and Geostar according to the Equity Method (the only possible method according to this new standard) from 1st January 2012.

During the 1Q12, in line with best practices in the telecoms sector, Sonaecom changed its accounting criteria for costs related to customers' loyalty contracts. Until then, these costs were recorded as an expense in the year they occurred. From 1 January 2012, the costs incurred from customers' loyalty contracts are capitalised and amortised over the period of their respective contracts, as it was possible to apply reliable cost allocation to the respective contracts, thus fulfilling the criteria for capitalisation required under IAS 38.

Accordingly, the 2011 results of Sonae were restated to reflect these accounting changes.

Glossary

CAPEX	Investments in tangible and intangible assets and investments in acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
Direct income	Results excluding contributions to indirect income
EBIT	EBT + financial results + shopping centres' direct results + other items
EBITDA	Turnover + other revenues - impairment reversal - negative goodwill - operating costs (based on direct net income) - provisions for warranty extensions + gain/losses from sales of companies + non-recurrent stock impairments
EBITDA margin	EBITDA / Turnover
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
GLAs	Gross Leasable Area: equivalent to the total area available to be rented in the shopping centres

Glossary (cont.)

Indirect income	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 (including goodwill) and; (iv) provision for assets at risk; and other asset provisions for possible future liabilities and impairments related with non-core financial investments and/or discontinued businesses
Net Invested capital	Total net debt + total shareholder funds
Investment properties	Shopping centres in operation 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 capitalization for listed companies
"Loan to value" Shopping Centres	Net debt / (investment properties + properties under development)
LTE	"Long Term Evolution" is a standard for wireless communication of high-speed data for mobile phones and data terminals developed by the Third Generation Partnership Project, an industry trade group. LTE provides significantly increased capacity and speed for wireless broadband, using new modulation techniques.
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
Other income	Share of results of associated undertakings + dividends
Other loans	Bonds, leasing and derivatives
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by an independent entity
RoIC (Return on invested capital)	EBIT(12 months) /Net invested capital
ROE (Return on equity)	Total net income $_{n}$ (equity holders)/ Shareholders' Funds $_{n-1}$ (equity holders)
Recurrent EBITDA	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations

Consolidated Income Statement

Consolidated Income Statement Million euros	2011PF(1)	2012	Var	4Q11PF	4Q12	Var
Turnover	5.541	5.379	-2,9%	1.518	1.443	-4,9%
Recurrent EBITDA(2)	592	597	0,7%	174	160	-7,9%
Recurrent EBITDA margin	10,7%	11,1%	0,4 p.p	11,5%	11,1%	-0,4 p.p
EBITDA	602	600	-0,3%	174	169	-2,6%
EBITDA margin	10,9%	11,2%	0,3 p.p	11,4%	11,7%	0,3 p.p
Depreciations & amortizations(3)	-368	-368	-0,1%	-105	-97	7,2%
EBIT	234	232	-0,8%	69	72	4,3%
Net financial Activity	-82	-94	-15,4%	-22	-25	-12,0%
Other items(4)	-5	0	94,1%	-3	-2	36,3%
Shopping centres direct results	31	31	2,4%	9	8	-3,6%
EBT	178	169	-4,9%	52	53	2,1%
Taxes	-24	-25	-5,1%	-14	-16	-18,4%
Direct results before non-controlling interests	154	144	-6,5%	38	37	-3,6%
Non-controlling interests	-23	-39	-70,4%	0	-11	-
Direct results group share	131	105	-19,9%	39	26	-32,3%
Indirect results group share(5)	-27	-72	-	-19	-58	-
Net income group share	104	33	-68,7%	20	-32	-

(1) The 2011 results were restated to reflect (i) the change in the consolidation method applicable to Sonae Sierra and Geostar, currently registered according to the Equity Method; and (ii) the change made by Sonaecom in the accounting criteria for costs related to customers' loyalty contracts. For further information please refer to the Methodological Notes in Section 12; (2) EBITDA excluding non-recurrent items; (3) Includes provisions, impairments, reversion of impairments and negative goodwill; (4) Share of results of associated undertakings + dividends; (5) Includes Sonae's Sierra indirect income contribution and other asset provisions for possible future liabilities and impairments related with non-core financial investments and/or discontinued businesses.

Consolidated Balance Sheet

Balance sheet Million euros	2011PF	2012	Var
TOTAL ASSETS	6.317	6.035	-4,5%
Non current assets	**4.747**	**4.615**	**-2,8%**
Tangible and intangible assets	3.252	3.166	-2,7%
Goodwill	660	658	-0,2%
Other investments	575	516	-10,2%
Deferred tax assets	222	225	1,3%
Others	38	50	30,4%
Current assets	**1.570**	**1.421**	**-9,5%**
Stocks	651	538	-17,2%
Trade debtors	175	171	-2,3%
Liquidity	426	378	-11,4%
Other(1)	318	334	4,9%
SHAREHOLDERS' FUNDS	1.700	1.669	-1,9%
Equity holders	1.364	1.319	-3,3%
Attributable to minority interests	337	350	3,9%
LIABILITIES	4.616	4.367	-5,4%
Non-current liabilities	**2.164**	**2.026**	**-6,4%**
Bank loans	401	364	-9,3%
Other loans	1.389	1.323	-4,8%
Deferred tax liabilities	134	137	2,1%
Provisions	91	114	25,7%
Others	148	88	-40,4%
Current liabilities	**2.453**	**2.341**	**-4,6%**
Bank loans	227	66	-71,1%
Other loans	373	461	23,5%
Trade creditors	1.245	1.222	-1,8%
Others	609	593	-2,6%
SHAREHOLDERS' FUNDS + LIABILITIES	6.317	6.035	-4,5%

(1)Includes assets available for sale.

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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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