

SONAE

2012

PRELIMINARY  
RETAIL SALES  
TRADING STATEMENT



IMPROVING LIFE

# 1 HIGHLIGHTS

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**Sonae's retail formats reach 1 million m<sup>2</sup> of total sales area at the end of 2012, delivering a turnover of €4.5 billion and strengthening market positions in the year**

## SONAEMC

- Turnover reduced by just 1.4%, being mitigated by market share gains
- "Like-for-like" sales declined by 2.0%, with the 4<sup>th</sup> quarter impacted by the evolution of non-food categories
- 16% y.o.y. growth in online sales, with [continente.pt](http://continente.pt) again elected in 2012 as the best e-commerce website in Portugal

## SONAESR

- Turnover down by 4.5%, with a "like-for-like" sales decrease of 9.3%, reflecting the negative evolution of non-food consumption witnessed in Iberia
- International sales grow by 5.8%, already representing 28% of Sonae SR's sales in the year, with the Zippy format expanding to new 4 countries in 2012, under franchising agreements
- Worten continued to strengthen its position in the Iberian consumer electronics market
- Revision of supply models allows for a reduction of more than 60 M€ on stock levels

"As predicted, 2012 was a challenging year for retailers exposed to private consumption in Iberia. The reduction in disposable income of families and rising unemployment have caused consumers to adapt and lower their consumption patterns, with impacts particularly evident in the most discretionary consumption categories.

Given this backdrop, we are pleased with the sales performance achieved by our retail formats, which was, in most cases, in line with our initial expectations for the year. In terms of food retail, Sonae MC's turnover was down by just 1.4% y.o.y., basically thanks to gains in market share, which was only possible by the constant delivery of the best value propositions to Portuguese consumers and an emphasis on our distinctive promotional tools. Sonae SR's formats continued to address the significant market demand reductions, by redefining their respective supply models, adapting their offering and, importantly, with the key electronics division being able to increase its market share.

The macroeconomic uncertainties and the low levels of consumer confidence force us to remain cautious in terms of the evolution of retail sales in Portugal and Spain during 2013. Notwithstanding these uncertainties, our relatively resilient performance and the accomplishments we attained in 2012 gives us confidence in the capacity of our teams to continue to improve the competitive position of our retail formats."

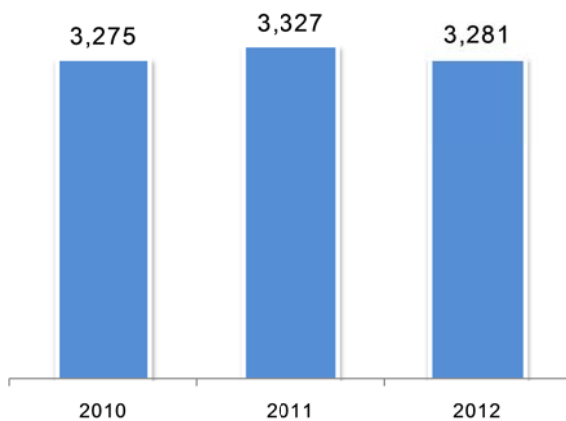
Paulo Azevedo, CEO Sonae

Note: the 2012 values included in this report are still subject to audit procedures

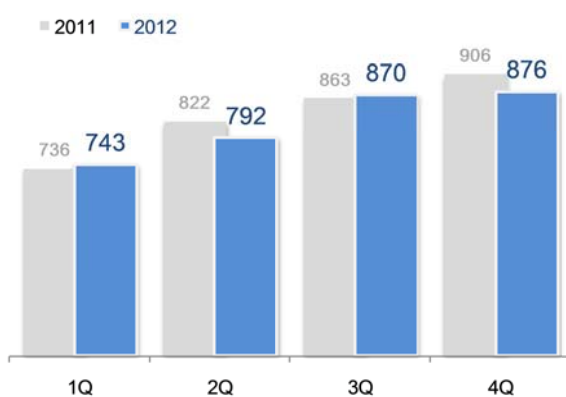
## 2 SALES PERFORMANCE

Turnover			
Million euros			
	2011	2012	y.o.y
Sonae retail	4,562	4,461	-2.2%
Sonae MC	3,327	3,281	-1.4%
Sonae SR	1,235	1,180	-4.5%

Sonae MC turnover – yearly trend



Sonae MC turnover – quarterly trend



Within a challenging macro context in Portugal, where, for example, private consumption is estimated to have decreased by approximately 6% in 2012<sup>1</sup>, **Sonae MC** was able to strengthen its market share in the food retail sector<sup>2</sup>. Given the significant increase in the promotional activity in the market, this was only possible thanks to:

- the commitment to support the consumer in the current adverse conditions, ensuring the most attractive value proposition in the market at all times;
- the success of Continente’s loyalty programme, currently with more than 3.2 million active cards, which enabled an efficient consumer profiling and targeted promotions;
- the capacity to rapidly respond to changes in consumer habits, namely via the continuous investment in the private label programme, which now covers more than 3.6 thousand references;
- the expansion of the sales area by 2%, including 2 new “Continente Modelo” stores, 5 “Continente Bom Dia” stores and 16 new franchised “Meu Super” stores. It is also worth noting the negative impacts over the sales area and total sales arising from the closure of 1 “Continente” store in Portimão, due to the fire accident occurred in that retail park during September 2012;
- the 16% y.o.y. growth in online sales, with continente.pt again elected in 2012 as the best e-commerce website in Portugal<sup>3</sup>.

As a result of these developments, Sonae MC’s turnover totalled 3,281 M€ in 2012, 1.4% below the previous year.

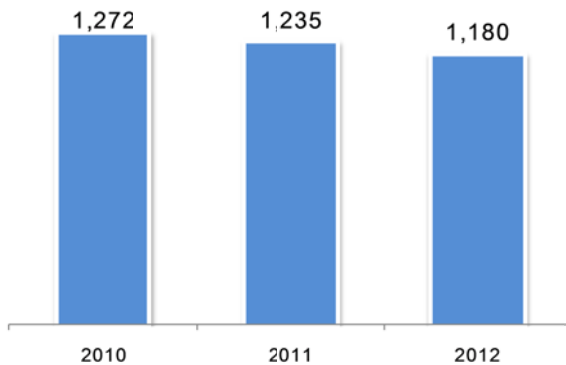
<sup>1</sup> Source: INE Monthly Economic Survey – December 2012

<sup>2</sup> For example, A.C.Nielsen’s Homescan 2012 YTD evolution until 2 December estimated +0.6 p.p. market share gain for Continente

<sup>3</sup> Source: PC Guia magazine

## 2 SALES PERFORMANCE (cont'd)

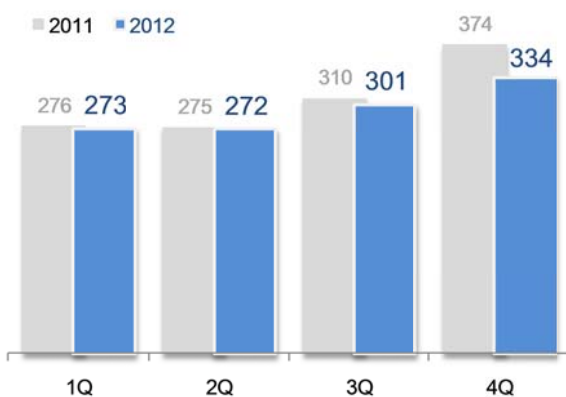
Sonae SR turnover – yearly trend



**Sonae SR's** turnover was down by 4.5%, reflecting a further reduction in sales per square meter in the Iberian markets, basically driven by the general reductions in private consumption, and a lower level of expansion of its sales area (+0.5% in 2012 vs. +15% in 2011).

Sales from the various Sonae SR formats in Portugal decreased by circa 8%, which was only partly compensated by the 5.8% turnover growth attained in the international markets. Sales outside of Portugal represented more than 28% of total sales in 2012, 3 p.p. above the figure registered in 2011, with the Spanish operations still accounting for the bulk of these revenues.

Sonae SR turnover – quarterly trend



The consumer electronics segment, which represented approximately 70% of Sonae SR's sales during 2012, continued to strengthen its leadership position in Portugal, with an estimated gain of 2 p.p. of market share<sup>4</sup>. Worten has also taken important steps towards the objective of achieving a sizeable market position in Iberia.

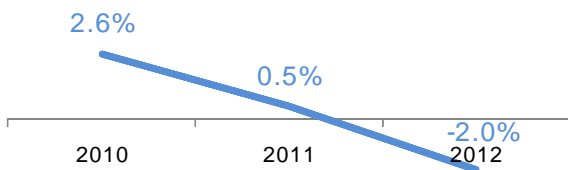
Importantly, the deep improvements of the supply model that are being implemented by Sonae SR, adapting them to the prevailing decreases and uncertainties in consumption levels, have already allowed for a reduction of more than 60 M€ of stock levels at the end of 2012, when compared to the YE11.

Sonae SR has further strengthened its international presence in the year, including the signature of new franchising agreements of its Zippy brand for Latin America, with a forecasted opening of 25 stores until 2016, and for the Caucasus region. Importantly, new openings of Zippy stores were completed during 2012 in Azerbaijan, Malta, Dominican Republic and Venezuela, widening the presence of Sonae SR's formats to a total of 10 countries.

<sup>4</sup>Source: GfK, November 2012 YTD

# 3 LFL SALES EVOLUTION

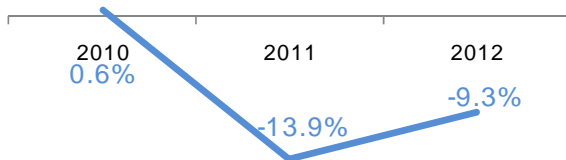
## Sonae MC LfL sales growth <sup>(1)</sup>



(1) Sonae MC revenues do not include any fuel sales. Sonae has transferred to third parties the operation of petrol station until November 2011

Sonae MC posted a 2.0% decline of sales on a comparable store universe basis ("like-for-like"), with the 4Q12 performance impacted by the evolution of the non-food categories. This "Lfl" sales performance was driven both by lower volumes and by the impacts of the prevailing trading down being carried by consumers in Portugal. The contribution of the private label portfolio continues to increase, reaching a representativeness of almost 31% in sales of FMCG categories during 2012 (an increase of +2 p.p. against 2011).

## Sonae SR LfL sales growth



Sonae SR like-for-like turnover was down by 9.3%, reflecting the negative evolution of sales witnessed in Iberia during the course of 2012. The austerity measures in Iberia have translated into a significant decrease in disposable income, impacting private consumption levels, which was particularly felt, as expected, in the discretionary categories. In terms of evolution per country, the "Lfl" sales performance of Sonae SR's formats was negative by approximately 8% in Portugal, reflecting, nevertheless, a significant improvement against the evolution in 2011. In Spain, "Lfl" sales were down by circa 13% in the year, almost in line with the trends experienced in 2011. Despite these less favourable evolutions, we continue to estimate that Sonae SR's formats are behaving better in terms of sales performance than the market average, particularly in the key electronics segment.

Like for like sales = 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 considered

# 4 NUMBER OF STORES AND SALES AREA

	Number of stores						Sales area ('000 m2)					
	31 Dec 2011	Stores opened	M&A	Banner changes	Stores closed	31 Dec 2012	31 Dec 2011	Stores opened (3)	M&A	Banner changes	Stores closed	31 Dec 2012
<b>Sonae MC</b>	<b>454</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>-8</b>	<b>478</b>	<b>564</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>575</b>
<b>COMPANY OPERATED</b>	<b>432</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>-6</b>	<b>440</b>	<b>547</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>554</b>
Continente	40	0	0	-1	-1	38	288	-3	0	-2	-4	278
Continente Modelo	105	2	0	1	0	108	208	8	0	2	0	218
Continente Bom Dia	26	5	0	0	0	31	22	7	0	0	0	29
Well's	138	3	0	0	0	141	12	0	0	0	0	13
Bom Bocado	96	4	0	0	-4	96	5	1	0	0	-1	5
Book.it	18	0	0	0	-1	17	6	0	0	0	0	5
Others <sup>(1)</sup>	9	0	0	0	0	9	6	0	0	0	0	6
<b>FRANCHISING</b>	<b>22</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>38</b>	<b>17</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>
Continente Modelo	6	0	0	0	0	6	15	0	0	0	0	15
Meu Super	9	18	0	0	-2	25	2	4	0	0	0	6
Well's	4	0	0	0	0	4	0	0	0	0	0	0
Bom Bocado	2	0	0	0	0	2	0	0	0	0	0	0
Book.it	1	0	0	0	0	1	0	0	0	0	0	0
<b>Sonae SR</b>	<b>562</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>-24</b>	<b>568</b>	<b>423</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>425</b>
<b>COMPANY OPERATED <sup>(2)</sup></b>	<b>541</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>-22</b>	<b>537</b>	<b>415</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>415</b>
<b>Electronics division</b>	<b>227</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-8</b>	<b>224</b>	<b>219</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>220</b>
Portugal	187	2	0	0	-7	182	128	1	0	0	-2	127
Worten	134	2	0	3	-1	138	123	1	0	2	-1	126
Others	53	0	0	-3	-6	44	5	0	0	-2	-1	1
Spain	40	3	0	0	-1	42	91	4	0	0	-2	93
Worten	40	3	0	0	-1	42	91	4	0	0	-2	93
<b>Sports division</b>	<b>120</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>119</b>	<b>110</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-7</b>	<b>111</b>
Portugal	84	2	0	0	-4	82	65	1	0	0	-1	66
Sport Zone	74	2	0	0	-1	75	64	1	0	0	0	65
Others	10	0	0	0	-3	7	1	0	0	0	0	1
Spain	36	6	0	0	-5	37	44	7	0	0	-6	45
Sport Zone	36	6	0	0	-5	37	44	7	0	0	-6	45
<b>Fashion division</b>	<b>194</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>194</b>	<b>87</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>85</b>
Portugal	147	3	0	0	-3	147	71	1	0	0	-3	69
Modalfa	107	3	0	0	-3	107	58	2	0	0	-3	56
Zippy	40	0	0	0	0	40	14	0	0	0	0	14
Spain	45	2	0	0	-2	45	15	1	0	0	-1	15
Zippy	45	2	0	0	-2	45	15	1	0	0	-1	15
Turkey	2	0	0	0	0	2	1	0	0	0	0	1
Zippy	2	0	0	0	0	2	1	0	0	0	0	1
<b>FRANCHISING</b>	<b>21</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>31</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>10</b>
<b>Electronics division</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
Portugal	4	0	0	0	0	4	2	0	0	0	0	2
Worten	4	0	0	0	0	4	2	0	0	0	0	2
<b>Sports division</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Portugal	2	0	0	0	0	2	1	0	0	0	0	1
Sport Zone	2	0	0	0	0	2	1	0	0	0	0	1
<b>Fashion division</b>	<b>15</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>25</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>7</b>
Portugal	5	0	0	0	0	5	1	0	0	0	0	1
Modalfa	5	0	0	0	0	5	1	0	0	0	0	1
Saudi Arabia	5	2	0	0	0	7	2	0	0	0	0	2
Zippy	5	2	0	0	0	7	2	0	0	0	0	2
Turkey	0	4	0	0	0	4	0	1	0	0	0	1
Zippy	0	4	0	0	0	4	0	1	0	0	0	1
Malta	0	3	0	0	0	3	0	1	0	0	0	1
Zippy	0	3	0	0	0	3	0	1	0	0	0	1
Other countries <sup>(4)</sup>	5	3	0	0	-2	6	2	1	0	0	-1	2
Zippy	5	3	0	0	-2	6	2	1	0	0	-1	2

(1) Includes outlet; (2) Includes controlled joint-ventures;

(3) Includes changes in sales area due to refurbishments; (4) Includes Spain, Dominican Republic, Venezuela, Egypt, Kazakhstan and Azerbaijan.

# 5 ADDITIONAL INFORMATION

Breakdown per geography	Number of stores			Sales Area ('000 m2)		
	31	31	y.o.y	31	31	y.o.y (%)
	Dec 2011	Dec 2012		Dec 2011	Dec 2012	
<b>Portugal</b>	<b>883</b>	<b>900</b>	<b>17</b>	<b>834</b>	<b>842</b>	<b>1%</b>
Sonae MC	432	440	8	547	554	1%
Sonae MC (franchising)	22	38	16	17	21	23%
Sonae SR	418	411	-7	265	262	-1%
Sonae SR (franchising)	11	11	0	4	4	7%
<b>International</b>	<b>133</b>	<b>146</b>	<b>13</b>	<b>154</b>	<b>158</b>	<b>3%</b>
Sonae SR	123	126	3	150	153	2%
Sonae SR (franchising)	10	20	10	4	5	43%
<b>Total</b>	<b>1,016</b>	<b>1,046</b>	<b>30</b>	<b>988</b>	<b>1,001</b>	<b>1%</b>

## Preliminary turnover & growth - quarterly trend

	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
<b>Turnover (million euros)</b>								
Sonae retail	1,012	1,097	1,173	1,280	1,016	1,064	1,171	1,210
Sonae MC	736	822	863	906	743	792	870	876
Sonae SR	276	275	310	374	273	272	301	334
<b>Sonae SR turnover per country (million euros)</b>								
Portugal	204	209	226	280	182	196	219	248
International <sup>(1)</sup>	72	66	84	94	91	76	83	86
<b>LfL sales growth (%)</b>								
Sonae MC	-2.3%	4.7%	-0.4%	0.0%	1.1%	-4.6%	-0.3%	-3.7%
Sonae SR	-11.5%	-14.0%	-12.8%	-16.5%	-12.1%	-6.8%	-5.5%	-12.3%

(1) Includes sales to franchisees

## SAFE HARBOUR

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

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

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

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

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SONAE is listed on the Euronext Stock Exchange.  
Information may also be accessed on Reuters under the symbol **SONP.IN** and on Bloomberg under the symbol **SONPL**.

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