



SONAE

2015

PRELIMINARY

RETAIL SALES

TRADING STATEMENT



**sonae**

# 1 HIGHLIGHTS AND MESSAGES FROM THE CEOs

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## In 2015, Sonae Retail businesses registered positive turnover trends

### SONAE MC

- 2015 turnover increased 0.8%, to €3,490 M
- turnover grew y.o.y. by 1.8% in the 4Q15 and 3.4% in December 2015
- Meu Super surpassed the 200 store target

*“Sonae MC experienced an increase in turnover during the last quarter of 2015, principally in December, outperforming the trends of the previous quarters. This is the result of a large number of measures aimed at reinforcing the value proposition of Sonae MC, whilst improving price perception so as to be compatible with the real price positioning of our stores.*

*We have managed to achieve such a performance, in a year marked by a very demanding competitive environment in the Portuguese food retail market.”*

*Luís Moutinho, CEO of Sonae MC*

### SONAE SR

- increased turnover by 0.4%, to €1,294 M and reached LfL of -1.1% in 2015
- improved consolidated sales per sqm by 4.1% in 2015
- Worten registered a strong 4Q15 in Portugal, reaching LfL sales growth of 3.4%

*“Sonae SR had a particularly challenging year, driven by the difficulties in the sports and fashion division and the turnaround of the Spanish operations.*

*The sports and fashion division business was affected in 2015 by the negative impact of the Spring-Summer collection and the late start of winter. Despite this, we began to see some encouraging signs in the last quarter of the year.*

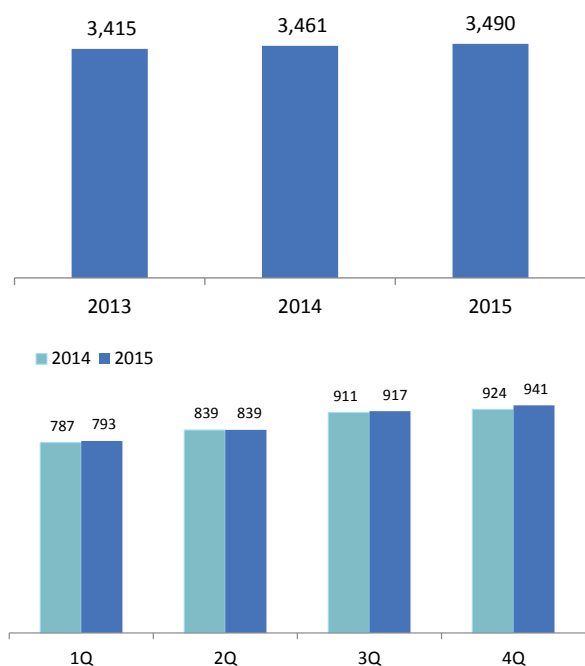
*In Portugal, the electronics business reinforced its market leadership and improved top line performance in the last quarter of the year. In Spain, where we have been implementing a complex reorganisation plan, turnover increased, in spite of the reduction in square metres. I would particularly like to highlight the recent store refurbishment of Worten Sant Antoni, in Barcelona, as an example of a successful new store concept.”*

*Miguel Mota Freitas, CEO of Sonae SR*

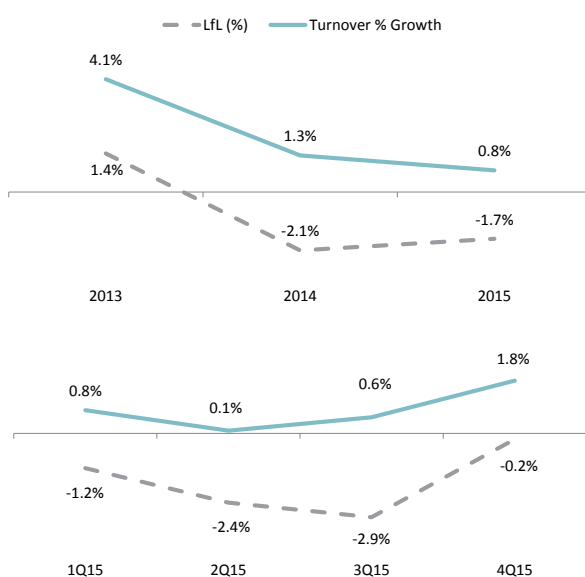
## 2 SALES PERFORMANCE

Turnover						
Million euros	2014	2015	y.o.y	4Q14	4Q15	y.o.y
<b>Sonae Retail</b>	<b>4,814</b>	<b>4,850</b>	0.7%	<b>1,316</b>	<b>1,334</b>	1.4%
Sonae MC	3,461	3,490	0.8%	924	941	1.8%
Sonae SR	1,290	1,294	0.4%	376	377	0.2%
Other <sup>1</sup>	63	65	3.6%	16	16	3.2%

Sonae MC turnover – yearly and quarterly performance



Sonae MC turnover – yearly and quarterly growth



**Sonae Retail** turnover increased by 0.7% in 2015, to €4,850 M, with all of the businesses contributing positively.

**Sonae MC** turnover reached €3,490 M, benefiting from store network expansion, mostly through an increase in convenience stores. During the last year, Sonae MC opened 11 Continente Bom Dia and 2 Continente Modelo stores, increasing the number of square metres by 3.5% when compared to 2014. In quarterly terms, turnover increased by 1.8%, to €941 M, benefiting from Continente's special Christmas campaign.

On a like-for-like basis, the 4Q15 showed a positive trend when compared to the previous quarters of 2015, improving from -2.9% in the 3Q15 to -0.2% in the 4Q15, despite the very strong competitive environment seen in the Portuguese food retail market. Most importantly, it should be noted that Lfl sales growth was 1.0% in December 2015, equivalent to a turnover growth of 3.4%.

The number of Meu Super stores has continued to grow, reaching 205 stores and posting Lfl sales growth of 5.7% in 2015. In addition to increasing Sonae MC's convenience store networks through a capital light approach, Meu Super has been contributing towards the revival and modernisation of traditional food retail in Portugal.

Some of the most important milestones of the year are as follows:

- the positive performance of Sonae MC's e-commerce division, which increased turnover by 7.9% y.o.y.. With the intention of supporting this operation, Sonae MC opened an e-commerce warehouse in the Lisbon area, in December. Furthermore, in keeping with our principles of fostering digital innovation, Continente online launched an app designed for smartphones and tablets in the 4Q15;
- the launch of Cartão Universo, a credit card with an innovative value proposition that combines new payment solutions with new loyalty features;
- the company's adjustment in price communication, aimed at improving price perception, coupled with the launch of improvement programmes focused on new promotions, on our own brand portfolio, perishables and services.

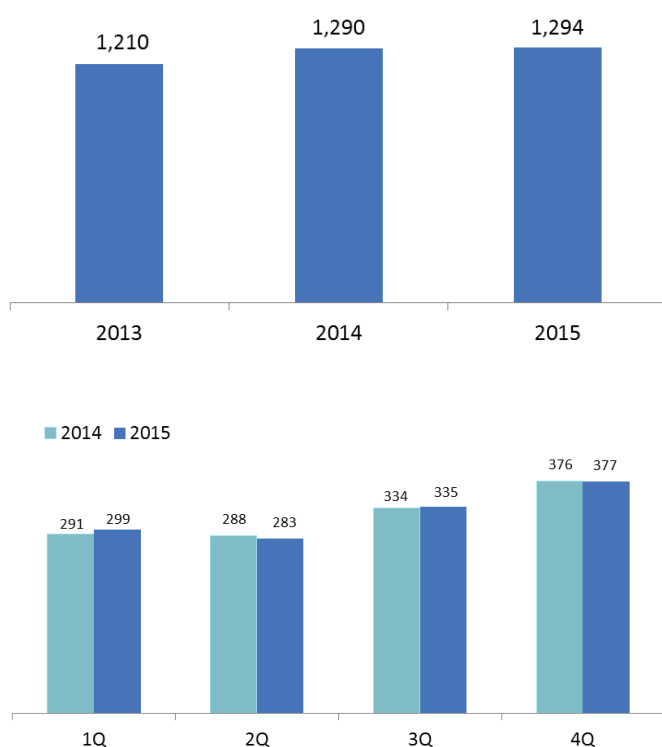
<sup>1</sup> In the retail business identified as 'Other', Sonae is including the turnover performance of Maxmat. In 2015, Maxmat increased turnover by 3.6%, to €65 M, benefiting from the success of its discount positioning.

## 2 SALES PERFORMANCE (continued)

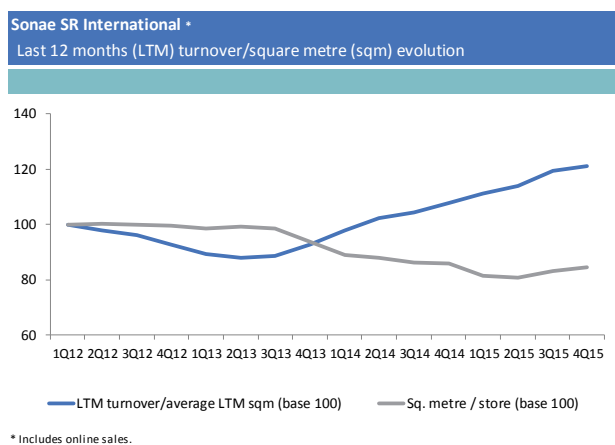
Turnover - Sonae SR						
Million euros	2014	2015	y.o.y.	4Q14	4Q15	y.o.y.
<b>Turnover</b>	<b>1,290</b>	<b>1,294</b>	0.4%	<b>376</b>	<b>377</b>	0.2%
Portugal	930	917	-1.5%	278	278	0.2%
International <sup>1</sup>	359	378	5.1%	99	99	0.2%

<sup>1</sup> Includes sales to franchisees.

### Sonae SR turnover – yearly and quarterly performance



### Sonae SR turnover – international sales per square metre



**Sonae SR** turnover totalled €1,294 M, with the positive contribution of the international markets compensating for the evolution of the Portuguese unit, with the latter impacted by the performance of the fashion division mostly during the first quarters of 2015. Nevertheless, despite the unfavourable weather conditions leading to a late start in the season, the Autumn-Winter collection showed positive signs in the 4Q15, particularly in the baby wear division. The electronics division in Portugal posted strong results with Worten reaching LfL sales growth of 3.4% in the 4Q15 and reinforcing its position in the Portuguese consumer electronics market, further increasing market share by approximately 0.6 p.p.<sup>2</sup>

**Sonae SR** sales per sqm continued their increasing trend, averaging 4.1% in 2015. There was a decrease from 522 to 505 in the number of company operated stores, equivalent to a reduction of 5.7% in sqm.

The consolidated International unit increased turnover by 5.1% y.o.y., to €378 M, growing sales per square metre by approximately 12.1%, driven by the positive trends of the electronics and sports divisions in Spain. In electronics, the business is benefiting not only from the market tailwinds but also, and more specifically, from the optimisation of the store portfolio along with the expansion of the new store concept, supported by the omni-channel approach. In sports, sales have continued to grow, reaching 5.2% on a like-for-like basis in 2015, proving that the measures implemented over the last quarters are driving positive results.

Some of the most important milestones of the year are as follows:

- the acquisition of **Losan**, in November 2015, a company which is specialised in wholesale kids wear with a strong international presence and key expertise in the textile value chain. Losan sales were already fully consolidated in Sonae SR accounts as of December 2015, with minor impact;
- Worten has been proving its success path in Spain, particularly with the newest store concept implemented in St. Antoni (Barcelona);
- the implementation of the Omni-channel strategy in Worten is showing very positive results, with a completely integrated system strongly converting online sales to offline sales and vice-versa. Omni-channel represented 21.4% of Worten sales and grew by 33.5% during 2015.

<sup>2</sup> According to GFK survey YTD: approx. +0.6 p.p. (until November 2015) market share for Worten Portugal.

# 3 NUMBER OF STORES AND SALES AREA

	No. of stores						Sales area ('000 sqm)					
	31 Dec 2014	stores opened	M&A	banner changed	stores closed	31 Dec 2015	31 Dec 2014	stores opened (3)	M&A	banner changed	stores closed	31 Dec 2015
<b>Sonae MC</b>	640	120	0	0	-14	746	639	37	0	0	-2	673
<b>Company operated <sup>(1)</sup></b>	478	36	0	0	-5	509	595	24	0	0	0	619
contigente	40	0	0	0	0	40	284	-1	0	0	0	283
contigente modelo	121	2	0	0	0	123	241	5	0	0	0	246
contigente bom dia	41	11	0	0	0	52	42	16	0	0	0	58
well's	147	8	0	0	-3	152	13	3	0	0	0	16
bom bocado / bagga	102	9	0	0	0	111	6	1	0	0	0	6
note / make notes	20	6	0	0	-1	25	6	1	0	0	0	6
other <sup>(2)</sup>	7	0	0	0	-1	6	4	0	0	0	0	4
<b>Franchising</b>	162	84	0	0	-9	237	43	13	0	0	-2	54
contigente modelo	7	0	0	0	0	7	17	0	0	0	0	17
meu super	140	73	0	0	-8	205	25	12	0	0	-2	35
well's	9	6	0	0	0	15	1	0	0	0	0	1
bom bocado / bagga	4	1	0	0	0	5	0	0	0	0	0	0
note	2	4	0	0	-1	5	0	0	0	0	0	1
<b>Sonae SR</b>	595	44	0	0	-54	585	398	6	0	0	-27	377
<b>Company operated <sup>(1)</sup></b>	522	16	0	0	-33	505	377	1	0	0	-21	357
<b>Electronics</b>	228	8	0	0	-9	227	199	-1	0	0	-9	189
Portugal	181	1	0	0	-5	177	123	-4	0	0	-1	118
worten	139	0	0	0	-1	138	121	-4	0	0	-1	116
worten mobile	42	1	0	0	-4	39	1	0	0	0	0	1
Spain	47	7	0	0	-4	50	76	3	0	0	-8	72
worten	47	7	0	0	-4	50	76	3	0	0	-8	72
<b>Sports</b>	111	3	0	0	-6	108	101	1	0	0	-6	95
Portugal	77	0	0	0	-2	75	64	-1	0	0	-1	62
sport zone	77	0	0	0	-2	75	64	-1	0	0	-1	62
Spain	34	3	0	0	-4	33	36	2	0	0	-5	33
sport zone	34	3	0	0	-4	33	36	2	0	0	-5	33
<b>Fashion</b>	183	5	0	0	-18	170	78	1	0	0	-6	72
Portugal	146	2	0	0	-2	146	67	0	0	0	-1	66
mo	108	2	0	0	-2	108	55	0	0	0	-1	54
zippy	38	0	0	0	0	38	13	0	0	0	0	12
Spain	35	3	0	0	-14	24	10	1	0	0	-4	7
zippy	35	3	0	0	-14	24	10	1	0	0	-4	7
Turkey	2	0	0	0	-2	0	1	0	0	0	-1	0
zippy	2	0	0	0	-2	0	1	0	0	0	-1	0
<b>Franchising</b>	73	28	0	0	-21	80	20	6	0	0	-5	21
<b>Electronics</b>	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
<b>Sports</b>	4	5	0	0	0	9	2	2	0	0	0	4
Portugal	3	1	0	0	0	4	2	0	0	0	0	2
sport zone	3	1	0	0	0	4	2	0	0	0	0	2
Spain	1	0	0	0	0	1	0	0	0	0	0	0
sport zone	1	0	0	0	0	1	0	0	0	0	0	0
India	0	3	0	0	0	3	0	1	0	0	0	1
sport zone	0	3	0	0	0	3	0	1	0	0	0	1
France	0	1	0	0	0	1	0	1	0	0	0	1
sport zone	0	1	0	0	0	1	0	1	0	0	0	1
<b>Fashion</b>	65	23	0	0	-21	67	17	4	0	0	-5	15
Portugal (mo)	5	0	0	0	0	5	1	0	0	0	0	1
<b>Other countries</b>	60	23	0	0	-21	62	15	4	0	0	-5	14
zippy <sup>(4)</sup>	47	17	0	0	-14	50	10	2	0	0	-3	10
mo <sup>(5)</sup>	13	6	0	0	-7	12	5	2	0	0	-3	4
<b>Maxmat</b>	30	0	0	0	0	30	56	-2	0	0	0	54

(1) Includes Joint-Ventures;

(2) Includes outlet;

(3) Includes changes in sales area due to refurbishments;

(4) Includes Turkey, Saudi Arabia, Egypt, Kazakhstan, Azerbaijan, Dominican Republic, Malta (2014), United States (2014), Venezuela, Morocco, Lebanon, Qatar, St. Maarten, Jordan, Armenia, Chile, Georgia, Equator, Cyprus, Kurdistan, Libya, Tunisia, Philippines and Mozambique;

(5) Includes Spain, Malta (2014), Bulgaria, Mozambique and Saudi Arabia.

# 4 ADDITIONAL INFORMATION

Breakdown per geographic area	No. of stores			Sales area ('000 sqm)		
	31	31	y.o.y.	31	31	y.o.y. (%)
	Dec 2014	Dec 2015		Dec 2014	Dec 2015	
<b>Portugal</b>	<b>1,086</b>	<b>1,187</b>	<b>101</b>	<b>954</b>	<b>978</b>	<b>2.6%</b>
Sonae MC	478	509	31	595	619	3.9%
Sonae MC (franchising)	162	237	75	43	54	24.9%
Sonae SR	404	398	-6	254	246	-3.3%
Sonae SR (franchising)	12	13	1	5	5	7.3%
other	30	30	0	56	54	-3.3%
<b>International</b>	<b>179</b>	<b>174</b>	<b>-5</b>	<b>139</b>	<b>127</b>	<b>-8.8%</b>
Sonae SR	118	107	-11	123	111	-10.1%
Sonae SR (franchising)	61	67	6	15	16	2.2%
<b>Total</b>	<b>1,265</b>	<b>1,361</b>	<b>96</b>	<b>1,093</b>	<b>1,105</b>	<b>1.1%</b>

Preliminary turnover & growth						
Million euros	2014	2015	y.o.y.	4Q14	4Q15	y.o.y.
<b>Turnover</b>						
Sonae Retail	4,814	4,850	0.7%	1,316	1,334	1.4%
Sonae MC	3,461	3,490	0.8%	924	941	1.8%
Sonae SR	1,290	1,294	0.4%	376	377	0.2%
Portugal	930	917	-1.5%	278	278	0.2%
International <sup>1</sup>	359	378	5.1%	99	99	0.2%
Other	63	65	3.6%	16	16	3.2%
<b>LFL sales growth (%)</b>						
Sonae MC	-2.1%	-1.7%	-	-2.8%	-0.2%	-
Sonae SR	4.6%	-1.1%	-	-1.2%	-0.1%	-

<sup>1</sup> Includes sales to franchisees.

Preliminary turnover & growth - quarterly trend								
Million euros	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
<b>Turnover</b>								
Sonae Retail	1,092	1,142	1,264	1,316	1,107	1,138	1,270	1,334
Sonae MC	787	839	911	924	793	839	917	941
Sonae SR	291	288	334	376	299	283	335	377
Portugal	201	208	243	278	203	200	235	278
International <sup>1</sup>	91	79	90	99	96	83	100	99
Other	14	15	18	16	15	16	19	16
<b>LFL sales growth (%)</b>								
Sonae MC	-2.3%	-0.3%	-2.9%	-2.8%	-1.2%	-2.4%	-2.9%	-0.2%
Sonae SR	6.0%	10.8%	5.1%	-1.2%	2.6%	-3.0%	-3.5%	-0.1%

<sup>1</sup> Includes sales to franchisees.

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## SAFE HARBOUR

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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.

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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.  
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