

SONAE

2014

PRELIMINARY RETAIL SALES

TRADING STATEMENT



IMPROVING LIFE

1 HIGHLIGHTS

Sonae Retail formats 2014 turnover increased 3%

SONAE MC

Grew its market share and increased turnover, in a particularly difficult competitive environment

- Sonae MC increased its turnover by 1.3%, to 3,461 M€, backed by expansion of own stores sales area of 2.1%
- Improved leading market share by 1.1 p.p.

SONAE SR

Reached positive like-for-like (LFL) sales in all businesses

- Sonae SR turnover increased 6.6% y.o.y., to 1,290 M€
- All businesses improved sales per sqm averaging 10.4%

“2014 sales growth was achieved despite the strong deflationary and competitive pressures in the Portuguese food market.

At Sonae MC, turnover increased 1.3%, to 3,461 M€. Sonae MC continued implementing its strategy, leveraging on the success of its loyalty program, reinforcing the value for money of its products and continuing its expansion, both through new stores and through franchising opportunities. According to the latest market information available Continente has reinforced its market share yet again by 1.1 p.p..

Sonae SR turnover grew 6.6% when compared to 2013, despite the area reductions, essentially due to the pick-up of consumer spending in Iberia and the success of the new (and on average smaller) store concepts implemented in new and refurbished stores. The combined effect allowed for an average growth of sales productivity of 10.4% in the year.

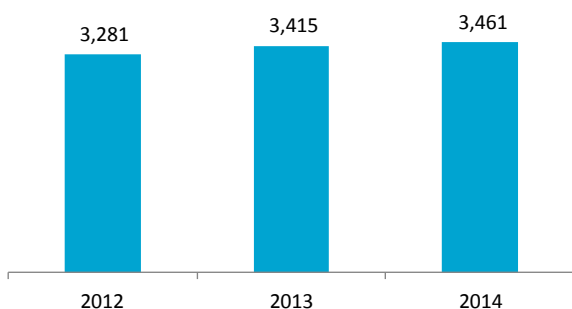
Turnover of our retail companies outside Iberia grew by 54%. We believe Sonae has the conditions to continue growing most of its formats and profit from the current positive trend in discretionary consumption in Iberia.”

Paulo Azevedo, CEO

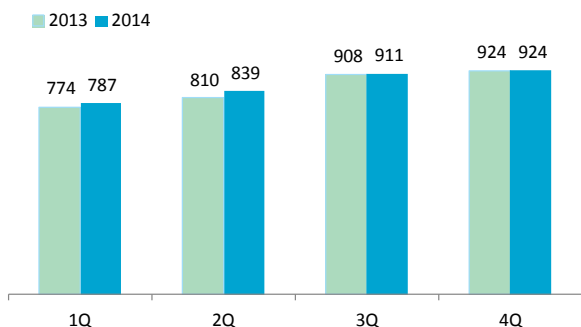
2 SALES PERFORMANCE

Turnover						
Million euros	2013	2014	y.o.y	4Q13	4Q14	y.o.y
Sonae Retail	4,626	4,751	2.7%	1,307	1,300	-0.5%
Sonae MC	3,415	3,461	1.3%	924	924	0.0%
Sonae SR	1,210	1,290	6.6%	383	376	-1.8%

Sonae MC turnover – yearly trend



Sonae MC turnover – quarterly trend



Sonae Retail turnover grew 2.7%, to 4,751 M€ in 2014, benefiting from a positive trend of both food and non food businesses. Sonae MC and Sonae SR ended 2014 increasing turnover by 1.3% and 6.6%, respectively.

Sonae MC ended 2014 with a turnover increase of 1.3%, strengthening its market share in the food retail sector¹.

In quarterly terms, 4Q14 was flat when compared to the same quarter last year. In 4Q13, sales were boosted by an abnormal level of promotion activity.

As main milestones of the year, we highlight:

- the ability to rapidly respond to changes in consumer habits, having the highest variety of private label references (the private label portfolio represented in 2014 approximately 30% of the turnover of FMCG categories), as well as other supplier brands;
- the company's new focus in communicating Continente real price advantage, with a renewed communication campaign, along with the continuous improvement of the value for money of our products and services;
- Continente loyalty card, representing more than 90% of our sales, a tool that shows our true commitment to household savings, targeting promotions and boosting customer's loyalty;
- the expansion of the sales area and the positive contribution of franchising opportunities. Sonae MC has opened 19 new stores in 2014 and it should be noted that Meu Super reached 140 stores, with its formats increasing visibility on the Portuguese market;
- Sonae MC's ecommerce platform, with a growth of 10% in online sales.

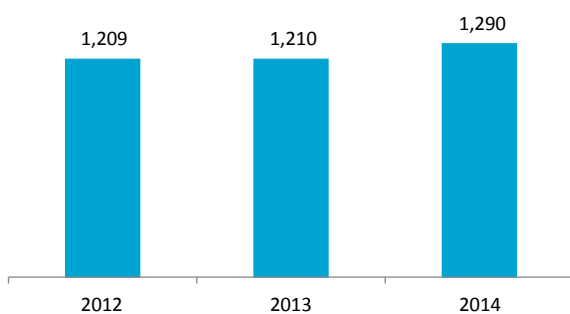
¹ For example, A.C.Nielsen's Homescan 2014 YTD evolution until 30 November estimated +1.1 p.p. market share gain for Continente.

2 SALES PERFORMANCE (cont.)

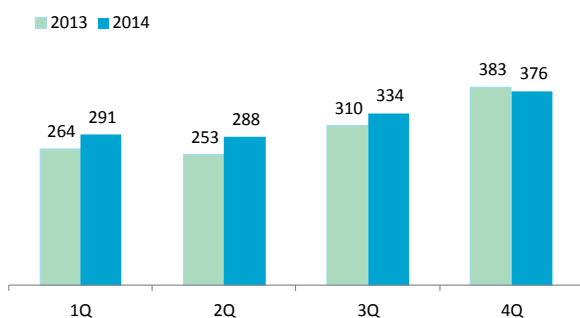
Turnover - Sonae SR						
Million euros	2013	2014	y.o.y.	4Q13	4Q14	y.o.y.
Sonae SR	1,210	1,290	6.6%	383	376	-1.8%
Portugal	877	930	6.1%	279	278	-0.6%
International ¹	333	359	7.8%	104	99	-4.9%

¹ Includes sales to franchisees.

Sonae SR turnover – yearly trend



Sonae SR turnover – quarterly trend



Sonae SR turnover totalled 1,290 M€, increasing 6.6% y.o.y.. This improvement was achieved thanks to the measures implemented over the last years, namely the development and roll-out of new concepts in the four businesses, rightsizing of the stores network, implementation of the omni-channel strategy, already in place at Worten, and reinforcement of the international businesses on a “capital light” approach. In several circumstances, the new stores concept includes the reduction of GLA, which has been driving up sales per sqm. During 2014, sales per sqm improved across all Sonae SR businesses, both in Portugal and Spain. In Portugal, **Sonae SR turnover** increased to 930 M€, 6.1% above 2013, enhanced by the performance of all formats. Internationally, **Sonae SR turnover** increased 7.8% y.o.y., and stood at 359 M€. The 4Q14 maintained significant increases in sales per sqm but with a slower pace than previous quarters. More specifically, Worten posted an increase of 5% and Sport Zone and MO grew 6% and 4%, respectively. This was the result of a weaker start of the season in apparel and a weaker Christmas in electronics.

Regarding the four businesses in 2014, we highlight the following:

- **Worten** reinforced its position in the Portuguese consumer electronics market, increasing market share by approximately 1 p.p.². Also, online sales grew in Iberia by more than 60%;
- **Sport Zone** presented positive LFL sales growth both in Portugal and in Spain and strengthened its “capital light” international expansion with the opening of the first franchise store in Ceuta (Spain);
- **MO** registered double digit growth on a LFL basis, backed by the success of its new value proposition which includes brand, store and product improvements;
- **Zippy** started a partnership with Continente loyalty card at the end of third quarter, giving new saving solutions to the Portuguese families. Additionally, in the 4Q14, Zippy launched its online store, providing complementarity and convergence between the physical stores and the new online store.

Finally, Sonae SR strengthened in 2014 its international expansion by opening 9 stores and, besides this, by entering in 5 new countries under franchising agreements: Bulgaria and Mozambique with the MO format, Chile, Georgia and Armenia with the Zippy format.

² For example, GFK survey YTD: approx. +1p.p. (until November 2014) market share for Worten Portugal.

3 SALES EVOLUTION

Sonae MC sales growth

Yearly performance				
	2011	2012	2013	2014
LfL (%)	0.5%	-2.0%	1.4%	-2.1%
Turnover % Growth	1.6%	-1.4%	4.1%	1.3%

Quarterly performance				
	1Q14	2Q14	3Q14	4Q14
LfL (%)	-2.3%	-0.3%	-2.9%	-2.8%
Turnover % Growth	1.7%	3.5%	0.4%	0.0%

Sonae MC turnover in 2014 improved by 1.3% despite the 2.1% decrease on a LfL basis. This result was achieved despite the strong competition witnessed in the Portuguese food retail sector, marked by very high levels of promotional activity.

Sonae SR sales growth

Yearly performance				
	2011	2012	2013	2014
LfL (%)	-13.9%	-9.3%	-3.8%	4.6%
Turnover % Growth	-3.1%	-5.2%	0.1%	6.6%

Quarterly performance				
	1Q14	2Q14	3Q14	4Q14
LfL (%)	6.0%	10.8%	5.1%	-1.2%
Turnover % Growth	10.2%	13.8%	7.9%	-1.8%

Sonae SR turnover grew 6.6% in 2014, reaching a LfL sales evolution of 4.6%. It should be noted that on a LfL basis, **Sonae SR** recorded positive results across all businesses in 2014, in which we draw attention to the two digit growth of MO.

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

	N. of stores						Sales area ('000 sqm)					
	31 Dec 2013	stores opened	M&A	banner changed	stores closed	31 Dec 2014	31 Dec 2013	stores opened (3)	M&A	banner changed	stores closed	31 Dec 2014
Sonae MC	548	103	0	0	-11	640	613	27	0	0	-1	639
Company operated ⁽¹⁾	465	19	0	0	-6	478	583	12	0	0	0	595
contiente	40	0	0	0	0	40	285	-1	0	0	0	284
contiente modelo	118	3	0	0	0	121	235	6	0	0	0	241
contiente bom dia	36	5	0	0	0	41	35	6	0	0	0	42
well's	146	6	0	0	-5	147	13	0	0	0	0	13
bomocado	100	2	0	0	0	102	5	0	0	0	0	6
note	18	2	0	0	0	20	5	0	0	0	0	6
other ⁽²⁾	7	1	0	0	-1	7	4	0	0	0	0	4
Franchising	83	84	0	0	-5	162	30	15	0	0	-1	43
contiente modelo	6	1	0	0	0	7	15	2	0	0	0	17
meu super	70	75	0	0	-5	140	14	12	0	0	-1	25
well's	4	5	0	0	0	9	0	1	0	0	0	1
bomocado	2	2	0	0	0	4	0	0	0	0	0	0
note	1	1	0	0	0	2	0	0	0	0	0	0
Sonae SR	579	39	0	0	-23	595	412	1	0	0	-15	398
Company operated ⁽¹⁾	521	16	0	0	-15	522	395	-4	0	0	-14	377
Electronics	223	9	0	0	-4	228	211	-5	0	0	-7	199
Portugal	179	3	0	0	-1	181	126	-3	0	0	-1	123
worten	138	2	0	0	-1	139	125	-3	0	0	-1	121
worten mobile	41	1	0	0	0	42	1	0	0	0	0	1
Spain	44	6	0	0	-3	47	84	-2	0	0	-6	76
worten	44	6	0	0	-3	47	84	-2	0	0	-6	76
Sports	110	5	0	0	-4	111	104	2	0	0	-5	101
Portugal	76	2	0	0	-1	77	64	1	0	0	0	64
sport zone	76	2	0	0	-1	77	64	1	0	0	0	64
Spain	34	3	0	0	-3	34	40	1	0	0	-4	36
sport zone	34	3	0	0	-3	34	40	1	0	0	-4	36
Fashion	188	2	0	0	-7	183	80	-1	0	0	-2	78
Portugal	146	2	0	0	-2	146	67	0	0	0	0	67
mo	108	1	0	0	-1	108	55	0	0	0	0	55
zippy	38	1	0	0	-1	38	12	0	0	0	0	13
Spain	40	0	0	0	-5	35	12	-1	0	0	-2	10
zippy	40	0	0	0	-5	35	12	-1	0	0	-2	10
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
Franchising	58	23	0	0	-8	73	17	4	0	0	-1	20
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	2	2	0	0	0	4	1	1	0	0	0	2
Portugal	2	1	0	0	0	3	1	0	0	0	0	2
sport zone	2	1	0	0	0	3	1	0	0	0	0	2
Spain	0	1	0	0	0	1	0	0	0	0	0	0
sport zone	0	1	0	0	0	1	0	0	0	0	0	0
Fashion	52	21	0	0	-8	65	14	4	0	0	-1	17
Portugal (mo)	5	0	0	0	0	5	1	0	0	0	0	1
Other countries	47	21	0	0	-8	60	13	4	0	0	-1	15
zippy ⁽⁴⁾	35	18	0	0	-6	47	8	3	0	0	-1	10
mo ⁽⁵⁾	12	3	0	0	-2	13	4	1	0	0	-1	5

(1) Includes Joint-Ventures;

(2) Includes outlet;

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

(4) Includes Spain, Turkey, Saudi Arabia, Egypt, Kazakhstan, Azerbaijan, Malta, Dominican Republic, Venezuela, Morocco, Lebanon, Qatar, St. Maarten, United States, Jordan, Armenia, Chile, Equator and Georgia;

(5) Includes Spain, Malta, Bulgaria and Mozambique.

5 ADDITIONAL INFORMATION

Breakdown per geography	N. of stores			Sales area ('000 sqm)		
	31	31	y.o.y.	31	31	y.o.y. (%)
	Dec 2013	Dec 2014		Dec 2013	Dec 2014	
Portugal	960	1,056	96	875	898	2.6%
Sonae MC	465	478	13	583	595	2.1%
Sonae MC (franchising)	83	162	79	30	43	46.4%
Sonae SR	401	404	3	258	254	-1.4%
Sonae SR (franchising)	11	12	1	4	5	8.8%
International	167	179	12	150	139	-7.2%
Sonae SR	120	118	-2	137	123	-9.9%
Sonae SR (franchising)	47	61	14	13	15	21.9%
Total	1,127	1,235	108	1,025	1,036	1.1%

Preliminary turnover & growth						
Million euros	2013	2014	y.o.y.	4Q13	4Q14	y.o.y.
Turnover						
Sonae Retail	4,626	4,751	2.7%	1,307	1,300	-0.5%
Sonae MC	3,415	3,461	1.3%	924	924	0.0%
Sonae SR	1,210	1,290	6.6%	383	376	-1.8%
Portugal	877	930	6.1%	279	278	-0.6%
International ¹	333	359	7.8%	104	99	-4.9%
LFL sales growth (%)						
Sonae MC	1.4%	-2.1%	-	1.1%	-2.8%	-
Sonae SR	-3.8%	4.6%	-	5.0%	-1.2%	-

¹ Includes sales to franchisees.

Preliminary turnover & growth - quarterly trend								
Million euros	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Turnover								
Sonae Retail	1,038	1,063	1,217	1,307	1,079	1,127	1,245	1,300
Sonae MC	774	810	908	924	787	839	911	924
Sonae SR	264	253	310	383	291	288	334	376
Portugal	186	183	229	279	201	208	243	278
International ¹	79	70	81	104	91	79	90	99
LFL sales growth (%)								
Sonae MC	2.6%	0.5%	1.6%	1.1%	-2.3%	-0.3%	-2.9%	-2.8%
Sonae SR	-8.8%	-11.5%	-2.6%	5.0%	6.0%	10.8%	5.1%	-1.2%

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

Media and Investor Contacts

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

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

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

SONAE 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**

Sonae
Lugar do Espido Via Norte
4471-909 Maia
Portugal
Tel.: +351 22 948 7522
Fax: +351 22 940 4634