



SONAE

9 MONTHS RESULTS 2015

SONAE

1 HIGHLIGHTS and CEO's message

- Sonae MC further strengthened its value proposition, posting a 6.0% EBITDA margin, despite the very aggressive competitive environment
- Sonae SR Spanish division delivered a positive performance, with sales per square metre increasing 13.8%
- NOS improved the y.o.y. financial trends backed by a strong operational performance
- Sierra increased its direct results by 17.6%, reflecting the overall improved operational performance, despite the adverse impact of the depreciation of the Brazilian Real

"During the 3rd quarter, the evolution of economic activity in our principal markets was markedly different, remaining modest in Portugal, more robust in Spain and under significant pressure in Brazil.

Within this context, our businesses also performed differently, with Sonae MC operating in an extremely aggressive competitive environment but maintaining good levels of profitability and making progress in strengthening its value proposition, aiming at further recognition concerning its price leadership, the results of which are expected to be evident in the coming quarters.

In the electronics sector, the Iberian Peninsula markets performed in contrast to one another, the market contraction in Portugal was partially offset by another quarter with market share gains, while the contribution of the Spanish operation has improved significantly.

In the Sports & Fashion division, which was affected during this period from the negative impact of the Spring/Summer collection, there have been positive signs in relation to the new collection indicating a promising outlook, particularly in the Spanish market.

Sonae Sierra has taken important steps in relation to its capital recycling strategy and its increased investment exposure in new shopping centres. Although the company has not disclosed the positive impact of the valuation of its real estate assets in this quarter, it presents a very positive performance as a result of operational improvements.

In telecommunications, NOS continued its remarkable performance, which has once again exceeded the best market expectations.

It is also worth mentioning, in the context of our active portfolio management, the completion of the sale of GeoStar and the conclusion of the 'Cartão Universo' (Universo Card) project, with a highly innovative value proposition, with the potential to increase loyalty to Sonae brands and to our partners, as well as with clear value for customers.

With yet another quarter of debt reduction year-on-year, we continue to strengthen the Group's capital structure, ensuring conditions to explore even further the opportunities for growth and value creation."

Ângelo Paupério, Co-CEO of Sonae

Following the merger between Optimus and Zon and its report using the equity method, Sonae decided to change the way results are reported to the market by separating each business in order to obtain more transparency between the segments: 1) Sonae Retail: Sonae MC, Sonae SR and Sonae RP; 2) Sonae IM, including Telco Related Technology business and Público from Sonaecom; 3) Sonae Sierra; and, 4) NOS.

2 SONAE RETAIL RESULTS

Sonae MC

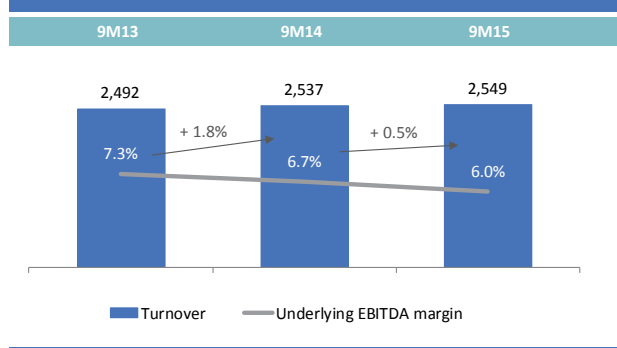
Turnover and underlying EBITDA

Million euros

	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover	2,537	2,549	0.5%	911	917	0.6%
LfL sales %	-1.9%	-2.2%	-	-2.9%	-2.9%	-
Underlying EBITDA	171	152	-11.0%	71	66	-7.5%
Underlying EBITDA margin	6.7%	6.0%	-0.8 p.p.	7.8%	7.2%	-0.6 p.p.

Turnover and underlying EBITDA margin

Million euros and %



Sonae MC turnover stood at €2,549 M, an increase of 0.5% when compared to 9M14. Sonae MC continues to focus on expanding its store network in a very precise way, in specific locations according to market research, mostly through increased convenience store presence. Therefore, since the end of 2014, turnover performance has benefited from the opening of 5 Continente Bom Dia and 1 Continente Modelo store. The capital light formats have also been rapidly expanding. The number of Meu Super stores increased to 183, growing more than 6 thousand square metres (sqm), increasing 24.7% y.o.y.. Proving their indisputable success, Meu Super stores posted LfL sales growth of 6.1% in comparison to 9M14.

Sonae MC underlying EBITDA totalled €152 M in 9M15, corresponding to an **underlying EBITDA margin** of 6.0%, less 80 basis points (bps) in comparison to 9M14.

The fiercely competitive environment of the Portuguese food retail market has driven very intense promotional activity, which has impacted Sonae MC profitability. In order to counteract this challenging environment and sustain our market leadership, a number of actions have been introduced to further strengthen our value proposition: aggressive promotional initiatives, coupled with a rigorous adjustment of our pricing communication in order to reinforce price perception amongst our customers; together with improvements in our own brand portfolio, perishables and services.

As one of our most innovative solutions, the Continente loyalty card continues to bring real benefits to customers. Sales using the card represented more than 90% of total sales in 9M15. Nevertheless, Sonae MC is also investing in direct discounts on top of the loyalty programme advantages.

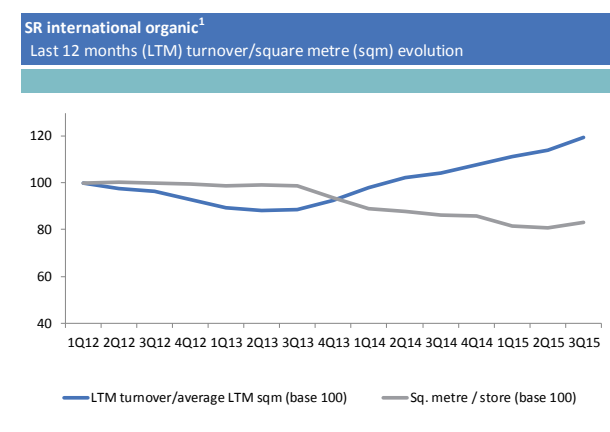
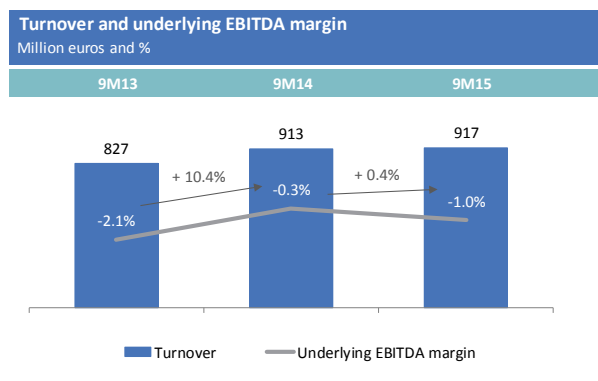
Some of the most important milestones of 9M15 are as follows:

- online sales maintained their increasing trend, growing by 13% between 9M14 and 9M15;
- in August 2015, Sonae MC signed a franchising agreement with Fathima Group, a local conglomerate that operates in multiple sectors of the United Arab Emirates, to establish Continente in the region by 2017. This agreement marks the beginning of a new growth avenue, contributing to the internationalisation of Sonae MC under a capital light approach model;
- in September 2015, Sonae MC acquired Makenotes, a Portuguese high quality and design stationery brand, thus strengthening note! and Continente stores with a new range of products.

2 SONAE RETAIL RESULTS (cont.)

Sonae SR

Sonae SR per geographic area						
	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover million €	913	917	0.4%	334	335	0.3%
Portugal	653	638	-2.2%	243	235	-3.4%
International	260	279	7.0%	90	100	10.4%
LfL sales %	7.2%	-1.4%	-	5.1%	-3.5%	-
Portugal	8.4%	-2.9%	-	7.0%	-5.5%	-
International	2.4%	3.9%	-	-3.0%	5.1%	-
EBITDA million €	-3	-9	-	4	2	-45.4%
Portugal	24	15	-37.8%	14	10	-23.6%
International	-27	-24	11.8%	-10	-8	14.9%
EBITDA margin %	-0.3%	-1.0%	-0.6 p.p.	1.2%	0.6%	-0.5 p.p.
Portugal	3.7%	2.3%	-1.3 p.p.	5.6%	4.4%	-1.2 p.p.
International	-10.4%	-8.5%	1.8 p.p.	-10.8%	-8.3%	2.5 p.p.



¹ Includes online sales.

Sonae SR turnover reached €917 M in 9M15, increasing 0.4% when compared to 9M14. The Portuguese unit had a decrease in turnover of 2.2%, largely due to the impact of the performance of the fashion division, as previously mentioned in the 1H15 results. Importantly, it should be noted that the effects of the weak Spring/Summer collection have also had an impact on the 3Q15 turnover. The International unit increased turnover by 7.0%, driven by the positive trends of the electronics and sports divisions in Spain.

During 9M15, Sonae SR continued to optimise its store network, embedded in the omni-channel strategy, therefore capitalising on the complementarity between physical and online stores in order to better meet customer needs. As a result of this strategy, total area has been reduced by 19 thousand sqm since the 2014 year-end, including 16 thousand sqm in the Spanish market. Accordingly, sales per sqm have continued to increase.

Sonae SR **underlying EBITDA** stood at negative €9 M, corresponding to an **underlying EBITDA margin** of -1.0%. This was driven by the improved results in Spain, particularly in Worten, being negatively impacted by the fashion division, due to the Spring/Summer collection. Worten in Portugal has also been impacted by the negative performance of the Portuguese electronics market. But importantly, Worten grew its market share² by 60 bps in Portugal. The Portuguese unit reached €15 M and the International unit negative €24 M. The adverse exchange-rate effects related to raw-materials and products purchased in dollars is having an impact on operating costs, mostly in the fashion division.

Some of the most significant milestones in 9M15 are as follows:

- consolidated online sales grew by 58.7% when compared to 9M14, supported by e-commerce platforms in all businesses;
- **Worten** registered a 8.6% LfL sales growth in Spain in 3Q15, benefiting from the measures implemented over the last years;
- **Zippy** entered 4 new countries in Central America through wholesale: El Salvador, Costa Rica, Nicaragua and Guatemala. Through the establishment of its own stores, franchising and multi-brand channels, Zippy's collection is now available in 40 different countries, asserting itself as a truly international player;
- **Sport Zone** continued to expand its international presence and, in September 2015, it opened its first franchising store in France.

² According to GfK survey year-to-date, as of September 2015 (versus September 2014).

2 SONAE RETAIL RESULTS(cont.)

Sonae RP

Turnover and underlying EBITDA

Million euros

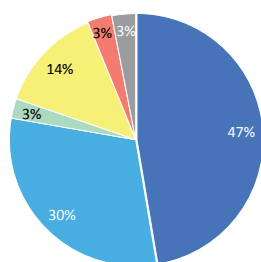
	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover	95	92	-2.5%	32	28	-11.5%
Underlying EBITDA	85	83	-2.9%	29	25	-13.2%
Underlying EBITDA mg.	90.5%	90.1%	-0.4 p.p.	91.2%	89.4%	-1.8 p.p.

Sonae RP turnover decreased 2.5%, to €92 M, driven by freehold reduction at Sonae MC, from 73% in 9M14, to 62% in 9M15. The **underlying EBITDA** amounted to €83 M, corresponding to an **underlying EBITDA margin** of 90.1%. The **EBIT ROCE** stood at 12.0%.

Sonae RP Portfolio

as % of Gross Book Value

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



The **net book value of the capital invested** in retail real estate assets amounted, at the end of 9M15, to €1.045 bn, corresponding to a portfolio that includes 27 Continente stores, 73 Continente Modelo stores and 15 Continente Bom Dia stores.

As duly reported to the market, Sonae RP has been monetising its real estate assets, having completed sale and leaseback transactions amounting to €185 M during 1H15 with an estimated capital gain of €40 M. In order to reach the freehold targets set, Sonae RP continues to focus on monetising additional assets.

Sonae SR freehold stood at 27% at the end of 9M15.

Sonae Retail Capex

Capex per business

Million euros

	9M14	9M15	y.o.y.	% of turnover 9M15
Sonae Retail	122	158	29.5%	4.4%
Sonae MC	62	74	18.9%	2.9%
Sonae SR	41	47	16.2%	5.2%
Sonae RP	19	36	93.3%	39.5%
Underlying EBITDA - Capex	132	68	-48.0%	-

During 9M15, **Sonae retail units** invested €158 M, as follows:

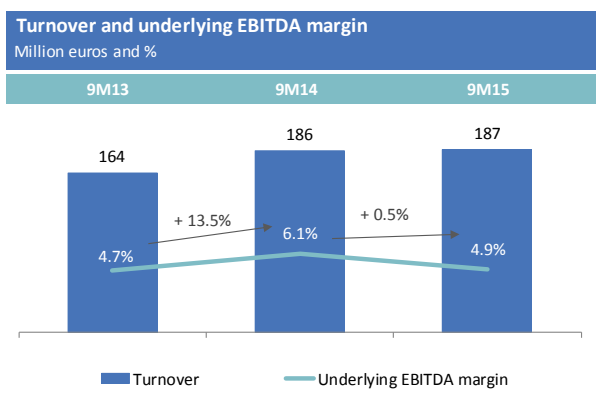
- €74 M by **Sonae MC**, €12 M above 9M14;
- €47 M by **Sonae SR**, a €6 M increase when compared to 9M14; and,
- €36 M by **Sonae RP**, €18 M above 9M14.

3 SONAE IM RESULTS

Sonae IM portfolio	
Technology	
WeDo Technologies	Bizdirect
Saphety	S21Sec
Tlantic	Movvo
Partnerships	
MDS	Público
Maxmat ¹	

⁽¹⁾ Sonae holds 50% of Maxmat and adopts the full consolidation method to report its results.

Turnover and underlying EBITDA						
Million euros						
	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover	186	187	0.5%	67	63	-5.7%
Underlying EBITDA	11	9	-19.2%	6	5	-28.3%
Underlying EBITDA mg.	6.1%	4.9%	-1.2 p.p.	9.7%	7.3%	-2.3 p.p.



Sonae IM turnover reached €187 M, rising 0.5% when compared to the same period of 2014.

Sonae IM underlying EBITDA amounted to €9 M, which translates into an **underlying EBITDA margin** of 4.9%.

Some of the most important milestones of the Technology division in 9M15 are:

- **WeDo Technologies** acquired 2 new telecom customers in Chile and Peru, in the 3Q15, continuing to enlarge its worldwide customer base. By the end of 9M15, 76.9% of its turnover was generated abroad, more than 10% of which was from non-telecom industries;
- **S21Sec** continued to make sound progress concerning the cybersecurity market. The company was amongst the first companies in the world to identify Dridex (a banking malware) and understand its sophisticated nature. The insight and intelligence generated through its work into Dridex rapidly became a key element to collaborate with Law Enforcement Agencies such as Europol, NCA, Guardia Civil and the FBI;
- **Saphety** registered a significant improvement in relation to revenue and profitability, coupled with strong commercial activity: new customers and some important new contracts;
- **Bizdirect** increased the number of projects delivered and has been progressively raising awareness of its activities in the European market. International revenues represented more than 10.0% of total turnover in 9M15;
- **Tlantic** turnover and EBITDA decreased when compared to the same period of 2014, on the back of a challenging 3Q15;
- **Movvo** recently obtained the 'European Privacy Seal', a relevant certification awarded by the European Union, which will help the company to increase its international penetration.

Regarding the performance of Sonae IM Partnerships in 9M15, we would like to highlight the following:

- **MDS** was able to increase turnover by 3% and increase profitability, despite the strong devaluation of the Brazilian Real;
- **Maxmat** registered a positive turnover trend, with 4% LfL sales growth in 9M15 and a stable profitability evolution, despite the competitive environment;
- Regarding **GeoStar**, Sonae completed the sale of its 100% position in the company to Springwater Tourism in October 2015.

4 SONAE SIERRA RESULTS

Operational indicators

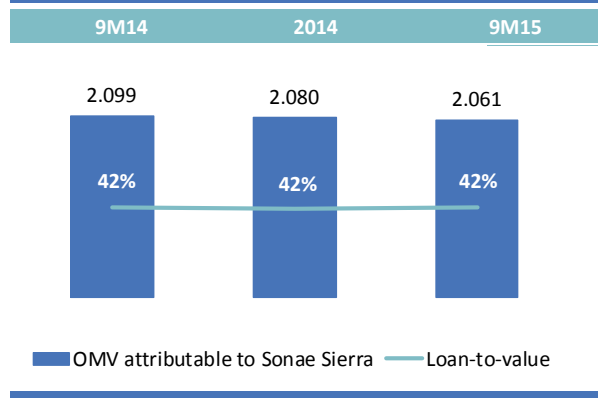
	9M14	9M15	y.o.y.
Footfall million visitors	320	319	-0.4%
Europe & New Markets	240	242	0.5%
Brazil	80	77	-3.0%
Occupancy rate %	95.1%	95.1%	0.0 p.p.
Europe	95.6%	96.0%	0.4 p.p.
Brazil	93.7%	92.6%	-1.1 p.p.
Like-for-Like tenant sales			
Europe	4.2%	2.6%	-
Brazil (local currency)	7.5%	5.1%	-
Tenant sales million euros	3,226	3,194	-1.0%
Europe (million euros)	2,197	2,231	1.5%
Brazil (million euros)	1,029	963	-6.5%
Brazil (million reais)	3,191	3,354	5.1%
Nr of shopping centres owned/co-owned EoP	47	46	-1
Europe	37	36	-1
Brazil	10	10	0
GLA under management '000 sqm	2,256	2,374	5.2%
Europe & New Markets	1,737	1,852	6.6%
Brazil	519	522	0.7%

Financial indicators

	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover	164	162	-0.9%	55	54	-1.8%
EBITDA	78	77	-1.1%	27	27	-1.3%
EBITDA margin	47.8%	47.8%	-0.1 p.p.	49.2%	49.4%	0.2 p.p.
Direct results	36	42	17.6%	14	16	10.1%
Indirect results	24	52	120.6%	-2	0	99.3%
Net results	60	95	58.6%	12	15	28.9%
... attributable to Sonae	30	47	58.6%	6	8	28.9%

Open Market Value (OMV) and leverage

Billion euros



During 9M15, **tenant sales** in Europe increased 1.5%, to €2,231 M, corresponding to an increase in **LfL tenant sales** of 2.6% and reinforcing the positive performance delivered in the first half of 2015. The **tenant sales** in Brazil increased 5.1% in reais, a very comfortable level. However, on a consolidated basis, Sonae Sierra **tenant sales** decreased 1.0% y.o.y., to €3,194 M, completely driven by the depreciation of the Brazilian Real.

The **occupancy rates** stood at 95.1%, a neutral evolution when compared to 9M14. In Europe, the average **occupancy rate** reached 96.0%, growing 40 bps y.o.y., reflecting Sonae Sierra performance in terms of property management, as well as the improved macroeconomic conditions. In Brazil, the average **occupancy rate** stood at 92.6%, less 110 bps when compared to 9M14, a consequence of the current deceleration in private consumption, notwithstanding the positive performance of the most recent shopping malls.

Sonae Sierra **turnover** reached €162 M, decreasing 0.9% in comparison to 9M14, impacted by the assets sold during 2014 and the adverse exchange rate effect concerning the Brazilian Real against the Euro. The **EBITDA** stood at €77 M, less 1.1% y.o.y., corresponding to an **EBITDA margin** of 47.8%.

Direct results amounted to €42 M, €6 M above 9M14 and **indirect results** increased significantly, to €52 M, benefitting from the assets valuation in the 1H15 (as Sonae Sierra values its assets on a semi-annual basis). **Net results** totalled €95 M, growing 58.6% y.o.y..

On 30th September 2015, the **OMV (Open Market Value)** attributable to **Sonae Sierra** was €2.061 bn, €19 M below the 2014 year-end, driven by the compression of Sonae Sierra assets in Brazil (as a result of the adverse exchange rate effect) and by the sale of Torre Colombo Ocidente in August 2015.

The **NAV (Net Asset Value)** reached €1.110 bn at the end of 9M15, €5 M below December 2014, impacted by the adverse exchange rate effect on the Brazilian assets, which more than off-set the net results of the period.

The **loan-to-value** stabilised at 42%, a conservative level.

5 NOS RESULTS

Financial Indicators						
Million euros						
	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Operating revenues	1,030	1,068	3.7%	348	368	5.8%
EBITDA	397	410	3.2%	133	144	7.5%
EBITDA margin	38.5%	38.4%	-0.2 p.p.	38.4%	39.0%	0.6 p.p.
Net results	62	74	17.8%	19	26	39.8%
Capex	232	295	27.1%	87	98	13.1%
EBITDA - Capex	165	115	-30.2%	47	46	-2.6%
Recurrent Capex	193	218	13.0%	68	77	13.3%
EBITDA-Recurrent Capex	204	192	-6.0%	65	66	1.5%

NOS published its 9M15 results on November 4th 2015, which are available at www.nos.pt.

During 9M15, NOS was able to improve the positive y.o.y. financial trends.

Operating revenues stood at €1,068 M, growing 3.7% when compared to 9M14.

EBITDA reached €410 M, increasing 3.2% and representing an EBITDA margin of 38.4%.

Total **CAPEX** grew 27.1% y.o.y., to €295 M, supported by higher telco growth related investment.

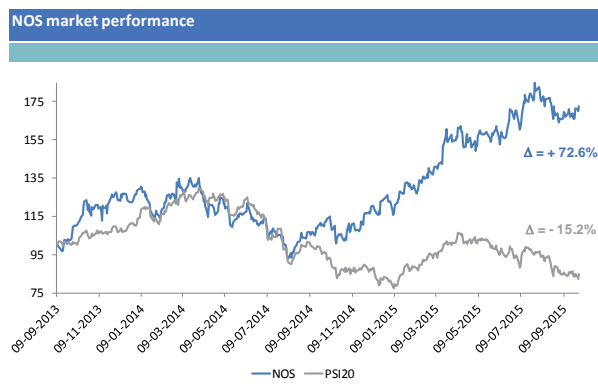
Net financial debt to EBITDA stood at 2.0x at the end of 9M15 and the average maturity of the company's net financial debt was 3.8 years.

Operational Indicators						
'000						
	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Total RGUs net adds	232	647	178.6%	150	247	65.1%
Convergent RGUs net adds	1,275	812	-36.4%	480	222	-53.8%
Mobile net adds	292	382	30.6%	139	164	18.2%
Pay TV net adds	-48	45	-	-5	20	-
Convergent RGUs	1,488	2,665	79.1%	1,488	2,665	79.1%
Convergent customers	303	556	83.2%	303	556	83.2%
ARPU/Unique subscriber with fixed access euros	38	42	11.5%	38	42	10.0%

NOS operational performance continued to be very strong throughout 9M15.

Total RGU net adds reached 647 thousand customers, backed by a strong 3Q15, with an additional 247 thousand RGUs.

ARPU grew 11.5% y.o.y., to 42 euros, driven by the NOS successful convergent offer.



Following the merger between Optimus and Zon, and the subsequent creation of NOS, and since September 9th 2013, the day when new shares issued were listed, to September 30th 2015, the company's market capitalisation has grown 73%, corresponding to a share price increase from €4.27 to €7.37.

The PSI20, the main Portuguese index, decreased its market capitalisation 15% in the same period.

6 OVERALL PERFORMANCE

Consolidated results						
Million euros						
	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover	3,610	3,639	0.8%	1,304	1,310	0.5%
Sonae MC	2,537	2,549	0.5%	911	917	0.6%
Sonae SR	913	917	0.4%	334	335	0.3%
Sonae RP	95	92	-2.5%	32	28	-11.5%
Sonae IM	186	187	0.5%	67	63	-5.7%
E&A ⁽¹⁾	-121	-107	11.8%	-40	-33	18.7%
Underlying EBITDA	259	226	-13.0%	106	94	-11.2%
Sonae MC	171	152	-11.0%	71	66	-7.5%
Sonae SR	-3	-9	-	4	2	-45.4%
Sonae RP	85	83	-2.9%	29	25	-13.2%
Sonae IM	11	9	-19.2%	6	5	-28.3%
E&A ⁽¹⁾	-5	-10	-79.7%	-5	-4	20.1%
Underlying EBITDA margin	7.2%	6.2%	-1.0 p.p.	8.1%	7.2%	-0.9 p.p.
Equity method results ⁽²⁾	35	38	9.2%	15	14	-7.5%
o.w. S. Sierra (direct results)	18	21	17.7%	7	8	10.7%
o.w. NOS	16	16	1.3%	7	6	-22.7%
Non-recurrent items	-1	28	-	1	-6	-
EBITDA	293	292	-0.5%	122	101	-17.0%
EBITDA margin	8.1%	8.0%	-0.1 p.p.	9.3%	7.7%	-1.6 p.p.
D&A ⁽³⁾	-132	-135	-2.3%	-45	-47	-4.4%
EBIT	162	157	-2.9%	77	54	-29.4%
Net financial activity	-58	-52	10.4%	-20	-16	20.5%
EBT	104	105	1.1%	58	39	-32.4%
Taxes	-12	-4	-	-11	7	-
Direct results ⁽⁴⁾	92	102	10.4%	47	46	-2.2%
Indirect results	5	44	-	-1	1	-
Net income	97	146	49.9%	45	47	2.9%
Non-controlling interests	-2	-3	-67.3%	-3	-1	58.1%
Net income group share	95	142	49.6%	43	46	6.6%

(1) Eliminations & adjustments;

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

(3) Depreciations & amortisations including provisions & impairments;

(4) Direct results before non-controlling interests.

In 9M15, **consolidated turnover** reached €3,639 M, representing a growth of 0.8% when compared to 9M14, benefiting from the performance of all businesses with the exception of Sonae RP, which was impacted by the recent freehold reduction.

The **underlying EBITDA** stood at €226 M, corresponding to an **underlying EBITDA margin** of 6.2%.

The **EBITDA** reached €292 M, corresponding to an EBITDA margin of 8.0%, decreasing by 0.5% when compared to 9M14, and includes the following contributions:

- (i) underlying EBITDA, amounting to €226 M;
- (ii) equity method results of €38 M, made up of Sonae Sierra direct results, as well as NOS contribution; and,
- (iii) non-recurrent items of €28 M, driven mostly by the sale and leaseback operations completed during this period.

Driven by the combination of a lower net debt and a lower cost of outstanding debt of approximately 80 bps, **net financial activity** improved by €6 M, with a total of negative €52 M in 9M15. It should be noted that financial results are only related to the retail and investment management divisions.

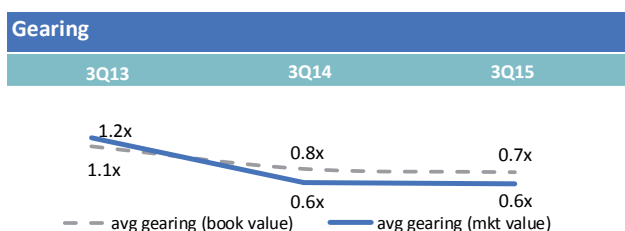
Direct results amounted to €102 M, growing 10.4% y.o.y., driven by net financial activity and lower taxes, which more than off-set the lower EBITDA and higher D&A.

Indirect results reached €44 M, a significant increase on a yearly basis. This was mostly driven by non-cash movements related to the revaluation of Sonae Sierra assets, in the amount of €26 M, carried out in June 2015, as well as by NOS mark to market effect, amounting to €24 M.

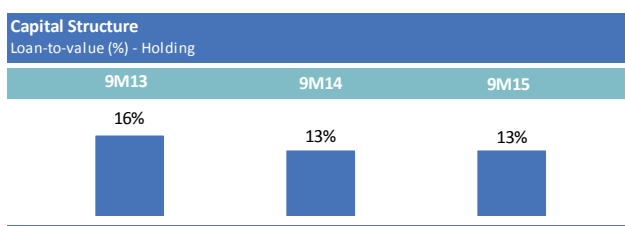
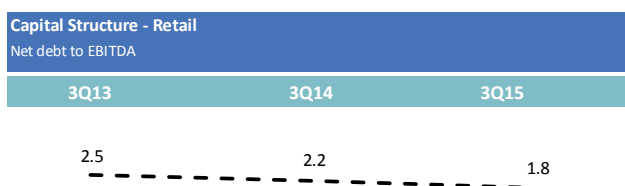
7 CAPITAL STRUCTURE

Net invested capital Million euros			
	9M14	9M15	y.o.y.
Net invested capital	3,187	3,157	-1.0%
Technical investment	2,015	1,900	-5.7%
Financial investment	1,246	1,302	4.5%
Goodwill	612	605	-1.1%
Working capital	-686	-649	5.3%
Total shareholders' funds	1,773	1,845	4.0%
Total net debt ⁽¹⁾	1,414	1,312	-7.2%
Net debt / Invested capital	44.4%	41.6%	-2.8 p.p.

(1) Financial net debt + net shareholder loans.



Net debt Million euros			
	9M14	9M15	y.o.y.
Financial net debt	1,408	1,303	-7.5%
Retail units	821	695	-15.4%
Sonae IM	17	19	14.2%
Holding & other	570	589	3.3%
Total net debt	1,414	1,312	-7.2%



Total shareholders' funds stood at €1,845 M in 9M15, €71 M above the same period of 2014.

Total net debt reached €1,312 M in 9M15, decreasing €102 M when compared to the same period of 2014, entirely driven by a lower net debt level at Sonae retail units.

Average gearing at market value stood at 0.6x and average gearing at book value reached 0.7x, decreasing when compared to 0.8x in 9M14. Sonae's gearing levels remained broadly stable in comparison to 9M14, but are showing clear levels of improvement compared to previous periods.

The continuous net debt reduction clearly demonstrates the robustness of Sonae's balance sheet. In addition, the company has continued to focus on increasing the average maturity of its debt, and decreasing the average interest rate of outstanding debt, which is now at 2.3%. Sonae has already covered all financing needs for the debt maturing in 2016.

The **retail financial net debt** stood at €695 M in 9M15, less €127 M when compared to 9M14, which benefited from the cash inflow resulting from the sale and leaseback transactions completed at Sonae RP during 1H15. The retail division continued to present a solid capital structure, with net debt to EBITDA reaching 1.8x.

The **holding net debt** totalled €589 M, growing 3.3% y.o.y. The **loan-to-value** ratio of the holding stood at 13%, thus registering a conservative level.

8 CORPORATE INFORMATION

Main corporate events in 3Q15

On **August 7th 2015**, the consortium of owners of Colombo Towers, composed of Caixa Geral de Depósitos Group, Iberdrola Inmobiliária, CBRE Global Investors and Sonae Sierra, announced the sale of Torre Colombo Ocidente. The building was acquired by a real estate fund listed in Singapore, which through this transaction was able to secure its first acquisition in the Portuguese market.

On **August 20th 2015**, Sonae MC concluded an agreement that foresees its entry into the United Arab Emirates by 2017. The expansion into the United Arab Emirates will be carried out through a partnership with Fathima Group and marks the beginning of a new growth avenue using a capital light approach model.

Subsequent events

On **October 6th 2015**, Sonae Sierra announced that ParkLake, expected to open in Romania in 2016, has signed further tenant agreements reaching over 85% of its Gross Leasable Area, as such it has secured a significant percentage of tenant contracts far ahead of opening. Furthermore, the agreement for the financing of this Shopping Centre, amounting to €83 M, was signed. The lenders group includes OTP Bank PLC, OTP Bank Romania S.A. and Hypo NOE Gruppe Bank AG.

On **October 27th 2015**, Sonae announced the creation of an affiliation agreement with the central purchasing body IFA. IFA is a central purchasing body composed of more than 30 Spanish affiliates, which reported a combined turnover of €10 billion in 2014. With effect from January 1st 2016, this agreement will leverage joint opportunities to negotiate, purchase and develop in the commercial area.

On **October 29th 2015**, following the granting of a licence, from Banco de Portugal, to operate as an electronic money and payment institution, Sonae launched 'Cartão Universo', an innovative open loop payment and loyalty card. This card is managed in partnership with MasterCard and BNP Paribas Personal Finance, S.A., which recognises on its balance sheet the credit granted, as well as the responsibility for risk management.

9 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 NOS) + non-recurrent items.
EBITDA margin	EBITDA / turnover.
(Direct) 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.
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 by Sonae Sierra.
Liquidity	Cash & equivalents + current investments, excluding the 2.14% participation at NOS.
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, excluding the 2.14% participation at NOS, 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

	N. of stores						Sales area ('000 sqm)					
	31 Dec 2014	stores opened	M&A	banner changed	stores closed	30 September 2015	31 Dec 2014	stores opened and refurbished	M&A	banner changed	stores closed	30 September 2015
Sonae MC	640	80	0	0	-13	707	639	21	0	0	-2	658
Company operated ⁽¹⁾	478	19	0	0	-4	493	595	13	0	0	0	608
continente	40	0	0	0	0	40	284	0	0	0	0	284
continente modelo	121	1	0	0	0	122	241	2	0	0	0	243
continente bom dia	41	5	0	0	0	46	42	8	0	0	0	50
well's	147	4	0	0	-3	148	13	2	0	0	0	15
bom bocado / bagga	102	6	0	0	0	108	6	0	0	0	0	6
note!	20	3	0	0	0	23	6	0	0	0	0	6
other ⁽²⁾	7	0	0	0	-1	6	4	0	0	0	0	4
Franchising	162	61	0	0	-9	214	43	9	0	0	-2	50
continente modelo	7	0	0	0	0	7	17	0	0	0	0	17
meu super	140	51	0	0	-8	183	25	8	0	0	-2	31
well's	9	5	0	0	0	14	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
Sonae SR	595	30	0	0	-42	583	398	4	0	0	-23	379
Company operated ⁽¹⁾	522	8	0	0	-22	508	377	-1	0	0	-18	358
Electronics	228	2	0	0	-7	223	199	-3	0	0	-9	187
Portugal	181	1	0	0	-3	179	123	-1	0	0	-1	121
worten	139	0	0	0	-1	138	121	-1	0	0	-1	119
worten mobile	42	1	0	0	-2	41	1	0	0	0	0	1
Spain	47	1	0	0	-4	44	76	-1	0	0	-8	67
worten	47	1	0	0	-4	44	76	-1	0	0	-8	67
Sports	111	3	0	0	-4	110	101	2	0	0	-5	97
Portugal	77	0	0	0	0	77	64	0	0	0	0	64
sport zone	77	0	0	0	0	77	64	0	0	0	0	64
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
Fashion	183	3	0	0	-11	175	78	0	0	0	-3	74
Portugal	146	0	0	0	0	146	67	-1	0	0	0	66
mo	108	0	0	0	0	108	55	-1	0	0	0	54
zippy	38	0	0	0	0	38	13	0	0	0	0	12
Spain	35	3	0	0	-11	27	10	1	0	0	-3	8
zippy	35	3	0	0	-11	27	10	1	0	0	-3	8
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	73	22	0	0	-20	75	20	5	0	0	-5	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	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
Other countries	1	4	0	0	0	5	0	2	0	0	0	2
sport zone ⁽³⁾	1	4	0	0	0	5	0	2	0	0	0	2
Fashion	65	17	0	0	-20	62	17	3	0	0	-5	15
Portugal (mo)	5	0	0	0	0	5	1	0	0	0	0	1
Other countries	60	17	0	0	-20	57	15	3	0	0	-5	13
zippy ⁽⁴⁾	47	12	0	0	-13	46	10	2	0	0	-2	9
mo ⁽⁵⁾	13	5	0	0	-7	11	5	2	0	0	-3	4

(1) Includes Joint-Ventures;

(2) Includes outlet stores;

(3) Includes Spain, India and France;

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

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

Consolidated Profit and Loss Account

Consolidated profit and loss account						
Million euros	9M14	9M15	y.o.y.	3Q14	3Q15	y.o.y.
Turnover	3,610	3,639	0.8%	1,304	1,310	0.5%
Underlying EBITDA	259	226	-13.0%	106	94	-11.2%
Underlying EBITDA margin	7.2%	6.2%	-0.1 p.p.	8.1%	7.2%	-0.9 p.p.
EBITDA	293	292	-0.5%	122	101	-17.0%
EBITDA margin	8.1%	8.0%	-0.1 p.p.	9.3%	7.7%	-1.6 p.p.
Depreciations & amortisations ⁽¹⁾	-132	-135	-2.3%	-45	-47	-4.4%
EBIT	162	157	-2.9%	77	54	-29.4%
Net financial activity	-58	-52	10.4%	-20	-16	20.5%
Other items ⁽²⁾	0	0	-49.6%	0	0	0.8%
EBT	104	105	1.1%	58	39	-32.4%
Taxes	-12	-4	-	-11	7	-
Direct results	92	102	10.4%	47	46	-2.2%
Indirect results ⁽³⁾	5	44	-	-1	1	-
Net income	97	146	49.9%	45	47	2.9%
Non-controlling interests	-2	-3	-67.3%	-3	-1	58.1%
Net income group share	95	142	49.6%	43	46	6.6%

(1) Includes provisions, impairments, reversion of impairments; (2) dividends; (3) 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.

Consolidated Statement of Financial Position

Consolidated statement of financial position			
Million euros	9M14 ⁽¹⁾	9M15	y.o.y.
TOTAL ASSETS	5,479	5,165	-5.7%
Non current assets	3,991	3,869	-3.1%
Tangible and intangible assets	2,014	1,894	-6.0%
Goodwill	612	605	-1.1%
Other investments	1,206	1,233	2.3%
Deferred tax assets	137	99	-27.9%
Others	22	37	72.8%
Current assets	1,488	1,297	-12.9%
Stocks	560	591	5.5%
Trade debtors	90	82	-9.5%
Liquidity	487	250	-48.7%
Others	351	375	6.7%
SHAREHOLDERS' FUNDS	1,773	1,845	4.0%
Group share	1,612	1,706	5.8%
Attributable to minority interests	161	139	-13.7%
LIABILITIES	3,706	3,321	-10.4%
Non-current liabilities	1,115	1,395	25.1%
Bank loans	292	516	77.1%
Other loans	593	700	17.9%
Deferred tax liabilities	131	90	-31.1%
Provisions	35	39	12.6%
Others	65	50	-23.2%
Current liabilities	2,591	1,925	-25.7%
Bank loans	218	294	34.9%
Other loans	805	55	-93.2%
Trade creditors	1,063	1,053	-1.0%
Others	505	523	3.7%
SHAREHOLDERS' FUNDS + LIABILITIES	5,479	5,165	-5.7%

(1) Under the Special Regime of Debt Adjustments to the Fiscal Authorities and Social Security (Decree Law No. 248-A/2002 and Decree Law No. 151-A/2013), Sonae voluntarily made payments to the State relating to additional tax assessments of previous years, for which, at the time of such payments, Sonae had already brought the corresponding judicial appeals, lying processes running under the relevant courts. These payments were recognized in assets, according to "IAS 12 - Income Taxes".

However, during the verification process of the 2012 accounts, CMVM disagreed with the interpretation of Sonae and requested the retrospective correction of the financial statements, arguing that the payments made in respect of other taxes than income tax should be considered as contingent assets. While not agreeing with the position of CMVM, Sonae made the restatement of financial statements. The impact of this change is nil in the income statement and immaterial in the statement of financial position.

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
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