



SONAE

# 1ST QUARTER RESULTS 2016

SONAE

# 1 HIGHLIGHTS and CEO's message

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- Sonae consolidated turnover increased by 6.0%, to €1,215 M
- Sonae MC delivered positive LfL sales growth and increased turnover by 4.6%
- Sonae SR increased turnover by 10.9% and posted a negative EBITDA of €2 M
- Sonae RP completed sale and leaseback transactions in the amount of €230 M
- Sonae Sierra sold 25% of its participation in Sierra Portugal Fund
- NOS increased turnover by 7.6%, to €370 M

*"Sonae's first quarter 2016 was marked by the growth in the activity levels of the largest business units (Retail - 6% and Telecommunications - 8%), along with a significant increase in sales productivity on a Like-for-like basis.*

*Even after taking into consideration the favourable effect of an early Easter and the leap year, the results are very positive in view of the slowdown in economic growth in the Iberian Peninsula and the highly aggressive competitive environment prevalent in these sectors.*

*Equally important was the conclusion of the sales operations of real estate assets in the amount of approximately 400 million euros, in line with the capital recycling strategy of Sonae Sierra and Sonae RP so as to strengthen the development efforts of the new projects.*

*Additionally, an increased international exposure is evident by the 18% growth in sales outside of Portugal and by the growing weight of capital employed in external markets, which now represents almost 20% of total.*

*Despite the strong increase in investment, consolidated debt fell by nearly 170 million euros in relation to the same quarter last year, a period in which our team grew by more than 1,800 people."*

Ângelo Paupério, Co-CEO

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Following the merger between Optimus and Zon and the further creation of NOS, and ZOPT, which is reported 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 MC, Sonae SR and Sonae RP; 2) Sonae IM, including Technology business and Partnerships (MDS, Maxmat, Tlantic and Publico); 3) Sonae Sierra; and, 4) NOS.

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae Consolidated results			
Million euros	1Q15	1Q16	y.o.y.
<b>Turnover</b>	<b>1,146</b>	<b>1,215</b>	<b>6.0%</b>
Sonae MC	793	830	4.6%
Sonae SR	299	331	10.9%
Sonae RP	32	24	-24.6%
Sonae IM <sup>(1)</sup>	60	57	-5.0%
E&A <sup>(2)</sup>	-39	-27	30.7%
<b>Underlying EBITDA</b>	<b>59</b>	<b>46</b>	<b>-22.1%</b>
Sonae MC	33	32	-4.6%
Sonae SR	-4	-2	56.2%
Sonae RP	29	21	-26.0%
Sonae IM <sup>(1)</sup>	2	1	-54.1%
E&A <sup>(2)</sup>	-1	-6	-
Underlying EBITDA margin	5.2%	3.8%	-1.4 p.p.
Equity method results <sup>(3)</sup>	12	12	-2.2%
o.w. S. Sierra (direct results)	7	7	2.1%
o.w. NOS	5	5	-4.6%
Non-recurrent items	0	62	-
<b>EBITDA</b>	<b>71</b>	<b>120</b>	<b>67.8%</b>
EBITDA margin	6.2%	9.9%	3.6 p.p.
D&A <sup>(4)</sup>	-45	-51	-12.1%
<b>EBIT</b>	<b>26</b>	<b>69</b>	<b>163.3%</b>
Net financial activity	-18	-14	19.7%
<b>EBT</b>	<b>8</b>	<b>55</b>	<b>-</b>
Taxes	-3	-12	-
<b>Direct results <sup>(5)</sup></b>	<b>6</b>	<b>43</b>	<b>-</b>
<b>Indirect results</b>	<b>16</b>	<b>-15</b>	<b>-</b>
<b>Net income</b>	<b>21</b>	<b>29</b>	<b>35.3%</b>
Non-controlling interests	-2	1	-
<b>Net income group share</b>	<b>20</b>	<b>30</b>	<b>51.6%</b>

(1) Includes Technology and Partnerships contribution;

(2) Eliminations & adjustments;

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

(4) Depreciations & amortisations including provisions & impairments;

(5) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	1Q15	1Q16	y.o.y.
<b>Net invested capital</b>	<b>3,251</b>	<b>3,127</b>	<b>-3.8%</b>
Technical investment	2,033	1,767	-13.1%
Financial investment	1,284	1,304	1.6%
Goodwill	609	620	1.7%
Working capital	-675	-563	16.5%
<b>Sonae shareholders funds</b>	<b>1,774</b>	<b>1,818</b>	<b>2.5%</b>
<b>Sonae net debt <sup>(1)</sup></b>	<b>1,477</b>	<b>1,309</b>	<b>-11.4%</b>
Net debt / Invested capital	45.4%	41.9%	-3.6 p.p.

(1) Financial net debt + net shareholder loans.

**Sonae consolidated turnover** reached €1,215 M, representing a growth of 6.0% when compared to 1Q15, benefiting from the positive performance of MC and SR, which has more than compensated the lower turnover of RP and IM.

**Sonae underlying EBITDA margin** declined to 3.8% particularly driven by lower RP rents as a result of the sale and leaseback transactions over the course of 2015 and in 1Q16.

**Sonae EBITDA** reached €120 M, equivalent to an EBITDA margin of 9.9% and including the following contributions:

- (i) underlying EBITDA, amounting to €46 M;
- (ii) equity method results of €12 M, made up of Sierra's direct results, as well as NOS contribution; and,
- (iii) non-recurrent items of €62 M, benefiting mostly from the capital gains related to the sale and leaseback transactions completed since the beginning of the year.

Driven by the combination of a lower average net debt and especially by a lower cost of outstanding debt, Sonae **net financial activity** improved by €4 M, registering a negative €14 M in 1Q16.

Sonae continued to focus on increasing the average maturity of its debt and decreasing the average interest rate of outstanding debt, which reached 2.0% on March 31<sup>st</sup> 2016. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

**Sonae direct results** amounted to €43 M, increasing materially on a yearly basis, driven by the higher EBITDA, and the less negative net financial activity.

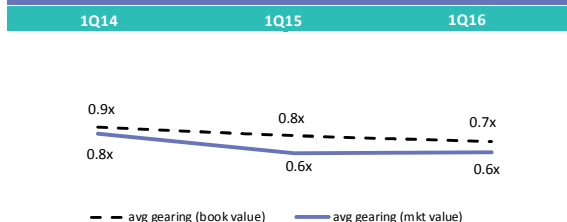
**Sonae indirect results** reached negative €15 M, mostly driven by NOS mark to market effect.

**Sonae shareholders' funds** stood at €1,818 M in 1Q16, €44 M above 1Q15.

**Sonae net debt** reached €1,309 M in 1Q16, decreasing €168 M when compared to 1Q15.

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

### Gearing

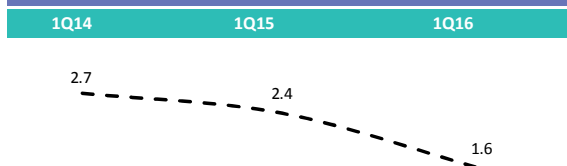


### Net debt

Million euros	1Q15	1Q16	y.o.y.
<b>Net financial debt</b>	<b>1,473</b>	<b>1,306</b>	<b>-11.3%</b>
MC, SR and RP	890	648	-27.2%
IM	29	12	-56.8%
Holding & other	555	646	16.4%
<b>Sonae net debt</b>	<b>1,477</b>	<b>1,309</b>	<b>-11.4%</b>

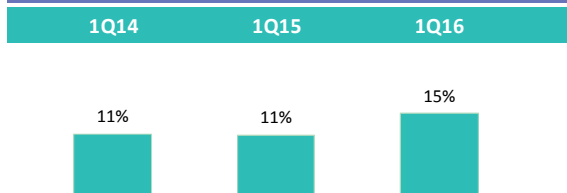
### Capital Structure - MC, SR and RP

Net debt to EBITDA



### Capital Structure

Loan-to-value (%) - Holding



### Sonae Capex

Million euros	1Q15	1Q16	% of Turnover
<b>Capex</b>	<b>48</b>	<b>58</b>	<b>4.8%</b>
Sonae MC	23	35	4.2%
Sonae SR	17	13	3.9%
Sonae RP	7	9	36.7%
Sonae IM	2	2	3.7%

**Average gearing at market value** stood at 0.6x and **average gearing at book value** reached 0.7x. Sonae's gearing levels remained broadly stable in comparison to 1Q15, but continue showing clear levels of improvement compared to previous periods.

Sonae continues focused in presenting a robust capital structure, supported by low leverage and an improved maturity profile. No funding needs are expected for the next 18 months and importantly, this capital structure guarantees the necessary financial strength to explore future growth opportunities.

**Net financial debt** of MC, SR and RP stood at €648 M in 1Q16, less €242 M when compared to 1Q15, which benefited from the cash inflow resulting from the sale and leaseback transactions completed at RP throughout the last 12 months. The **net debt to EBITDA** at MC, SR and RP stood at 1.6x, decreasing materially versus 1Q15, driven by the lower net debt and the higher EBITDA.

**Holding net debt** reached €646 M, growing 16.4% y.o.y.. **Loan-to-value** ratio of the holding increased to 15%, impacted by higher holding net debt due to the anticipation of dividends payment related to 2015 results.

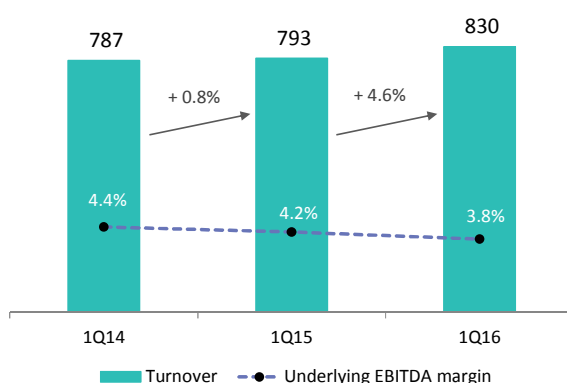
**Sonae Capex** reached €58 M, representing 4.8% of Sonae turnover and increasing 21.2% y.o.y.:

- **MC Capex** stood at €35 M, increasing 55.1% when compared to 1Q15;
- **SR Capex** reached €13 M in 1Q16, decreasing 25.7% y.o.y.;
- **RP Capex** totalled €9 M in 1Q16, a value that compares with €7 M in 1Q15;
- **IM Capex** reached €2 M in 1Q16, remaining broadly stable when compared to 1Q15.

# 3 SONAE MC RESULTS

Turnover and underlying EBITDA			
Million euros	1Q15	1Q16	y.o.y.
Turnover	793	830	4.6%
LfL sales (%)	-1.2%	1.4%	-
Underlying EBITDA	33	32	-4.6%
Underlying EBITDA margin	4.2%	3.8%	-0.4 p.p.

## Turnover and Underlying EBITDA evolution



**MC turnover** reached €830 M in 1Q16, posting an increase of 4.6% when compared to 1Q15, thus reinforcing Sonae's market share. This performance was backed by the opening of new stores, of which we would like to highlight 3 Continente Bom Dia and 6 Meu Super stores. Additionally, in March 2016, Sonae MC opened a new hypermarket with an area of 6,500 sqm under the "2020 hypermarket of the future" concept. Despite this recent opening, MC strategy regarding the expansion of the store network is through the opening of smaller stores, aimed at improving the company's convenience presence.

The top line performance in 1Q16 has also benefited from a positive calendar effect driven by an additional day in February.

**MC LfL performance** totalled 1.4% in 1Q16, continuing the positive trend already witnessed during 4Q15, in which LfL sales growth reached -0.2%. It should be highlighted that MC LfL sales growth would still be positive even without the positive calendar effect.

**MC underlying EBITDA** stood at €32 M, corresponding to an **underlying EBITDA margin** of 3.8%, less 40bps when compared to 1Q15, mostly driven by promotional activity.

In order to face the very competitive food market, MC remained focused on reinforcing its value proposition. The quarter was largely focused on improving Continente's value proposition (especially in perishables), setting an ambitious programme for the convenience and proximity formats expansion, and piloting new and more effective promotional campaigns. "Nature is our brand" is the new communication campaign launched on February 2016 by Continente in relation to its perishables products. Based on the origin, authenticity, flavour and quality of the best fruits, vegetables, meat and fish, this initiative complements the brand's strategy of continuing to establish Continente as a specialist in perishables.

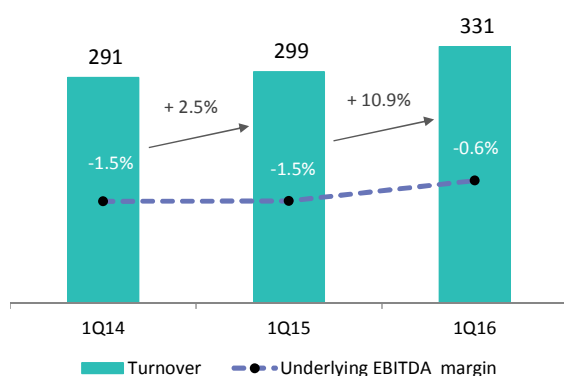
MC strengthened its international activity during 1Q16, with its brands entering new markets and expanding its presence in markets where they were already present. The wholesale activity grew its turnover materially, having expanded to 38 geographies. On the back of its innovation strategy, in January 2016, MC also announced the launching of Continente Negócios, an e-commerce platform completely dedicated to B2B customers.



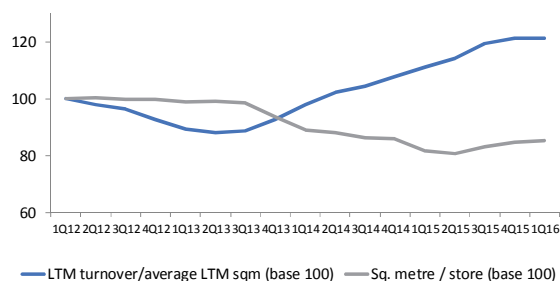
# 4 SONAE SR RESULTS

Performance per business			
	1Q15	1Q16	y.o.y
<b>Turnover (million €)</b>	<b>299</b>	<b>331</b>	<b>10.9%</b>
Worten	209	216	3.5%
Sports and Fashion	90	115	28.2%
<b>EBITDA (million €)</b>	<b>-4</b>	<b>-2</b>	<b>56.1%</b>
Worten	0	2	-
Sports and Fashion	-5	-4	8.3%
<b>EBITDA margin (%)</b>	<b>-1.5%</b>	<b>-0.6%</b>	<b>0.9 p.p.</b>
Worten	0.0%	1.0%	1.0 p.p.
Sports and Fashion	-5.1%	-3.6%	1.4 p.p.
<b>LfL (%)</b>	<b>2.6%</b>	<b>1.1%</b>	<b>-</b>
Worten	2.5%	1.6%	-
Sports and Fashion	3.1%	0.2%	-

## Turnover and Underlying EBITDA evolution



Sonae SR International  
Last 12 months (LTM) turnover/square metre (sqm) evolution



Note: Includes online sales. Excludes Losan contribution.

**SR turnover** stood at €331 M in 1Q16, an increase of 10.9% when compared to 1Q15. This evolution was driven by an increase of 3.5% at Worten and by a strong growth of 28.2% in Sports and Fashion.

At **Worten**, the Iberian operation grew turnover by 3.5%, to €216 M. This turnover performance helped Worten strengthening its leadership in Portugal, while maintaining the positive evolution of sales per sqm in Spain.

In **Sports and Fashion**, turnover grew by 28.2%, to €115 M, for which the contribution of Losan, a wholesale specialist acquired in 4Q15, was significant. Sports and fashion was able to grow sales per sqm, reflecting its strategy of store network optimization, especially in Spain. However, the turnover performance in sports and fashion was below SR expectations, being impacted by the very cold and rainy month of March.

**SR EBITDA** reached negative €2 M in 1Q16, benefiting both from Worten and Sports and Fashion positive trends.

At **Worten**, the EBITDA in Iberia grew to €2 M, reflecting an improvement that occurred both in Portugal and Spain. Worten continued to implement the Omni-channel strategy, with a completely integrated system strongly converting online sales to offline sales and vice-versa, which has been showing very positive results and represented 21% of Worten sales during 1Q16. Following the measures implemented since 3Q15 in Spain, Worten conducted in Portugal a renewal of the brand image, with the right positioning to accelerate the Omni-channel strategy and capture synergies in Iberia.

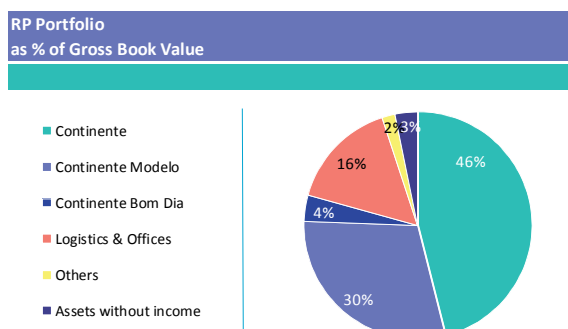
In **Sports and Fashion**, EBITDA improved to negative €4 M, nonetheless below SR expectations on the back of the turnover performance. Sport Zone continued to register a positive EBITDA (before central fees) in Spain.

Zippy continued to expand its worldwide presence, increasing y.o.y. the number of stores in the countries where it is already present, as well as expanding the wholesale activity to a larger group of countries.

Additionally, it is pertinent to note the growing relevance and autonomy of some brands such as Berg and Deeply, each of which now with online platforms.

# 5 SONAE RP RESULTS

Turnover and Underlying EBITDA			
Million euros	1Q15	1Q16	y.o.y.
Turnover	32	24	-24.6%
<b>Underlying EBITDA</b>	<b>29</b>	<b>21</b>	<b>-26.0%</b>
Underlying EBITDA margin	89.5%	87.8%	-1.7 p.p.



**RP turnover** decreased 24.6%, to €24 M, driven mostly by freehold reduction at MC, from 72% in 1Q15, to 51% at the end of 1Q16. The **underlying EBITDA** amounted to €21 M, corresponding to an **underlying EBITDA margin** of 87.8%.

**Net book value of the capital invested** in real estate assets amounted, at the end of 1Q16, to €878 M. **RP EBIT ROCE** stood at 20%. It should be noted that EBIT ROCE was positively impacted by the capital gains of the last 12 months.

RP completed in 1Q16 3 sale and leaseback transactions in the amount of €230 M, equivalent to a capital gain of approximately €64 M. This strategy enabled releasing capital from mature real estate assets while also maintaining adequate operational flexibility.

Following these transactions, MC's freehold reached 51%, moving closer to the stated target freehold level of 50%. MC real estate portfolio now includes 22 Continente stores, 62 Continente Modelo stores and 18 Continente Bom Dia stores. As for SR's freehold, it stood at 22% as of 1Q16.



# 6 SONAE IM RESULTS

**Sonae IM** has an active portfolio strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail and telecommunications.

## Technology portfolio

WeDo Technologies
Saphety
Bizdirect
S21Sec
Movvo
Brightpixel

## Turnover and Underlying EBITDA performance

Turnover and underlying EBITDA			
Million euros	1Q15	1Q16	y.o.y.
Turnover	28	27	-6.2%
Underlying EBITDA	2	1	-74.1%
Underlying EBITDA margin	7.4%	2.0%	-5.4 p.p.

**Note:** For consolidation purposes, Sonae IM also includes some partnerships - MDS, Maxmat, Tlantic and Público - which reached a turnover of €30.6 M and an underlying EBITDA of €0.6 M in 1Q16.

In the Technology arm, **IM turnover** reached €27 M, decreasing 6.2% when compared to 1Q15. **Underlying EBITDA** amounted to €1 M, which translates into an **underlying EBITDA margin** of 2.0%.

During the 1Q16, **Wedo Technologies** acquired four new telecom customers (1 in Europe, 1 in Asia Pacific, 1 in North America and 1 in Africa), continuing to enlarge its customer base around the world.

During the 1Q16, **S21Sec** continued to push its brand awareness and to show its relevance in cybersecurity space, having managed to increase revenues when compared to 1Q15, driven by a good performance in orders at the end of 2015.

This quarter has been marked by a significant improvement on orders and profitability at **Saphety**, coupled with a good commercial activity with some important new contracts. The company has now over 8,500 customers and 129,000 users in about 26 countries.

**Bizdirect** turnover decreased on a yearly basis. However, the performance of Bizdirect Competence Center in Viseu has been delivering positive results. It currently has 15 international customers from 10 countries and has tripled the turnover compared to the same period of 2015.

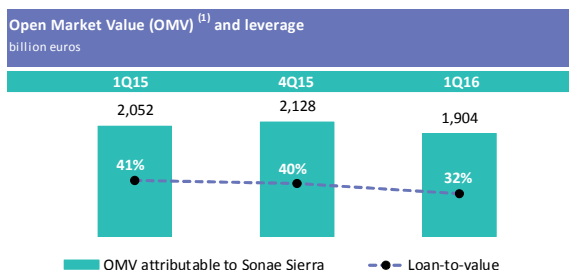
During 1Q16, **Movvo** increased its international footprint, by reinforcing its sales team in Europe and Asia, and closing a strategic partnership for the US market. As a result, Movvo has built good prospects coming from US and particularly Asia and closed 7 new customers in markets such as Panama, US or China.

It should also be noted that **Sonae IM** launched a partnership with **Brightpixel**, a recently created company builder studio. Brightpixel has two goals: to transform the way companies address innovation and how new ventures are put together. This company is positioned to work with the Sonae group, as well as other industry players, the growing startup ecosystem, R&D units and universities, and investors from around the world.

# 7 SONAE SIERRA RESULTS

Operational indicators			
	1Q15	1Q16	y.o.y.
<b>Footfall (million visitors)</b>	<b>106</b>	<b>103</b>	<b>-2.8%</b>
Europe & New Markets	81	78	-3.1%
Brazil	25	25	-1.6%
<b>Occupancy rate (%)</b>	<b>95.8%</b>	<b>95.0%</b>	<b>-0.8 p.p.</b>
Europe	95.7%	96.0%	0.3 p.p.
Brazil	96.0%	92.2%	-3.8 p.p.
<b>Like-for-Like (Lfl) tenant sales</b>			
Europe	4.0%	5.3%	1.3 p.p.
Brazil (local currency)	9.6%	-0.1%	-9.7 p.p.
<b>Tenant sales (million euros)</b>	<b>1,021</b>	<b>963</b>	<b>-5.7%</b>
Europe (million euros)	683	710	4.0%
Brazil (million euros)	338	253	-25.3%
Brazil (million reais)	1,088	1,087	-0.1%
<b>Nº of shopping centres owned and managed (EOP)</b>	<b>67</b>	<b>68</b>	<b>1</b>
Europe	55	57	2
Brazil	12	11	-1
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>46</b>	<b>44</b>	<b>-2</b>
Europe	36	35	-1
Brazil	10	9	-1
<b>GLA under Management ('000 sqm)</b>	<b>2,392</b>	<b>2,333</b>	<b>-2.5%</b>
Europe & New Markets	1,874	1,828	-2.5%
Brazil	519	505	-2.6%

Financial indicators			
Million euros	1Q15	1Q16	y.o.y.
<b>Turnover</b>	<b>55</b>	<b>51</b>	<b>-6.1%</b>
<b>EBIT</b>	<b>26</b>	<b>25</b>	<b>-2.2%</b>
EBIT margin	47.5%	49.4%	2.0 p.p.
Direct results	14	15	2.4%
Indirect results	-2	2	-
<b>Net results</b>	<b>13</b>	<b>17</b>	<b>31.3%</b>
... attributable to Sonae	6	8	31.3%



<sup>(1)</sup> Includes investment properties at open market value and development properties at cost.

**Tenant sales** in Europe increased 4.0%, to €710 M, corresponding to an increase in LfL tenant sales of 5.3%, reflecting the general market recovery and the quality of Sonae Sierra shopping centres as compelling retail destinations. The **tenant sales** in Brazil were flat in reais, decreasing 25.3% in euros, entirely due to the depreciation of the Brazilian Real.

**Occupancy rates** stood at 95.0%, slightly below the level registered in 1Q15 but increasing to 96.0% in Europe. The decrease in global Occupancy rates is completely driven by the operation in Brazil, a consequence of the current deceleration in private consumption, notwithstanding the positive performance of the more recent shopping centres.

**Sierra's turnover** reached €51 M, a decrease of 6.1% when compared to 1Q15, driven by the negative effect of disposals such as Colombo Tower (Portugal), Zubiarte (Spain), Loop 5 (Germany), Boavista Shopping (Brazil) and the 25% dilution in the Sierra Portugal Fund, as well as the adverse exchange rate effect of the Brazilian Real against the Euro. The **EBIT** stood at €25 M, less 2.2% y.o.y., corresponding to an **EBIT margin** of 49.4%.

**Direct results** amounted to €15 M, increasing 2.4% versus 1Q15 and **indirect results** reached €2 M. Since Sonae Sierra only values its assets in a semi-annual basis, indirect results in 1Q16 were not impacted by the real estate valuations, only representing the realised gains on disposals.

On 31<sup>st</sup> March 2016, the **Investment and Development Properties** attributable to Sierra reached €1,904 bn, €224 M below the 2015 year-end, driven by the effect of the disposals, which more than off-set the investment in the pipeline of projects under development.

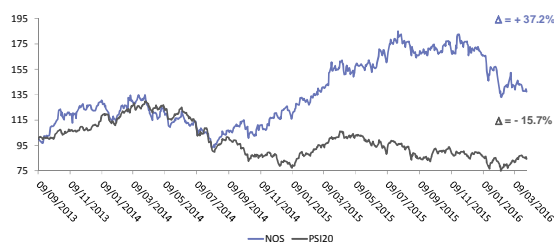
**NAV** (Net Asset Value) reached €1,196 bn at the end of 1Q16, €16 M above December 2015, reflecting the direct results of the period.

**Loan-to-value** reached 32% in 1Q16, compared to a value of 40% in 2015, reflecting the effect of the cash received from the recent assets disposals.

# 8 NOS RESULTS

Operational Indicators			
('000)	1Q15	1Q16	y.o.y.
<b>Total RGUs (Net adds)</b>	<b>165</b>	<b>130</b>	<b>-21.0%</b>
Convergent RGUs (Net adds)	341	135	-60.5%
Mobile (Net adds)	87	50	-42.7%
Pay TV (Net adds)	12	18	49.2%
<b>Total RGUs</b>	<b>7,790</b>	<b>8,595</b>	<b>10.3%</b>
Convergent RGUs	2,195	2,989	36.2%
Convergent customers	457	615	34.6%
ARPU/Unique subscriber with fixed access (euros)	41	44	5.5%

Financial Indicators			
Million euros	1Q15	1Q16	y.o.y.
<b>Operating revenues</b>	<b>344</b>	<b>370</b>	<b>7.6%</b>
<b>EBITDA</b>	<b>128</b>	<b>138</b>	<b>7.8%</b>
EBITDA margin	37.2%	37.2%	0.1 p.p
<b>Net results</b>	<b>23</b>	<b>24</b>	<b>5.0%</b>
Capex	94	95	0.8%
EBITDA - Capex	34	43	27.3%
Recurrent Capex	68	69	1.8%
EBITDA-Recurrent Capex	60	69	14.7%



**NOS** published its results on April 26<sup>th</sup> 2016, which are available at [www.nos.pt](http://www.nos.pt).

The **operating revenues** increased 7.6% y.o.y to €370 M, in 1Q16, up from 6.4% in 4Q15 and 5.8% in 3Q15, consistently showing an acceleration of the y.o.y. increasing trend throughout the year.

**EBITDA** registered €138 M, improving 7.8% when compared to 1Q15.

**CAPEX** stood at €95 M in 1Q16, a residual 0.8% y.o.y. evolution on the back of higher telco growth related investment.

**Total RGUs** grew by 10.3%, to 8.595 M and **convergent RGUs** increased to 2.989 M, +36.2% y.o.y..

**ARPU** continued to grow, reaching 44 euros in 1Q16, increasing 5.5% when compared to 1Q15.

Following the merger between Optimus and Zon, and the subsequent creation of NOS, since September 9<sup>th</sup> 2013, the day when new shares issued were listed, to March 31<sup>st</sup> 2016, the company's market capitalisation has grown by 37.2%, corresponding to a share price increase from €4.27 to €5.86.

The PSI20, the main Portuguese index, decreased its market capitalisation 15.7% in the same period.

# 9 CORPORATE INFORMATION

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## Main corporate events in the 1Q16

On **January 12<sup>th</sup> 2016**, Sonae announced that MC launched Continente Negócios, an e-commerce platform completely dedicated to B2B customers. This platform will offer more than 3,000 different products both from MC own brands as well as other supplier brands, including paper, stationery, equipment and technology, furniture or hygiene and cleanliness products.

On **February 1<sup>st</sup> 2016**, Sonae announced that RP made a sale and leaseback transaction of 12 food retail assets located in Portugal, with an estimated net book value of €114 M. The transaction amounted to €164 M.

On **March 1<sup>st</sup> 2016**, Sonae announced that RP made a sale and leaseback transaction of 3 Worten stores in Spain. This transaction totaled €27 M and was related to assets with an estimated net book value of €17 M.

On **March 7<sup>th</sup> 2016**, Sierra announced the sale of 25% of its stake in the Sierra Portugal Fund to Madison International Realty. Following this transaction, Sierra retains a 22.5% stake in the Fund and will continue to manage both the Fund and the individual assets within it.

On **March 30<sup>th</sup> 2016**, Sonae announced that RP made a sale and leaseback transaction of 4 food retail assets located in Portugal. This transaction totaled €39 M and was related to assets with an estimated net book value of €25 M.

# 10 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

<b>CAPEX</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct results</b>	Results excluding contributions to indirect results.
<b>(Direct) EBIT</b>	Direct EBT - financial results.
<b>EBITDA</b>	Underlying EBITDA + equity method results (Sonae Sierra direct results and ZOPT net results) + non-recurrent items.
<b>EBITDA margin</b>	EBITDA / turnover.
<b>(Direct) EBT</b>	Direct results before non-controlling interests and taxes.
<b>E&amp;A (Eliminations &amp; adjustments)</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
<b>EoP</b>	End of period.
<b>Free Cash Flow (FCF)</b>	EBITDA - CAPEX - change in working capital - financial results - income taxes.
<b>Financial net debt</b>	Total net debt excluding shareholders' loans.
<b>FMCG</b>	Fast-Moving Consumer Goods.
<b>Gearing (book value)</b>	The average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
<b>Gearing (market value)</b>	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.
<b>GLA</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
<b>Indirect results</b>	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.
<b>Investment properties</b>	Shopping centres in operation owned and co-owned by Sonae Sierra.
<b>Liquidity</b>	Cash & equivalents + current investments, excluding the 2.14% participation at NOS.

<b>Like for Like sales (Lfl)</b>	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.
<b>Loan to value (LTV) - Holding</b>	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
<b>Loan to value (LTV) - Shopping Centres</b>	Net debt / (investment properties + properties under development).
<b>LTM</b>	Last twelve months.
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
<b>Net debt</b>	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.
<b>Net invested capital</b>	Total net debt + total shareholders' funds.
<b>Other income</b>	Dividends.
<b>Other loans</b>	Bonds, leasing and derivatives.
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by independent international entities.
<b>Return on Invested Capital (RoIC)</b>	EBIT (LTM) / net invested capital.
<b>Return on equity (ROE)</b>	Total net income n (equity holders) / shareholders' funds n-1 (equity holders).
<b>RGU</b>	Revenue generating unit.
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
<b>Underlying EBITDA</b>	Recurrent EBITDA from the businesses consolidated using the full consolidation method



## Number of stores and sales area

	Nr. of stores						Sales area ('000 sqm)					
	31 Dec 2015	stores opened	M&A	banner changed	stores closed	31 Mar 2016	31 Dec 2015	stores opened (3)	M&A	banner changed	stores closed	31 Mar 2016
<b>Sonae MC</b>	<b>746</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>761</b>	<b>673</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>685</b>
<b>Company operated <sup>(1)</sup></b>	<b>509</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>516</b>	<b>619</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>630</b>
contigente	40	1	0	0	0	41	283	6	0	0	0	290
contigente modelo	123	0	0	0	0	123	246	0	0	0	0	246
contigente bom dia	52	3	0	0	0	55	58	4	0	0	0	62
well's	152	2	0	0	0	154	16	0	0	0	0	16
bom bocado / bagga	111	1	0	0	-1	111	6	0	0	0	0	6
note! / Makenotes	25	1	0	0	0	26	6	0	0	0	0	6
other <sup>(2)</sup>	6	0	0	0	0	6	4	0	0	0	0	4
<b>Franchising</b>	<b>237</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>-9</b>	<b>245</b>	<b>54</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>56</b>
contigente modelo	7	0	0	0	0	7	17	0	0	0	0	17
meu super	205	15	0	0	-9	211	35	3	0	0	-1	36
well's	15	2	0	0	0	17	1	0	0	0	0	2
bom bocado / bagga	5	0	0	0	0	5	0	0	0	0	0	0
note!	5	0	0	0	0	5	1	0	0	0	0	1
<b>Sonae SR</b>	<b>596</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>592</b>	<b>381</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4</b>	<b>378</b>
<b>Company operated <sup>(1)</sup></b>	<b>516</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>516</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>357</b>
<b>Electronics</b>	<b>227</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>225</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>186</b>
Portugal	177	1	0	0	-1	177	118	0	0	0	0	117
worten	138	1	0	0	0	139	116	0	0	0	0	116
worten mobile	39	0	0	0	-1	38	1	0	0	0	0	1
Spain	50	0	0	0	-2	48	72	0	0	0	-2	69
worten	50	0	0	0	-2	48	72	0	0	0	-2	69
<b>Sports</b>	<b>108</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>111</b>	<b>95</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96</b>
Portugal	75	3	0	0	0	78	62	1	0	0	0	64
Sport Zone	75	3	0	0	0	78	62	1	0	0	0	64
Spain	33	0	0	0	0	33	33	0	0	0	0	33
Sport Zone	33	0	0	0	0	33	33	0	0	0	0	33
<b>Fashion</b>	<b>181</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>180</b>	<b>76</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>74</b>
Portugal	147	1	0	0	-1	147	66	-1	0	0	0	64
mo	108	0	0	0	0	108	54	-1	0	0	0	53
Zippy <sup>(4)</sup>	39	1	0	0	-1	39	12	0	0	0	0	12
Spain	34	0	0	0	-1	33	10	0	0	0	0	10
Zippy	24	0	0	0	-1	23	7	0	0	0	0	7
Losan	10	0	0	0	0	10	3	0	0	0	0	3
<b>Franchising</b>	<b>80</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>76</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>21</b>
<b>Electronics</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</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
Portugal	4	0	0	0	0	4	2	0	0	0	0	2
Sport Zone	4	0	0	0	0	4	2	0	0	0	0	2
Other countries <sup>(5)</sup>	5	0	0	0	0	5	2	0	0	0	0	2
<b>Fashion</b>	<b>67</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-5</b>	<b>63</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>15</b>
Portugal (mo)	5	0	0	0	0	5	1	0	0	0	0	1
Other countries	62	1	0	0	-5	58	14	0	0	0	-1	13
Zippy <sup>(6)</sup>	50	1	0	0	-5	46	10	0	0	0	-1	9
mo <sup>(7)</sup>	12	0	0	0	0	12	4	0	0	0	0	4
<b>Sonae IM</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>
<b>Maxmat</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54</b>

(1) Includes Joint-Ventures;

(2) Includes outlet;

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

(4) Includes a pop up store opened in 2014 converted into a permanent store;

(5) Includes India, France and Spain;

(6) Includes Turkey, Saudi Arabia, Egypt, Kazakhstan, Azerbaijan, Dominican Republic, Venezuela, Morocco, Lebanon, Qatar, St. Maarten (2015), Jordan (2015), Armenia, Chile (2015), Georgia, Equator, Cyprus, Kurdistan, Libya, Tunisia, Philippines and Mozambique;

(7) Includes Spain, Bulgaria, Mozambique and Saudi Arabia.

## Sonae Consolidated Profit and Loss Account

Sonae profit and loss account			
Million euros	1Q15	1Q16	y.o.y.
<b>Turnover</b>	<b>1,146</b>	<b>1,215</b>	<b>6.0%</b>
<b>Underlying EBITDA</b>	<b>59</b>	<b>46</b>	<b>-22.1%</b>
<b>Underlying EBITDA margin</b>	<b>5.2%</b>	<b>3.8%</b>	<b>-1.4 p.p.</b>
<b>EBITDA</b>	<b>71</b>	<b>120</b>	<b>67.8%</b>
<b>EBITDA margin</b>	<b>6.2%</b>	<b>9.9%</b>	<b>3.6 p.p.</b>
Depreciations & amortisations <sup>(1)</sup>	-45	-51	-12.1%
<b>EBIT</b>	<b>26</b>	<b>69</b>	<b>163.3%</b>
Net financial activity	-18	-14	19.7%
<b>EBT</b>	<b>8</b>	<b>55</b>	<b>-</b>
Taxes	-3	-12	-
<b>Direct results</b>	<b>6</b>	<b>43</b>	<b>-</b>
<b>Indirect results</b> <sup>(3)</sup>	<b>16</b>	<b>-15</b>	<b>-</b>
<b>Net income</b>	<b>21</b>	<b>29</b>	<b>35.3%</b>
Minority interests	-2	1	-
<b>Net income group share</b>	<b>20</b>	<b>30</b>	<b>51.6%</b>

(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.

## Sonae Consolidated Statement of Financial Position

Sonae statement of financial position			
Million euros	1Q15	1Q16	y.o.y.
<b>TOTAL ASSETS</b>	<b>5,429</b>	<b>5,065</b>	<b>-6.7%</b>
<b>Non current assets</b>	<b>3,994</b>	<b>3,736</b>	<b>-6.5%</b>
Tangible and intangible assets	2,032	1,766	-13.1%
Goodwill	609	620	1.7%
Investment properties	1	1	-6.0%
Other investments	1,221	1,252	2.5%
Deferred tax assets	103	66	-36.3%
Others	28	33	15.9%
<b>Current assets</b>	<b>1,435</b>	<b>1,329</b>	<b>-7.4%</b>
Stocks	582	617	5.9%
Trade debtors	82	102	24.4%
Liquidity	451	269	-40.3%
Others	320	341	6.6%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,774</b>	<b>1,818</b>	<b>2.5%</b>
Equity holders	1,615	1,686	4.4%
Attributable to minority interests	159	132	-17.3%
<b>LIABILITIES</b>	<b>3,655</b>	<b>3,247</b>	<b>-11.2%</b>
<b>Non-current liabilities</b>	<b>1,069</b>	<b>1,423</b>	<b>33.1%</b>
Bank loans	263	576	119.1%
Other loans	624	706	13.1%
Deferred tax liabilities	100	66	-34.4%
Provisions	33	38	14.5%
Others	48	37	-23.0%
<b>Current liabilities</b>	<b>2,586</b>	<b>1,824</b>	<b>-29.5%</b>
Bank loans	217	249	14.7%
Other loans	832	56	-93.2%
Trade creditors	967	985	1.9%
Others	571	534	-6.5%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5,429</b>	<b>5,065</b>	<b>-6.7%</b>

## Condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016 AND 2015 AND 31 DECEMBER 2015

(Amounts expressed in euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

ASSETS	Notes	31 Mar 2016	31 Mar 2015	31 Dec 2015
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	7	1,521,501,596	1,796,662,765	1,543,114,788
Intangible assets	8	244,353,129	235,092,843	244,450,349
Investment properties		896,874	954,097	919,609
Goodwill	9	619,577,718	609,005,079	624,543,913
Investments in joint ventures and associates	5	1,221,647,622	1,190,711,365	1,214,889,100
Other investments	6 and 10	29,881,803	30,565,839	29,549,661
Deferred tax assets	13	65,539,005	102,963,374	63,869,618
Other non-current assets	11	32,537,991	28,063,822	31,610,627
<b>Total Non-Current Assets</b>		<b>3,735,935,738</b>	<b>3,994,019,184</b>	<b>3,752,947,665</b>
<b>CURRENT ASSETS:</b>				
Inventories		616,934,131	582,288,743	634,764,894
Trade account receivables and other debtors	12	378,682,900	328,024,192	340,621,061
Investments	10	65,323,999	79,781,239	82,430,974
Cash and cash equivalents	14	268,286,125	445,146,258	282,751,583
<b>Total Current Assets</b>		<b>1,329,227,155</b>	<b>1,435,240,432</b>	<b>1,340,568,512</b>
Assets available for sale	15	-	-	131,044,138
<b>TOTAL ASSETS</b>		<b>5,065,162,893</b>	<b>5,429,259,616</b>	<b>5,224,560,315</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	16	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	16	(116,574,389)	(136,417,142)	(123,493,932)
Reserves and retained earnings		(227,086,879)	(268,817,014)	(393,321,903)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		30,081,898	19,838,943	175,306,228
Equity attributable to the equity holders of the Parent Company		1,686,420,630	1,614,604,787	1,658,490,393
Equity attributable to non-controlling interests	17	131,863,164	159,426,847	136,303,721
<b>TOTAL EQUITY</b>		<b>1,818,283,794</b>	<b>1,774,031,634</b>	<b>1,794,794,114</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	18	1,281,960,851	887,189,017	1,272,864,874
Other non-current liabilities	20	37,163,729	48,238,466	36,028,880
Deferred tax liabilities	13	65,687,710	100,157,363	72,759,772
Provisions	23	38,193,127	33,352,025	38,810,058
<b>Total Non-Current Liabilities</b>		<b>1,423,005,417</b>	<b>1,068,936,871</b>	<b>1,420,463,584</b>
<b>CURRENT LIABILITIES:</b>				
Loans	18	305,609,310	1,048,940,916	314,262,928
Trade creditors and other liabilities	22	1,515,214,590	1,533,651,852	1,691,955,699
Provisions	23	3,049,782	3,698,343	3,083,990
<b>Total Current Liabilities</b>		<b>1,823,873,682</b>	<b>2,586,291,111</b>	<b>2,009,302,617</b>
<b>TOTAL LIABILITIES</b>		<b>3,246,879,099</b>	<b>3,655,227,982</b>	<b>3,429,766,201</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,065,162,893</b>	<b>5,429,259,616</b>	<b>5,224,560,315</b>

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016 AND 2015

*(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)*

(Amounts expressed in euro)	Notes	31 Mar 2016	31 Mar 2015
Sales	29	1,168,928,849	1,102,261,905
Services rendered	29	46,434,559	43,801,628
Gains and losses on investments		1,582	-
Investment income investments recorded at fair value through profit	10	(15,263,369)	16,573,861
Financial income		1,408,953	5,210,044
Other income	26	228,696,895	150,580,520
Cost of goods sold and materials consumed		(979,128,774)	(898,070,359)
Changes in stocks of finished goods and work in progress		64,391	11,924
External supplies and services		(161,654,536)	(151,462,664)
Staff costs		(178,713,350)	(166,420,858)
Depreciation and amortisation	7 and 8	(42,956,485)	(42,918,275)
Provisions and impairment losses		(7,798,026)	(2,083,848)
Financial expense		(15,732,139)	(23,037,805)
Other expenses		(16,812,830)	(21,709,076)
Share of results of joint ventures and associated companies	5	12,934,541	11,407,710
Profit/(Loss) before taxation		40,410,261	24,144,707
Taxation	27	(11,520,464)	(2,798,068)
Profit/(Loss) after taxation		28,889,797	21,346,639
Attributable to:			
Equity holders of the Parent Company:		30,081,898	19,838,943
Non-controlling interests	17	(1,192,101)	1,507,696
Profit/(Loss) per share			
Basic	28	0.017049	0.011605
Diluted	28	0.015869	0.011096

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors



## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2016 AND 2015

*(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)*

(Amounts expressed in euro)	31 Mar 2016	31 Mar 2015
Net Profit / (Loss) for the period	28,889,797	21,346,639
Items that maybe reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(4,485,741)	(1,156,986)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5.4)	(6,176,019)	(3,814,807)
Changes in hedge and fair value reserves	(2,112,050)	(415,759)
Deferred taxes related with other components of comprehensive income	515,237	105,509
Others	(8,328)	(18,937)
Other comprehensive income for the period	(12,266,901)	(5,300,980)
Total comprehensive income for the period	16,622,896	16,045,658
Attributable to:		
Equity holders of parent company	21,134,901	14,633,781
Non controlling interests	(4,512,005)	1,411,877

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2016 AND 2015

*(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese)*

(Amounts expressed in euro)	Notes	31 Mar 2016	31 Mar 2015
<b>OPERATING ACTIVITIES</b>			
Net cash flow from operating activities (1)		(167,779,636)	(140,747,342)
<b>INVESTMENT ACTIVITIES</b>			
Cash receipts arising from:			
Investments		-	-
Tangible and Intangible assets		229,741,711	480,971
Interests and similar income		514,372	427,742
Loans granted		-	2,635,098
Others		1,100,433	-
		231,358,130	3,543,811
Cash Payments arising from:			
Investments		(374,015)	(245,530)
Tangible and Intangible assets		(69,472,338)	(64,808,881)
Loans granted		-	(1,365,000)
Others		(188,880)	-
		(70,035,233)	(66,419,411)
Net cash used in investment activities (2)		161,322,897	(62,875,600)
<b>FINANCING ACTIVITIES</b>			
Cash receipts arising from:			
Investments		173,261	125,894
Loans obtained		1,951,392,532	510,869,703
		1,951,571,409	510,995,597
Cash Payments arising from:			
Investments		-	(2,500,557)
Loans obtained		(1,946,899,538)	(450,109,540)
Interests and similar charges		(7,579,769)	(18,958,729)
Purchase of own shares		-	(139,401)
Others		(502,486)	(889,567)
		(1,954,981,793)	(472,597,794)
Net cash used in financing activities (3)		(3,410,384)	38,397,803
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(9,867,123)	(165,225,139)
Effect of foreign exchange rate		140,243	164,765
Cash and cash equivalents at the beginning of the period	14	270,140,463	588,271,612
Cash and cash equivalents at the end of the period	14	260,133,097	422,881,708

The accompanying notes are part of these condensed financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MARCH 2016

*(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)*

*(Amounts expressed in euro)*

## 1 INTRODUCTION

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SONAE, SGPS, SA ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 6 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 29.

## 2 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2015.

### 2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as from the consolidated financial statements issuance date.

Interim financial statements are presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and properties investments which are stated at fair value.

**New accounting standards and their impact on the consolidated financial statements:**

Up to the financial statements approval date, the following standards interpretations, some of which become mandatory during 2016, have been endorsed by the European Union.

With mandatory application in 2016:	Effective date (for financial years beginning on or after)
IAS 19 (Amendment) – (Employee Benefits)	01 Feb 2015
Improvements of international financial reporting standards (2010-2012 cycle )	01 Feb 2015
Improvements of international financial reporting standards (2010-2014 cycle )	01 Jan 2016
IFRS 11 (Amendment) – Accounting for Acquisitions of Interests in Joint Operations	01 Jan 2016
IAS 1 – (Amendment) – Presentation of Financial Statements	01 Jan 2016
IAS 16 and IAS 38 – (Amendment) – (Clarification of Acceptable Methods of Depreciation and Amortisation)	01 Jan 2016
IAS 16 – (Amendment) – Tangible Assets and IAS 41 (Amendments) – Bearer Plants	01 Jan 2016
IAS 27 – (Amendment) – Equity Method in Separate Financial Statements	01 Jan 2016

These standards were first applied by the Group in 2016. The application of these standards and interpretations had no material effect on the financial statements of the Group as at 31 March 2016.

The following standards, interpretations, amendments and revisions haven't been until the date of approval of these financial statements, endorsed by the European Union, whose application is mandatory in future financial years.

With mandatory application after 2016:	Effective date (for financial years beginning on or after)
IFRS 9 - (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 14 – (Regulatory Deferral Accounts)	01 Jan 2016
IFRS 15 – (Revenue from Contracts with Customers)	01 Jan 2018

IFRS 16 – Leases (recognition and measurement principles)	01 Jan 2019
IFRS 10, IFRS 12 and IAS 28 (Amendment) – (Clarification of several issues regarding the application of the consolidation requirement by investment entities)	01 Jan 2016
IFRS 10 and IAS 28 (Amendment) – (Elimination of the inconsistency between the requirements of these standards when dealing with the sale or contribution of assets between an investor and its associate or joint venture)	Undefined
IFRS 12 (Amendment) – (Recognition of Deferred Tax Assets for Unrealised Losses issued)	01 Jan 2017
IFRS 7 (Amendment) – (Disclosures on the cash flow statements)	01 Jan 2017
IFRS 15 – (Amendment) - (Revenues from Contracts with Customers )	01 Jan 2018

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 31 March 2016, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group, and with the exception of IFRS 9, IFRS 15 and IFRS 16, important impacts are not expected.

### 3 CHANGES IN ACCOUNTING POLICIES

During the period was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after the 1<sup>st</sup> January 2016 as disclosed in Note 2 and which didn't have any significant impacts on the financial statements as at 31 March 2016.

### 4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 31 March 2016 and 31 December 2015 are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Retail					
Aduanas Caspe, S.L.U.	a) Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Arat Inmuebles, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%



BB Food Service, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Comercial Losan Polonia SP Z.O.O	a)	Varsóvia (Poland)	100.00%	100.00%	100.00%	100.00%
Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a)	Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Discovery Sports, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a)	Matosinhos (Portugal)	75.00%	75.00%	75.00%	75.00%
Farmácia Selecção, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonaes Dois	a)	Maia (Portugal)	97.82%	97.82%	97.92%	97.92%
Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
HighDome PCC Limited (Cell Europe)	a)	Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Igimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Infofield - Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Losan Colombia, S.A.S	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	100.00%
Losan Overseas Textile, S.L	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%

Losan Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJB Design- Lda	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia(Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo.com - Vendas p/Correspond., SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predilugar – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Socijofra - Sociedade Imobiliária, SA	a)	Gondomar (Portugal)	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonae Center Serviços II, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Investimentos, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Retalho Espanha - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sonae SR Malta Holding Limited	a)	Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	90.00%	100.00%	90.00%
Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

Sonae Specialized Retail, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Worten - Equipamento para o Lar, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Zippy - Comercio y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Sonae IM</b>						
Accive Insurance – Consultoria e Franchising, Lda	a)	Porto (Portugal)	100.00%	35.01%	100.00%	35.01%
Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70.00%	35.01%	70.00%	35.01%
ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
1) Bright Development Studio, S.A.	a)	Maia (Portugal)	100.00%	89.97%	-	-
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
Herco Consultoria de Risco, SA	a)	Maia (Portugal)	100.00%	50.01%	100.00%	50.01%
HighDome PCC Limited	a)	La Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
Itrust – Cyber Security and Intelligence, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Larim Corretora de Resseguros Ltda	a)	Rio de Janeiro (Brazil)	99.99%	50.01%	99.99%	50.01%
Lazam/mds Correctora Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
MDS África, SGPS, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%

	MDS Affinity-Sociedade de Mediação Lda	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50.01%	25.01%	50.01%	25.01%
2)	Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Malta Holding Limited	a)	La Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
	MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS, SGPS, SA	a)	Maia (Portugal)	50.01%	50.01%	50.01%	50.01%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
	Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%
	RSI Corretora de Seguros, Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
	S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	69.98%	99.99%	69.98%
	S21Sec Ciber seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	69.86%	100.00%	69.86%
	S21 Sec Gestion, SA	a)	Navarra(Spain)	77.80%	69.99%	77.80%	69.99%
	S21 Sec Inc.	a)	Texas (USA)	100.00%	69.99%	100.00%	69.99%
	S21 Sec Information Security Labs, S.L.	a)	Navarra(Spain)	100.00%	69.99%	100.00%	69.99%
	S21 Sec México, SA de CV	a)	Mexico City(Mexico)	99.87%	69.89%	99.87%	69.89%
	S21 Sec SA de CV	a)	Mexico City(Mexico)	99.99%	69.98%	99.99%	69.98%
	Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
	Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
	Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
	Sonaecom-Cyber Security and Int.,SGPS,SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaecom – Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%
	Sonaecom BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
	Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
	Sonae Investment Management – Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
	Tlantic, BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	72.10%	72.10%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	72.10%	100.00%	72.10%

	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	72.10%	100.00%	72.10%
	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
	We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
2)	We Do Poland Sp.Z.o.o.	a)	Poznan (Poland)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
	We Do Tecnologias Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Mexico S. de RL	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
	We Do Tecnologias BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
<b>Others</b>							
	Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
	Sonaecenter Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

\* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) (s) subsidiary which owns the stake in question holds the share capital of this company.

- a) Control held by majority of voting rights which confer power of relevant activities that influence;
- b) Control held by Management control;

- 1) Company created during the period;
- 2) Company liquidated during the period.

These entities are consolidated using the full consolidation method.

## 5 JOINT VENTURES AND ASSOCIATED COMPANIES

### 5.1 Detail of book value of Investment in joint ventures and associates

The aggregated values of main financial indicators of joint ventures and associated are as follows:

COMPANY	31 Mar 2016	31 Dec 2015
<b>Sonae Sierra</b>		
Sonae Sierra SGPS, SA (consolidated)	513,871,140	499,327,197
<b>ZOPT (NOS)</b>		
ZOPT, SGPS, S.A. (consolidated)	702,863,426	710,450,710
<b>Sonae IM</b>		
Unipress - Centro Gráfico, Lda	615,964	580,205
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	-	-
Intelligent Big Data, S.L.	-	-
<b>Investments in joint ventures</b>	<b>1,217,350,530</b>	<b>1,210,358,112</b>
<b>Retail</b>		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,281,782	1,236,445
APOR - Agência para a Modernização do Porto, S.A.	355,517	373,147
Ulabox, S.L.	2,618,048	2,879,651
<b>Sonae IM</b>		
Brokerslink Management AG	41,745	41,745
<b>Investment in associated companies</b>	<b>4,297,092</b>	<b>4,530,988</b>
<b>Total</b>	<b>1,221,647,622</b>	<b>1,214,889,100</b>

### 5.2 Detail of joint ventures and associated companies

Joint Ventures entities and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 31 March 2016 and 31 December 2015 are as follows:

#### 5.2.1 Joint ventures

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
<b>Sonae Sierra</b>					
3shoppings - Holding, SGPS, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
8ª avenida Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Aegean Park, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%



ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidasshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Beralands BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
Cascaishopping Holding I, SGPS, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
CCCB Caldas da Rainha - Centro Comercial, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	25.05%	100.00%	25.05%
Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro Shopping	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%
Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãesshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberian Assets, SA	Madrid (Spain)	49.78%	12.48%	49.78%	12.48%
Ioannina Development of Shopping Centres, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%

Larissa Development of Shopping Centres, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%
Loop 5 - Shopping Centre GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	11.88%	50.00%	11.88%
Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
1) Münster Arkaden, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Park Avenue Development of Shopping Centers, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Campinas Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%

2) Project Guia, SA	Maia (Portugal)	100.00%	50.00%	-	-
Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 11, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 12, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 8 BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Project Sierra Cúcuta B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Four, SA	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Project Sierra Germany 2 (two), Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Project Sierra Two Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Proyecto Cúcuta S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	11.88%	50.00%	11.88%
River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Serra Shopping – Centro Comercial, SA	Covilhã (Portugal)	50.00%	11.88%	50.00%	11.88%
Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Sierra Asia Limited	Hong Kong (China)	100.00%	50.00%	100.00%	50.00%
Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
Sierra Central, S.A.S.	Santiago de Cali (Colômbia)	50.00%	25.00%	50.00%	25.00%
Sierra Cevital Shopping Center, Spa	Algeria	49.00%	24.50%	49.00%	24.50%
Sierra Core Assets Holland, BV	Amsterdam (Netherlands)	50.00%	25.50%	50.00%	25.50%
Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Developments, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	25.05%	50.10%	25.05%
Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra GP, Limited	Guernsey (U.K.)	100.00%	50.00%	100.00%	50.00%

Sierra Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
2) Sierra Maroc Services, SARL	Casablanca (Morocco)	100.00%	50.00%	-	-
Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Sierra Turkey Gayrimenkul Yonetim Pazarlama ve Danışmanlık Anonim İrket.	İstanbul (Turkey)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland 2 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra Spain – Shopping Centers Services, SL	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Sierra Zenata Project B.V	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
Sonae Sierra, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	47.50%	23.75%	47.50%	23.75%
Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Zenata Commercial Project, SA	Mohammedia (Marrocos)	100.00%	5.50%	100.00%	5.50%

## ZOPT (NOS)

Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.50%	20.00%	4.50%
Canal 20 TV, SA	Madrid (Spain)	50.00%	11.25%	50.00%	11.25%
Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.25%	50.00%	11.25%
Dreamia Servicos de Televisao, SA	Lisbon (Portugal)	100.00%	11.25%	100.00%	11.25%
Empracine – Empresa Promotora de Atividades Cinematograficas, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
FINSTAR – Sociedade de Investimentos e Participacoes, SA	Luanda (Angola)	30.00%	6.75%	30.00%	6.75%
Lusomundo – Sociedade de Investimentos imobiliarios, SGPS, SA	Lisbon (Portugal)	99.87%	11.25%	99.87%	11.25%
Lusomundo Imobiliaria 2, SA	Lisbon (Portugal)	99.87%	22.47%	99.87%	22.47%
Lusomundo Moçambique, Lda	Maputo (Mozambique)	100.00%	22.50%	100.00%	22.50%
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Sistemas, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Sistemas España, SL	Madrid (Spain)	100.00%	22.50%	100.00%	22.50%
MSTAR, SA	Maputo (Mozambique)	30.00%	6.75%	30.00%	6.75%
NOS Açores Comunicacoes, SA	Ponta Delgada (Portugal)	83.82%	18.86%	83.82%	18.86%
NOS Communications Sarl	Luxembourg	100.00%	22.50%	100.00%	22.50%
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Madeira Comunicações, SA	Funchal (Portugal)	77.95%	17.54%	77.95%	17.54%
NOS Technology – Conceção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS SGPS, SA	Lisbon (Portugal)	52.15%	22.50%	52.15%	22.50%
NOSPUB – Publicidade e Conteudos, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
Per-Mar – Sociedade de Construcoes, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
Sport TV Portugal	Lisbon (Portugal)	50.00%	11.25%	50.00%	11.25%
Sontaria – Empreendimentos Imobiliarios, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	22.50%	100.00%	22.50%
Upstar Comunicacoes, SA	Vendas Novas (Portugal)	30.00%	6.75%	30.00%	6.75%
ZAP Cinemas, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZAP Media, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%

ZAP Publishing, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZON Finance BV	Amsterdam (Netherlands)	100.00%	22.50%	100.00%	22.50%
ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%

**Sonae IM**

Intelligent Big Data, S.L.	Gipuzcoa (Spain)	50.00%	35.00%	50.00%	35.00%
SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	45.00%	40.49%	45.00%	40.49%
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%

\* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) (s) subsidiary which owns the stake in question holds the share capital of this company.

- 1) Company liquidated during the period;
- 2) Company created during the period.

**5.2.2 Associated Companies**

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
Retail					
APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22.75%	22.75%	22.75%	22.75%
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon (Portugal)	25.00%	25.00%	25.00%	25.00%
Ulabox, S.L.	Barcelona (Spain)	28.57%	28.57%	28.57%	28.57%

\* the percentage of ownership total represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) (s) subsidiary which owns the stake in question holds the share capital of this company.

Jointly controlled companies and associated companies were included in the consolidated financial statements by the equity method.

**5.3 Financial indicators of participations****5.3.1 Joint Ventures**

The aggregated values of main financial indicators of joint ventures can be summarized as follows:



	31 Mar 2016		
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
<b>Assets</b>			
Investment properties	289,429,887	691,000	-
Tangible assets	1,166,227	1,192,582,000	1,381,890
Intangible assets	2,546,158	635,113,000	11,933
Goodwill	4,273,688	1,749,507,000	-
Investments in joint ventures and associates	862,307,155	198,902,000	-
Other non-current assets	127,232,165	143,500,000	97
<b>Non-current assets</b>	<b>1,286,955,280</b>	<b>3,920,295,000</b>	<b>1,393,920</b>
Cash and cash equivalents	168,332,442	13,288,000	93,341
Other current assets	45,335,890	504,038,000	1,877,451
<b>Current assets</b>	<b>213,668,332</b>	<b>517,326,000</b>	<b>1,970,792</b>
<b>Assets classified as available for sale</b>	<b>767,754,848</b>	<b>24,237,000</b>	<b>-</b>
<b>Total assets</b>	<b>2,268,378,460</b>	<b>4,461,858,000</b>	<b>3,364,712</b>
<b>Liabilities</b>			
Loans	174,799,955	982,856,000	1,541,512
Other non-current liabilities	36,409,777	266,958,000	5,306
<b>Non-current liabilities</b>	<b>211,209,732</b>	<b>1,249,814,000</b>	<b>1,546,818</b>
Loans	85,280,643	159,549,000	26,262
Other current liabilities	99,756,644	576,398,000	1,145,919
<b>Total current liabilities</b>	<b>185,037,287</b>	<b>735,947,000</b>	<b>1,172,181</b>
Liabilities directly associated with assets classified as available for sale	373,672,220	-	-
<b>Total liabilities</b>	<b>769,919,239</b>	<b>1,985,761,000</b>	<b>2,718,999</b>
Equity attributable to the equity holders of the Parent Company	967,328,637	1,243,716,000	645,713
Non-controlling interests	531,130,584	1,232,381,000	-
<b>Total equity</b>	<b>1,498,459,221</b>	<b>2,476,097,000</b>	<b>645,713</b>
<b>Total equity and liabilities</b>	<b>2,268,378,460</b>	<b>4,461,858,000</b>	<b>3,364,712</b>

	31 Dec 2015		
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
<b>Assets</b>			
Investment properties	286,938,906	697,557	-
Tangible assets	1,230,400	1,218,762,526	1,557,119
Intangible assets	2,705,989	639,261,319	13,213
Goodwill	4,273,686	1,749,506,673	-
Investments in joint ventures and associates	905,893,688	264,465,220	-
Other non-current assets	120,895,811	145,726,069	97
<b>Non-current assets</b>	<b>1,321,938,480</b>	<b>4,018,419,364</b>	<b>1,570,429</b>
Cash and cash equivalents	73,040,437	21,504,911	71,511
Other current assets	47,206,085	465,454,752	1,908,042
<b>Current assets</b>	<b>120,246,522</b>	<b>486,959,663</b>	<b>1,979,553</b>
<b>Assets classified as available for sale</b>	<b>870,360,745</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>2,312,545,747</b>	<b>4,505,379,027</b>	<b>3,549,982</b>
<b>Liabilities</b>			
Loans	171,839,762	979,421,660	1,698,657
Other non-current liabilities	40,582,022	257,648,405	5,306
<b>Non-current liabilities</b>	<b>212,421,784</b>	<b>1,237,070,065</b>	<b>1,703,963</b>
Loans	60,196,509	180,262,683	26,262
Other current liabilities	158,012,185	582,696,254	1,233,012
<b>Total current liabilities</b>	<b>218,208,694</b>	<b>762,958,937</b>	<b>1,259,274</b>
Liabilities directly associated with assets classified as available for sale	424,352,495	-	-
<b>Total liabilities</b>	<b>854,982,973</b>	<b>2,000,029,002</b>	<b>2,963,237</b>
Equity attributable to the equity holders of the Parent Company	938,240,752	1,258,356,499	586,745
Non-controlling interests	519,322,022	1,246,993,526	-
<b>Total equity</b>	<b>1,457,562,774</b>	<b>2,505,350,025</b>	<b>586,745</b>
<b>Total equity and liabilities</b>	<b>2,312,545,747</b>	<b>4,505,379,027</b>	<b>3,549,982</b>



Joint ventures	31 Mar 2016		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Turnover	53,545,898	366,175,000	995,468
Other operating income	2,786,095	4,128,000	6,048
	56,331,993	370,303,000	1,001,516
External supplies and services	(27,142,037)	(44,653,000)	(292,787)
Amortisation	(284,956)	(100,568,000)	(178,684)
Other operating costs	(13,381,267)	(197,998,000)	(468,762)
	(40,808,260)	(343,219,000)	(940,233)
Financial income	1,575,075	-	-
Financial expense	(6,542,935)	(5,301,000)	(2,083)
Financial results	(4,967,860)	(5,301,000)	(2,083)
Results of joint ventures and associated companies	14,985,859	13,000	-
Other income / expense	7,878,437	-	-
Results before taxation	33,420,169	21,796,000	-
Income taxation	(3,293,568)	(2,314,000)	(96)
Consolidated net income/(loss) for the year	30,126,601	19,482,000	59,104
Attributable to:			
Equity holders of the Parent Company	16,538,376	9,727,000	59,104
Non-controlling interests	13,588,225	9,755,000	-
	30,126,601	19,482,000	59,104
Other comprehensive income for the period	12,905,361	5,636,000	-
Total comprehensive income for the period	43,031,962	25,118,000	59,104

Joint ventures	31 Mar 2015			
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Raso SGPS, SA (consolidated)	Others
Turnover	48,934,198	341,354,000	13,453,481	721,752
Other operating income	1,115,848	2,721,000	857,287	-
	50,050,046	344,075,000	14,310,768	721,752
External supplies and services	(23,924,231)	(45,777,286)	(10,803,215)	(167,785)
Amortisation	(255,498)	(92,968,722)	(151,650)	(191,150)
Other operating costs	(13,864,885)	(169,047,624)	(2,998,107)	(356,776)
	(38,044,614)	(307,793,632)	(13,952,972)	(715,711)
Financial income	1,527,140	-	9	39
Financial expense	(5,549,630)	(10,902,107)	(233,048)	(3,157)
Financial results	(4,022,490)	(10,902,107)	(233,039)	(3,118)
Results of joint ventures and associated companies	15,563,950	-	-	-
Other income / expense	61,436	-	-	-
Results before taxation	23,608,328	25,379,261	124,757	-
Income taxation	(3,096,998)	(5,043,436)	(177,732)	-
Consolidated net income/(loss) for the year	20,511,329	20,335,825	(52,975)	2,923
Attributable to:				
Equity holders of the Parent Company	12,629,798	10,193,228	(48,103)	2,923
Non-controlling interests	7,881,531	10,142,597	(4,872)	-
	20,511,329	20,335,825	(52,975)	2,923
Other comprehensive income for the period	(22,411,134)	30,532,000	-	-
Total comprehensive income for the period	(1,899,805)	50,867,825	(52,975)	2,923

### 5.3.2 Associated companies

The aggregated values of main financial indicators of associated companies can be summarized as follows:

	31 Mar 2016			31 Dec 2015		
	Sempre a Postos	Ulabox	Others	Sempre a Postos	Ulabox	Others
Associates						
Non-Current Assets	1,630,496	2,037,714	18,328	1,778,633	1,923,349	18,619
Current Assets	9,803,906	1,507,509	1,621,835	10,076,920	2,548,955	1,679,225
Non-Current Liabilities	1,263	-	-	8,594	-	-
Current Liabilities	6,306,012	92,093	77,453	6,901,181	103,517	57,638
Equity attributable to the equity holders of the Parent Company	5,127,127	3,453,130	1,562,710	4,945,778	4,368,787	1,640,206

	31 Mar 2016			31 Mar 2015	
	Sempre a Postos	Ulabox	Others	Sempre a Postos	Others
Associates					
Turnover	11,657,044	1,639,863	10,815	11,008,904	126,952
Other operational income	882,216	-	-	984,967	-
Operational expenses	(12,307,530)	(2,468,849)	(89,401)	(11,868,926)	-
Net financial expense	2,991	-	-	5,043	-
Taxation	(53,371)	-	-	(33,421)	-
Consolidated profit/(loss) for the period	181,350	(828,986)	(78,586)	96,567	126,952
Other comprehensive income for the period	-	-	-	-	-
Other comprehensive income for the period	181,350	(828,986)	(78,586)	96,567	126,952

### 5.4 Movements occurred in the period

During the period ended at 31 March 2016 and 2015, movements in investments in joint ventures and associated companies are as follows:

	31 Mar 2016			31 Mar 2015		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
<b>Joint ventures</b>						
Opening balance as at 1 January	638,605,623	571,752,490	1,210,358,113	621,439,679	579,547,428	1,200,987,107
Equity method:						
Gains or losses in joint controlled and associated companies	13,168,436	-	13,168,436	11,414,158	-	11,414,158
Distributed dividends	-	-	-	(19,508,250)	-	(19,508,250)
Effect in equity capital and non-controlling interests	(6,176,019)	-	(6,176,019)	(3,814,807)	-	(3,814,807)
	645,598,040	571,752,490	1,217,350,530	609,530,780	579,547,428	1,189,078,208
<b>Investments in associates companies</b>						
Opening balance as at 1 January	2,807,145	1,723,842	4,530,987	1,502,111	137,494	1,639,605
Equity method:						
Gains or losses in joint controlled and associates companies	(233,895)	-	(233,895)	(6,448)	-	(6,448)
	2,573,250	1,723,842	4,297,092	1,495,663	137,494	1,633,157
<b>Total</b>	<b>648,171,290</b>	<b>573,476,332</b>	<b>1,221,647,622</b>	<b>611,026,443</b>	<b>579,684,922</b>	<b>1,190,711,365</b>

The effect on equity is mainly the result of currency translation figures of companies with a functional currencies different from euro.

## 6 OTHER NON – CURRENT INVESTMENTS

The other non-current investments, their head offices, percentage of share capital held and book value as at 31 March 2016 and 31 December 2015, are as follows:

Company	Head office	Percentage of share capital held				Statment of financial position	
		31 Mar 2016		31 Dec 2015			
		Direct	Total	Direct	Total	31 Mar 2016	31 Dec 2015
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon (Portugal)	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada (Portugal)	10.00%	10.00%	10.00%	10.00%	925,197	898,197
Solferias- Operadores Turísticos, SA	Lisbon (Portugal)	11.11%	11.11%	11.11%	11.11%	133,162	133,162
MOVVO, SA	Porto (Portugal)	16.00%	16.00%	16.00%	16.00%	800,000	800,000
Sonae IM							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon (Portugal)	1.38%	1.24%	1.38%	1.24%	75,069	75,069
Cooper Gay Swett & Crawford Ltd	London(U.K.)	9.72%	4.86%	9.72%	4.86%	15,249,229	15,249,229
Other investments						12,689,170	12,384,028
Total (Note 10)						29,881,803	29,549,661

On 31 March 2016, are included in “Other Investments”, among others 9,992,791 euro (9,996,932 euro as at 31 December 2015) related to deposited amounts on an *Escrow Account* which is invested in investment funds with superior rating and contractual liability guarantees assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 23).

Although in accordance with the deadlines contractually established, the *Escrow Account* should have already been released by the buyer, that didn’t happen as there are some points of disagreement on the use of the *Escrow Account*, namely as whether or not, to retain the *Escrow Account* for on-going fiscal procedures that have not yet been decided (Note 24). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae.

Financial investment in Cooper Gay Sweet & Crawford Ltd maintained its fair value at 31 December 2015 as it was considered that there are no material valuation differences. The financial participation in Cooper Gay Sweet & Crawford Ltd was measured at its fair value as at 31 December 2015 taking into consideration the multiples of EBITDA or multiples of sales by region and the transaction price of the North American operation sold in February 2016. The value of Cooper Gay Sweet & Crawford Ltd is net of impairment in the value of 1,517,355 euros.

## 7 TANGIBLE ASSETS

During the three months periods ended as at 31 March 2016 and 2015, movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2016	1,340,030,432	1,331,776,249	195,582,343	24,255,352	2,891,644,376
Investment	809,416	52,148	497,727	48,279,135	49,638,426
Disposals	(30,748,984)	(11,488,892)	(1,141,045)	(1,902,778)	(45,281,699)
Exchange rate effect	43,427	13,276	28,783	58	85,544
Transfers	6,991,198	28,215,771	3,755,371	(38,281,027)	681,313
Closing balance as at 31 March 2016	1,317,125,489	1,348,568,552	198,723,179	32,350,740	2,896,767,960
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2016	367,362,667	828,106,126	153,060,796	-	1,348,529,589
Depreciation of the period	4,888,514	25,722,829	4,060,054	-	34,671,397
Impairment losses of the period (Note 23)	6,600,000	-	-	-	6,600,000
Disposals	(3,936,186)	(9,478,634)	(1,073,802)	-	(14,488,622)
Exchange rate effect	43,552	3,537	12,245	-	59,334
Transfers	346,629	(284,065)	(167,898)	-	(105,334)
Closing balance as at 31 March 2016	375,305,176	844,069,793	155,891,395	-	1,375,266,364
Carrying amount as at 31 March 2016	941,820,313	504,498,759	42,831,784	32,350,740	1,521,501,596
	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2015	1,668,538,078	1,286,938,925	184,269,466	27,306,514	3,167,052,983
Investment	1,671,172	264,445	78,817	32,331,608	34,346,042
Disposals	-	(10,255,037)	(1,633,121)	(1,077,707)	(12,965,865)
Exchange rate effect	(93,629)	(15,938)	(125,342)	65	(234,844)
Transfers	629,212	26,391,002	4,349,269	(31,662,074)	(292,591)
Closing balance as at 31 March 2015	1,670,744,833	1,303,323,397	186,939,089	26,898,406	3,187,905,725
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2015	432,793,307	783,680,414	148,631,381	-	1,365,105,102
Depreciation and impairment losses of the period	6,301,968	26,109,923	3,181,469	-	35,593,360
Impairment losses of the period	-	841,741	-	-	841,741
Disposals	-	(8,808,376)	(1,573,125)	-	(10,381,501)
Exchange rate effect	(91,315)	(15,760)	(87,928)	-	(195,003)
Transfers	582,979	(185,600)	(118,118)	-	279,261
Closing balance as at 31 March 2015	439,586,939	801,622,342	150,033,679	-	1,391,242,960
Carrying amount as at 31 March 2015	1,231,157,894	501,701,055	36,905,410	26,898,406	1,796,662,765

The investment during the period ended at 31 March 2016 and 2015 includes, approximately, 49.5 million euro (33.8 million euro in 2015) of assets acquisition primarily associated with the opening and remodelling of stores of Sonae retail operating segments;

During the period several sale and leaseback transactions were accounted. The accounting values of the disposed assets, approximately, 170.1 million euro, corresponds to 16 real estate food retail assets located in Portugal and 3 stores Worten on Spain. These operations resulted in a cash inflow of 230 million euro and generated a net capital gain of approximately, 64.6 million euro (Note 26).

Major amounts included under the caption "Tangible assets in progress" refer to the following projects:

	31 Mar 2016	31 Mar 2015
Refurbishment and expansion of stores in the retail businesses located in Portugal	27,278,839	16,874,196
Refurbishment and expansion of stores in the retail businesses located in Spain	437,825	361,046
Projects of "Continente" stores for which advance payments were made	2,743,500	9,104,900
Others	1,890,576	558,264
	32,350,740	26,898,406

The caption "Impairment losses for tangible assets" can be detailed as follows:

	Land and buildings	Plant and machinery	Others tangible	Total tangible assets
<b>Impairment losses</b>				
Opening balance as at 1 January 2016	99,853,204	33,179,776	531,383	133,564,363
Impairment losses of the period (Note 23)	6,600,000	-	-	6,600,000
Disposals	(18,063)	(13,993,571)	(1,164,311)	(15,175,945)
Transfers	(2,500)	(9,011)	(7,225)	(18,736)
Closing balance as at 31 March 2016 (Note 23)	106,432,641	19,177,194	(640,153)	124,969,682

## 8 INTANGIBLE ASSETS

During the three month period ended at 31 March 2016 and 2015, movements in intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
<b>Gross assets:</b>				
Opening balance as at 1 January 2016	117,783,711	385,338,394	33,660,059	536,782,164
Investment	52,103	346,318	8,352,206	8,750,627
Disposals	(90,464)	(22,993)	(185,983)	(299,440)
Exchange rate effect	(269,918)	787,120	(100,228)	416,974
Transfers	83,178	6,399,059	(7,019,123)	(536,886)
Closing balance as at 31 March 2016	117,558,610	392,847,898	34,706,931	545,113,439
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2016	38,812,220	253,519,595	-	292,331,815
Depreciation of the period	347,026	7,932,192	-	8,279,218
Disposals	(90,464)	(3,676)	-	(94,140)
Exchange rate effect	(237,885)	465,733	-	227,848
Transfers	-	15,569	-	15,569
Closing balance as at 31 March 2016	38,830,897	261,929,413	-	300,760,310
Carrying amount as at 31 March 2016	78,727,713	130,918,485	34,706,931	244,353,129

	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
<b>Gross assets:</b>				
Opening balance as at 1 January 2015	116,610,221	330,979,840	37,819,101	485,409,162
Investment	18,817	460,078	11,074,108	11,553,003
Disposals	(44,632)	(2,531)	(438,100)	(485,263)
Exchange rate effect	699,063	(1,696,793)	122,800	(874,930)
Transfers	99,468	6,392,242	(5,645,063)	846,647
<b>Closing balance as at 31 March 2015</b>	<b>117,382,937</b>	<b>336,132,836</b>	<b>42,932,846</b>	<b>496,448,619</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2015	37,123,054	217,326,220	-	254,449,274
Depreciation of the period	1,106,802	6,212,004	-	7,318,806
Disposals	(43,295)	(270)	-	(43,565)
Exchange rate effect	580,475	(957,435)	-	(376,960)
Transfers	5,588	2,633	-	8,221
<b>Closing balance as at 31 March 2015</b>	<b>38,772,624</b>	<b>222,583,152</b>	<b>-</b>	<b>261,355,776</b>
<b>Carrying amount as at 31 March 2015</b>	<b>78,610,313</b>	<b>113,549,684</b>	<b>42,932,846</b>	<b>235,092,843</b>

## 9 GOODWILL

Goodwill is allocated to each one of the operating segments and within to each one of the homogeneous groups of cash generating units as follows:

- Retail - Goodwill is allocated to each operating segment, Food based retail (Sonae MC) and Specialized retail (Sonae SR), being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment and country, distributed by country and each of the properties in case of Retail real estate operating segment (Sonae RP);

- Sonae IM - This segment's Goodwill is mainly related to: (i) Information Systems; (ii) Insurance business including values generated previous to the date of the adoption of IFRS and supported by the value of the customer portfolio (Portugal) as well as with the subsequent business combination acquired in Brazil;

As at 31 March 2016 and 31 December 2015, the caption "Goodwill" was as follows by insignia and country:

	31 Mar 2016				
	Portugal	Spain	Brazil	Other countries	Total
Sonae MC	478,207,362	-	-	-	478,207,362
Sonae SR					
electronics	65,283,532	-	-	-	65,283,532
fashion	8,736,484	18,017,543	-	692,021	27,446,048
sports	10,957,847	-	-	-	10,957,847
Sonae RP	2,651,900	-	-	-	2,651,900
Sonae IM					
MDS	9,096,498	-	13,748,984	-	22,845,482
Information Systems and Multimedia	778,945	-	7,090	11,399,512	12,185,547
	575,712,568	18,017,543	13,756,074	12,091,533	619,577,718

	31 Dec 2015				
	Portugal	Spain	Brazil	Other countries	Total
Sonae MC	478,207,362	-	-	-	478,207,362
Sonae SR					
electronics	65,283,532	-	-	-	65,283,532
fashion	8,736,484	18,363,680	-	692,021	27,792,185
sports	10,957,847	-	-	-	10,957,847
Sonae RP	2,906,853	-	-	-	2,906,853
Sonae IM					
MDS	9,096,498	-	17,693,326	-	26,789,824
Information Systems and Multimedia	778,944	-	7,090	11,820,276	12,606,310
	575,967,520	18,363,680	17,700,416	12,512,297	624,543,913

During the three months periods ended as at 31 March 2016 and 2015, movements in Goodwill as well as in the corresponding impairment losses, are as follows:

	31 Mar 2016	31 Mar 2015
<b>Gross value:</b>		
Opening balance	639,617,937	625,358,011
Other variations	(1,141,363)	82,647
Currency translation	(4,058,476)	(1,668,032)
Closing balance	634,418,098	623,772,626
<b>Accumulated impairment losses:</b>		
Opening balance	15,074,024	14,767,547
Increases	(233,644)	-
Closing balance	14,840,380	14,767,547
<b>Carrying amount:</b>	619,577,718	609,005,079

## 10 OTHERS INVESTMENTS

On 31 March 2016 and 2015 the movements in caption "Other Investments" can be detailed as follows:

	31 Mar 2016		31 Mar 2015	
	Non current	Current	Non current	Current
<b>Other investments</b>				
Fair value (net of impairment losses) as at 1 January	29,549,661	79,924,887	30,566,117	57,667,740
Acquisitions in the period	336,084	81,518	-	512
Disposals in the period	-	(49,740)	-	-
Increase/(Decrease) in fair value	(3,942)	(15,280,600)	(278)	16,573,861
Fair value (net of impairment losses) as at 31 March	29,881,803	64,676,065	30,565,839	74,242,113
<b>Derivative financial instruments (Note 19)</b>				
Fair value as at 1 January	-	2,506,087	-	3,995,221
Acquisitions in the period	-	-	-	1,543,905
Increase/(Decrease) in fair value	-	(1,858,153)	-	-
Fair value as at 31 March	-	647,934	-	5,539,126
	29,881,803	65,323,999	30,565,839	79,781,239

Under the caption "Other non-current financial investments" an amount of 9,992,791 euro (10,000,046 euro in 31 March 2015) is recorded related to deposited amounts on an *Escrow Account* (Note 6).

Under the caption "Other investments" on current assets, an amount of 64,533,438 euro (74,235,478 euro as at 31 March 2015) is recorded related to NOS shares that resulted from the merger between Optimus SGPS and ZON. This investment is recorded at fair value through profit or loss, since it is the initial



classification of an asset held for a sale purpose in a short-time. In accordance with the ‘Shareholders Agreement’, these shares neither concedes any additional vote right or affect the shared control situation with NOS, SGPS, S.A (prior Zon Optimus, SGPS, SA).

The amount of increase / (decrease) in fair value under the caption “Other current investments” on current asset, is mainly associated with the registration to the fair value of the participation on NOS in the amount of -15,263,369 euro (16,573,861 euro at 31 March 2015). The fair value of this investment is determined based on the price of NOS shares and the respective changes are recorded in the consolidated income statement.

The Other non-current Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The heading of “Other non-current Investments” includes 4,639,784 euro (3,799,177 euro in 31 March 2015) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The Other non-current Investments are net of impairment losses amounting to 369,248 euro (273,261 euro in 31 March 2015) (Note 23).

## 11 OTHER NON – CURRENT ASSETS

As at 31 March 2016 and 31 December 2015, “Other non- current assets” are detailed as follows:

	31 Mar 2016			31 Dec 2015		
	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount
<b>Trade accounts receivable and other debtors</b>						
Legal deposits	635,083	-	635,083	605,316	-	605,316
Cautions	4,713,163	-	4,713,163	4,633,112	-	4,633,112
Special regime for payment of tax and social security debts	6,240,960	-	6,240,960	6,240,960	-	6,240,960
Financial investments debtors	-	-	-	527,618	-	527,618
Others	542,974	-	542,974	456,286	-	456,286
	12,132,180	-	12,132,180	12,463,292	-	12,463,292
<b>Reinsurer's' share of technical provisions</b>	20,405,811	-	20,405,811	19,103,740	-	19,103,740
<b>Other non-current assets</b>	-	-	-	43,595	-	43,595
	32,537,991	-	32,537,991	31,610,627	-	31,610,627

The amount disclosed as “Special regime for payment of tax and social security debts” corresponds to taxes voluntarily paid which were previously disputed and subject to reimbursement claims of Income Taxes. The tax litigations are still in progress, although following the payment of guarantees previously given where canceled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favor of Sonae.

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The value of the provisions is related to outstanding claims declared (Note23).

## 12 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2016 and 31 December 2015, trade account receivable and other current assets are detailed as follows:

	31 Mar 2016	31 Dec 2015
Trade accounts receivable	110,457,197	103,297,115
Taxes recoverable	81,411,550	78,953,427
Granted loans and other receivables to related companies	21,789	22,061
Other debtors		
Trade creditors - debtor balances	49,089,222	37,379,130
Dividends to be received of jointly controlled companies	12,192,750	12,192,750
Disposal of financial investments	3,182,202	2,642,097
VAT recoverable on real estate assets	2,746,087	2,560,040
Disposal of tangible assets	2,213,473	2,304,243
Receivables from insurance companies	2,137,979	3,047,910
Vouchers and gift cards	901,721	1,214,062
Advances to suppliers	576,640	852,495
Other current assets	19,075,361	27,857,801
	92,115,435	90,050,528
Other current assets		
Commercial discounts	63,264,499	47,174,036
Invoices to be issued	14,934,197	10,390,059
External supplies and services	16,450,021	11,503,748
Rents	6,043,946	6,155,172
Commissions to be received	1,822,705	928,439
Other current assets	10,624,190	10,432,333
	113,139,558	86,583,787
Accumulated impairment losses in receivables accounts (Note 23)	(18,462,629)	(18,285,857)
	378,682,900	340,621,061

## 13 DEFERRED TAX

Deferred tax assets and liabilities as at 31 March 2016 and 31 December 2015 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Difference between fair value and acquisition cost	6,127,552	6,127,552	21,391,303	24,586,821
Temporary differences on tangible assets and intangible	1,868,266	1,622,953	40,310,479	43,830,296
Provisions and impairment losses not accepted for tax purposes	9,439,917	9,009,843	-	-
Write off of tangible and intangible assets	207	73,408	-	-
Valuation of hedging derivatives	621,056	242,174	216,392	364,824
Revaluation of tangible assets	-	-	1,137,838	1,166,623
Tax losses carried forward	41,207,649	41,618,697	-	-
Reinvested capital gains/(losses)	-	-	360,088	547,219
Tax Benefits	2,797,608	2,222,202	-	-
Others	3,476,750	2,952,789	2,271,610	2,263,989
	65,539,005	63,869,618	65,687,710	72,759,772

In accordance with the tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 March 2016 and 31 December 2015, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	31 Mar 2016			31 Dec 2015		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	136,308	28,625	2027	230,791	48,466	2027
Generated in 2016	116,186	24,398	2028	-	-	
	1,446,730	303,813		1,425,027	299,256	
Without limited time use	147,184,514	36,829,526		151,590,107	37,927,462	
With a time limit different from the above mentioned	12,284,435	4,074,310		10,258,659	3,391,979	
	160,915,679	41,207,649		163,273,793	41,618,697	

As at 31 March 2016 and 31 December 2015, deferred tax resulting from tax losses carried forward were assessed. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences. This evaluation centered on the business plan of Sonae entities, which were reviewed and updated periodically.

As at 31 March 2016 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 34.3 million euro (35.1 million euro as at 31 December 2015). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 March 2016 and 31 December 2015, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

As at 31 March 2016 there was tax losses carried forward, for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarized as follows:

	31 Mar 2016			31 Dec 2015		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	8,357,155	1,755,003	2017	8,379,732	1,759,744	2017
Generated in 2013	4,150,932	871,696	2018	3,957,748	831,127	2018
Generated in 2014	6,005,204	1,261,093	2026	5,856,149	1,229,791	2026
Generated in 2015	2,851,167	598,746	2027	2,629,640	552,224	2027
Generated in 2016	619,086	130,008	2028	-	-	
	21,983,544	4,616,546		20,823,269	4,372,886	
Without limited time use	191,414,589	49,246,521		189,969,957	48,704,159	
With a time limit different from the above mentioned	101,242,731	25,316,108		101,948,790	25,518,479	
	314,640,864	79,179,175		312,742,016	78,595,524	

## 14 CASH AND CASH EQUIVALENTS

As at 31 March 2016 and 31 December 2015, Cash and cash equivalents can be detailed as follows:

	31 Mar 2016	31 Dec 2015
Cash at hand	7,742,677	9,325,162
Bank deposits	164,202,161	115,357,583
Treasury applications	96,341,287	158,068,838
Cash and cash equivalents on the statement of financial position	268,286,125	282,751,583
Bank overdrafts (Note 18)	(8,153,028)	(12,611,120)
Cash and cash equivalents on the statement of cash flows	260,133,097	270,140,463

Bank overdrafts are disclosed in the statement of financial position under current loans.

## 15 NON - CURRENT ASSETS HELD FOR SALE

As at 31 December 2015 were transferred to "Non-Current Assets held for sale" 131 million euro which corresponded to the net value of the assets disposed in 2016 but to this date the transactions were already in advanced process of negotiation.

The above-mentioned transactions occurred in the 1st quarter of 2016, and include:

- a sale and leaseback transaction of 12 food retail real estate assets located in Portugal, this operation totaled 164 million euro;
- a Sale and Leaseback transaction of three Worten stores in Spain, located in Madrid, Barcelona and Valencia, this transaction totaled to 26.8 million euro.

## 16 SHARE CAPITAL

### Share Capital

As at 31 March 2016, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

### Cash Settled Equity Swap

On 15<sup>th</sup> November 2007, Sonae Holding sold 132,856,072 Sonae Holding shares directly owned by the Company. The shares were sold in a market operation at the unit price of 2.06 euro per share and resulted on a cash inflow (net of brokerage commissions) of 273,398,877 euro.

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132,800,000 Sonae Holding shares, representative of 6.64% of its capital.

This transaction has strictly financial liquidation, without any duty or right for the Company or any of its associated companies in the purchase of these shares. This transaction allows Sonae Investments BV to totally maintain the economic exposure to the sold shares.

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 22). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

Consequently, Sonae maintains in its capital acquisition cost of the shares that remain covered by the contract.

In November 2014, was made a renewal for an additional period of one year renewable automatically, keeping the remaining conditions unchanged.

Considering the operations mentioned above, the amount of the liability recorded amounts to 97,970,350 euro (Note 22) (103,602,523 euro as at 31 December 2015) reflecting the market value of 112,106,948 Sonae Holding shares (118,663,355 shares as at 31 December 2015).

The value of these liabilities is adjusted at the end of each month by the effect of Sonae Holding share price variation being recognized an asset / liabilities current in order to present the right / obligation related to the receipt / financial liquidation that occurs on a monthly basis.

Additionally, the costs related to the "floating amount" based on Euribor 1 month are recognized in the income statement.

The value to get established on the basis of dividends distributed by Sonae is credited in equity to offset the charge of the distribution.

### Capital Structure

As at 31 March 2016, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

## 17 NON – CONTROLLING INTEREST

As at 31 March 2016 and 31 December 2015, Non-controlling interests can be detailed as follows:

COMPANY	31 Mar 2016				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Retail</b>					
Real Estate Investment Funds	148,496,320	19,015,163	3,240,786	414,988	-
Others	47,982,313	377,295	21,701,432	66,633	(57,405)
<b>Sonae IM</b>					
Sonaecom, SGPS, SA (consolidated)	988,197,121	(12,570,498)	96,268,683	(1,554,669)	(29,880)
MDS, SGPS, SA (consolidated)	26,531,498	(296,753)	10,488,048	(119,319)	-
<b>Others</b>					
Others	23,486,636	411,010	164,215	266	-
<b>Total</b>	<b>1,234,693,888</b>	<b>6,936,217</b>	<b>131,863,164</b>	<b>(1,192,101)</b>	<b>(87,285)</b>
COMPANY	31 Dec 2015				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Retail</b>					
Real Estate Investment Funds	129,481,158	22,506,516	1,698,470	727,499	(1,031,352)
Others	47,902,622	2,420,670	22,701,912	863,507	(56,603)
<b>Sonae IM</b>					
Sonaecom, SGPS, SA (consolidated)	1,003,586,540	34,567,046	99,283,284	2,035,502	(1,418,022)
MDS, SGPS, SA (consolidated)	23,077,858	(4,395,487)	12,619,188	(2,157,187)	(94,943)
<b>Others</b>					
Others	1,083,881	500,468	867	402	-
<b>Total</b>	<b>1,205,132,059</b>	<b>55,599,213</b>	<b>136,303,721</b>	<b>1,469,723</b>	<b>(2,600,920)</b>

Movements in non-controlling interests during the periods ended as at 31 March 2016 and 2015 are as follows:

	31 Mar 2016					
	Retail		Sonae IM		Others	Total
	Real Estate Investment Funds	Others	Sonaecon, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	2,691,601	21,708,783	99,303,284	12,599,187	868	136,303,723
Distributed dividends	-	(57,405)	(29,880)	-	-	(87,285)
Changes of increased shareholding by acquisitions	134,197	-	1,363	-	-	135,560
Change in currency translation reserve	-	10,092	81,586	(2,012,450)	-	(1,920,772)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	(1,249,336)	-	-	(1,249,336)
Obligation fulfilled by share attribution to employees	-	14,926	-	9,610	-	24,536
Changes in hedging reserves	-	(41,597)	-	-	-	(41,597)
Others	-	-	(283,666)	11,020	163,081	(109,565)
Profit for the period attributable to non-controlling interest	414,988	66,633	(1,554,669)	(119,319)	266	(1,192,101)
Closing balance as at 31 March	3,240,786	21,701,432	96,268,683	10,488,048	164,215	131,863,164

	31 Mar 2015					
	Retail		Sonae IM		Others	Total
	Real Estate Investment Funds	Others	Sonaecon, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	33,627,820	19,341,826	99,447,776	7,782,645	466	160,200,533
Distributed dividends	(56,649)	-	(37,350)	-	-	(93,999)
Changes of increased shareholding by acquisitions	(2,222,846)	-	-	105,228	-	(2,117,618)
Change in currency translation reserve	-	(14,965)	22,316	(853,221)	-	(845,870)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	738,969	-	-	738,969
Obligation fulfilled by share attribution to employees	2,684	11,814	-	11,556	-	26,054
Changes in hedging reserves	-	(2,105)	-	-	-	(2,105)
Others	-	89,956	(76,760)	(9)	-	13,187
Profit for the period attributable to non-controlling interest	360,796	85,285	1,446,310	(385,616)	921	1,507,696
Closing balance as at 31 March	31,711,805	19,511,811	101,541,261	6,660,583	1,387	159,426,847



## 18 LOANS

As at 31 March 2016 and 31 December 2015, "Loans" can be detailed as follows:

	31 Mar 2016		31 Dec 2015	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
<b>Bank loans</b>				
Sonae, SGPS, SA - commercial paper	132,400,000	215,000,000	159,300,000	180,000,000
Sonae Investimentos, SGPS, SA - commercial paper	90,000,000	135,000,000	60,000,000	160,000,000
Sonae Investimentos affiliated / 2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated / 2015/2020	-	55,000,000	-	55,000,000
Sonae Investimentos affiliated / 2015/2019	-	25,000,000	-	25,000,000
Sonae Holding affiliated / 2014/2018	-	40,000,000	-	40,000,000
Sonae Holding affiliated / 2014/2021	-	30,000,000	-	30,000,000
MDS, SGPS, SA - commercial paper	5,250,000	14,950,000	5,250,000	14,950,000
MDS SGPS, SA affiliated / 2011/2016	3,157,310	1,942,960	3,131,055	3,247,020
Others	10,342,185	9,588,823	18,363,593	8,631,589
	241,149,495	576,481,783	246,044,648	566,828,609
Bank overdrafts (Note 14)	8,153,028	-	12,611,120	-
Up-front fees beard with the issuance of borrowings	-	(622,442)	-	(521,997)
<b>Bank loans</b>	<b>249,302,523</b>	<b>575,859,341</b>	<b>258,655,767</b>	<b>566,306,612</b>
<b>Bonds</b>				
Bonds Sonae SGPS/ 2014/2018	-	-	-	60,000,000
Bonds Sonae SGPS/ 2014/2020	-	50,000,000	-	50,000,000
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	-
Bonds Sonae Investments BV / 2014/2019	-	195,605,249	-	194,535,791
Bonds Sonae Investimentos SGPS/ 2012/2017	50,000,000	95,000,000	50,000,000	95,000,000
Bonds Sonae Investimentos SGPS/ June 2013/2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Up-front fees beard with the issuance of borrowings	(37,919)	(7,084,619)	(37,919)	(6,973,692)
<b>Bonds</b>	<b>49,962,081</b>	<b>698,520,630</b>	<b>49,962,081</b>	<b>697,562,099</b>
<b>Other loans</b>	<b>1,245,905</b>	<b>5,447,052</b>	<b>1,092,795</b>	<b>5,764,682</b>
Derivative instruments (Note 19)	3,462,788	-	860,503	-
<b>Other loans</b>	<b>4,708,693</b>	<b>5,447,052</b>	<b>1,953,298</b>	<b>5,764,682</b>
<b>Obligations under finance leases</b>	<b>1,636,013</b>	<b>2,133,828</b>	<b>3,691,782</b>	<b>3,231,481</b>
	<b>305,609,310</b>	<b>1,281,960,851</b>	<b>314,262,928</b>	<b>1,272,864,874</b>

In June 2014 a subsidiary of Sonae SGPS, SA issued bonds which may be convertible (Sonae Investments BV 2014/2019) in Sonae shares already issued and fully subscribed or to be later on issued.

The fair value of the Equity component of this compound instrument was valued at 22,313,000 euro and it was determined by an independent entity from Sonae, taking into consideration the fair value of similar non-convertible financial instruments, having been estimated a market interest rate to establish the amortized cost of this financial liability. The liability component is recorded at the amortized cost based on the market rate.

The Bonds were issued at par with a nominal value of 100,000 euro (2.105 euro per bond) with a maturity of 5 years and with a fixed coupon of 1.625% per year, paid in arrears and semi-annually.

The bonds can be converted at the request of the bondholder when the quote of Sonae SGPS, SA, in accordance with the technical data sheet, exceeds 1.656 euros per share, which price is subject to

adjustments in accordance with market practices, in particular when the dividend exceeds 0.0287 euros per share.

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flow methodology, with the exception of the convertible bond loan into shares whose fair value is determined by the market price at the balance sheet date.

Bonds and bank loans bear an average interest rate of 1.99% as at 31 March 2016 (2.05% as at 31 December 2015). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

The derivatives are recorded at fair value (Note 19).

The loans face value, maturities and interests are as follows (including obligations under financial leases):

	31 Mar 2016	31 Dec 2015
N+1 <sup>a)</sup>	302,184,441	313,440,343
N+2	196,572,374	225,888,798
N+3	253,341,908	193,792,207
N+4	251,269,204	331,879,992
N+5	421,443,967	377,426,614
After N+5	181,935,210	167,337,162
	1,606,747,104	1,609,765,116

a) Includes the amounts drawn under commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of the loans, and taking into account Sonae's best estimated regarding their reimbursement date.

As at 31 March 2016, Sonae has, as detailed below, cash and cash equivalents in the amount of 268 million euro (283 million euro on 31 December 2015) and available credit lines as follows:

	31 Mar 2016		31 Dec 2015	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	140,480,770	302,050,000	122,683,306	341,050,000
Agreed credit facilities	322,395,890	704,750,000	293,260,890	732,250,000

## 19 DERIVATIVES

### Exchange rate derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows that occur in the next 12 months.

Thus Sonae entered into several exchange rate "forwards" and options in order to manage its exchange rate exposure.

As at 31 March 2016 the exchange rate derivatives considered of speculation reach the value of 646,878 euro (522,124 euro As at 31 December 2015).

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 2,815,910 euro as liabilities (860,503 euro as at 31 December 2015) and 647,934 euro as assets (1,983,962 euro as at 31 December 2015).

The determination of the fair value of these financial instruments was made taking into account the present value at statement of financial position date of the forward settlement amount in the maturity date of the contract. The settlement amount considered in the valuation, is equal to the currency notional amount (foreign currency) multiplied by the difference between the contracted forward exchange rate and the forward exchange market rate at that date as at the valuation date.

Losses in the period arising from changes in the fair value of instruments that do not qualify for hedging accounting treatment were recorded directly in the income statement in the captions "Financial income" or "Financial expenses".

Gains and losses for the year associated with the change in market value of derivative instruments are recorded under the caption "Hedging reserve" when considered cash flow hedging and when considered as fair value hedging are recorded under the caption "Financial income" or "Financial expenses". The change in fair value of derivative instruments when considered speculation is recorded in the income statement under "Other Costs".

#### Interest rate derivatives

Sonae does not have any interest rate hedging derivatives recorded as at 31 March 2016.

#### Interest rate and exchange rate derivatives

As at 31 March 2016 no contracts existed related to interest rate and exchange rate derivatives at the same time.

#### Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Hedging derivatives				
Exchange rate	647,934	1,983,962	2,815,910	860,503
Derivatives not qualified as hedging				
Exchange rate	-	522,124	646,878	-
	647,934	2,506,086	3,462,788	860,503

## 20 OTHER NON – CURRENT LIABILITIES

As at 31 March 2016 and 31 December 2015, "Other non-current liabilities" are detailed as follows:

	31 Mar 2016	31 Dec 2015
Shareholders loans	2,830,820	2,780,947
Fixed assets suppliers	604,822	604,822
Other non-current liabilities	2,170,868	2,095,698
Deferral of the disposal of the extended warranties	28,407,684	28,196,895
Accruals and deferrals	3,149,535	2,350,518
Other non-current liabilities	37,163,729	36,028,880

The caption "Shareholders loans" relates to loans in affiliated undertakings in the Retail and Investment Management operating segments. These liabilities do not have a defined vesting date and bear interests at variable market rates.

## 21 SHARE BASED PAYMENTS

In 2016 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 31 March 2016, all Sonae Holding share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2016, 2015 and 31 December 2014. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

As at 31 March 2016 and 31 December 2015, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

Grant year	Vesting year	Number of participants	Share price on date of assignment	Number of shares	
				31 Mar 2016	31 Dec 2015
2013	2016	252	0.701	6,283,641	5,404,038
2014	2017	255	1.024	4,192,863	4,306,697
2015	2018	270	1.048	3,747,993	3,784,460
2016	2019	83	1.059	2,861,817	-
				17,086,314	13,495,195

During the period ending 31 March 2016 the movements on the above mentioned share based plans were the following:

	Aggregate number of participants	Number of shares
Balance as at 31 December 2015	625	13,495,195
Grant	267	4,257,209
Vesting	(23)	(813,157)
Canceled / extinct / corrected / transferred <sup>(1)</sup>	(9)	147,067
Closing balance as at 31 March 2016	860	17,086,314

<sup>(1)</sup> Corrections are made on the basis of the dividend paid and the changes of share capital and other equity adjustments.

As at 31 March 2016 and 31 December 2015, the fair value of total liabilities on the date of allocation arising from share based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value *	
		31 Mar 2016	31 Dec 2015
2013	2016	6,654,376	5,663,432
2014	2017	3,330,181	3,008,946
2015	2018	2,315,323	1,322,038
2016	2019	1,010,221	-
Total		13,310,101	9,994,416

\* Share market value as of 31 March 2016 and 31 December 2015.

As at 31 March 2016 and 31 December 2015 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	31 Mar 2016	31 Dec 2015
Recorded in staff costs in the current period	3,287,297	2,024,040
Recorded in previous years	7,565,942	6,312,164
	10,853,239	8,336,204
Recorded in other liabilities	-	-
Recorded value in Other reserves	10,853,239	8,336,204
	10,853,239	8,336,204

## 22 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2016 and 31 December 2015, "Trade creditors and other current liabilities" were made up as follows:

	31 Mar 2016	31 Dec 2015
Trade creditors	984,723,785	1,161,697,200
Taxes payable	92,097,709	92,269,879
Other creditors		
Fixed asset suppliers	33,710,480	44,750,697
Other debts	142,732,485	154,763,112
	176,442,965	199,513,809
Other current liabilities		
Holiday pay and bonuses	117,835,441	111,077,895
Other external supplies and services	36,657,516	41,018,028
Deferred Revenue of warranty extension	26,220,997	24,471,084
Responsibilities assumed on sale of real state	18,365,166	10,031,166
Rentals	12,334,609	6,773,465
Marketing expenses	11,884,260	14,159,475
Advance receipts from trade receivables	8,969,972	8,407,899
Interest payable	8,780,042	5,022,010
Expenses on purchases	4,806,075	5,270,530
Insurance payable	4,030,067	1,745,005
Others	12,065,986	10,498,254
	261,950,131	238,474,811
	1,515,214,590	1,691,955,699

The caption "Other debts" includes:

- 97,970,350 euro (103,602,523 euro as at 31 December 2015) relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 16;
- 12,966,426 euro (14,219,757 euro as at 31 December 2015) of attributed discounts not yet redeemed related to loyalty card "Cartao Cliente";
- 12,621,756 euro (14,365,559 euro as at 31 December 2015) related to vouchers, gift cards and discount tickets not yet redeemed.

## 23 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 March 2016 and 2015 are as follows:

Caption	Balance as at 1 Jan 2016	Increase	Decrease	Balance as at 31 Mar 2016
Accumulated impairment losses on investments (Notes 6 and 10)	1,886,603	-	-	1,886,603
Impairment losses on fixed tangible assets (Note 7)	133,564,363	6,600,000	(15,194,681)	124,969,682
Impairment losses on intangible assets	1,497,024	-	-	1,497,024
Accumulated impairment losses on trade account receivables and other debtors (Note 12)	18,285,857	979,827	(803,055)	18,462,629
Non current provisions	38,810,058	1,745,501	(2,362,432)	38,193,127
Current provisions	3,083,990	-	(34,208)	3,049,782
	197,127,895	9,325,328	(18,394,376)	188,058,847

Caption	Balance as at 1 Jan 2015	Increase	Decrease	Balance as at 31 Mar 2015
Accumulated impairment losses on investments	6,301,835	-	(942)	6,300,893
Impairment losses on fixed tangible assets	143,623,367	1,042,000	(3,145,474)	141,519,893
Impairment losses on intangible assets	1,497,101	-	-	1,497,101
Accumulated impairment losses on trade account receivables and other debtors	22,496,541	941,129	(958,111)	22,479,559
Non current provisions	36,489,900	235,599	(3,373,474)	33,352,025
Current provisions	3,724,196	61,966	(87,819)	3,698,343
	214,132,940	2,280,694	(7,565,820)	208,847,814

As at 31 March 2016 and 31 December 2015, provision's details can be analyzed as follows:

	31 Mar 2016	31 Dec 2015
Technical provisions on reinsurance	21,436,987	20,463,598
Future liabilities relating to subsidiaries of retail in Brazil sold	7,099,734	6,779,929
Clients guarantees	2,527,295	3,363,334
Judicial claims	1,842,116	3,558,791
Others	8,336,777	7,728,396
	41,242,909	41,894,048

Impairment losses are deducted from the book value of the corresponding asset.



## 24 CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2016 and 31 December 2015, major contingent liabilities were guarantees given and can be detailed as follows:

### - Guarantees and sureties given

	31 Mar 2016	31 Dec 2015
Guarantees given:		
on tax claims	1,093,535,405	1,083,444,776
on judicial claims	894,392	695,238
on municipal claims	8,207,876	8,268,603
contract by proper compliments	17,455,799	17,445,799
other guarantees	6,647,702	4,824,720

### a) Tax claims

The main tax claims were bank guarantees given or sureties as follows:

- Retail operating segment subsidiaries of the Company granted guarantees or securities in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 525.5 million euro (520 million euro as at 31 December 2015) related from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. The increase in the value of guarantees and securities provided in relation to the previous year, mainly result from additional tax assessments over 2012 and 2013. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients;
- The caption guarantees given on tax claims include guarantees granted, in the amount of 144.3 million euro (144.3 million euro in 2015), in favor of Tax authorities regarding 2007 to 2012. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable;
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for corresponding to a prior cover tax losses accumulated by the subsidiary, which has been brought to the cost of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, thus including cover losses upon liquidation of the subsidiary company;

- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group;
- Fiscal lawsuit related to income tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 15.9 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 32.8 million euro (135 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

#### **b) Contingent liabilities related to tax claims paid under regularization programs of tax debts**

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 (RERD) e Decree of Law 248-A/2002 (PMFL)), the Group made tax payments in the amount of, approximately, 28.5 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 11).

#### **c) Other contingent liabilities**

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (on the 13<sup>rd</sup> December 2005) and that exceed 40 million euro. On the 31 December 2015, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 31.4 million euro (39.8 million euro as at 31 December 2014). Furthermore, there are other tax assessments totaling 44.5 million euro (86.4 million euro as at 31 December 2014) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary;

It was not created any provision to cover possible risks related to events/disputes for which guarantees were given for being understanding of the Board of Directors that the resolution of these events / disputes without loss to Sonae.

## 25 RELATED PARTIES:

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Parent Company	58,507	39,181	162,718	271,861
Jointly controlled companies	3,264,210	3,425,643	9,778,917	11,266,403
Associated companies	7,699,846	6,962,807	728,091	345,641
Other related parties	14,022,477	15,506,116	6,790,014	5,252,239
	25,045,040	25,933,747	17,459,740	17,136,144
Transactions	Interest income		Interest expenses	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Parent Company	-	-	111,892	-
Jointly controlled companies	-	94,030	-	-
Other related parties	-	-	18,723	82,596
	-	94,030	130,615	82,596
Balances	Accounts receivable		Accounts payable	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Parent Company	48,379	65,568	137,686	611,479
Jointly controlled companies	16,874,662	16,621,469	9,103,912	10,403,025
Associated companies	3,888,213	4,024,521	1,477,133	1,868,694
Other related parties	13,975,890	17,816,186	8,390,176	7,431,116
	34,787,144	38,527,744	19,108,907	20,314,314
Balances	Loans			
	Obtained		Granted	
Balances	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
Jointly controlled companies	1,000	1,000	-	-
Other related parties	2,925,569	2,887,573	3,570	3,570
	2,926,569	2,888,573	3,570	3,570

The caption "Other related parties" includes, Sonae Indústria, SGPS, SA and Sonae Capital, SGPS, SA affiliated, associated and jointly controlled companies, and also other shareholders of affiliated companies or jointly controlled companies of Sonae, as well as other affiliated companies of the parent company Efanor Investimentos, SGPS, SA.

## 26 OTHER INCOME

As at 31 March 2016 and 2015, the caption "Other Income" is made up as follow:

	31 Mar 2016	31 Mar 2015
Supplementary income	145,165,249	126,250,609
Prompt payment discounts obtained	6,404,761	5,768,981
Foreign currency exchange gains	5,935,668	11,068,705
Own work capitalised	2,417,714	2,754,441
Gains on sales of assets	64,709,554	179,029
Impairment losses reversals	1,681,697	2,465,576
Others	2,382,252	2,093,180
	228,696,895	150,580,520

Under the caption "Gains on disposal of assets" are included 64.6 million euros related to the sale and leaseback transactions (Note 7).

## 27 INCOME TAX

As at 31 March 2016 and 2015, income tax is made up as follows:

	31 Mar 2016	31 Mar 2015
Current tax	19,019,179	9,243,279
Deferred tax	(7,498,715)	(6,445,211)
	11,520,464	2,798,068

## 28 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	31 Mar 2016	31 Mar 2015
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	30,081,898	19,838,943
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	1,919,941	1,864,138
<b>Net profit taken into consideration to calculate diluted earnings per share</b>	<b>32,001,839</b>	<b>21,703,081</b>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	1,877,002,993	1,870,079,507
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	71,142,333
Outstanding shares related with share based payments	17,086,314	19,527,647
Shares related to performance bonus that can be bought at market price	(4,536,021)	(4,804,776)
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>2,016,666,813</b>	<b>1,955,944,711</b>
<b>Earnings per share</b>		
Basic	0.017049	0.011605
Diluted	0.015869	0.011096

## 29 SEGMENT INFORMATION

Sonae is mostly a retail company with two major partnerships in the areas of Shopping Centres (Sonae Sierra) and Telecommunications (NOS). The following operating segments were identified:

In retail, the group has three segments:

- Sonae MC is a food retail unit, operating 516 stores and 245 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado / Bagga, Note! / Makenotes and Wells;
- Sonae SR is a specialised retail unit, with a presence in the electronics, sports and fashion market operating 516 stores and 76 stores operated under franchise agreements under the Worten, Sport Zone, MO and Zippy business concepts;
- Sonae RP is a retail real estate unit which actively manages properties of Sonae, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

Sonae FS is a new business unit, which coordinates financial services. This segment includes the newly created “Cartão Universo”, the “Cartão Dá”, Continente Money Transfer and credit services in store. In the sequence of getting a license from the Bank of Portugal to operate as an electronic currency operation, Sonae FS created the “Cartão Universo” in order to be able to offer payment services and issuing credit cards. Sonae FS was designated as the main issuer of Mastercard, which allows issuing MasterCard cards in

their own name. The structure of this new segment is already created, but only in 2016 will initiate the reporting of financial and operational indicators.

Sonae IM includes Bizdirect, Saphety, Wedo Technologies and S21sec (Telecommunications Technology), Movvo (Retail Technology), Maxmat (bricolage and construction materials), MDS (insurance broker), Tlantic (retail) software and Publico (media).

In addition to the operating segments above mentioned Sonae still has two major partnerships Sonae Sierra and Zopt (includes NOS) whose relevant information is disclosed in Note 5.

These operating segments have been identified taking into consideration that each of these segments have separate identifiable revenues and costs, separate financial information is produced, and its operating results are reviewed by management on which it makes decisions.

We are present in 72 countries, including operations, services rendered to third parties, offices, franchising and partnerships.

The main operating segment information can be detailed as follows:

Turnover	31 Mar 2016	Inter-segment income	31 Mar 2015	Inter-segment income
Sonae MC	829,682,081	(440,435)	793,495,548	(398,509)
Sonae SR	331,221,177	(9,284,855)	298,722,562	(8,166,581)
Sonae RP	24,395,643	(21,791,956)	32,350,627	(30,101,466)
Sonae IM	57,103,845	(1,825,682)	60,079,869	(3,971,182)
Other, eliminations and adjustments	(27,039,338)	(39,456)	(38,585,073)	(40,000)
Total consolidated	1,215,363,408	(33,382,384)	1,146,063,533	(42,677,738)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Sonae MC	21,867,449	21,327,696	217,234	726,278	8,474,658	11,478,113
Sonae SR	11,630,775	10,836,277	544,505	1,148,685	(16,996,240)	(18,914,758)
Sonae RP	5,889,902	7,263,518	6,600,000	-	72,592,989	21,689,173
Sonae IM	3,300,534	2,896,736	436,287	204,713	(3,712,509)	(1,543,415)
Other, eliminations and adjustments <sup>(1)</sup>	267,825	594,048	-	4,172	8,943,645	13,611,304
Total direct consolidated	42,956,485	42,918,275	7,798,026	2,083,848	69,302,543	26,320,417

	Net financial expenses <sup>(2)</sup>		Income tax <sup>(2)</sup>	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Retail	(16,066,572)	(14,758,563)	10,448,333	1,581,364
Sonae IM	(998,951)	(194,931)	(1,139,586)	1,035,122
Holding <sup>(1)</sup>	2,742,337	(2,874,267)	2,211,717	181,582
Total consolidated	(14,323,186)	(17,827,761)	11,520,464	2,798,068

	Investment (CAPEX)		Net invested capital	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Dec 2015
Sonae MC	34,914,433	22,515,698	645,815,315	533,730,705
Sonae SR	12,817,839	17,247,075	236,933,699	152,234,943
Sonae RP	8,941,615	6,741,854	878,868,258	1,046,536,798
Sonae IM	2,089,940	2,341,325	133,540,918	132,664,890
Other, eliminations and adjustments <sup>(1)</sup>	(347,374)	(645,154)	1,232,242,653	1,222,465,641
Total consolidated	58,416,453	48,200,798	3,127,400,843	3,087,632,977
	Total net debt			
	31 Mar 2016	31 Dec 2015		
Retail	648,181,530	643,978,322		
Sonae IM	46,859,596	39,546,259		
Holding <sup>(1)</sup>	614,075,906	609,314,264		
Total consolidated	1,309,117,032	1,292,838,845		

<sup>(1)</sup> Includes Sonae Individual accounts;

<sup>(2)</sup> These captions are accompanied by management in a more aggregated form, and not allocated to individual operating segments identified above.

The caption "Others, Eliminations and Adjustments" can be analyzed as follows:

	Turnover		EBIT	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Inter-segment income	(33,382,384)	(42,677,738)	-	-
Equity method	-	-	12,053,034	12,329,520
Others	6,343,046	4,092,665	(3,109,389)	1,281,784
Other, eliminations and adjustments	(27,039,338)	(38,585,073)	8,943,645	13,611,304
	Investment		Invested capital	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Inter-segment income and contributions from companies non individualized as segments	(347,374)	(645,154)	96,372,631	99,104,321
Investments	-	-	1,221,647,622	1,214,889,100
Cash settled equity swap <sup>(3)</sup>	-	-	(97,970,350)	(103,720,530)
Dividends available	-	-	12,192,750	12,192,750
Other, eliminations and adjustments	(347,374)	(645,154)	1,232,242,653	1,222,465,641

<sup>(3)</sup> Financial Instrument reported in Note 16.

All performance measures are reconciled to the financial statements in Note 30.



**Glossary:**

Net Invested capital = Total net debt + total shareholder funds;

Net debt = Bonds + bank loans + other loans + shareholder loans + financial leases - cash, bank deposits, current investments, excluding the participation of 2.14% in NOS, and other long term financial applications;

Others, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Others" in Note 4.

Investments (CAPEX) = Investments in tangible and intangible assets and investments in acquisitions.

### 30 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

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In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decreases in goodwill, (iii) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues. The value of EBITDA and EBIT are only calculated in the direct income component, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 March 2016 and 2015 can be summarised as follows:

	31 Mar 2016			31 Mar 2015		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	1,215,363,408	-	1,215,363,408	1,146,063,533	-	1,146,063,533
Investment income						
Dividends	1,582	-	1,582	-	-	-
Other income						
Impairment losses reversal	850,575	-	850,575	1,092,840	-	1,092,840
Others	291,719,834	-	291,719,834	149,487,680	-	149,487,680
Total income	1,507,935,399	-	1,507,935,399	1,296,644,053	-	1,296,644,053
Total expenses	(1,461,263,439)	(188,850)	(1,461,074,589)	(1,236,455,864)	-	(1,236,455,864)
Depreciation and amortisation	(42,956,485)	-	(42,956,485)	(42,918,275)	-	(42,918,275)
Non-recurring impairment losses over inventories	(675,855)	-	(675,855)	(1,195,169)	-	(1,195,169)
Provisions and impairment						
Others	(7,798,026)	-	(7,798,026)	(2,083,848)	-	(2,083,848)
<b>Profit before financial results and share of results in associated companies</b>	<b>(4,758,406)</b>	<b>(188,850)</b>	<b>(4,569,556)</b>	<b>13,990,897</b>	<b>-</b>	<b>13,990,897</b>
Non-recurring Profit/(Loss)	61,820,681	-	61,820,681	-	-	-
Gains and losses on investments recorded at fair value through results	(15,263,369)	(15,263,369)	-	16,573,861	16,573,861	-
Financial profit/(loss)	(14,323,186)	-	(14,323,186)	(17,827,761)	-	(17,827,761)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	8,269,188	881,507	7,387,681	6,314,899	(921,810)	7,236,709
ZOPT	4,863,490	-	4,863,490	5,096,615	-	5,096,615
Others	(198,137)	-	(198,137)	(3,804)	-	(3,804)
<b>Profit before income tax</b>	<b>40,410,261</b>	<b>(14,570,712)</b>	<b>54,980,973</b>	<b>24,144,707</b>	<b>15,652,051</b>	<b>8,492,656</b>
Income tax	(11,520,464)	-	(11,520,464)	(2,798,068)	-	(2,798,068)
<b>Net profit for the period</b>	<b>28,889,797</b>	<b>(14,570,712)</b>	<b>43,460,509</b>	<b>21,346,639</b>	<b>15,652,051</b>	<b>5,694,588</b>
Attributable to equity holders of Sonae	30,081,898	(14,570,712)	44,652,610	19,838,943	15,652,051	4,186,892
Non-controlling interests	(1,192,101)	-	(1,192,101)	1,507,696	-	1,507,696
<b>"Underlying" EBITDA (b)</b>			<b>46,008,653</b>			<b>59,095,349</b>
<b>Direct EBITDA (a)</b>			<b>119,882,368</b>			<b>71,424,869</b>
<b>Direct EBIT (c)</b>			<b>69,302,577</b>			<b>26,320,416</b>

(a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings (Sonae Sierra direct results, and Zopt) + unusual results.;

(b) "Underlying" EBITDA = EBITDA – effect of share result in joint ventures and associated undertakings – non-recurrent results;

(c) EBIT = EBT - financial results;

(d) EBT = Direct results before non-controlling interests and taxes;

(e) Direct income = Results excluding contributions to indirect income;

(f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for noncurrent assets (including goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core

financial investments, businesses, discontinued assets (or be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

### 31 APPROVAL OF THE FINANCIAL STATEMENTS

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The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 11 May 2016.

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria Lima

Margaret Lorraine Trainer

Tsega Gebreyes

## Condensed individual financial statements

**Condensed Individual Statement of Financial Position as at 31 March 2016 and 2015 and as at 31 December 2015**

(Translation of condensed individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

ASSETS	Notes	31.March.2016	31.March.2015	31.December.2015
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		84,909	104,780	90,243
Intangible assets		1,242	4,791	2,153
Investments in subsidiaries, associates and joint ventures	4	3,941,779,005	2,421,588,288	3,936,004,695
Other investments	5	30,065,856	29,411,596	29,617,075
Deferred taxes		-	12,675,865	-
Other non-current assets	6	347,400,000	347,400,000	347,400,000
Total non-current assets		4,319,331,012	2,811,185,320	4,313,114,166
<b>CURRENT ASSETS:</b>				
Trade account receivables and other current assets	7	116,885,759	1,913,591,597	72,845,986
Cash and cash equivalents	8	1,495,584	210,942,919	390,501
Total current assets		118,381,343	2,124,534,516	73,236,487
<b>TOTAL ASSETS</b>		<b>4,437,712,355</b>	<b>4,935,719,836</b>	<b>4,386,350,653</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Treasury shares		-	(6,996,733)	-
Reserves and retained earnings		1,574,899,046	1,907,392,259	1,848,829,207
Profit for the period		12,049,874	36,012,582	(279,672,410)
<b>TOTAL EQUITY</b>		<b>3,586,948,920</b>	<b>3,936,408,108</b>	<b>3,569,156,797</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	421,931,080	173,101,571	387,406,442
Total non-current liabilities		421,931,080	173,101,571	387,406,442
<b>CURRENT LIABILITIES:</b>				
Loans	10	132,400,000	523,478,096	159,300,000
Trade creditors and other current liabilities	11	296,432,355	302,732,061	270,487,414
Total current liabilities		428,832,355	826,210,157	429,787,414
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,437,712,355</b>	<b>4,935,719,836</b>	<b>4,386,350,653</b>

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

## Condensed Individual Income Statements for the periods ended 31 March 2016 and 2015

(Translation of condensed individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	31.March.2016	31.March.2015
Services rendered		115,304	119,094
Gains or losses on investments	14	11,181,258	27,019,285
Financial income		7,381,818	25,160,376
Other income		596,497	556,699
External supplies and services		(716,784)	(1,062,456)
Staff costs		(520,479)	(605,774)
Depreciation and amortisation		(8,935)	(7,984)
Financial expense		(3,977,948)	(11,260,971)
Other expenses		(122,809)	(203,902)
Profit/(Loss) before taxation		13,927,922	39,714,367
Taxation		(1,878,048)	(3,701,785)
Profit/(Loss) after taxation		12,049,874	36,012,582
Profit/(Loss) per share			
Basic	15	0.006025	0.018079
Diluted	15	0.006024	0.018063

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

### Condensed Individual Statements of Comprehensive Income for the periods ended at 31 March 2016 and 2015

(Translation of the individual financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	31.March.2016	31.March.2015
Net Profit / (Loss) for the period	12,049,874	36,012,582
Changes on fair value of available-for-sale financial assets	6,223,090	64,111,004
Other comprehensive income for the period	6,223,090	64,111,004
Total comprehensive income for the period	18,272,964	100,123,586

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors



**Condensed Individual Statements of Changes in Equity for the periods ended at 31 March 2016 and 2015**

(Translation of condensed financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Share capital	Treasury shares	Legal reserve	Reserves and retained earnings		Total reserves and retained earnings	Net profit/(loss)	Total
				Fair value reserve	Other reserves and retained earnings			
Balance as at 1 January 2015	2,000,000,000	(6,857,332)	196,260,390	176,990,899	583,589,490	760,580,389	959,024,034	3,909,007,481
Total comprehensive income for the period	-	-	-	64,111,004	-	64,111,004	36,012,582	100,123,586
Appropriation of profit of 2014:								
Transfer to legal reserves and retained earnings	-	-	47,951,202	-	838,072,832	838,072,832	(886,024,034)	-
Dividends distributed	-	-	-	-	289,428	289,428	(73,000,000)	(72,710,572)
Purchase of treasury shares	-	(139,401)	-	-	-	-	-	(139,401)
Share based payments	-	-	-	-	127,014	127,014	-	127,014
Balance as at 31 March 2015	2,000,000,000	(6,996,733)	244,211,592	241,101,903	1,422,078,764	1,663,180,667	36,012,582	3,936,408,108
Balance as at 1 January 2016	2,000,000,000	-	244,211,592	260,223,788	1,344,393,827	1,604,617,615	(279,672,410)	3,569,156,797
Total comprehensive income for the period	-	-	-	6,223,090	-	6,223,090	12,049,874	18,272,964
Appropriation of profit of 2015:								
Transfer to retained earnings	-	-	-	-	(279,672,410)	(279,672,410)	279,672,410	-
Obligation fulfilled by a third party	-	(1,118,141)	-	-	-	-	-	(1,118,141)
Shares sold under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	-	1,118,141	-	-	(207,467)	(207,467)	-	910,674
Share based payments	-	-	-	-	(273,374)	(273,374)	-	(273,374)
Balance as at 31 March 2016	2,000,000,000	-	244,211,592	266,446,878	1,064,240,576	1,330,687,454	12,049,874	3,586,948,920

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

**Condensed Individual Cash Flow Statements for the periods ended 31 March 2016 and 2015**

(Translation of the condensed financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	31.March.2016	31.March.2015
<b>OPERATING ACTIVITIES</b>			
Net cash flow from operating activities (1)		(824,133)	1,593,089
<b>INVESTMENT ACTIVITIES</b>			
Cash receipts arising from:			
Investments		-	1,815,901,082
Interest and similar income		1,066,247	3,297,968
Loans granted		559,410,939	868,618,900
		560,477,186	2,687,817,950
Cash Payments arising from:			
Loans granted		(559,410,939)	(2,569,046,788)
		(559,410,939)	(2,569,046,788)
Net cash used in investment activities (2)		1,066,247	118,771,162
<b>FINANCING ACTIVITIES</b>			
Cash receipts arising from:			
Loans obtained		1,463,165,007	295,042,000
Others		5,616	-
		1,463,170,623	295,042,000
Cash Payments arising from:			
Loans obtained		(1,458,007,007)	(484,377,370)
Interest and similar charges		(4,300,647)	(12,638,342)
Purchase of treasury shares		-	(139,401)
		(1,462,307,654)	(497,155,113)
Net cash used in financing activities (3)		862,969	(202,113,113)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		1,105,083	(81,748,862)
Cash and cash equivalents at the beginning of the period		390,501	292,421,123
Cash and cash equivalents at the end of the period	8	1,495,584	210,672,261

The accompanying notes are part of these condensed individual financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED

31 MARCH 2016

(Translation of the condensed individual financial statements originally issued in Portuguese.  
In case of discrepancies the Portuguese version prevails)

(Amounts expressed in euro)

### 1 INTRODUCTION

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SONAE, SGPS, SA (“Sonae Holding”), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

### 2 BASIS OF PREPARATION

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Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

### 3 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2015.

#### 4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 31 March 2016 and 31 December 2015 the company held investments in the following companies:

31.March.2016							
Companies		Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	Closing balance
	% Held						
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	589,893,500	-	-	8,205,000	-	598,098,500
Sonaecom, SGPS, SA	26.02%	167,717,536	-	-	(2,430,690)	-	165,286,846
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	1,496,231,545	-	-	-	-	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		3,936,004,695	-	-	5,774,310	-	3,941,779,005

31.December.2015							
Companies		Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	Closing balance
	% Held						
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	557,372,500	-	-	32,521,000	-	589,893,500
Sonaecom, SGPS, SA	26.02%	117,483,298	-	-	50,234,238	-	167,717,536
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	1,836,500,000	-	-	(341,000,000)	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		2,357,749,457	1,836,500,000	-	82,755,238	(341,000,000)	3,936,004,695

(a) The value of this investment is the price paid in the public tender offer for the de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

(b) Market value was determined based on an independent valuation for the period of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests.

In previous years the company recorded impairment losses on the following investments: Sontel BV (165,500,000 euro), Sonae Investments, BV (32,500,000 euro), Sonae RE, SA (3,089,000 euro) and Sonaecenter Serviços, SA (341,000,000 euro).

#### 5 OTHER INVESTMENTS

As at 31 March 2016 and 31 December 2015 other investments are as follows:

31.March.2016					
Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,564,649	-	-	448,781	30,013,430
Total	29,617,075	-	-	448,781	30,065,856

31. December. 2015

Companies	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonaes Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,086,999	-	-	477,650	29,564,649
Total	29,139,425	-	-	477,650	29,617,075

## 6 OTHER NON-CURRENT ASSETS

As at 31 March 2016 and 31 December 2015 the amount recognized under this caption refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos, SGPS, SA at market conditions in 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period.

In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

As at 31 March 2016 and 31 December 2015, the Company held 6,948 bonds.

The fair value of these bonds as at 31 March 2016 is 53,556 euro (56,404 euro as at 31 December 2015) per bond, having been determined based on the discounted cash flow method and using as reference market values. There is no evidence of impairment on this loan.

## 7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2016 and 31 December 2015 trade accounts receivable and other current assets are detailed as follows:

	31.March.2016	31.December.2015
Trade accounts receivable	254,359	500,159
Group companies		
Dividends	23,374,008	12,192,750
Interests	-	709,630
Taxes - Special regime for taxation of groups of companies	58,818,326	31,251,889
Taxes and contributions receivable	26,087,708	25,714,649
Accrued income and prepayments	8,026,324	2,166,828
Others	325,034	310,081
Total	116,885,759	72,845,986

The amount recorded in the caption taxes-special regime for taxation of groups corresponds to the tax estimate calculated by the companies taxed under the Special Regime for Taxation of Corporate Groups, of which the Company is the dominant company.

The caption "Accrued income and prepayments" mainly includes receivables relating to interests from loans granted to group companies.

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity of less than one year.

## 8 CASH AND CASH EQUIVALENTS

As at 31 March 2016 and 31 December 2015 cash and cash equivalents are detailed as follows:

	31.March.2016	31.December.2015
Cash at hand	1,779	1,086
Bank deposits	1,493,805	389,415
Cash and cash equivalents on the balance sheet	1,495,584	390,501
Cash and cash equivalents on the cash flow statement	1,495,584	390,501

## 9 SHARE CAPITAL

As at 31 March 2016 and 31 December 2015 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

## 10 LOANS

As at 31 March 2016 and 31 December 2015, loans are made up as follows:

	31.March.2016	31.December.2015
Bonds Sonae, SGPS 2014/2018	-	60,000,000
Bonds Sonae, SGPS 2014/2020	50,000,000	50,000,000
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	-
Up-front fees not yet charged to income statement	(3,068,920)	(2,593,558)
Bonds	206,931,080	207,406,442
Sonae SGPS - Commercial paper	215,000,000	180,000,000
Bank loans	215,000,000	180,000,000
Non-current loans	421,931,080	387,406,442
Sonae SGPS - Commercial paper	132,400,000	159,300,000
Bank loans	132,400,000	159,300,000
Current loans	132,400,000	159,300,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 64.1 million euro credit facilities available to meet its liquidity requirements as follows:

	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	146,500,000	215,000,000
Available credit facilities amounts	64,100,000	-

The interest rate as at 31 March 2016 of the bonds and bank loans was, in average, 1.53% (1.76% as at 31 December 2015).

## Maturity of Borrowings

As at 31 March 2016 and 31 December 2015 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	31.March.2016	31.December.2015
N+1	132,400,000	159,300,000
N+2	35,000,000	35,000,000
N+3	90,000,000	80,000,000
N+4	-	70,000,000
N+5	140,000,000	60,000,000
after N+5	160,000,000	145,000,000

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2016 and 31 December 2015, trade creditors and other current liabilities are detailed as follows:

	31.March.2016	31.December.2015
Trade creditors	301,779	403,764
Group companies		
Loans	198,386,447	201,328,447
Interests	1,490	-
Taxes - Special regime for taxation of groups of companies	61,258,578	42,710,114
Taxes and contributions payable	31,383,595	20,205,511
Accrued expenses	4,983,458	5,721,569
Others	117,008	118,009
<b>Total</b>	<b>296,432,355</b>	<b>270,487,414</b>

## 12 CONTINGENT LIABILITIES

As at 31 March 2016 and 31 December 2015, contingent liabilities are detailed as follows:

	31.March.2016	31.December.2015
Guarantees given:		
on tax claims	128,624,001	128,624,001
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries	a) 360,393,708	359,213,603

(a) Guarantees given to Tax Authorities in favour of subsidiaries to defer tax claims. The main tax claims for which guarantees were issued are disclosed in consolidated financial statements.



## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Balance	31.March.2016	31.December.2015
Group companies	77,839,723	34,281,214
Jointly controlled companies	12,450,497	12,398,109
Other partners in group companies	78,518	98,000
Accounts receivable	90,368,738	46,777,323
Parent company	137,684	611,470
Group companies	64,720,115	45,526,331
Other partners in group companies	-	13,588
Accounts payable	64,857,799	46,151,389
Group companies	347,400,000	347,400,000
Loans granted	347,400,000	347,400,000
Group companies	198,387,937	201,328,447
Loans obtained	198,387,937	201,328,447
Transactions	31.March.2016	31.March.2015
Group companies	549,404	505,592
Jointly controlled companies	52,388	-
Other partners in group companies	25,000	79,094
Services rendered and other income	626,792	584,686
Parent company	162,718	271,861
Group companies	358,819	315,467
Jointly controlled companies	-	17,477
Other partners in group companies	11,771	553
Purchases and services obtained	533,308	605,358
Group companies	7,381,817	25,090,643
Interest income	7,381,817	25,090,643
Group companies	1,005,748	2,466,588
Interest expenses	1,005,748	2,466,588
Group companies	11,181,258	14,826,535
Jointly controlled companies	-	12,192,750
Dividend income (Note 14)	11,181,258	27,019,285

All Sonae, SGPS, S.A. subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA (parent company), subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA (other partners in group companies) are also considered related parties.

## 14 INVESTMENTS INCOME

As at 31 March 2016 and 2015, investment income can be detailed as follows:

	31.March.2016	31.March.2015
Dividends	11,181,258	27,019,285
	11,181,258	27,019,285

Dividends were distributed from Sonae Investimentos, SGPS, SA (11,123,853 euro) and Sonaegest, SA (57,405 euro).

## 15 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	31.March.2016	31.March.2015
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	12,049,874	36,012,582
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	12,049,874	36,012,582
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings	1,999,862,141	1,991,967,231
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,324,728	2,506,572
Number of shares that could be acquired at average market price	(786,361)	(802,372)
Weighted average number of shares used to calculate diluted earnings per share	2,000,400,507	1,993,671,431
<b>Profit/(Loss) per share</b>		
Basic	0.006025	0.018079
Diluted	0.006024	0.018063

## 16 SUBSEQUENT EVENTS

The 2015 loss appropriation has been approved in the General Meeting of Shareholders held on 29 April 2016 and already considered in these financial statements.

## 17 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 11 May 2016.

## 18 INFORMATION REQUIRED BY LAW

### Decree-Law nr 318/94 art 5 nr 4

During the period ended 31 March 2016 short-term loan contracts were entered into with the following companies:

Sonae Investimentos, SGPS, SA

Sonaecom, SGPS, SA

As at 31 March 2016, there were no amounts owed by subsidiaries.

As at 31 March 2016 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonae Investments, BV	197,836,286
Sonaecenter Serviços, SA	550,161
Total	<u>198,386,447</u>

#### The Board of Directors

Duarte Paulo Teixeira de Azevedo

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## 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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