

SONAE INVESTIMENTOS, SGPS, SA

Head Office: Rua João Mendonça, 529 – 4464-501 Senhora da Hora

Share Capital 1,000,000,000 Euro

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

31 March 2016

Management Report

Sonae Investimentos – S.G.P.S., S.A.

In accordance with Portuguese Law and the company's articles of association, we hereby present the management report of Sonae Investimentos - S.G.P.S., S.A. for the first three months of 2016.

ACTIVITY EVOLUTION FOR THE PERIOD

During the course of the first three months of 2016, the consolidated turnover of Sonae Investimentos totalled 1,179 million euros, which corresponds to an increase of 6.4% when compared to the same period in the previous year.

The Company's operating cash-flow (EBITDA) reached 107 million euros, which represents a 103% increase versus last year (+54 million euros). This evolution was, in particular, positively influenced by the completion of Sale & Lease Back operations of retail assets by Sonae RP, which generated capital gains of circa 64 million euros. It should be noted that, despite the completion of these transactions Sonae RP will continue to pursue opportunities to monetise additional assets. Additionally, the EBITDA positive evolution also benefitted from the increase in the contribution of Sonae SR, which included Losan, a company specialised in fashion wholesale, which was acquired in the last quarter of 2015.

The evolution of EBITDA also includes the reduction of the contribution of Sonae MC, which remains affect by the highly competitive market environment in food retail. However, despite this decrease in EBITDA contribution, this was a quarter in which Sonae MC reverted the trend of L4L sales decrease.

Overall, EBITDA margin stood at 9.1% of turnover (+4.3pp above the first three months of 2015).

Operating results (EBIT), increased to 59 million euros in the period, and increase of 49 million euros when compared to the first three months of 2015. This performance implies that operational results margin amounted to 5.0% of turnover, increasing 4.1pp over last year's.

Sonae Investimentos consolidated net result in the first three months of 2016 totalled 32 million euros, 38 million euros above the comparable period of 2015.

At the end of March, Sonae Investimentos detained an overall portfolio of 1,383 stores, corresponding to a sales area of 1,117 thousand m². During the period, the company continued to evolve its store network in both national and international markets. Sonae SR continued to consolidate its store networks and had, in particular, a total of 177 stores outside of Portugal, including 63 under franchising agreements.

Sonae MC also continued to further develop its store network, opening 1 Continente, 3 Continente Bom Dia, 15 Meu Super Stores (all under franchise agreements), 4 Well's (2 of which under franchise agreements), 1 Bom Bocado / Bagga and 1 note!.

In parallel to the expansion effort, the company carried out a refurbishment programme in a number of retail units so as to ensure they remain as a reference in their respective catchment areas. Total investment amounted to 56 million euros during the first three months of the year (46 million euros in 2015 comparable period).

OUTLOOK

Sonae Investimentos strategic guidelines privilege growth and the strengthening of the value proposition based on a continued investment in efficiency and innovation. This positioning, consistently adopted by the Company, has allowed for the combination of strong growth rhythms with strong profitability benchmarks, and once again will be at the basis of the Company's performance during the course of the next months.

METHODOLOGICAL NOTE

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 figures was not subject to audit procedures.

Maia, 10 of May 2016

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Glossary

Turnover (t)

Sale of articles + services rendered.

EBITDA

Underlying EBITDA + equity method results + non-recurrent items.

“Underlying” EBITDA

Total direct income - total expenses - reversal of impairment losses;

Direct EBIT

Direct EBT - financial results;

Direct EBT

Direct results before non-controlling interests and taxes;

Direct income

Results excluding contributions to indirect income;

Indirect income

Includes arising from: (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.

Investments (CAPEX)

Investments in tangible and intangible assets and investments in acquisitions;

Working Capital

customer debts (receivables derived from the normal course of the Group's activities) – suppliers (amount payable resulting from purchases derived from the normal course of the Group's activities) + inventories (goods booked at acquisition cost, less quantity discounts and impairment losses) + other assets and liabilities (State and other public entities + associated companies + accruals and prepayments + deferred taxes + provisions for risks and charges + fixed asset suppliers + sundry debtors and creditors)

Net Invested capital

Total net debt + total shareholder funds

**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 March 2016	31 March 2015	31 December 2015
NON-CURRENT ASSETS:				
Tangible assets	7	1,517,435,690	1,793,495,432	1,539,139,683
Intangible assets	8	204,818,456	190,350,028	204,399,410
Goodwill	9	517,491,160	498,166,236	518,417,011
Investments in associates	5	47,246,636	39,331,435	47,582,327
Other investments	6 and 10	12,496,708	11,572,065	12,164,765
Deferred tax assets	13	57,251,269	82,408,063	56,737,847
Other non-current assets	11	11,241,726	29,049,030	11,633,297
Total Non-Current Assets		2,367,981,645	2,644,372,289	2,390,074,340
CURRENT ASSETS:				
Inventories		616,534,021	580,630,955	634,365,983
Trade account receivable and other current assets	12	339,752,338	274,323,418	283,004,706
Investments	10	647,934	5,545,382	2,506,086
Cash and cash equivalents	14	86,724,274	45,327,124	89,020,049
Total Current Assets		1,043,658,567	905,826,879	1,008,896,824
Assets held for sale	15	-	-	131,044,139
TOTAL ASSETS		3,411,640,212	3,550,199,168	3,530,015,303
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	16	1,000,000,000	1,000,000,000	1,000,000,000
Own shares		(320,000,000)	(320,000,000)	(320,000,000)
Reserves and retained earnings		(57,780,244)	(82,142,735)	(86,593,045)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		31,504,564	(6,375,881)	70,039,847
Equity attributable to the equity holders of the Parent Company		653,724,320	591,481,384	663,446,802
Equity attributable to non-controlling interests	17	53,120,116	78,539,664	52,292,885
TOTAL EQUITY		706,844,436	670,021,048	715,739,687
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	18	574,933,559	439,184,884	596,135,078
Other non-current liabilities	20	437,731,216	439,976,689	437,223,223
Deferred tax liabilities	13	63,204,277	97,333,150	70,495,516
Provisions	23	11,099,220	20,020,952	11,585,642
Total Non-Current Liabilities		1,086,968,272	996,515,675	1,115,439,459
CURRENT LIABILITIES:				
Loans	18	162,924,031	510,624,485	143,582,795
Trade creditors and other current liabilities	22	1,452,083,523	1,369,599,703	1,552,433,412
Provisions	23	2,819,950	3,438,257	2,819,950
Total Current Liabilities		1,617,827,504	1,883,662,445	1,698,836,157
TOTAL LIABILITIES		2,704,795,776	2,880,178,120	2,814,275,616
TOTAL EQUITY AND LIABILITIES		3,411,640,212	3,550,199,168	3,530,015,303

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

The Board of Directors

CONDENSED 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 March 2016	31 March 2015
Sales		1,159,732,285	1,095,002,258
Services rendered		19,248,104	13,284,070
Investment income investments recorded at fair value through profit		1,582	-
Financial income		497,979	4,095,250
Other income	25	226,992,004	148,156,874
Cost of goods sold and materials consumed		(971,613,205)	(892,373,269)
Changes in stocks of finished goods and work in progress		64,391	11,924
External supplies and services		(149,302,668)	(136,463,250)
Staff costs		(161,460,865)	(153,561,901)
Depreciation and amortisation	7 and 8	(40,209,805)	(40,073,593)
Provisions and impairment losses		(7,361,739)	(1,879,135)
Financial expense		(16,503,786)	(18,857,918)
Other expenses		(16,404,306)	(20,985,630)
Share of results of joint ventures and associated companies	5	(750,579)	(506,773)
Profit/(Loss) before taxation		42,929,392	(4,151,093)
Taxation	27	(10,585,477)	(1,566,871)
Profit/(Loss) after taxation		32,343,915	(5,717,964)
Attributable to:			
Equity holders of the Parent Company		31,504,564	(6,375,881)
Non-controlling interests	17	839,351	657,917
Profit/(Loss) per share			
Basic	28	0.035005	0.007084
Diluted	28	0.035005	0.007084

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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.)

<i>(Amounts expressed in euro)</i>	31 March 2016	31 March 2015
Net Profit / (Loss) for the period	32,343,915	(5,717,964)
Items that maybe reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(115,208)	(66,050)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5.3)	414,888	(865,500)
Changes in hedge and fair value reserves	(2,112,051)	(415,759)
Deferred taxes related with other components of comprehensive income	515,237	105,509
Other comprehensive income for the period	(1,297,134)	(1,241,800)
Total comprehensive income for the period	31,046,781	(6,959,764)
Attributable to:		
Equity holders of parent company	30,238,935	(7,600,611)
Non controlling interests	807,846	640,847

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The Board of Directors

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 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)*

	Attributable to Equity Holders of Parent Company											Non controlling Controlling Interests (Note 17)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Reserves and Retained Earnings				Total	Net Profit/ (Loss)	Total			
				Currency translation Reserve	Hedging Reserve	Legal Reserves in accordance with article 342º CSC	Other Reserves and Retained Earnings						
Balance as at 1 January 2015	1,000,000,000	(320,000,000)	141,237,816	396,473	68,653	320,000,000	(573,166,377)	(111,463,435)	70,697,244	639,233,809	80,234,962	719,468,771	
Total comprehensive income for the period	-	-	-	(51,085)	(308,145)	-	(865,500)	(1,224,730)	(6,375,881)	(7,600,611)	640,847	(6,959,764)	
Appropriation of profit of 2014													
Transfer to legal reserves and retained earnings	-	-	29,702,450	-	-	-	40,994,794	70,697,244	(70,697,244)	-	-	-	
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(113,298)	(40,113,298)	
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(151,814)	(151,814)	-	(151,814)	(2,222,847)	(2,374,661)	
Balance as at 31 March 2015	1,000,000,000	(320,000,000)	170,940,266	345,388	(239,492)	320,000,000	(573,188,897)	(82,142,735)	(6,375,881)	591,481,384	78,539,664	670,021,048	
Balance as at 1 January 2016	1,000,000,000	(320,000,000)	170,940,266	345,388	(239,492)	320,000,000	(577,639,207)	(86,593,045)	70,039,847	663,446,802	52,292,885	715,739,687	
Total comprehensive income for the period	-	-	-	(125,300)	(1,555,217)	-	414,888	(1,265,629)	31,504,564	30,238,935	807,846	31,046,781	
Appropriation of profit of 2015													
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	70,039,847	70,039,847	(70,039,847)	-	-	-	
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(114,810)	(40,114,810)	
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	39,064	39,064	-	39,064	134,197	173,261	
Others	-	-	-	-	-	-	(481)	(481)	-	(481)	(2)	(483)	
Balance as at 31 March 2016	1,000,000,000	(320,000,000)	170,940,266	220,088	(1,794,709)	320,000,000	(547,145,889)	(57,780,244)	31,504,564	653,724,320	53,120,116	706,844,436	

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 version prevails.)

(Amounts expressed in euro)	Notes	31 March 2016	31 March 2015
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		(157,369,939)	(140,849,812)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments		-	-
Tangible assets and investment properties		229,972,175	475,809
Interests and similar income		278,505	328,750
Loans granted		-	2,385,000
Others		1,581	-
		230,252,261	3,189,559
Cash Payments arising from:			
Investments		(374,015)	-
Tangible assets and investment properties		(69,647,156)	(64,089,320)
Loans granted		-	(1,365,000)
		(70,021,171)	(65,454,320)
Net cash used in investment activities (2)		160,231,090	(62,264,761)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Investments		173,261	125,894
Loans obtained		1,311,645,404	949,438,423
		1,311,818,665	949,564,317
Cash Payments arising from:			
Investments		-	(2,500,722)
Loans obtained		(1,308,777,235)	(816,299,386)
Interests and similar charges		(3,029,529)	(5,067,049)
Others		(424,372)	(819,797)
		(1,312,231,136)	(824,686,954)
Net cash used in financing activities (3)		(412,470)	124,877,363
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		2,448,681	(78,237,210)
Effect of foreign exchange rate		183,937	29,262
Cash and cash equivalents at the beginning of the period	14	76,441,012	101,698,092
Cash and cash equivalents at the end of the period	14	78,705,756	23,431,620

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

(Amounts expressed in euro)

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

1 INTRODUCTION

Sonae Investimentos, SGPS, SA, has its head-office at Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 6 the Sonae Investimentos Group (“Sonae Investimentos”). Sonae Investimentos’s operations and operating segments are described in Note 29.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended as at 31 December 2015.

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 (“IFRS-IC”) or by the previous Standing Interpretations Committee (“SIC”), as adopted by the European Union as at 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, subsidiaries and joint ventures adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for financial instruments 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 and Interpretations, some of which become effective in 2016, have been endorsed by the European Union:

With mandatory application from 1 January 2016:	Effective Date (for financial years beginning on or after)
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IAS 19 (Amendment) – (Defined benefit Plans: Employee Contributions)	01 Feb 2015
Annual Improvements to IFRS (cycle 2010-2012)	01 Feb 2015
Annual Improvements to IFRS (cycle 2012-2014)	01 Jan 2016
IFRS 11 (Amendment) – (Accounting for Acquisitions of Interests in Joint Operations)	01 Jan 2016
IAS 1 (Amendment) – Presentation of Financial Statements (Disclosures)	01 Jan 2016
IAS 16 and IAS 38 (Amendments) – (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)
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IFRS 9 - (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 14 – (Regulatory Deferral Accounts)	01 Jan 2016
IFRS 15 – (Revenues 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) – Investment Entities – Applying the Consolidation Exception	01 Jan 2016
IFRS 10 and IAS 28 (Amendment) – (Elimination of the inconsistency between the requirements of these standards when dealing with the sale of contribution of assets	Undefined

between an investor and its associate or joint venture)

IFRS 12 (Amendment) – (Recognition of deferred tax assets for unrealised losses) 01 Jan 2017

IFRS 7 (Amendment) – (Disclosure initiative about Statement of Cash Flows) 01 Jan 2017

IFRS 15 (Amendment) – (Equity Method in Separate Financial Statements) 01 Jan 2017

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 to be expected.

3 CHANGES IN ACCOUNTING POLICIES

During the period it was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after 1st 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

The subsidiaries included in the consolidated financial statements, its head offices and percentage of capital held as at 31 March 2016 and 31 December 2015 are as follows:

Percentage of capital held

COMPANY	Head Office	31 March 2016		31 December 2015	
		Direct*	Total*	Direct*	Total*
Sonae Investimentos, SGPS, SA	Matosinhos	Holding	Holding	Holding	Holding
Sonae MC					
BB Food Service, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bom Momento – Restauração, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados. SA	a) Lisboa	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a) Matosinhos	75,00%	75,00%	75,00%	75,00%
Farmácia Selecção. SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%

MJB – Design, Lda	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente. SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

Sonae SR

Aduanas Caspe, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Comercial Losan Polonia SP. Z.O.O.	a)	Warsaw (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%
Discovery Sports, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
HighDome PCC Limited (Cell Europe)	a)	Valetta (Malta)	100.00%	100.00%	100.00%	100.00%
Infocfield – Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Losan Colombia, S.A.S.	a)	Bogotá (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 Urun.V E Dis Ticaret, L.S.	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SDSR – Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sonae SR Malta Holding Limited	a)	Valetta (Malta)	100.00%	100.00%	100.00%	100.00%
Sonae SR – Serviços e Logística, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae Specialized Retail. SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sport Zone Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	5.00%

Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sport Zone Sport Maiz.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	92.76%	92.76%	92.76%	92.76%
Usebti Textile México S.A. de C.V.	a)	City of Mexico (Mexico)	100.00%	100.00%	100.00%	100.00%
Worten Canarias, S.L.	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Worten – Equipamento para o Lar, SA	a)	Matosinhos	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	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio 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- Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

Sonae RP

Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	100,00%	100,00%	100,00%	100,00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	80.40%	80.40%	80.40%	80.40%
Fundo de Investimento Imobiliário Fechado Imosonae Dois	a)	Maia	97.82%	97.82%	97.92%	97.92%
Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Predilugar - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Others						
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	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 Financial Services, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a)	Maia	60.00%	60.00%	60.00%	60.00%
Sonvecap, BV	a)	Amsterdam	100.00%	100.00%	100.00%	100.00%

		(Netherlands)				
Tlantic, BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	72.10%	72.10%
Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	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%

*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) 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.

These entities are consolidated using the full consolidation method, considering that they are controlled by Sonae Investimentos SGPS, SA.

5 ASSOCIATED COMPANIES

5.1 Detail of book value of Investment in associates

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

Company	Head Office	Percentage of capital held				Statement of financial position	
		31 March 2016		31 December 2015		31 March 2016	31 December 2015
		Direct*	Total*	Direct*	Total*		
MDS SGPS, SA (consolidated)	Maia	47.53%	47.53%	47.53%	47.53%	42,991,290	43,093,084
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,281,782	1,236,445
APOR- Agência para a Modernização do Porto, SA	Porto	22.75%	22.75%	22.75%	22.75%	355,517	373,147
Ulabox, S.L.	Barcelona	28.57%	28.57%	28.57%	28.57%	2,618,047	2,879,651
Investments in associated companies						47,246,636	47,582,327

* 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) subsidiary which owns the stake in question holds the share capital of this company.

Joint ventures and associated companies were included in the consolidated financial statements by the equity method.

5.2 Financial indicators of participations

As at 31 March 2016 and 2015 and 31 December 2015, financial information of associated companies can be analysed as follows:

Associated Companies	31 March 2016				31 December 2015			
	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others
Non-current assets	65,016,958	1,630,496	2,037,714	18,328	64,452,910	1,778,633	1,923,349	18,619
Current assets	16,310,895	9,803,906	1,507,509	1,621,835	22,408,075	10,076,920	2,548,955	1,679,225
Non-current liabilities	26,343,623	1,263	-	-	27,481,551	8,594	-	-
Total current liabilities	20,943,119	6,306,012	92,093	77,453	25,670,040	6,901,181	103,517	57,638
Shareholders' funds excluding non-controlling interests	34,041,111	5,127,127	3,453,130	1,562,710	33,709,394	4,945,778	4,368,786	1,640,206

Associated Companies	31 March 2016				31 March 2015		
	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others	MDS SGPS, SA (Consolidated)	Sempre a Postos	Others
Turnover	9,833,357	11,657,044	1,639,863	10,815	11,091,354	11,008,904	31,738
Other operational income	143,826	882,216	-	-	170,130	984,967	-
Operational expenses	(10,139,671)	(12,307,530)	(2,468,849)	(89,401)	(11,504,932)	(11,868,926)	(66,640)
Net financial expense	(358,532)	2,991	-	-	(678,581)	5,043	13,270
Taxation	3,318	(53,371)	-	-	68,873	(33,421)	(11)
Consolidated net income/(loss) for the period	(517,702)	181,350	(828,986)	(78,586)	(853,156)	96,566	(21,643)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	(517,702)	181,350	(828,986)	(78,586)	(853,156)	96,566	(21,643)

5.3 Movements occurred in the period

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

	31 March 2016			31 March 2015		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Associated companies						
Initial balance as at January,1	21,073,725	26,508,602	47,582,327	6,493,202	34,210,506	40,703,708
Equity method:						
Effect in gain or losses in associated companies	(750,579)	-	(750,579)	(506,773)	-	(506,773)
Other effects on reserves	414,888	-	414,888	(865,500)	-	(865,500)
Total	20,738,034	26,508,602	47,246,636	5,120,929	34,210,506	39,331,435

6 OTHER NON-CURRENT INVESTMENTS

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 capital held				Statement of financial position	
		31 March 2016		31 December 2015		31 March 2016	31 December 2015
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	898,197
Solferias- Operadores Turísticos, SA	Lisbon	11.11%	11.11%	11.11%	11.11%	133,162	133,162
MOVVO, SA	Porto	16.00%	16.00%	16.00%	16.00%	800,000	800,000
Other investments						10,628,373	10,323,430
						12,496,708	12,164,765

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 Sonae Distribuição Brazil and for which provisions were recorded in the applicable situations (Note 23 and 24).

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 Investimentos.

The Other Investments are recorded at acquisition cost net of impairment losses. It is Sonae Investimentos understanding that no reliable fair value estimate can be made as there is no market data available for these investments.

7 TANGIBLE ASSETS

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

	Tangible assets				
	Land and buildings	Plant and machinery	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2016	1,339,900,206	1,319,040,930	180,728,612	24,060,810	2,863,730,558
Acquisitions	808,774	51,349	469,816	48,142,698	49,472,637
Disposals	(31,977,821)	(11,463,647)	(1,132,874)	(1,902,778)	(46,477,120)
Exchange rate effect	34,627	(23)	18,448	-	53,052
Transfers	6,991,198	28,212,193	3,134,884	(37,654,683)	683,592
Closing balance as at 31 March 2016	1,315,756,984	1,335,840,802	183,218,886	32,646,047	2,867,462,719
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2016	367,696,952	816,708,115	140,185,808	-	1,324,590,875
Depreciation of the period	4,876,509	25,622,875	3,881,204	-	34,380,588
Impairment losses for the period (Note 23)	6,600,000	-	-	-	6,600,000
Disposals	(4,956,061)	(9,466,713)	(1,069,740)	-	(15,492,514)
Exchange rate effect	33,656	-	16,487	-	50,143
Transfers	346,629	(284,064)	(164,628)	-	(102,063)
Closing balance as at 31 March 2016	374,597,685	832,580,213	142,849,131	-	1,350,027,029
Carrying amount as at 31 March 2016	941,159,299	503,260,589	40,369,755	32,646,047	1,517,435,690
	Tangible assets				
	Land and buildings	Plant and machinery	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2015	1,669,407,572	1,273,732,256	168,118,559	27,211,209	3,138,469,596
Acquisitions	1,671,172	264,083	18,884	31,809,559	33,763,698
Disposals	(4,996)	(10,252,656)	(1,592,516)	(1,077,707)	(12,927,875)
Exchange rate effect	(75,063)	-	(56,341)	-	(131,404)
Transfers	33,929	26,391,003	4,258,030	(31,122,164)	(439,202)
Closing balance as at 31 March 2015	1,671,032,614	1,290,134,686	170,746,616	26,820,897	3,158,734,813
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2015	433,631,117	771,959,695	134,304,445	-	1,339,895,257
Depreciation of the period	6,310,560	26,001,522	2,989,187	-	35,301,269
Impairment losses for the period	-	841,741	-	-	841,741
Disposals	-	(8,806,848)	(1,532,663)	-	(10,339,511)
Exchange rate effect	(72,064)	-	(43,710)	-	(115,774)
Transfers	-	(185,600)	(158,001)	-	(343,601)
Closing balance as at 31 March 2015	439,869,613	789,810,510	135,559,258	-	1,365,239,381
Carrying amount as at 31 March 2015	1,231,163,001	500,324,176	35,187,358	26,820,897	1,793,495,432

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;

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, 64.1 million euro (Note 25).

The most significant values included in the caption “Tangible assets in progress” refer to the following projects:

	31 March 2016	31 March 2015
Refurbishment and expansion of stores located in Portugal	27,278,839	12,594,501
Refurbishment and expansion of stores located in Spain	437,825	361,046
Projects of stores for which advance payments were made	2,743,500	9,104,900
Others	2,185,882	4,760,450
	32,646,047	26,820,897

The caption “Impairment losses” as at 31 March 2016 can be detailed as follows:

	Land and Buildings	Plant and Machinery	Other tangible assets	Total tangible assets
Impairment losses				
Opening balance as at 1 January 2016	100,289,797	33,179,777	531,381	134,000,955
Impairment losses (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)	106,869,234	19,177,195	(640,155)	125,406,274

8 INTANGIBLE ASSETS

During the three months 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:

	Intangible assets			
	Patents and other similar rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets				
Opening balance as at 1 January 2016	104,002,453	284,976,051	26,896,520	415,875,024
Acquisitions	48,000	80,536	6,845,316	6,973,852
Disposals	(90,464)	(11,254)	(185,983)	(287,701)
Exchange rate effect	(4,394)	28,192	-	23,798
Transfers	83,178	5,239,610	(5,865,301)	(542,513)
Closing balance as at 31 March 2016	104,038,773	290,313,135	27,690,552	422,042,460
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2016	27,000,338	184,475,276	-	211,475,614
Depreciation of the period	214,363	5,614,854	-	5,829,217
Disposals	(90,464)	(2,103)	-	(92,567)
Exchange rate effect	(3,202)	14,494	-	11,292
Transfers	-	448	-	448
Closing balance as at 31 March 2016	27,121,035	190,102,969	-	217,224,004
Carrying amount as at 31 March 2016	76,917,738	100,210,166	27,690,552	204,818,456

	Intangible assets			
	Patents and other similar rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets				
Opening balance as at 1 January 2015	103,463,568	234,715,645	36,352,643	374,531,856
Acquisitions	8,340	4,128	9,765,407	9,777,875
Disposals	(44,632)	(2,531)	(438,100)	(485,263)
Exchange rate effect	2,598	(54,576)	-	(51,978)
Transfers	93,540	5,033,772	(4,756,893)	370,419
Closing balance as at 31 March 2015	103,523,414	239,696,438	40,923,057	384,142,909
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2015	25,933,771	163,155,297	-	189,089,068
Depreciation of the period	317,130	4,455,194	-	4,772,324
Disposals	(43,295)	(270)	-	(43,565)
Exchange rate effect	1,326	(26,272)	-	(24,946)
Closing balance as at 31 March 2015	26,208,932	167,583,949	-	193,792,881
Carrying amount as at 31 March 2015	77,314,482	72,112,489	40,923,057	190,350,028

9 GOODWILL

Goodwill is allocated to each of the operating segment and within each segment to each of the homogeneous groups of cash generating units.

Goodwill is allocated to each operating business segment, Sonae MC and 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 operating segment Sonae RP;

On 31 March 2016 and 31 December 2015, the caption "Goodwill" was made up as follows by insignia and country:

	31 March 2016			
	Portugal	Spain	Other countries	Total
Sonae MC	435,008,109	-	-	435,008,109
Sonae SR				
electronics	53,422,018	-	-	53,422,018
fashion	1,539,982	18,017,544	692,020	20,249,546
sports	5,722,036	-	-	5,722,036
Sonae RP	3,089,451	-	-	3,089,451
	498,781,596	18,017,544	692,020	517,491,160
	31 December 2015			
	Portugal	Spain	Other countries	Total
Sonae MC	435,008,109	-	-	435,008,109
Sonae SR				
electronics	53,422,018	-	-	53,422,018
fashion	1,539,982	18,363,680	692,020	20,595,682
sports	5,722,036	-	-	5,722,036
Sonae RP	3,669,166	-	-	3,669,166
	499,361,311	18,363,680	692,020	518,417,011

On 31 March 2016 and 2015, the movements in the caption goodwill as well as in the corresponding impairment losses, are as follows:

	31 March 2016	31 March 2015
Gross value:		
Opening balance	526,058,679	505,807,904
Other variations	(925,851)	-
Closing balance	525,132,828	505,807,904
Accumulated impairment losses:		
Opening balance	7,641,668	7,641,668
Increases	-	-
Closing balance	7,641,668	7,641,668
Carrying amount	517,491,160	498,166,236

10 OTHER CURRENT AND ON CURRENT INVESTMENTS

During the three months period ended at 31 March 2016 and 31 March 2015, the movements in the caption "Other Investments" can be detailed as follows:

	31 March 2016		31 March 2015	
	Non Current	Current	Non Current	Current
Other investments:				
Opening balance as at 1 January	12,164,765	-	11,572,032	6,123
Increases in the period	336,083	-	33	133
Increase/(Decrease) in fair value	(4,140)	-	-	-
Closing balance as at 31 March	12,496,708	-	11,572,065	6,256
Accumulated impairment losses	-	-	-	-
Closing balance as at 31 March	12,496,708	-	11,572,065	6,256
Derivative financial instruments				
Fair value as at 1 January	-	2,506,086	-	3,995,221
Acquisitions in the period	-	-	-	1,498,335
Increase/(Decrease) in fair value	-	(1,858,152)	-	45,570
Fair value as at 31 March (Note 18)	-	647,934	-	5,539,126
Total of Other Investments	12,496,708	647,934	11,572,065	5,545,382

In other financial investments non-current, are recorded 9,992,791 euro (10,000,046 euro as at 31 March 2015), related to deposited amounts on an *Escrow Account* (Note 6).

11 OTHER NON-CURRENT ASSETS

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

	31 March 2016	31 December 2015
Loans granted to related parties	651,119	620,688
Trade accounts receivable and other debtors		
Bails (a)	4,713,163	4,633,112
Legal deposits (b)	635,083	605,316
Special regime for payment of tax and social security debts (d)	5,207,108	5,207,108
Amount receivable for selling the Modelo Cont.Seguros	2,450,000	2,450,000
Amount receivable for selling the Raso SGPS	-	527,618
Others	35,253	36,268
	13,656,473	13,459,422
Accumulated impairment losses in other debtors (Note 23)	(2,450,000)	(2,450,000)
	10,590,607	11,009,422
Other non-current assets	-	3,187
	11,241,726	11,633,297

“Loans granted to associated companies” refer to MDS SGPS, SA 651,119 euro (620,688 euro as at 31 December 2015). This loan bears interests at usual market rates and do not have a defined maturity.

Most significant values included in “Trade accounts receivable and other debtors” refers to:

- Amounts related with guarantees of lease contracts in group stores located in Spain, which have not matured until this date;
- Amounts related to legal deposits made by a Brazilian subsidiary, for which are recorded the correspondent liabilities in the caption “Other non-current liabilities” (Note 20), with no defined maturity;
- 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. 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 favour of Sonae Investimentos.

12 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	70,355,685	62,290,001
Taxes recoverable	49,167,660	48,839,730
Granted loans to related companies	60,383,712	39,811,954
Other debtors		
Trade suppliers - debtor balances	49,072,583	37,291,228
VAT recoverable on real estate assets	2,746,088	2,560,040
Disposal of investments	3,021,107	2,482,072
Accounts receivable from the disposal of tangible fixed assets	3,492,463	2,463,910
Vouchers and gift cards	971,246	1,214,062
Other debtors	16,953,068	26,808,419
	76,256,555	72,819,731
Other current assets		
Prepayments - Rents	63,319,313	47,661,848
Insurance premiums paid in advance	9,920,067	6,353,493
Condominiums management fee's	6,798,697	6,484,212
Commissions to be received	1,390,800	1,996,911
Software licenses	736,197	892,705
Interests to be received	582,091	836,631
Commercial discounts	64,341	928,439
Other current assets	16,471,270	9,325,279
	99,282,776	74,479,518
Accumulated impairment losses (Note 23)	(15,694,043)	(15,236,228)
	339,752,345	283,004,706

In other accounts receivable from related companies are included about 60.4 million euro (39.8 million euro as at 31 December 2015) of amount receivable from the Sonae SGPS, SA resulting of companies inclusion in Special Regime of Taxing Groups of Companies.

13 DEFERRED TAX

Deferred tax assets and liabilities as at 31 March 2016 and 31 December 2015 are as follows, taking into consideration its temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Difference between fair value and acquisition cost	6,127,552	6,127,552	17,623,048	20,849,622
Temporary differences on tangible and intangible assets	1,863,507	1,616,131	42,016,710	45,720,732
Provisions and impairment losses not accepted for tax purposes	7,172,409	6,580,316	-	-
Write off of tangible and intangible assets	207	73,408	-	-
Valuation of hedging derivatives	621,056	242,175	216,392	364,824
Revaluation of tangible assets	-	-	1,131,420	1,160,205
Tax losses carried forward	36,956,801	38,050,179	-	-
Reinvested capital gains/(losses)	-	-	360,088	547,219
Tax benefits	896,648	1,030,619	-	-
Others	3,613,089	3,017,467	1,856,619	1,852,914
	57,251,269	56,737,847	63,204,277	70,495,516

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 March 2016			31 December 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	24,399	2028	-	-	
	<u>1,446,730</u>	<u>303,814</u>		<u>1,425,027</u>	<u>299,256</u>	
With a time limit different from the above mentioned	146,478,361	36,652,987		150,883,958	37,750,923	
	<u>147,925,091</u>	<u>36,956,801</u>		<u>152,308,985</u>	<u>38,050,179</u>	

As at 31 March 2016 and 31 December 2015, deferred tax assets resulting from tax losses carried forward were assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. 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 Investimentos entities, which were reviewed and updated periodically and on the available and identified fiscal opportunities.

As at 31 March 2016, there was tax losses carried forward, amounting to 177.6 million euro (176.6 million euro as at 31 December 2015) for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarised as follows:

	31 March 2016			31 December 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	3,746,735	786,814	2017	3,746,735	786,814	2017
Generated in 2013	809,338	169,961	2018	809,338	169,961	2018
Generated in 2016	70,094	14,720	2028	-	-	
	<u>4,626,167</u>	<u>971,495</u>		<u>4,556,073</u>	<u>956,775</u>	
Without limited time use	172,967,612	44,398,208		172,029,996	44,079,419	
With a time limit different from the above mentioned	30,589	6,118		26,561	5,312	
	<u>177,624,368</u>	<u>45,375,821</u>		<u>176,612,630</u>	<u>45,041,506</u>	

14 CASH AND CASH EQUIVALENTS

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

	31 March 2016	31 December 2015
Cash at hand	7,660,517	9,257,191
Bank deposits	77,392,916	79,759,028
Treasury applications	1,670,841	3,830
Cash and cash equivalents on the statement of financial position	86,724,274	89,020,049
Bank overdrafts (Note 18)	(8,018,518)	(12,579,037)
Cash and cash equivalents on the statement of cash flows	78,705,756	76,441,012

Bank overdrafts are disclosed in the statement of financial position under Current bank 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 totalled 164 million euro; and
- a Sale and Leaseback transaction of three Worten stores in Spain, located in Madrid, Barcelona and Valencia, this transaction totalled to 26.8 million euro.

16 SHARE CAPITAL

As at 31 March 2016, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 Euro each.

As at 31 March 2016 and 31 December 2015, the subscribed share capital was held as follows:

Company	31 March 2016	31 December 2015
Sonae, SGPS, S.A.	25.029%	25.029%
Sonaecenter Serviços, SA	51.827%	51.827%
Sonae Investments, BV	13.142%	13.142%
Sonae MC-Modelo Continente, SGPS, SA	10.000%	10.000%
Libra Serviços, Lda	0.002%	0.002%

As at 31 March 2016, Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52.48% of the share capital of Sonae, SGPS, S.A., which holds directly and indirectly 100% of the others entities who hold the company's share capital.

As at 31 March 2016 and 31 December 2015, Sonae Investimentos holds 10% of treasury shares. Following the mentioned acquisition free reserves amounting to the cost of the above mentioned shares were made unavailable, in accordance with commercial legislation (Art. 324 of “CSC”). The distribution of this reserve depends on the termination or disposal of the treasury shares.

17 NON-CONTROLLING INTERESTS

As at 31 March 2016 and 31 December 2015, non-controlling interests are detailed as follows:

	31 March 2016				
	Equity	Net Profit/ (Loss)	Statement of financial position	Proportion in income	Dividends/ Income received
Investments Funds	291,484,354	20,732,087	31,276,687	752,069	-
Others	47,719,733	389,167	21,843,429	87,282	(114,810)
Total	339,204,087	21,121,254	53,120,116	839,351	(114,810)
	31 December 2015				
	Equity	Net Profit/ (Loss)	Statement of financial position	Proportion in income	Dividends/ Income received
Investments Funds	270,752,269	28,699,386	30,390,421	1,942,152	(1,522,396)
Others	47,664,617	2,359,356	21,902,464	896,845	(113,299)
Total	318,416,886	31,058,742	52,292,885	2,838,997	(1,635,695)

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

	31 March 2016		
	Investments Funds	Others	Total
Balance as at 1 January	30,390,421	21,902,464	52,292,885
Dividends distributed	-	(114,810)	(114,810)
Changes in shareholding interests	134,197	-	134,197
Exchange rate effect	-	10,091	10,091
Changes in hedge reserves	-	(41,598)	(41,598)
Profit for the period attributable to non-controlling interests	752,069	87,282	839,351
Closing balance	31,276,687	21,843,429	53,120,116
	31 March 2015		
	Investments Funds	Others	Total
Balance as at 1 January	60,290,573	19,944,389	80,234,962
Dividends distributed	-	(113,298)	(113,298)
Additional paid in capital	(2,222,847)	-	(2,222,847)
Exchange rate effect	-	(14,965)	(14,965)
Changes in hedge reserves	-	(2,105)	(2,105)
Profit for the period attributable to non-controlling interests	601,529	56,388	657,917
Closing Balance	58,669,255	19,870,409	78,539,664

18 LOANS

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

	31 March 2016		31 December 2015	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	90,000,000	135,000,000	60,000,000	160,000,000
Subsidiary of Sonae Investimentos 2014/2020	-	50,000,000	-	50,000,000
Subsidiary of Sonae Investimentos 2015/2020	-	55,000,000	-	55,000,000
Subsidiary of Sonae Investimentos 2015/2019	-	25,000,000	-	25,000,000
Others	10,342,184	9,549,190	17,011,550	5,036,532
	<u>100,342,184</u>	<u>274,549,190</u>	<u>77,011,550</u>	<u>295,036,532</u>
Bank overdrafts (Note 14)	8,018,518	-	12,579,037	-
Up-front fees beared with the issuance of loans	-	(315,047)	-	(343,038)
Bank loans	108,360,702	274,234,143	89,590,587	294,693,494
Bonds				
Bonds Sonae Investimentos/ 2012/ 2017	50,000,000	95,000,000	50,000,000	95,000,000
Bonds Sonae Investimentos /June 2013/ 2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos SGPS/ December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos SGPS/ May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos SGPS/ December 2015/2020	-	30,000,000	-	30,000,000
Up-front fees beared with the issuance of loans	(37,920)	(2,112,866)	(37,920)	(2,329,027)
Bonds	49,962,080	297,887,134	49,962,080	297,670,973
Other loans	17,860	1,347,110	26,974	1,347,110
Derivative instruments (Note 19)	3,462,788	-	860,503	-
Other loans	3,480,648	1,347,110	887,477	1,347,110
Obligations under finance leases	1,120,601	1,465,172	3,142,651	2,423,501
	<u>162,924,031</u>	<u>574,933,559</u>	<u>143,582,795</u>	<u>596,135,078</u>

The average interest rate at 31 March 2016 of bonds and loans was 2.53% (2.48% on 31 December 2015). These bonds and bank loans bear interests at variable interest rates indexed to Euribor.

The derivative instruments are recorded at fair value (Note 19).

The repayment schedule of the nominal value of borrowings (including bank loans and obligations under finance leases) is summarized as follows:

	31 March 2016	31 December 2015
N+1	159,499,163	142,760,212
N+2	156,441,463	184,528,813
N+3	108,287,512	57,779,959
N+4	36,333,857	45,873,483
N+5	276,298,639	310,438,521
After N+5	-	186,367
	<u>736,860,635</u>	<u>741,567,355</u>

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

Under the credit facilities and commercial paper programs with firm commitments, the Group has 365 million euro credit facilities available to meet its liquidity requirements, as follows:

	31 March 2016		31 December 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	65,244,880	300,000,000	60,806,401	340,000,000
Agreed credit facilities	163,260,000	470,000,000	142,060,000	535,000,000

Additionally, as at 31 March 2016, Sonae Investimentos has, as detailed in Note 14 "Cash and cash equivalents", the value of 86,724,274 euro (89,020,049 euro on 31 December 2015).

19 DERIVATIVES

Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos essentially uses exchange rate derivatives to hedge future cash flows that occur in the next 12 months.

Sonae Investimentos entered into several exchange rate forwards 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 computation of the fair value of these financial instruments was made taking into consideration 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 expenses".

Interest rate derivatives

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

20 OTHER NON-CURRENT LIABILITIES

As at 31 March 2016 and 31 December 2015, the caption “Other non-current liabilities” is detailed as follows:

	31 March 2016	31 December 2015
Shareholders loans	402,375,851	402,325,936
Fixed assets suppliers	234,375	234,375
Other non-current liabilities	1,483,351	1,460,959
Share based payments (Note 21)	1,040,741	2,307,197
Deferred of revenue from the sale of warranties extention	28,408,684	28,196,895
Accruals and deferrals	4,188,214	2,697,861
Other non-current liabilities	437,731,216	437,223,223

The caption “Shareholders loans” includes:

- a subordinate bond loan, with a fixed interest rate, repayable after 10 years issued by Sonae Investimentos at market conditions on 28 December 2010 amounting to 400,000,000 euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each, with a flat rate of 7% and repayment at the end of the loan period. The fair value of this loan on 31 March 2016 is 53,556 euro (56,404 euro as at 31 December 2015) per obligation having been determined based on discounted cash flows method and using as reference stock market values and there is no indication of impairment of the loan ;

- loans in affiliated undertakings related to a shareholders’ loan granted by a minority shareholder to a subsidiary that bears interest at usual market rate. The fair value of this loan is similar to its book value with no defined maturity.

As at 31 March 2016, the caption “Other non-current liabilities” includes 523,748 euro (500,156 euro as at 31 December 2015) mainly refers to the estimated amounts to fulfil the legal and tax obligations of a

Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption "Other non-current assets" (Note 11).

21 SHARE BASED PAYMENT PLANS

In 2016 and in previous years, Sonae Investimentos Group granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee. The purchase can be exercised during the period between the third anniversary of the grant date and the end of that year. The company has the choice to settle its responsibilities in cash instead of shares. The option can only be exercised if the employee still works for Sonae Group on the vesting date.

Liabilities arising from deferred performance bonuses as at 31 March 2016 and 31 December 2015 are made up as follows:

	Grant year	Vesting year	Number of participants	Number of shares		Fair Value	
				31 March 2016	31 December 2015	31 March 2016	31 December 2015
Shares							
	2013	2016	71	4,340,974	4,340,974	4,551,712	4,505,516
	2014	2017	62	2,373,587	2,386,903	2,513,629	2,501,474
	2015	2018	77	1,872,205	1,830,764	2,131,508	1,918,641
	2016	2019	81	2,432,072	-	2,992,739	-
Total				11,018,838	8,558,641	12,189,588	8,925,631

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 March 2016	31 December 2015
Staff costs	664,962	4,673,927
Recorded in previous years	6,909,495	2,138,786
	7,574,457	6,812,713
Other non-current liabilities (Note 20)	1,040,741	2,307,197
Other current liabilities (Note 22)	6,533,716	4,505,516
	7,574,457	6,812,713

The share based payment plan costs are recognized during the years between the grant and vesting date as staff costs.

22 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2016 and 31 December 2015 the caption “Trade creditors and other current liabilities” can be detailed as follows:

	31 March 2016	31 December 2015
Trade creditors	965,603,980	1,143,806,164
Taxes payable	55,154,049	65,321,335
Other creditors		
Tangible asset suppliers	33,633,777	45,731,837
Related undertakings	111,830,838	41,380,237
Other debts	41,931,718	42,688,239
	<u>187,396,333</u>	<u>129,800,313</u>
Other current liabilities		
Holiday pay and bonuses	106,159,720	98,487,910
Other external supplies and services	35,730,635	40,576,691
Deferred of revenue from the sale of warranties extention	26,220,997	24,471,084
Marketing expenses	11,308,744	13,791,241
Charges made on the sale of real estate	18,365,166	10,031,166
Accrued income - rents	12,120,248	6,685,283
Share based payments (Note 21)	6,533,716	4,505,516
Interest payable to parent companies	8,444,444	-
Interest payable to Others	5,953,076	2,893,228
Real estate municipality tax	2,865,223	2,372,162
Others	10,227,199	9,691,320
	<u>243,929,168</u>	<u>213,505,600</u>
	<u>1,452,083,530</u>	<u>1,552,433,412</u>

The caption “Related undertakings” includes:

- 40 million euro related to dividends assigned but not yet paid; and
- 71.6 million euro (41.3 million euro as at 31 December 2015) related to amount payable to Sonae SGPS, SA result of the inclusion companies in Special Regime of Taxing Groups of Companies.

The caption "Other debts" includes:

- 12,966,426 euro (14,219,757 euro as at 31 December 2015), of attributed discounts not yet redeemed related to loyalty card “Cartão Cliente”;
- 12,621,623 euro (14,365,426 euro as at 31 December 2015) related to means of payments owned by clients as vouchers, gift cards and discount tickets owned by clients; and
- 3,326,793 euro (3,176,938 euro as at 31 December 2015) related to amounts payable to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity.

23 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in “Provisions and impairment losses”, for the nine months period ended as at 31 March 2016 and 2015, were as follows:

Caption	Balance as at 1 January 2016	Increase	Decrease	Balance as at 31 March 2016
Accumulated impairment losses on tangible assets (Note 7)	134,000,955	6,600,000	(15,194,681)	125,406,274
Accumulated impairment losses on intangible assets	1,497,024	-	-	1,497,024
Accumulated impairment losses on other non current assets (Note 11)	2,450,000	-	-	2,450,000
Accumulated impairment losses on trade accounts receivable and other debtors (Note 12)	15,236,228	955,526	(497,711)	15,694,043
Non current provisions	11,585,642	349,617	(836,039)	11,099,220
Current provisions	2,819,950	-	-	2,819,950
	167,589,799	7,905,143	(16,528,431)	158,966,511

Caption	Balance as at 1 January 2015	Increase	Decrease	Balance as at 31 March 2015
Accumulated impairment losses on investments	10,031,409	-	-	10,031,409
Accumulated impairment losses on tangible assets	144,059,960	841,741	(2,945,215)	141,956,486
Accumulated impairment losses on intangible assets	1,497,101	-	-	1,497,101
Accumulated impairment losses on other non current assets	2,450,000	-	-	2,450,000
Accumulated impairment losses on trade accounts receivable and other debtors	18,346,622	837,135	(813,561)	18,370,196
Non current provisions	22,396,928	-	(2,375,976)	20,020,952
Current provisions	3,438,257	-	-	3,438,257
	202,220,277	1,678,876	(6,134,752)	197,764,401

The caption “Non-current Provisions” and “Current Provisions” includes:

- 7,099,734 euro (6,779,929 euro as at 31 December 2015) relating to non-current contingencies assumed by the company, when selling its subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, and it is recorded taking into account the best estimate of costs to be incurred which results from a significant number of civil and labor lawsuits of reduced amount. During 2015, the group made an estimate change taking into consideration the outcome of recent lawsuits, with the buyer of the former subsidiary in Brazil, with respect to the related contingencies, having reinforced the provision in 23,700,000 reais (6,505,887 euro). Additionally during the year the Group proceeded with the offsetting of a provision of contingencies in Brazil, with an amount of 9,607,850 euro received during this year from Carrefour. This amount received included accrued interests of amounts wrongly received by that entity as a result of the usage of a bank guarantee in previous periods, which was contested at that time by the group.
- the estimated liabilities incurred by the Group on the sale of warranty extension programs on products traded by the Sonae SR operating segment in the amount of 2,527,295 euro (3,363,334 euro as at 31 December 2015). These extensions are granted for a period of one to three years after the end of the legal mandatory warranty provided by the manufacturers.

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, the major “Contingent liabilities” were guarantees given, which can be detailed as follows:

Guarantees and sureties given	31 March 2016	31 December 2015
on tax claims	938,460,965	929,791,189
on judicial claims	823,626	624,472
on municipal claims	8,207,876	8,268,603
for proper agreement fulfillment	13,701,767	17,165,647
other guarantees	7,062,168	4,940,068

a) Tax claims

The main tax claims, for which bank guarantees or sureties were provided, can be detailed as follows:

- Some retail operating segment subsidiaries of the Company granted guarantees or securities in favour 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 to the period from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. 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 as at 31 December 2015), in favour of Tax authorities regarding 2007 up 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 favourable.
- 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 that period as Tax authorities did not accept the recognition of tax losses incurred after the liquidation of a subsidiary of Sonae Investimentos, since it considered that the cover of losses in that subsidiary should not be part of its acquisition cost, which is not in accordance with previous assessments of Tax Authorities;
- 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 rent 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 voluntarily tax payments in the amount of, approximately, 22 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) 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 unfavourably decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 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 at 31 December 2015).

Furthermore, there are other tax assessments totalling 44.5 million euro (86.4 million euro 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.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for Sonae Investimentos.

25 OTHER OPERATIONAL INCOME

As at 31 March 2016 and 2015, "Other operational income" is as follows:

	31 March 2016	31 March 2015
Supplementary income	145,165,249	126,250,609
Prompt payment discounts received	6,404,761	5,768,981
Exchange differences	5,934,271	11,062,319
Own work capitalised	2,168,081	1,741,000
Gains on disposal of assets	64,175,793	356,329
Impairment losses and provisions reversals	1,664,527	2,304,104
Others	1,479,322	673,533
	226,992,004	148,156,874

The caption "Gains in disposals of assets" includes:

- 13.6 million euro relating to the operations of "Sale and Leaseback" of 4 food retail assets located in Portugal (Note 7); and
- 50.5 million euro from the disposal of assets classified as held for sale in 2015 (Note 15).

26 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Parent company	349,022	315,918	500,743	482,675
Associated companies	8,702,542	8,087,199	78,757	22,158
Other related parties (1)	14,378,047	15,570,671	18,275,790	17,510,651
	23,429,611	23,973,788	18,855,290	18,015,484
Transactions	Interest income		Interest expenses	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Parent company	-	-	8,445,506	8,457,931
Associated companies	4,952	67,271	-	-
Other related parties (1)	-	94,030	130,615	19,729
	4,952	161,301	8,576,121	8,477,660
Balances	Accounts receivable		Accounts payable	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Parent company	60,582,033	39,852,783	120,621,718	43,503,785
Associated companies	4,870,629	5,853,840	-	995,073
Other related parties (1)	18,039,153	21,499,121	15,909,360	17,640,121
	83,491,815	67,205,744	136,531,078	62,138,979

Balances	Loans			
	Obtained		Granted	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Parent company	400,000,000	400,000,000	-	-
Associated companies	-	-	651,119	651,119
Other related parties (1)	2,402,851	2,414,770	-	-
	402,402,851	402,414,770	651,119	651,119

(1) Other related parties are considered to be related party affiliates or companies under joint control of Efanor SGPS. SA those are not included in Sonae Investimentos, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital and minority shareholders of subsidiaries and affiliates of the Group.

The amounts recorded as loans granted from other relating parties represent borrowings from shareholders of subsidiary companies which bear interests at market rates.

Granted loans to associated companies, refer to values of loans granted to associate company MDS, SGPS, SA.

27 INCOME TAX

Income tax for the three months period ended on 31 March 2016 and 2015 is detailed as follows:

	31 March 2016	31 March 2015
Current tax	17,837,578	(4,140,371)
Deferred tax	(7,252,101)	5,707,242
	10,585,477	1,566,871

28 EARNINGS PER SHARE

Earnings per share for the three months period ended on 31 March 2016 and 2015 were calculated taking into consideration the following amounts:

	31 March 2016	31 March 2015
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	31,504,564	(6,375,881)
Net profit taken into consideration to calculate diluted earnings per share	31,504,564	(6,375,881)
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculated diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	0.035005	(0.007084)

On 31 March 2016 and 2015 there is no dilutive effect on the number of shares outstanding.

29 SEGMENT INFORMATION

Sonae Investimentos is a group of retail and has three segments:

- Sonae MC is our food retail unit, operating 516 stores directly 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 Well's;
- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion market operating 516 stores directly and 76 stores under franchising agreements under the Worten, Sport Zone, MO and Zippy;
- Sonae RP is our retail real estate unit which actively manages retail real estate 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.

The Investment Management operating segment includes a company that operates in the retail DIY products, building and garden (Maxmat), insurance brokers (MDS), nevertheless the Group decided to include this operating segment in "Others, eliminations and adjustments".

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

The main operating segment information for the periods ended 31 March 2016 and 2015 can be detailed as follows:

Turnover	31 March 2016	Inter-segment income	31 March 2015	Inter-segment income
Sonae MC	829,682,081	(1,542,199)	793,495,548	(1,490,535)
Sonae SR	331,221,177	(8,218,044)	298,722,562	(8,166,581)
Sonae RP	24,395,643	(21,757,003)	32,350,627	(22,669,830)
Others, eliminations and adjustments	(6,318,512)	-	(16,282,409)	-
Total consolidated	1,178,980,389	(31,517,246)	1,108,286,328	(32,326,946)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 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
Others, eliminations and adjustments	821,679	646,102	-	4,172	(4,948,939)	(3,640,952)
Total direct consolidated	40,209,805	40,073,593	7,361,739	1,879,135	59,122,467	10,611,576

	Investment (CAPEX)		Invested capital	
	31 March 2016	31 March 2015	31 March 2016	31 December 2015
Sonae MC	34,914,433	22,515,698	579,084,598	466,999,988
Sonae SR	12,817,839	17,247,075	236,933,699	152,234,943
Sonae RP	8,941,615	4,241,264	878,868,258	1,046,536,798
Others, eliminations and adjustments	(107,657)	2,028,241	54,593,023	89,334,953
Total consolidated	56,566,230	46,032,278	1,749,479,579	1,755,106,682

The caption "Others, eliminations and adjustments" can be analysed as follows:

	Turnover		EBIT	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Inter-segment income	(31,517,246)	(32,326,946)	-	-
Equity method	-	-	(750,579)	(506,773)
Contribution from companies not included in the segments	25,198,734	16,044,537	(161,089)	(470,431)
Others	-	-	(4,039,806)	(2,663,748)
Eliminations and adjustments	(6,318,512)	(16,282,409)	(4,948,939)	(3,640,952)

	Investment (Capex)		Invested capital	
	31 March 2016	31 March 2015	31 March 2016	31 December 2015
Investments and loans granted to associated companies	-	-	47,897,755	48,203,015
Dividends	-	-	(40,114,810)	-
Investment acquisition	-	2,500,557	-	-
Contribution from companies not included in the segments	105,823	172,805	34,891,718	34,670,458
Others	(213,481)	(645,121)	11,918,361	6,461,480
Others, eliminations and adjustments	(107,657)	2,028,241	54,593,023	89,334,953

Glossary:

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

Other 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;

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

30 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

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: (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 non-core 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 is 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 March 2016			31 March 2015		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	1,178,980,389	-	1,178,980,389	1,108,286,328	-	1,108,286,328
Investment income						
Dividends and other adjustments	1,582	-	1,582	-	-	-
Other income						
Impairment losses reversal	833,404	-	833,404	993,575	-	993,575
Others	162,515,964	-	162,515,964	147,163,299	-	147,163,299
Total income	1,342,331,339	-	1,342,331,339	1,256,443,202	-	1,256,443,202
Total expenses	(1,296,088,884)	(188,850)	(1,295,900,034)	(1,202,108,836)	-	(1,202,108,836)
Depreciation and amortisation	(40,209,805)	-	(40,209,805)	(40,073,593)	-	(40,073,593)
Losses on tangible and intangible assets	(1,209,309)	-	(1,209,309)	(1,263,289)	-	(1,263,289)
Provisions and impairment:						
Others	(7,361,739)	-	(7,361,739)	(1,879,135)	-	(1,879,135)
Profit before financial results and share of results in joint ventures and associated companies	(2,538,397)	(188,850)	(2,349,547)	11,118,349	-	11,118,349
Non recurrent items	62,224,175	-	62,224,175	-	-	-
Financial profit/(loss)	(16,005,807)	-	(16,005,807)	(14,762,668)	-	(14,762,668)
Share of results in joint ventures and associated undertakings						
MDS	(516,683)	-	(516,683)	(525,991)	-	(525,991)
Others	(233,896)	-	(233,896)	19,218	-	19,218
Profit before taxation	42,929,392	(188,850)	43,118,242	(4,151,092)	-	(4,151,092)
Income tax	(10,585,477)	-	(10,585,477)	(1,566,871)	-	(1,566,871)
Profit/(Loss) after taxation	32,343,915	(188,850)	32,532,765	(5,717,963)	-	(5,717,963)
Attributable to equity holders of Sonae	31,504,564	(188,850)	31,690,914	(6,375,881)	-	(6,375,881)
Non-controlling interests	839,351	-	839,351	657,917	-	657,917
"Underlying" EBITDA (b)			45,596,319			53,340,792
Direct EBITDA (a)			107,069,916			52,834,019
Direct EBIT (c)			59,122,467			10,611,576

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

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

(c) Direct EBIT = Direct EBT - financial results;

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

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

(f) Indirect income = Includes results arising from: (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

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 10 May 2016.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Condensed individual financial statements

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016 AND 2015 AND 31 DECEMBER 2015

(Translation of 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	31.December.2015
ASSETS				
NON-CURRENT ASSETS:				
Tangible assets		-	2	-
Intangible assets		378	178	435
Investments in subsidiaries and associates companies	4	1,679,936,622	764,129,304	1,676,827,937
Other non-current assets	5	1,180,022,499	699,244,489	1,194,041,341
Total non-current assets		2,859,959,499	1,463,373,973	2,870,869,713
CURRENT ASSETS:				
Trade account receivables and other current assets	6	2,120,190,252	2,987,964,154	2,119,175,183
Cash and cash equivalents	7	17,099	23,606	131,553
Total current assets		2,120,207,351	2,987,987,760	2,119,306,736
TOTAL ASSETS		4,980,166,850	4,451,361,733	4,990,176,449
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	8	1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		1,758,675,056	1,818,831,465	1,818,831,465
Profit for the period		(944,602)	2,160,185	(20,156,409)
TOTAL EQUITY		2,757,730,454	2,820,991,650	2,798,675,056
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9	432,887,134	347,404,775	457,670,973
Other non-current liabilities	10	400,234,375	400,000,000	400,234,375
Deferred taxes liabilities		-	40	-
Total non-current liabilities		833,121,509	747,404,815	857,905,348
CURRENT LIABILITIES:				
Loans	9	147,737,187	486,653,251	122,415,679
Trade creditors and other current liabilities	11	1,241,577,700	396,312,017	1,211,180,366
Total current liabilities		1,389,314,887	882,965,268	1,333,596,045
TOTAL EQUITY AND LIABILITIES		4,980,166,850	4,451,361,733	4,990,176,449

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

The Board of Directors

CONDENSED INDIVIDUAL INCOME STATEMENT FOR THE PERIODS ENDED 31 MARCH 2016 AND 2015

(Translation of 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
Gains or losses on investments	14	114,810	113,299
Financial income	15	17,565,122	20,989,487
Other income		99,860	108,602
External supplies and services		(854,116)	(928,864)
Staff costs		(8,718)	(10,202)
Depreciation and amortisation		(57)	(56)
Financial expenses	15	(18,086,758)	(17,430,117)
Other expenses		(23,588)	(151)
Profit/(Loss) before taxation		(1,193,445)	2,841,998
Taxation		248,843	(681,813)
Profit/(Loss) after taxation		(944,602)	2,160,185
Profit/(Loss) per share	16	(0.0010)	0.0024

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

The Board of Directors

CONDENSED INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 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	(944,602)	2,160,185
Total comprehensive income for the period	(944,602)	2,160,185

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

The Board of Directors

CONDENSED INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED AS 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)	Share capital	Legal reserve	Other reserves and retained earnings	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2015	1,000,000,000	141,237,816	1,123,544,829	1,264,782,645	594,048,820	2,858,831,465
Total comprehensive income for the period	-	-	-	-	2,160,185	2,160,185
Appropriation of result of 2014:						
Transfer to legal reserves and other reserves	-	29,702,450	524,346,370	554,048,820	(554,048,820)	-
Dividends distributed	-	-	-	-	(40,000,000)	(40,000,000)
Balance as at 31 March 2015	1,000,000,000	170,940,266	1,647,891,199	1,818,831,465	2,160,185	2,820,991,650
Balance as at 1 January 2016	1,000,000,000	170,940,266	1,647,891,199	1,818,831,465	(20,156,409)	2,798,675,056
Total comprehensive income for the period	-	-	-	-	(944,602)	(944,602)
Appropriation of result of 2015:						
Transfer to other reserves	-	-	(20,156,409)	(20,156,409)	20,156,409	-
Other reserves distributed	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Balance as at 31 March 2016	1,000,000,000	170,940,266	1,587,734,790	1,758,675,056	(944,602)	2,757,730,454

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

The Board of Directors

CONDENSED INDIVIDUAL STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED 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)	Notes	31.March.2016	31.March.2015
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		(1,852,143)	(357,494)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		20,793,633	21,573,848
Loans granted		734,463,318	238,912,540
		755,256,951	260,486,388
Cash payments arising from:			
Investments		(3,492,753)	(3,430,557)
Loans granted		(724,582,647)	(250,779,118)
		(728,075,400)	(254,209,675)
Net cash used in investment activities (2)		27,181,551	6,276,713
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		1,690,048,329	1,510,096,588
		1,690,048,329	1,510,096,588
Cash payments arising from:			
Loans obtained		(1,708,625,972)	(1,574,289,237)
Interest and similar charges		(2,187,727)	(4,141,067)
		(1,710,813,699)	(1,578,430,304)
Net cash used in financing activities (3)		(20,765,370)	(68,333,716)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		4,564,038	(62,414,497)
Cash and cash equivalents at the beginning of the period	7	(12,322,046)	40,609,774
Cash and cash equivalents at the end of the period	7	(7,758,008)	(21,804,723)

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE INVESTIMENTOS, SGPS, SA, “the Company” or “Sonae Investimentos” it’s a Portuguese Corporation, with head-office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

The Company’s main activity is the management of shareholdings (Note 4).

2 BASIS OF PREPARATION

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

3 PRINCIPAL ACCOUNTING POLICIES

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

4 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES COMPANIES

As at 31 March 2016 and 31 December 2015, the investments in subsidiaries and associates companies are made up as follows:

Company	31.March.2016		31.December.2015	
	% held	Final balance	% held	Final balance
Apor - Agência para a Modernização do Porto, SA	22.75%	300,000	22.75%	300,000
Azulino - Imobiliária, SA	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	1,565,000	100.00%	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	112,000	100.00%	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	-	100.00%	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	100.00%	477,848
Cumulativa - Sociedade Imobiliária, SA	100.00%	1,445,000	100.00%	1,445,000
Elergone Energia, Lda	75.00%	1,118,737	75.00%	1,118,737
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Fundo de Investimento Imobiliário Fechado Imosedo	80.40%	103,497,607	80.40%	103,497,607
Fundo de Investimento Imobiliário Imosonae Dois	18.28%	27,334,891	18.28%	27,334,891
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	100.00%	1,359,000
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	-	100.00%	-
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	100.00%	109,736
MDS, SGPS, SA	47.53%	50,196,920	47.53%	50,196,920
MJLF - Empreendimentos Imobiliários, SA	100.00%	190,000	100.00%	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	21,510,614	50.00%	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,012,648	100.00%	10,012,648
MOVVO, SA	16.00%	1,300,000	16.00%	991,315
Ponto de Chegada - Promoção Imobiliária, SA	100.00%	50,000	100.00%	50,000
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	100.00%	6,372,293
Predilugar - Sociedade Imobiliária, SA	100.00%	50,000	100.00%	50,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	565,000	100.00%	565,000
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	100.00%	550,000
Soliférias - Operadores Turísticos, SA	11.12%	133,162	11.12%	133,162
Sonae Capital Brasil, Lda	37.00%	-	37.00%	-
Sonae Center Serviços II, SA	100.00%	58,032,319	100.00%	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	100.00%	1,375,504,276	100.00%	1,375,504,276
Sonae Financial Services, SA	100.00%	15,130,000	100.00%	12,330,000
Sonae SR Malta Holding Limited	-	1	-	1
Sonae gest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	40.00%	384,351
Valor N, SA	100.00%	2,087,315	100.00%	2,087,315
Total		1,679,936,622		1,676,827,937

5 OTHER NON-CURRENT ASSETS

As at 31 March 2016 and 31 December 2015 the other non-current assets were as follows:

	31.March.2016	31.December.2015
Loans granted	1,180,022,499	1,193,513,723
Other debtors	-	527,618
	1,180,022,499	1,194,041,341

The loans granted have a long term maturity, bear interests at market rates indexed to Euribor and their fair value is similar to their carrying amount.

As at 31 March 2016 and 31 December 2015 the loans granted are no past due.

6 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	31.March.2016	31.December.2015
Group company:		
Short term loans	2,066,253,200	2,062,612,216
Interests charged but not received	82,856	20,752,285
Taxes - Special Regime for taxation of groups of companies	13,324,399	13,148,034
Dividends receivable	114,810	-
Additional tax payment	17,721	17,721
Special regime for payment of tax and social security debts (DL 248-A/2002, 14 November)	2,795,019	2,795,019
Special regime for payment of tax and social security debts (DL 151-A/2013, 31 October)	788,298	788,298
Others	201,594	63,200
Receivables on the sale of investments	3,021,107	2,482,072
Taxes recoverable	8,324,882	8,323,773
Other current assests	25,266,366	8,192,565
	2,120,190,252	2,119,175,183

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

The amount disclosed as 'Special regime for payment of tax and social security debts' (DL 248-A/2002, of 14 November and DL 151-A/2013, of 31 October) relates to taxes paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although, following the payment, the guarantees previously given were canceled. No impairment loss was recorded since it is Sonae Investimentos understanding that the decisions over the appeals will be favorable to the Company.

The caption other current assets includes mainly receivables relating to interest, from loans granted to group companies.

7 CASH AND CASH EQUIVALENTS

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

	31.March.2016	31.December.2015
Bank deposits	17,099	131,553
Cash and cash equivalents on the balance sheet	17,099	131,553
Bank overdrafts	(7,775,107)	(12,453,599)
Cash and cash equivalents on the cash flow statement	(7,758,008)	(12,322,046)

Bank overdrafts are disclosed in the statement of financial position under the caption short term bank loans.

8 SHARE CAPITAL

As at 31 March 2016 and 31 December 2015, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares, with a nominal value of 1 euro each.

A subsidiary company Sonae MC – Modelo Continente, SGPS, SA owns 100,000,000 shares of Sonae Investimentos. These shares are considered as treasury shares under the Commercial Companies Code, reason why the underlying rights to these shares are suspended.

As at 31 March 2016 and 31 December 2015, the subscribed share capital was held as follows:

	31.March.2016	31.December.2015
Sonae, SGPS, SA	25.0287%	25.0287%
Sonae Investimentos BV	13.1419%	13.1419%
Sonae MC - Modelo Continente, SGPS, SA	10.0000%	10.0000%
Sonaecenter Serviços, SA	51.8269%	51.8269%
Libra Serviços, Sociedade Unipessoal, Lda	0.0025%	0.0025%

9 BORROWINGS

As at 31 March 2016 and 31 December 2015, this caption included the following loans:

	31.March.2016	31.December.2015
Bonds Sonae Investimentos / 2012/2017	95,000,000	95,000,000
Bonds Sonae Investimentos / junho 2013/2018	50,000,000	50,000,000
Bonds Sonae Investimentos / dezembro 2015/2020	50,000,000	50,000,000
Bonds Sonae Investimentos / maio 2015/2020	75,000,000	75,000,000
Bonds Sonae Investimentos / dezembro 2015/2020	30,000,000	30,000,000
Up-front fees not yet charged to income statement	(2,112,866)	(2,329,027)
Bonds	297,887,134	297,670,973
Commercial paper	135,000,000	160,000,000
Bank loans	135,000,000	160,000,000
Non-current loans	432,887,134	457,670,973
	31.March.2016	31.December.2015
Bonds Sonae Investimentos / 2012/2017	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(37,920)	(37,920)
Bonds	49,962,080	49,962,080
Commercial paper	90,000,000	60,000,000
Bank overdrafts	7,775,107	12,453,599
Bank loans	97,775,107	72,453,599
Current loans	147,737,187	122,415,679

Under the above mentioned lines of credit and commercial paper programs with firm commitments, the company had 365 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	163,000,000	435,000,000
Available credit facilities amounts	64,984,880	300,000,000

The interest rate as at 31 March 2016 of the bonds and bank loans was, on average, 2.79% (2.73% as at 31 December 2015).

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	147,775,107	122,453,599
N+2	145,000,000	175,000,000
N+3	100,000,000	50,000,000
N+4	20,000,000	30,000,000
N+5	170,000,000	205,000,000

10 OTHER NON-CURRENTS LIABILITIES

As at 31 March 2016 and 31 December 2015 this caption can be detailed as follows:

	31.March.2016	31.December.2015
Loans obtained	400,000,000	400,000,000
Payables on the acquisitions of investments	234,375	234,375
	400,234,375	400,234,375

The amount of 400,000,000 euro recorded in the caption obtained loans is related to a subordinated bond loan, with maturity of 10 years issued at market conditions by Sonae Investimentos, SGPS, SA in 28 December 2010, corresponding to 8,000 bonds with nominal value of 50,000 each, at a fixed rate and repayment at the end of the loan period.

At 31 March 2016 the fair value of this bond loan is 53,556 euro (56,404 euro on 31 December 2015) per bond, and was determined based on discounted cash flows method.

As at 31 March 2016 and 31 December 2015 Sonae, SGPS, SA and Sonae Investments, BV held 6,948 and 1,052 bonds, respectively.

The amount of 234,375 euro recorded in payables on the acquisitions of investments is related to the amount owed for the acquisition of Elergone Energias, Lda, to be settled on September 2017.

11 TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 31 March 2016 and 31 December 2015, this heading is made up as follows:

	31.March.2016	31.December.2015
Suppliers	39,704	27,692
Group companies:		
Short term loans	1,163,835,744	1,187,413,386
Taxes - Special Regime for taxation of groups of companies	14,013,279	14,023,723
Dividens payable	40,000,000	-
Payables on the acquisitions of investments	250,294	634,362
Others	511,763	1,014,963
Taxes and contributions payable	1,922,184	1,921,801
Other current liabilities	21,004,732	6,144,439
	1,241,577,700	1,211,180,366

The caption other current liabilities includes mainly accrued interests not yet due relating to loans obtained.

12 CONTINGENT LIABILITIES

As at 31 March 2016 and 31 December 2015 the contingent liabilities were detailed as follows:

	31.March.2016	31.December.2015
Guarantees rendered:		
related to tax claims awaiting outcome		
Guarantees provided by financial institutions	86,763,780	86,763,780
Guarantees provided by parent company	255,152,531	255,152,531
related to local and municipal claims awaiting outcome	28,938	28,938
others	12,403,113	10,633,113
Guarantees given in favour of subsidiaries (a)	62,982,899	62,926,569

- a) Guarantees given to Tax Authorities in favour of subsidiaries to suspend claims from tax authorities.

The caption Guarantees provided on tax claims includes guarantees granted to Tax Authorities regarding income tax. The most significant amounts relate to an additional tax assessment made by Tax Authorities, relating the taxable period ending 2005, regarding the covering of losses made by the Company in a subsidiary, having Tax Authorities not considered the usage of taxable losses on this operation and subsequent liquidation of the Company's subsidiary, which is not in accordance with previous assessments made by Tax Authorities. The Company has presented an appeal against this tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

No provision has been recorded for these additional tax assessments, to which some guarantees were provided, as the Board of Directors considers that their outcome will be favorable, therefore with no additional liabilities to the Company.

Following the disposal of a Brazilian subsidiary company, the group guaranteed to that subsidiary company buyer all the losses it will have as consequence of tax additional assessments as it is described in the Note of Contingent assets and liabilities in the Consolidated financial statements.

13 RELATED PARTIES

Main balances and transactions with related parties are detailed as follows:

Balance:	31.March.2016	31.March.2015
Parent companies	11,803,273	11,600,933
Subsidiaries	25,518,368	29,131,749
Associated companies	254,950	77,645
Accounts receivable	37,576,591	40,810,327
Parent companies	49,666,649	9,494,044
Subsidiaries	12,341,166	8,344,335
Associated companies	511,213	511,213
Other related parties	6,951,489	191
Accounts payable	69,470,517	18,349,783
Subsidiaries	3,247,623,839	3,262,315,137
Associated companies	7,769,891	2,928,832
Loans granted	3,255,393,730	3,265,243,969
Parent companies	400,000,000	400,000,000
Subsidiaries	1,163,835,744	1,187,413,386
Loans obtained	1,563,835,744	1,587,413,386
Transactions:	31.March.2016	31.March.2015
Parent companies	354,733	367,279
Associated companies	6,221	10,021
Other related parties	35	35
Purchases and services obtained	360,989	377,335
Parent companies	16,105	19,035
Subsidiaries	71,718	81,565
Associated companies	-	55
Other income	87,823	100,655
Parent companies	-	1,269,123
Subsidiaries	17,375,396	19,535,471
Jointly controlled companies	-	94,030
Associated companies	23,675	87,000
Interest income	17,399,071	20,985,624
Parent companies	7,381,817	8,457,931
Subsidiaries	4,352,699	2,814,537
Other related parties	1,175,581	-
Interest expenses	12,910,098	11,272,468
Subsidiaries	114,810	113,299
Dividend income	114,810	113,299

All Sonae, SGPS, S.A. and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements.

During 1st quarter 2016 and 2015 did not occur any transactions including granted loans to the Company's Directors.

14 INVESTMENT INCOME

As at 31 March 2016 and 2015 investment income is as follows:

	31.March.2016	31.March.2015
Dividends received	114,810	113,299
	114,810	113,299

15 FINANCIAL INCOME / EXPENSES

As at 31 March 2016 and 2015, net financial expenses are as follows:

	31.March.2016	31.March.2015
Interest receivable		
related to bank deposits	4,438	3,863
related to loans granted	17,399,071	20,985,624
Others	161,613	-
Financial income	17,565,122	20,989,487
Interest payable		
related to bank deposits and overdrafts	(686,240)	(203,262)
related to non convertible bonds	(3,251,720)	(4,518,245)
related to loans obtained	(12,910,098)	(11,272,468)
Others financial expenses		
Up front fees on the issuance of debt	(1,236,900)	(1,223,251)
Others	(1,800)	(212,891)
Financial expenses	(18,086,758)	(17,430,117)

16 EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2016 and 2015 were calculated taking into consideration the following amounts:

	31.March.2016	31.March.2015
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(944,602)	2,160,185
Net profit taken into consideration to calculate diluted earnings per share	(944,602)	2,160,185
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	(0.0010)	0.0024

17 SUBSEQUENT EVENTS

The appropriation of the 2015 result has been approved in the Shareholders' General Meeting held on the 29th April 2016. Additionally has been approved distribute other reserves amounting to 40,000,000 euro. Shares held by company or by any of its subsidiaries are not entitled to the dividends. The amount of reserves distributed has been recorded on these financial statements.

18 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 10 May 2016.

19 INFORMATION REQUIRED BY LAW

Decree-Law n^{er} 318/94 art. 5th n^{er} 4th

During the period ended as at 31 March 2016 shareholders' loan contracts were signed with the following companies:

Sonae Capital Brasil Ltda

During the period ended as at 31 March 2016, treasury application agreements were signed with the following companies:

Bertimóvel – Sociedade Imobiliária, SA

Chão Verde – Sociedade de Gestão Imobiliária, SA

Efanor Investimentos, SGPS, SA

Elergone Energias, Lda

Fashion Division, SA

Imoestrututa – Sociedade Imobiliária, SA

MJLF – Empreendimentos Imobiliários, SA

Pharmacontinente - Saúde e Higiene, SA

Predicomercial – Promoção Imobiliária, SA

Sonae, SGPS, SA

Sonae Financial Services, SA

As at 31 March 2016 amounts owed by subsidiaries can be detailed as follows:

<u>Company</u>	<u>31.March.2016</u>
Azulino - Imobiliária, SA	3,420,056
Bertimóvel - Sociedade Imobiliária, SA	39,000
Canasta - Empreendimentos Imobiliários, SA	739,345
Citorres - Sociedade Imobiliária, SA	1,539,186
Contimobe - Imobiliária do Castelo de Paiva, SA	1,798,846
Cumulativa - Sociedade Imobiliária, SA	695,469
Discovery Sports, SA	1,842,883
Elergone Energias, Lda	217,000
Farmácia Seleção, SA	696,882
Fozimo – Sociedade Imobiliária, SA	974,705
Igimo – Sociedade Imobiliária, SA	722,822
Igíinha – Sociedade Imobiliária, SA	13,075,966
Imoconti – Sociedade Imobiliária, SA	595,882
Imoestrutura - Sociedade Imobiliária, SA	233,321
Imomuro - Sociedade Imobiliária, SA	10,692,882
Imoresultado – Sociedade Imobiliária, SA	516,477
Imosistema - Sociedade Imobiliária, SA	170,821
MJB - Design, Lda	497,000
MJLF - Empreendimentos Imobiliários, SA	2,110,263
Modalfa - Comércio e Serviços, SA	15,546,883
Modalloop - Vestuário e Calçado, SA	1,476,883
Modelo - Distribuição de Materiais de Construção, SA	2,308,144
Modelo Continente Hipermercados, SA	231,751,752
MDS SGPS, SA	651,119
Pharmaconcept - Actividades em Saúde, SA	3,882
Pharmacontinente - Saúde e Higiene, SA	2,356,883
Ponto de Chegada - Sociedade Imobiliária, SA	6,439,000
Predicomercial - Promoção Imobiliária, SA	117,000
Predilugar - Sociedade Imobiliária, SA	8,366,000
SDSR - Sport Division SR, SA	22,563,759
Selifa - Sociedade de Empreendimentos Imobiliários, SA	1,837,051
Sempre à Mão - Sociedade Imobiliária, SA	1,244,605
Socijofra - Sociedade Imobiliária, SA	3,821,668
Sociloures - Sociedade Imobiliária, SA	192,879
Sonae Capital Brasil, Ltda	4,810,628
Sonae Center Serviços II, SA	40,783,865
Sonae MC - Modelo Continente, SGPS, SA	2,850,388,883
Sonaerp - Retail Properties, SA	6,506,204
Sondis Imobiliária, SA	288,340
Valor N, SA	2,421,730
Zippy - Comércio e Distribuição, SA	1,142,883
Zyevolution - Investigação e Desenvolvimento, SA	710,883
	<u>3,255,393,730</u>

The amounts due to group companies as at 31 March 2016 related to the mentioned contracts were the following:

<u>Company</u>	<u>31.March.2016</u>
BB Food Service, SA	2,137,118
Bertimóvel - Sociedade Imobiliária, SA	6,996,354
Bom Momento - Restauração, SA	184,117
Continente Hipermercados, S.A.	91,005,118
Contibomba - Comércio e Distribuição de Combustíveis, SA	1,191,118
Chão Verde - Sociedade de Gestão Imobiliária, SA	12,053,179
Fashion Division, SA	3,501,117
Infocfield - Informática, S.A.	505,118
Modelo Continente Hipermercados, SA	1,129,000
Modelo Hiper Imobiliária, SA	4,121,118
Modelo.Com - Vendas por Correspondência, SA	10,864,241
Predicomercial - Promoção Imobiliária, SA	19,038,553
Sesagest - Projectos e Gestão Imobiliária, SA	55,557,117
Sonae Specialized Retail, SGPS, SA	814,488,117
Sonaesr Serviços e Logística, SA	3,936,000
Textil do Marco, SA	1,255,241
Tlantic Portugal - Sistemas de Informação, SA	207,000
Worten - Equipamentos para o Lar, SA	135,666,118
	<u>1,163,835,744</u>

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério