

SONAE  
9 MONTHS  
RESULTS  
2013



IMPROVING LIFE

# 1 HIGHLIGHTS

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**Successful conclusion of the Zon Optimus merger, creating a stronger player with a solid competitive position in all segments of the Portuguese telecom market**

**Improved top line performance with market share gains**

- Sonae MC sales grew 4% supported by a 1.5% Like-for-Like growth
- Sonae SR sales grew, following 8 quarters impacted by consumer retraction

**Underlying EBITDA margin increased by 0.6pp, based on improvements in all segments**

- Sonae MC results improved, sustained by a rigorous cost control and further productivity gains
- Sonae SR achieved positive EBITDA in the quarter, recovering 7 M€ against last year

**Sonae Sierra opened shopping malls in Germany and Brazil and sold one in Spain**

**Strong cash flow generation, which further strengthened our capital structure**

## 2 CEO MESSAGE

"I am pleased to report another quarter with a good set of operational and financial results. Our efforts to continually improve the value for money of our products and services have been key to obtaining growing preference from consumers and compensating declining private consumption (albeit at a lower rate) in our most significant markets.

The conclusion of the ZON and Optimus merger in this quarter constitutes an indelible mark and is the achievement of two fundamental long term and long pursued goals of Sonae: 1) To create a level and competitive playing field in the Portuguese Telecommunications market; and 2) To further implement our Core Partnership Corporate Strategy. We are very confident that together with our co-controlling partner, remaining shareholders and the newly elected board and management team, we will make Zon Optimus a success story.

During 9M13, the resilience of **Sonae MC** was proved again by posting a turnover increase of 4% and an increase in the quarter of 4.3% - the highest quarter on quarter increase since 2Q11. A higher promotional activity combined with the continuous commitment of our team to obtain efficiency gains allowed us once again to gain market share, whilst maintaining benchmark levels of profitability. Additionally, at the end of 3Q13 and in October, Sonae MC added 7 new stores in Madeira significantly expanding our presence in this market.

**Sonae SR** also continued to improve results following the important turnaround measures implemented in the Sports and Fashion divisions. Importantly, all the new store formats introduced this year for our 4 main brands are performing significantly better than average.

At Worten, we have implemented a new sales and store concept combining our online presence with our physical stores. As a result of the profound changes in the business model we have been implementing, we are pleased to report a second consecutive quarter of positive LfL growth in Sport Zone in Spain and positive figures in Portugal as of September —, turnover growth was also helped by the more recent introduction of a new store concept in the pilot locations; at MO, a clear step up in sales of the incoming Fall/Winter collection, also supported by a renewed brand, product style and store concept; Zippy resumed overall turnover growth, with a recovery in Iberia now adding to the successful international expansion program.

**Sonae Sierra** continued to gain new service contracts in additional countries including a JV in Turkey, while showing resilient figures supported by the good quality of its assets. In October, Parque Principado shopping centre was sold for 141.5 million Euros, which is in line with the strategy of recycling capital from mature shopping centers to invest in development in attractive markets. Meanwhile, all shareholders of the Sierra Fund agreed to continue operations beyond October 2013 with a long-stop date of October 2018.

Following the completion of the formal processes that created **Zon Optimus**, the Board of Directors of Sonaecom decided to launch a voluntary tender offer for the acquisition of own shares by Sonaecom in exchange for Zon Optimus shares, thus allowing minority shareholders to have direct exposure to Zon Optimus.

Over the last 3 quarters, we have maintained our drive to achieve continuous improvement and continuous innovation, allowing us to grow, while not compromising on our goals for debt reduction, which has continued to progress at a very significant pace."

Paulo Azevedo, CEO Sonae



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Following the merger between Zon and Optimus and its report using the equity method, we decided to change the way we report our results to the market by separating each business, in order to obtain more transparency between the segments: 1) Sonae Retail (Sonae MC, SR and RP); 2) Investment Management, including Software and Systems Information and Online & Media businesses from Sonaecom; 3) Sonae Sierra and 4) Zon Optimus.

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# 3 SONAE RETAIL RESULTS

Sonae Retail - Turnover			
Million euros	9M12	9M13	Var
Sonae Retail - Turnover <sup>(1)</sup>	3.272	3.319	1%
Sonae MC	2.405	2.492	4%
Sonae SR <sup>(2)</sup>	867	827	-5%
Sonae RP	89	93	3%

(1) almost all sales of RP are rents paid by MC and SR and therefore this sum excludes RP figures

(2) Sonae SR turnover in 2012 was restated, in order to include internal revenues (mostly related to Sonae SR's Fashion division) of the wholesale to Sonae MC.

Sonae Retail - Underlying EBITDA			
Million euros	9M12	9M13	Var
Sonae Retail - Underlying EBITDA	226	249	10%
Sonae MC	169	183	8%
Sonae SR	-24	-17	30%
Sonae RP	82	84	2%

Sonae Retail - Underlying EBITDA			
% of turnover	9M12	9M13	Var
Sonae Retail - Underlying EBITDA	6,9%	7,5%	0,6 p.p
Sonae MC	7,0%	7,3%	0,3 p.p
Sonae SR	-2,8%	-2,1%	0,7 p.p
Sonae RP	91,2%	90,2%	-1,0 p.p

- Sonae MC** 9M13 turnover totalled 2,492 M€, 4% above 9M12. The growth registered incorporates circa 1.5% in sales on a "like-for-like" basis, an evolution above market performance and mostly driven by higher volumes sold. During this period, Sonae MC is estimated to have continued strengthening its leading market share in the Portuguese food retail sector<sup>1</sup> which is a consequence of the strong loyalty of our customers who trust on the value for money of our products. During this quarter, we further invested in promotional activity also supported by our Continente's loyalty card (used in approximately 90% of the sales in the period). This effect, combined with the trading down carried out by consumers, almost compensated the market inflation<sup>2</sup>. Moreover, Continente's private label portfolio continued to be well accepted by the customers and its representativeness was approximately 31% in the sales of FMCG categories during the 9M13. **Sonae MC EBITDA** reached 183 M€ in 9M13 (+8.3% or + 14 M€), representing a profitability of 7.3% of the respective turnover (+0.3pp compared to the 9M12). This was only possible with a rigorous cost control and further productivity gains, sustained by the successfully implementation of

internal programs over the course of the last years. It is worth to highlight the engagement of our teams to continuous improve their work and customer satisfaction, particularly in the current environment of consumer retraction.

- Sonae SR** with 827 M€ turnover (-5% or -7.5% on a "Lfl" basis), due to the impact of the negative macroeconomic evolution in the levels of consumption, particularly for the more discretionary products. Nevertheless, Sonae SR returned to sales growth after two years of suffering with the consumer retraction. This growth is justified by the measures taken to repositioning our 4 main brands as well as by the positive signs that private consumption has shown. 3Q13 "Lfl" in the international market recovered by 5pp when compared to 3Q12 which is a clear sign of an improvement in the International SR business, where we have been mostly focused. International sales reached 229 M €, representing 28% of total SR sales. During this quarter, Zippy entered in 3 additional countries (USA, Jordan and Qatar) via franchising agreements. In this format, sales in franchised stores represented almost 20% of total store sales, compared to 15% during the 9M12. It is also worth to highlight the agreement signed to enter with MO in Malta. In Portugal, Sonae SR's sales decreased only by 3% in 9M13, despite the strong result achieved in the electronic segment in the comparable period of last year. Nevertheless, Worten continued to strengthen its leadership in the Portuguese market, with an estimated market share gain of 1.1pp<sup>3</sup>. **Sonae SR EBITDA** contribution totalled -17 M€, an improvement of 7M€ against the same period of the previous year. In the 3Q13, compared to the 3Q12 EBITDA recovered by 5M€, and reached a positive figure, as a result of the turnaround measures implemented in Spain, the renewed collection, store concept and rebranding of MO and the successful implementation of "beach" and "back to school" campaigns for fashion and sport segments. We learned how strong, the positive effects of a successful concept in these discretionary formats can be, even in a macroeconomic negative environment.

- Sonae RP** reached an EBITDA of 84 M€, 2M€ above the value reached in the previous year, which translates into a margin of 90.2% over 93M€ sales. The retail real estate assets in the portfolio comprise 33 Continente stores, 80 Continente Modelo stores and 18 Continente Bom dia stores. Sonae currently maintains a freehold level of approximately 76% of its food retail selling area and 28% of its non-food retail space.

<sup>1</sup> For example, A.C.Nielsen's Homescan survey YTD until 8<sup>th</sup> September: +0.3pp market share for Sonae MC

<sup>2</sup> Source: INE: average Inflation in the food retail sector in Portugal of 3.3% in the 9M13

<sup>3</sup> Source: GfK, YTD evolution until the end of August 2013

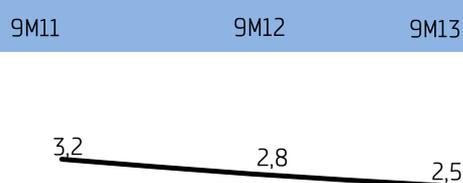
# 3 SONAE RETAIL RESULTS (cont.)

## Sonae Retail - Financial indicators

Million euros	9M12	9M13	Var
Turnover	3,272	3,319	1%
Underlying EBITDA	226	249	10%
Underlying EBITDA margin	6,9%	7,5%	0,6 p.p
Depreciations & amortizations <sup>(1)</sup>	-147	-142	4%
EBIT	79	108	36%
Net debt	982	896	-86

## Capital structure

Net debt to EBITDA



## Capex

Million euros	9M12	9M13	% of Turnover
Sonae Retail	63	110	3%
Sonae MC	35	70	3%
Sonae SR	18	18	2%
Sonae RP	10	22	24%
underlying EBITDA - CAPEX	163	139	-

- During 9M13, **Retail turnover** grew 1% to 3,319 M€, supported mainly by further market share gains in the food retail business and at Worten in Portugal, and despite the adverse market conditions. Private consumption levels in Portugal and Spain continued to be negatively impacted by the austerity measures that have been implemented in both countries over the last 2 years. Nevertheless, in the case of Portugal, it is estimated that the consumption rate of decline is now at a further slower pace, when compared to 9M12, but still decreasing by 3.1% during 9M13 (-5.4% in 9M12, source Bank of Portugal - Monthly Economic Indicators: October 2013 - Private consumption coincident Indicator).

- Retail Underlying EBITDA margin** improved to 7.5% in the 9M13, 0.6 p.p. above the same period of the previous year, reflecting the resilient top line performance of the food business, the first results of non-food turnaround process, and the efficiency gains delivered across all areas of the company.

- Until 30th September 2013, **retail net debt** was reduced to 896 M€, 86 M€ below the same date in 2012, driven by a sustainable cash flow generation over the last 12 months. The company thus continued to strengthen its capital structure, with total net debt to EBITDA reaching 2.5x at the end of 9M13.

- The investment for Retail business carried out in 9M13 was essentially distributed among the following projects:

- Selective opening of **retail stores**, including 1 Continente Bom Dia (Matosinhos Sul), 5 Continente Modelo in Madeira Island and 1 Commercial Gallery in Sines including 1 Continente Modelo and the stores of Worten, Sport Zone, MO, Well's and Bom Bocado, and remodelling of the Continente stores in Cascais and Évora, under a completely new and innovative layout;
- Further consolidation of Sonae SR's store network in the international markets. At the end of 9M13, Sonae SR's formats had a total of 157 stores outside of Portugal, including 41 under franchising agreements.

# 4 INVESTMENT MANAGEMENT

## Investment Management Indicators

Million euros	9M12	9M13	Var
Turnover	156	164	5%
Underlying EBITDA	0	8	-
Underlying EBITDA margin	-0,1%	4,7%	4,8 p.p

- Investment Management** turnover, which now includes also Software and Systems Information and Online & Media businesses from Sonaecom, reached 164 M€, 5% above 9M12 driven entirely by the increase of 8.9% of the SSI business, fuelled by the stronger service revenues. Investment management **EBITDA** totalled 8 M€ in 9M13 (+8 M€), corresponding to a sales margin of 4.7% (up by 4.8pp against 9M12). This improvement is solely driven by the increased weight of service revenues in total turnover of the Software and Systems Information business, now consolidated under Investment management unit.

# 5 SONAE SIERRA RESULTS

## Sonae Sierra - Operational data

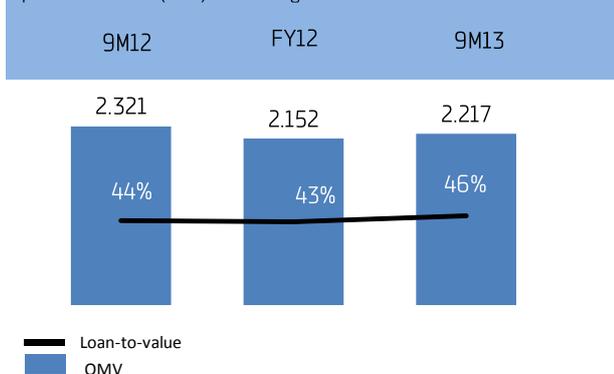
	9M12	9M13	Var
<b>Footfall (million visitors)</b>	<b>313</b>	<b>294</b>	<b>-</b>
Europe	234	222	-
Brazil	79	73	-
<b>Occupancy rate (%)</b>	<b>96,0%</b>	<b>95,0%</b>	<b>-1,0 p.p</b>
Europe	95,6%	95,0%	-0,6 p.p
Brazil	97,6%	95,1%	-2,5 p.p
<b>Tenant sales (million euros)</b>	<b>3.650</b>	<b>3.243</b>	<b>-11,2%</b>
Europe (million euros)	2.373	2.260	-4,8%
Brazil (million euros)	1.277	983	-23,0%
Brazil (million reais)	2.937	2.727	-7,1%
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>51</b>	<b>48</b>	<b>-3</b>
Europe	40	39	-1
Brazil	11	9	-2
<b>GLA owned in operating centres ('000 m2)</b>	<b>2.015</b>	<b>1.944</b>	<b>-3%</b>
Europe	1.589	1.555	-2%
Brazil	426	389	-9%

## Sonae Sierra - Financial indicators

	9M12	9M13	Var
<b>Turnover</b>	<b>168</b>	<b>166</b>	<b>-1%</b>
<b>EBITDA</b>	<b>86</b>	<b>84</b>	<b>-3%</b>
EBITDA margin	51,4%	50,5%	-0,9 p.p
Direct result	46	43	-7%
Indirect result	-29	-38	-29%
<b>Net results</b>	<b>17</b>	<b>5</b>	<b>-70%</b>
... attributable to Sonae	8	3	-70%

## Sonae Sierra

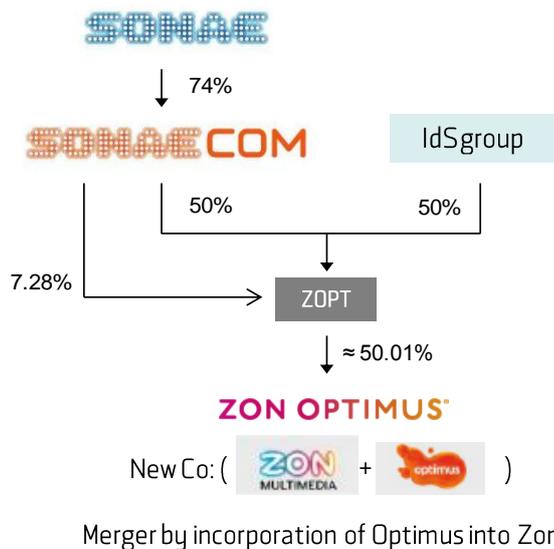
Open Market Value (OMV) and leverage



- Sonae Sierra **occupancy rate** in Europe reached 95% in 9M13, which being close to the rate reached in 9M12, further reflects the quality of its assets, despite the continuously consumer pressure felt particularly in the southern European countries. This positive performance was also supported by the reopening of the cinemas previously operated by Socorama in shopping Centers in Portugal that were closed over the last months. In Brazil, this rate was affected by the opening of Boulevard Londrina shopping in May, which by its inauguration was not completely occupied. In the overall portfolio under management, **tenant sales** in 9M13 decreased by 11.2% particularly driven by the disposal of Münster Arkaden (in Germany) and the stakes in Pátio Brasil, Penha Shopping and Tivoli Shopping (in Brazil). **LfL tenant sales** declined by 2.8% in Europe which shows a slower pace of decline, despite the difficult market environment. This sales reduction continues to be partially compensated by the 4.8% growth attained in Brazil, in local currency terms.
- **Turnover<sup>4</sup>** declined by 1%, to 166M€ when compared with the 9M12, mainly due to the mentioned perimeter changes, which was partially compensated by the openings in 2012 and 2013 – Le Terrazze, in Italy and Uberlândia and Boulevard Londrina in Brazil. It is worth to highlight the entrance in the Turkish market with the creation of Sierra Reval, as well as the inauguration in October of Hofgarten Solingen in Germany and Passeio das Águas shopping in Brazil.
- **EBITDA** reduced 3% to 83.7 M€ in 9M13, when compared to 9M12, basically reflecting the already mentioned disposal of shopping centres completed during 2012. EBITDA margin was 50.5% in the period, 0.9 p.p. below the 9M12. Excluding the disposal of assets mentioned above, the operational result in 3Q13 is in line with the one reported in the 3Q12.
- **Net result** was 5 M€, of which the share attributable to Sonae was 3 M€. This reduction of 70% when compared to 9M12 is mostly determined by the indirect results (down by 8M€) only as a results of the unfavourable evolution of the yields in Portugal (+13 bps), Spain (+21 bps) and Italy (+7bps), only partially compensated by the compression of yields in Brazil. Since 1Q12 Sonae Sierra only revalues its portfolio only on a semi-annual basis, in line with market practices.
- Regarding the value of its assets, on 30<sup>th</sup> September 2013 the company's **OMV** (Open Market Value) was 2,217 bn€, 65 M€ above 2012 year-end, basically as a result of the conclusion of the Boulevard Londrina and the acquisition of an additional stake in Cascais Shopping, which more than offset the adverse exchange rate effect in Brazilian assets. Despite the increase on average yields, the "Loan-to-value" ratio remains at a conservative level of 46% at the end of September 2013. Sonae Sierra's **Net Asset Value** was 1,037 M€ at the end of 9M13.

<sup>4</sup> Financial indicators as published by Sonae Sierra on the 7<sup>th</sup> November 2013 (management accounts). Sonae holds a 50% stake in Sonae Sierra.

# 6 ZON OPTIMUS RESULTS



- On 26 August 2013, the Competition Authority authorized the **merger between Optimus, previously fully owned by Sonaecom, and Zon**. On the following day, ZON OPTIMUS was registered and since that date, Sonaecom holds a 50% stake in ZOPT, which in turn holds a 50.01% participation in ZON OPTIMUS. Sonaecom has also a direct stake of 7.28% (37.49 million shares) in the capital of ZON OPTIMUS.
- Following the exercise by Sonae, of the call option set out in the agreement settled on February 2013, Atlas Services Belgium (ASB), a company belonging to **France Telecom, sold to Sonae, on 9 September 2013**, 73,249,374 shares of Sonaecom, representing 20% of the share capital and voting rights of the company.
- On **29 October 2013**, **Sonaecom** announced the decision taken by its Board of Directors, to make a partial and **voluntary tender offer** for the acquisition of a maximum of 88,479,803 shares, representing 24.16% of its own share capital. Sonaecom's shareholders are given the option to sell, in equal standing conditions, their Sonaecom shares for consideration of the directly held 37,489,324 Zon Optimus shares, which are not necessary to the pursuit of Sonaecom's business purposes, thereby enabling direct exposure of Sonaecom shareholders to Zon Optimus. Sonaecom offers an overall price equivalent to €2.45 per Sonaecom share, to be composed of Zon Optimus shares and, where applicable, a remaining cash amount. For determining the Sonaecom/Zon Optimus share trade ratio, it was set a Zon Optimus price of €5.08.
- Zon Optimus launched already ZON4i on 22 October – the first integrated communications and entertainment offer by ZON OPTIMUS.
- Zon Optimus reported a very good set of results with resilient operational performance and an improvement in profitability supported by efficiency gains and cost discipline:
  - Operating revenues** reached 1.084 M€ in 9M13, decreasing 2.8% when compared to 9M12;
  - EBITDA stood at 418 M€**, growing 1.2% when compared to 9M12, and benefiting from the lower operating costs, which have decreased by 5.1% between the two periods;
  - CAPEX** decreased by 12.8% from 217 M€ to 189 M€;
  - As a consequence of EBITDA and CAPEX evolution, **EBITDA-CAPEX** grew by 16.5% when compared to 9M12, reaching 230 M€;
  - With the integration process in place, **Net income** reached 77 M€, 17.5% below the figure registered in 9M12. Net income attributable to Sonae amounted to 2 M€, which is related to the month of September 2013.

## Zon optimus Indicators - 9M 2013

Million euros	9M12PF	9M13PF	Var
Operating revenues	1.115	1.084	-2,8%
EBITDA	414	418	1,2%
EBITDA margin	37,1%	38,6%	1,5 p.p
Net results	93	77	-17,5%
... attributable to Sonae <sup>(1)</sup>	-	2	-
CAPEX	217	189	-12,8%
EBITDA-CAPEX	197	230	16,5%

(1) only the month of September 2013

# 7 OVERALL PERFORMANCE

## Consolidated results

Million euros

	9M12PF	9M13	Var
Sonae MC	2.405	2.492	4%
Sonae SR	867	827	-5%
Sonae RP	89	93	3%
Investment management	156	164	5%
Eliminations & adjustments	-113	-109	4%
<b>Turnover</b>	<b>3.405</b>	<b>3.467</b>	<b>2%</b>
Sonae MC	169	183	8%
Sonae SR	-24	-17	30%
Sonae RP	82	84	2%
Investment management	0	8	-
Eliminations & adjustments	6	1	-
<b>Underlying EBITDA</b>	<b>232</b>	<b>258</b>	<b>11%</b>
<b>Underlying EBITDA margin</b>	<b>6,8%</b>	<b>7,4%</b>	<b>0,6 p.p</b>
Equity Method Results <sup>1</sup>	25	24	-3%
Discontinued Operations' Results <sup>2</sup>	81	71	-12%
non-recurrent items	-5	0	-
<b>EBITDA</b>	<b>333</b>	<b>353</b>	<b>6%</b>
<b>EBITDA margin</b>	<b>9,8%</b>	<b>10,2%</b>	<b>0,4 p.p</b>
Depreciations & amortizations <sup>3</sup>	-153	-147	4%
<b>EBIT</b>	<b>179</b>	<b>206</b>	<b>15%</b>
Net financial activity	-70	-65	8%
<b>EBT</b>	<b>109</b>	<b>142</b>	<b>29%</b>
Taxes	-2	-11	-
<b>Direct results</b>	<b>107</b>	<b>130</b>	<b>22%</b>
<b>Indirect results<sup>4</sup></b>	<b>-15</b>	<b>289</b>	<b>-</b>
<b>Net income</b>	<b>92</b>	<b>419</b>	<b>-</b>
Non-controlling interests	-27	-137	-
<b>Net income group share</b>	<b>65</b>	<b>283</b>	<b>-</b>

(1) includes direct income related to investments consolidated by the equity method (mainly Sonae Sierra and Zon Optimus)

(2) impact of discontinued operations of Optimus

(3) Includes provisions & impairments

(4) Includes: (i) Sonae's Sierra indirect income contribution; (ii) the non-cash capital gain with zon-optimus merger; (iii) other asset provisions for possible future liabilities in non-core operations and (iv) non-cash impairments for operational assets.

- In 9M13, **consolidated turnover** grew 2% to 3,467 M€, and **underlying EBITDA** reached 258 M€, 25 M€ above the same period of the previous year. This result is totally explained by the improved operational performance of the retail (food and non food) and Software and Systems Information businesses.
- **EBITDA** in 9M13 amounted to 353 M € and comprises the contributions (i) of the before mentioned underlying EBITDA; (ii) equity method results (Sonae Sierra direct results, Zon Optimus and Geostar); (iii) the impact of discontinued operations of Optimus; and (iv) non-recurrent items.
- **Net financial expenses** totalled 65 M€ in 9M13, 8% below the figure registered in the 9M12, supported by a much lower level of net. The average interest rate of outstanding credit facilities at the end of 9M13 was kept at approximately 3%.
- **Taxes** in 9M13 amounted to 11M€, 9M€ above the same period of the previous year.
- In the 9M13, **direct results** reached 130 M€, 23 M€ above the figure registered in the same period of the previous year, with the strong underlying EBITDA improvement (+25 M€ vs. the 9M12) and the lower financial costs (-6 M€ vs. the 9M12) more than compensating the higher taxes (+9M€ yoy).
- **Indirect Results** in 9M13 amounted to 289 M€ as it includes approx. 440 M€ gain related to the Zon Optimus merge and Sonae Sierra indirect income contribution. This item also includes other non-cash movements, namely those impairments related with revaluations of retail real estate properties.
- **Non-controlling interests** are 109M€ above the figure registered in the same period of the previous year, driven by the non-cash capital gain considered in the Zon-Optimus merger process.
- **Net income attributable to the Group** reached 283 M€, significantly above the 9M12, mostly as a consequence of the Indirect results registered, which were strongly impacted by the non cash gain of the merger between Zon and Optimus.

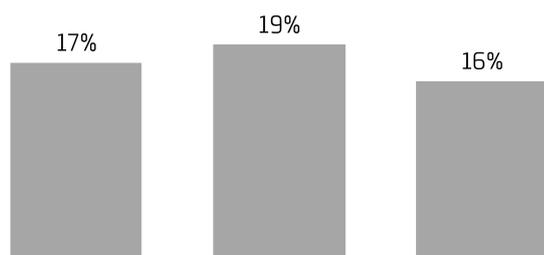
# 8 CAPITAL STRUCTURE

Net invested capital		
Million euros	9M12	9M13
Net invested capital	3.723	3.276
Technical investment <sup>(1)</sup>	3.163	2.066
Financial investment	509	1.347
Goodwill	666	618
Working capital	-615	-755
Total shareholders funds	1.676	1.879
Total net debt <sup>(2)</sup>	2.047	1.397
Net debt / Invested capital	55%	43%

(1) Includes available for sale assets; (2) Financial net debt + net shareholder loans.

Net debt			
Million euros	9M12PF	9M13	Var
Net financial debt	2.014	1.392	-623
Retail units	982	896	-86
Sonaecom	371	-168	-539
Investment management	27	18	-9
Holding & other	635	646	12
Shareholder loans	33	6	-27
Total net debt	2.047	1.397	-650

Capital Structure			
Loan-to-value (%) - Holding	9M11	9M12	9M13



- In the 9M13, **total shareholders' funds** was 203 M€ above the same period of last year.
- Until 30 September 2013, **total net debt** was reduced to 1,397 M€, 650 M€ below the same date in 2012, mostly driven by the deconsolidation of Optimus, but also due to a sustainable cash flow generation over the last 12 months. The company thus continued to strengthen its capital structure, with total net debt reaching at the end of 9M13, 43% of invested capital.
- It's worth to highlight that net debt reduction was achieved despite the impact resulting from the total **dividends distributed** by Sonae (199 M€) between 2011 and 2013.
- At **Sonaecom**, **Net debt** declined by 539 M€, due to the merger process of Zon with Optimus and the deconsolidation of 420 M€ debt of Optimus.
- The **holding net debt** increased to 646M€ at the end of September 2013. The "loan-to-value" ratio of the holding remains at conservative levels and registered a strong improvement from 19% at 9M12 to 16% in September 2013.
- In relation to the **debt maturity profile**, it's important to highlight that Sonae has been able to ensure the refinancing of its debt maturing in 2014 and part of 2015.

# 9 CORPORATE INFORMATION

## Main corporate events in 3Q13

On **26 August**, the Competition Authority authorized the merger between Optimus, previously fully owned by Sonaecom, and Zon. On the following day, ZON OPTIMUS was registered and since that date, Sonaecom holds a 50% stake in ZOPT, which in turn holds a 50.01% participation in ZON OPTIMUS. Sonaecom has also a direct stake of 7.28% (37.49 million shares) in the capital of ZON OPTIMUS.

On **29 October**, Sonaecom announced a voluntary tender offer for up to 24.16 % of its share capital by giving the option to its shareholders to sell, in equal standing conditions, their Sonaecom shares for consideration of the directly held 37.49 million Zon Optimus shares.

## Subsequent information

On **7 October**, **Sierra Fund** (a pan-European retail fund in which **Sonae Sierra** has a stake of 50.1%) and CBRE Iberian Value Added Fund sold Parque Principado shopping centre (Paredes Lugones, Asturias) to a company owned by INTU Properties PLC and Canada Pension Plan (CPP), for 141.5 million euros.

On **23 October**, **Sonae Sierra** and MAB Development inaugurated Hofgarten Solingen Shopping Centre, located in the German city of Solingen. On the following day, October 24<sup>th</sup>, the centre opened its doors to 270,000 potential customers from Solingen and its surroundings. The new shopping centre will offer a wide selection of retail, service and gastronomy venues from 86 popular brands. The shops are spread over 29,000 m2 of GLA on three levels. A parking garage with 600 parking spaces ensures a comfortable shopping experience.

On **30 October**, **Sonae Sierra**, through its subsidiary, Sonae Sierra Brasil, opened to the public Passeio das Águas Shopping, the largest centre in the Central-Western region of Brazil, strengthening its presence in Brazil. The new centre is located in the city of Goiânia (Goiás state), has 78,000 m2 of Gross Lettable Area (GLA), in an investment of about €150 million (R\$ 466 million) and has generated more than 6,300 direct jobs.

On **31 October**, **Sonae Sierra**, entered the Turkish market with the creation of Sierra Reval, the shopping centre specialist in Turkey, a service provider company in the shopping centre area, including development, management and letting activities.

Sonae provides additional operating and financial information in Excel format.  
Click here to be taken to the information directly or visit our website ([www.sonae.pt](http://www.sonae.pt))



# 10 ADDITIONAL INFORMATION

## Methodological notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not subject to audit procedures.

The accounting standard IFRS 11 - Joint Arrangements changes the accounting method of joint-controlled investments, namely eliminating the possibility of proportional consolidation of entities that fall under the concept of joint-ventures, as is the case of Sonae Sierra and Geostar. Under these terms, Sonae has decided, as it is already possible under the current standards, in anticipation of the requirement for this change to be implemented for annual reporting periods beginning on 1<sup>st</sup> January 2014 and in order to facilitate a future comparison of its financial reporting, to start reporting Sonae Sierra and Geostar according to the Equity Method (the only possible method according to this new standard) from 1<sup>st</sup> January 2012.

Accordingly, the 2012 results of Sonae were restated to reflect these accounting changes and to provide a better understanding of the portfolio evolution.

## Glossary

<b>CAPEX</b>	Investments in tangible and intangible assets and investments in acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
<b>Direct income</b>	Results excluding contributions to indirect income
<b>EBIT</b>	EBT + financial results + shopping centres' direct results + other items
<b>EBITDA</b>	underlying EBITDA; + equity method results (Sonae Sierra direct results, Zon Optimus and Geostar) + the impact of discontinued operations of Optimus + non-recurrent items
<b>EBITDA margin</b>	EBITDA / Turnover
<b>EBT</b>	Direct results before non-controlling interests and taxes
<b>Eliminations &amp; adjustments</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
<b>EOP</b>	End of period
<b>Free Cash Flow (FCF)</b>	EBITDA - operating CAPEX - change in working capital - financial investments - financial results - income taxes
<b>Financial net debt</b>	Total net debt excluding shareholders loans
<b>FMCG</b>	Fast-moving Consumer Goods
<b>GLAs</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres
<b>Indirect income</b>	Includes Sonae and Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses (including goodwill) and; (iv) provision for assets at risk; and other asset provisions for possible future liabilities and impairments related with non-core financial investments and/or discontinued businesses

**Glossary (cont.)**

<b>Investment properties</b>	Shopping centres in operation owned by Sonae Sierra
<b>Liquidity</b>	Cash & equivalents + current investments
<b>Like for Like sales (“Lfl”)</b>	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods
<b>“Loan to value” (LTV) Holding</b>	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
<b>“Loan to value” Shopping Centres</b>	Net debt / (investment properties + properties under development)
<b>LTE</b>	“Long Term Evolution” is a standard for wireless communication of high-speed data for mobile phones and data terminals developed by the Third Generation Partnership Project, an industry trade group. LTE provides significantly increased capacity and speed for wireless broadband, using new modulation techniques.
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
<b>Net debt</b>	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments and other long term financial applications
<b>Net Invested capital</b>	Total net debt + total shareholder funds
<b>Other income</b>	Share of results of associated undertakings + dividends
<b>Other loans</b>	Bonds, leasing and derivatives
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by an independent entity
<b>RoIC (Return on invested capital)</b>	EBIT(12 months) /Net invested capital
<b>ROE (Return on equity)</b>	Total net income <sub>n</sub> (equity holders)/ Shareholders’ Funds <sub>n-1</sub> (equity holders)
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets - depreciations and amortizations
<b>Underlying EBITDA</b>	Recurrent EBITDA from the businesses consolidated using the full consolidation method (Sonae MC, SR and RP and Investment Management)

## Consolidated Profit and Loss Account

Consolidated profit and loss account						
Million euros						
	9M12PF	9M13	Var	3Q12PF	3Q13	Var
<b>Direct results</b>						
Turnover	3.405	3.467	1,8%	1.225	1.264	3,2%
Underlying EBITDA	232	258	10,9%	97	105	8,5%
Underlying EBITDA margin	6,8%	7,4%	0,6 p.p	7,9%	8,3%	0,4 p.p
EBITDA	333	353	6,1%	133	138	3,5%
EBITDA margin	9,8%	10,2%	0,4 p.p	10,9%	10,9%	0,0 p.p
Depreciations & amortizations <sup>(1)</sup>	-153	-147	4,3%	-52	-47	9,8%
EBIT	179	206	14,9%	82	91	11,9%
Net financial Activity	-70	-65	8,0%	-25	-19	23,4%
Other items <sup>(2)</sup>	0	0	-70,0%	0	0	-98,6%
EBT	109	142	29,5%	57	72	27,4%
Taxes	-2	-11	-	0	-7	-
Direct results	107	130	21,8%	56	65	15,2%
Indirect results <sup>(3)</sup>	-15	289	-	0	306	-
Net income	92	419	-	56	371	-
Minority interests	27	137	-	10	128	-
Net income group share	65	283	-	46	243	-

(1) Includes provisions, impairments, reversion of impairments and negative goodwill; (2) Dividends; (3) Includes: (i) Sonae's Sierra indirect income contribution; (ii) the capital gain with zon-optimus merger; (iii) other asset provisions for possible future liabilities in non-core and/or discontinued operations and (iv) non-cash impairments for operational assets.

## Consolidated Statement of Financial Position

Consolidated statement of financial position					
Million euros					
	9M12	9M13	Var	4Q12	Var
<b>TOTAL ASSETS</b>	<b>5.968</b>	<b>5.402</b>	<b>-9,5%</b>	<b>6.035</b>	<b>-10,5%</b>
<b>Non current assets</b>	<b>4.641</b>	<b>4.054</b>	<b>-12,6%</b>	<b>4.615</b>	<b>-12,1%</b>
Tangible and intangible assets	3.163	2.065	-34,7%	3.166	-34,8%
Goodwill	666	618	-7,2%	658	-6,2%
Other investments	543	1.198	120,6%	516	132,0%
Deferred tax assets	226	139	-38,5%	225	-38,0%
Others	44	34	-22,0%	50	-31,3%
<b>Current assets</b>	<b>1.327</b>	<b>1.348</b>	<b>1,6%</b>	<b>1.421</b>	<b>-5,1%</b>
Stocks	537	530	-1,3%	538	-1,7%
Trade debtors	147	76	-48,0%	171	-55,3%
Liquidity	304	464	52,6%	378	22,8%
Others <sup>(1)</sup>	340	278	-18,1%	334	-16,7%
<b>SHAREHOLDERS' FUNDS</b>	<b>1.676</b>	<b>1.879</b>	<b>12,1%</b>	<b>1.669</b>	<b>12,6%</b>
Equity holders	1.333	1.540	15,5%	1.319	16,8%
Attributable to minority interests	343	340	-0,9%	350	-2,9%
<b>LIABILITIES</b>	<b>4.292</b>	<b>3.523</b>	<b>-17,9%</b>	<b>4.367</b>	<b>-19,3%</b>
<b>Non-current liabilities</b>	<b>2.228</b>	<b>1.686</b>	<b>-24,3%</b>	<b>2.026</b>	<b>-16,8%</b>
Bank loans	530	396	-25,4%	364	8,6%
Other loans	1.325	1.049	-20,9%	1.323	-20,7%
Deferred tax liabilities	133	139	4,1%	137	1,3%
Provisions	97	56	-42,1%	114	-51,2%
Others	143	48	-66,7%	88	-45,9%
<b>Current liabilities</b>	<b>2.065</b>	<b>1.836</b>	<b>-11,1%</b>	<b>2.341</b>	<b>-21,5%</b>
Bank loans	220	91	-58,7%	66	38,5%
Other loans	277	171	-38,2%	461	-62,8%
Trade creditors	1.046	998	-4,6%	1.222	-18,3%
Others	522	576	10,4%	593	-2,8%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5.968</b>	<b>5.402</b>	<b>-9,5%</b>	<b>6.035</b>	<b>-10,5%</b>

(1) Includes assets available for sale.

## SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available at Sonae's institutional website  
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