

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

FINANCIAL STATEMENTS

31 DECEMBER 2015

Management Report

SONAE INVESTIMENTOS, SGPS, SA

MANAGEMENT REPORT 2015

Sonae Investimentos, SGPS, SA is the company within the Sonae Group which aggregates the core activity of the group, retail.

1 MAIN HIGHLIGHTS

During the course of 2015, Sonae Investimentos, SGPS, SA delivered a consolidated turnover of 4,859 million Euro - which represents a 0.8% increase when compared to the previous year.

In this same period, the Company's consolidated operating cash-flow (EBITDA) reached 333 million Euro. This figure represents a ratio over total net sales of 6.8%, 0.3 p.p. less than the previous year.

Focusing on the evolution of the Company's activity, we highlight the following aspects:

Sonae MC turnover stood at 3,490 million Euro in 2015, an increase of 0.8% when compared to 2014. This turnover growth was reached through the opening of 11 Continente Bom Dia stores, 2 Continente Modelo stores and 65 Meu Super stores, the franchising model for food retail. This expansion of the store network not only benefited turnover performance but also contributed towards increasing Sonae MC's exposure to convenience stores.

Sonae MC LfL performance totalled -1.7% in 2015, backed by a strong 4Q15, during which turnover grew by 1.8% and LfL sales inverted their increasing downward trend.

Sonae MC underlying EBITDA margin stood at 6.2% in 2015, corresponding to an underlying EBITDA of 215 million Euro. As in previous years, the food retail market continued to be highly competitive in 2015, thus improving and reinforcing the value proposition of the business was key for Sonae MC. The company took several initiatives to improve perception levels by the costumers' community: emphasis was made in reducing the gap between perceived and real prices, in order to strengthen the leadership at this attribute, as well as increasing the quality perception of perishables, namely meat, fruit and vegetables. In addition, Sonae MC has continued to implement efficiency measures, as part of a continuous improvement programme that partially explains Sonae MC's reference EBITDA margin.

During 2015, Sonae MC reached an important number of objectives on various fronts, of which Sonae MC would like to highlight the following:

- International expansion: in 2015 the first international agreement through franchising was signed, with the Fathima Group, in order to establish Continente hypermarkets in the United

Arab Emirates by 2017. At the same time, Sonae MC own brands wholesale activity continued to grow, reaching approximately 30 different countries by the end of the year;

- Improvement of store concepts: Sonae MC has been carrying out important refurbishments so as to implement the “2020 hypermarket of the future” concept, with 8 out of 40 hypermarkets partially or totally renewed as of December 2015. Besides this, MC has also designed a new store concept for Continente Bom Dia stores, which has been implemented in new and refurbished stores.

Sonae SR turnover reached 1,294 million Euro in 2015, increasing 0.4% when compared to 2014, driven by the positive impact of the International unit, which has more than compensated for the Portuguese unit.

The International unit benefited from the performance of Worten and Sport Zone in Spain. With regard to Sonae SR Portuguese unit, turnover decreased by 1.5% in 2015, largely due to the sports and fashion division, mostly impacted by the weak Spring/Summer season in MO and Zippy and the unfavourable winter weather conditions, which affected the sector at large.

It is also worth noting, Sonae SR’s sales per square metre continued improving, averaging 4.1% in 2015, particularly driven by the impact from Spanish units. New stores concepts and formats are contributing significantly to this evolution, sustaining a positive sales trend despite square metre reduction.

Sonae SR EBITDA stood at 5 million Euro, corresponding to an EBITDA margin of 0.4%. This has benefited from improved results in the Spanish operations both at Worten and at Sport Zone, which ended 2015, registering an EBITDA breakeven (before central fees), notwithstanding the impact of the negative performance of Zippy and the consequent restructuring of this format in Spain. In Portugal, EBITDA decreased to 37 million Euro, driven by lower top line performance, coupled with the adverse exchange-rate effects related to raw-materials and products purchased in dollars.

Some of the most significant milestones in 2015 were:

- Worten was able to improve EBITDA in Spain. Besides the improved macroeconomic conditions in the country, the operation is recovering due to the measures adopted over the last quarters, which include the optimisation of the store network and the expansion of a new store concept, supported by an omni-channel approach;
- Zippy continued to expand its international footprint under a capital light approach. In 2015, the company entered Ecuador, Cyprus, Kurdistan, Libya, Tunisia and the Philippines, ending 2015 with 50 stores spread across 22 countries;
- The acquisition of Losan, in November 2015, a company based in Spain with a strong international presence specialised in wholesale kids wear. This acquisition will allow SR to strengthen its wholesale and supply chain competencies.

Sonae RP turnover decreased 4.0%, to 121 million Euro, driven by a freehold reduction at Sonae MC, from 73% in 2014, to 62% at the end of 2015. The underlying EBITDA amounted to 109 million Euro, corresponding to an underlying EBITDA margin of 90.0%.

Net book value of the capital invested in real estate assets amounted, at the end of 2015, to 1,047 billion Euro. Sonae RP EBIT ROCE stood at 12%.

As duly reported to the market, Sonae RP has been monetising its real estate assets in line with the strategy set in terms of freehold ownership. In 2015, the sale and leaseback transactions completed stood at 185 million Euro, with an estimated capital gain of 40 million Euro.

Already in the 1Q16, Sonae RP completed the sale and leaseback transaction of 12 food retail assets located in Portugal amounting to 164 million Euro with an estimated capital gain of 40 million Euro. Additionally it was also announced the sale and leaseback transaction of 3 Worten stores in Spain, totalling 26.8 million Euro.

Following these transactions, Sonae MC's freehold reached 55%, corresponding to a portfolio that includes 23 Continente stores, 65 Continente Modelo stores and 16 Continente Bom Dia stores, while SR's freehold decreased to 23%.

During the course of the year in question, Sonae Investimentos, SGPS, SA consolidated direct profit totalled 84 million Euro. This includes the evolution of Financial result, which amounted to -55 million Euro, decreasing 22 million Euro when compared to 2014.

Indirect result was negative in -12 million Euro. This amount is driven by the following of a responsible and conservative policy regarding consideration of impairments related with discontinued operations, including the closing of operations in Brazil.

Consolidated Net Result for the period, attributable to Shareholders of the Holding Company, amounted to 70 million Euro, compared to 71 million Euro in the previous year.

During the year we have also developed Sonae FS, a new business segment that has been created to foster financial services. It includes the recently created "Universo" card, "Dá" card, Continente Money Transfer and Cross-Selling over store credit. Following the granting of a licence from Banco de Portugal, to operate as an electronic money and payment institution, Sonae FS created the "Universo" card in order to deliver payment services and issue credit cards. Sonae FS was designated as a Mastercard principal issuer, which allows us to issue our own brand of Mastercard cards. The structure for this new segment has been created, but its operational and financial reporting will only start in 2016.

2 INVESTMENT

During the course of 2015, Sonae Investimentos carried out an overall investment of 290 million Euro. This figure was mainly directed towards maintenance and refurbishment of store networks and the execution of the Company's expansion plan, allowing it to end the year with a portfolio of 1,054 stores and a sales area of 1,033 thousand m² (growing 0.4% on 2014 year end portfolio).

- The investment in the **food based retail** businesses reached 114 million Euro. The amount invested was directed towards the 2 Continente Modelo and 11 Continente Bom Dia stores as well as refurbishing works at selected retail units in order to keep them as references in their catchment areas.
- The investment in **specialised retail** reached 111 million Euro, including the acquisition of Losan, a company based in Spain, with a strong international presence and specialised in wholesale kids wear. Including the consolidation of Sonae SR's store network in international markets. At the end of 2015, Sonae SR's formats had a total of 180 stores outside of Portugal, including 63 under franchising agreements.

- The amount invested by the **retail properties** segment reached 60 million Euro, 39 million Euro above the figure for 2014.

3 OUTLOOK

The World economy is expected to accelerate moderately next year (+3.4%), but the pickup in growth will be uneven across countries, with risks tilted toward emerging markets. Three key transitions will shape the outlook: the rebalancing of the Chinese economy, lower commodity prices and a gradual tightening of the U.S. monetary policy. Advanced economies will continue to experience a modest recovery (+2.1%), while emerging economies will face a new reality of slower growth rates (+4.0%).

The Eurozone is expected to slightly accelerate its growth rate (+1.7%), driven by stronger private consumption supported by lower oil prices and improved financial conditions that should compensate the weakening of net exports.

The United States is expected to continue to deliver robust economic activity, benefitting from still-easy financial conditions and strengthening labour and housing markets. However, the appreciation of the dollar will remain as the main challenge, causing the US manufacturing sector to shrink marginally.

Emerging markets should experience a slight growth increase from +4.0% in 2015 — the lowest rate since the 2008-09 financial crises — to +4.3% in 2016. However, these average values conceal a wide diversity of situations across countries. India and parts of emerging Asia will continue to present strong growth rates, while Latin America will remain in recession in 2016, mostly due to the depression in Brazil and economic stress in other countries (even if most other countries in the region continue to grow). The emerging countries in Europe are expected to grow steadily, but at a lower rate, as a consequence of Russia's recession. A gradual pickup is expected in Sub-Saharan Africa, but with lower growth rates compared to the previous decade.

In Portugal, economic growth will remain moderate (+1.5% to +2.0%), mostly due to internal vulnerabilities, namely the high level of both public and private debt, and apathetic European economic growth. Private consumption will remain as the strongest growth driver (+1.9%), supported by higher levels of household disposable income, resulting from different factors such as wage increases, increased income for pensioners and tax relief, whilst the fall in unemployment rate will be more restrained. The Government's budget for 2016 is expected to deliver a boost to the economy, but is casting some uncertainty regarding future economic policies and compliance with European commitments.

The outlook is globally favourable for Spain. The expansionary phase of the economy is expected to continue throughout 2016 (+2.8%), with growth remaining underpinned by solid domestic demand. Household consumption should remain particularly buoyant (+3.4%), driven by the favourable evolution of employment, together with the positive impact on real disposable income of the fall in oil prices and the reduction in direct taxation. Furthermore, the economy will continue to benefit from the improvement of financing conditions and the recovery in residential investment.

In brief, the outlook for the Iberian economies is favourable, albeit moderate, particularly for Spain where GDP growth will continue to outpace the Euro Area average. However, the year ahead is challenging with main risks tilted to the downside. Internally, political instability will be the major source of concern, while externally, the deterioration of the global outlook, particularly a derailment in emerging markets, could negatively affect both economies.

In Sonae Investimentos, the changes implemented in the organisational structure, aimed at having more focused and agile teams, will continue to support the execution of our portfolio strategy throughout 2016.

Sonae MC will be dedicated to defending its leadership position in the Portuguese market by reinforcing the winning attributes of its formats mostly in terms of price and range. Sonae MC believes that there are the necessary conditions to maintain the positive trend in sales evolution and to keep a comfortable level of profitability.

Sonae SR will continue its internationalisation efforts, following its strategic guidelines. In electronics, both in Portugal and in Spain, the company will pursue the omni-channel approach for well-located stores, which will help to drive the trends already witnessed throughout 2015. The sports and fashion division will continue to reinforce their competitive positions particularly with the renewed store concepts. The recent acquisition of Losan, besides improving the division's supply chain competencies, will have a positive contribution to the wholesale business.

4 FINANCIAL RISK MANAGEMENT

The general financial risk management principles of the Company are found in detail in Note 3 of the Appendix to the Income Statement.

5 SUBSEQUENT EVENTS

On January 29, 2016 Sonae RP has concluded an agreement promising to sell and leaseback transaction of 12 food retail assets located in Portugal. This operation will totalize 164 million euro and corresponds to assets whose net book value is estimated at 114.4 million euro. This transaction was completed at 25 February 2016. These assets are classified as non-current assets held for sale (Note 22).

On March 1, 2016 Sonae RP completed the sale transaction and leaseback of three stores Worten Spain in the cities of Madrid, Barcelona and Valencia. This transaction amounted to 26.8 million euro and the assets have a net book value added of 17.1 million euro. These assets are classified as non-current assets held for sale (Note 22).

On March 30, 2016 Sonae RP completed the sale transaction and leaseback of four food retail stores located in Portugal. This transaction totalled 39.1 million euros and is related to assets with an estimated net book value of 24.8 million euros.

6 REMUNERATION OF CORPORATE BODIES

Remuneration of the Board of Directors

Remuneration paid and attributed

The members of the Board are not remunerated by the Company or by Sonae Investimentos's Group companies.

Remuneration of Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is composed of a set annual amount, based on the Company's financial situation and market practices. The set annual amounts for the members of this committee were as follows:

Member of Statutory Audit Board	2014	2015
Armando Luis Vieira de Magalhães	6,400	7,900
António Augusto Almeida Trábulo	6,400	7,900
Maria José Martins Lourenço da Fonseca	-	5,333
Manuel Heleno Sismeiro	7,733	2,000
Óscar José Alçada da Quinta	2,000	-
Arlindo Dias Duarte da Silva	2,000	-
Total	4,000	23,133

Statutory External Auditor Fees

Sonae Investimentos Statutory Auditor and audit firm is Deloitte. The figures invoiced to Sonae Investimentos in 2014 and 2015, including subsidiaries, are as follows:

Statutory External Auditor	2014		2015	
Audit and Statutory Audit	314,549	56%	386,633	42%
Tax consultancy	77,662	14%	438,125	48%
Other services	167,750	30%	97,255	10%
Total	559,961	100%	922,013	100%

The fees relative to auditing services and other compliance and assurance services decreased by 20pp in 2015, representing 90% of total fees. The other services represented 10% of total fees and were assessed by the Statutory Audit Board.

In 2015, the fees for other services included: consulting services provided to several subsidiaries of Sonae Investimentos.

In 2015, fees paid by Sonae Investimentos, in Portugal, to companies within the Deloitte network, represented less than 1% of Deloitte's annual turnover in Portugal.

The External Auditor quality system controls and monitors the potential risks of loss of independence or possible conflict of interests with Sonae.

Under the terms of article 62^o-B of Law Decree n^o 487/99 dated 16th November (altered by Decree Law n^o 224/2008, 20th November), on an annual basis, the Statutory Audit Board receives a declaration of independence from the auditor, where services rendered by them and other entities

within the same network are described, in addition to respective remuneration paid, eventual threats to independence and measures to safeguard against them.

Remuneration of the Board of Shareholder's General Meeting

The remuneration of the Board of Shareholder's General Meeting is constituted by a set figure, as detailed below:

Board of Shareholder's General Meeting	2014	2015
President	3,750	3,750
Secretary	1,500	1,500
Total	5,250	5,250

7 OWN SHARES

As at 31 December 2015 and 2015 Sonae Investimentos, SGPS, SA, held, through Sonae MC – Modelo Continente, SGPS, SA, 100,000,000 shares representative of its share capital.

8 PROPOSAL FOR PROFIT DISTRIBUTION FOR THE COMPANY SONAE INVESTIMENTOS, SGPS, SA

Under the terms of the law and the Articles of Association, the Board of Directors proposes to the Shareholders' General Meeting that:

- a) the 2015 results, negative in the amount of 20,156,409.43 euros, be transferred to retained earnings;
- b) free reserves in the amount of 22,356,729.43 euros be used to cover such negative retained earnings.

Additionally, the Board of Directors proposes the free reserves in the amount of 40.000.000, excludes the shares that, at the date of the distribution are held by the company or any other companies under its control.

9 ACKNOWLEDGEMENTS

We thank all of our customers, suppliers, financial institutions and shareholders for their support and preferences demonstrated. To the external auditors and statutory auditors we also owe our gratitude for their cooperation throughout the year. Finally, a special word of thanks to all of Sonae Investimentos employees for their enthusiasm, dedication and competence demonstrated once again.

Maia, 22nd April 2016

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

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

APPENDIX

Statement under the terms of Article 245 paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements, the legal certification of the Statements and other accounting documents required by law or regulation were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, giving a truthful and appropriate image of the assets and liabilities, the financial situation and the results of the issuer and the companies included in the consolidation perimeter and that the Management Report faithfully describes the evolution of the businesses, the performance and position of the issuer and companies included in the consolidation perimeter and contains a description of the main risks and uncertainties with which they are faced.

Maia, 22nd April 2016

The Board of Directors

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Article 447 of the Portuguese Companies Act and Article 14, paragraph 7 of Portuguese Securities Regulator (CMVM) Regulation nº 05/2008

Disclosure of the number of held shares and other securities issued by the Company and of the transactions executed over such securities, during the financial year in analysis, by the members the statutory managing and auditing bodies and by people discharging managerial responsibilities ("dirigentes"), as well as by people closely connected with them pursuant to article 248 B of the Portuguese Securities Code:

	Additions		Reductions		Position at 31.12.2015	Balance as of 31.12.2015
	Date	Quantity	Aver. Price €	Quantity		
Duarte Paulo Teixeira de Azevedo (*) (**) (***) (****)						
Efanor Investimentos, SGPS, SA (1)					Minority	
Migracom, SGPS, SA (9)					Dominant	
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)						
Enxomil - SGPS, SA (11)					Dominant	

	Additions		Reductions		Position at 31.12.2015	Balance as of 31.12.2015
	Date	Quantity	Aver. Price €	Quantity		
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (3)					Dominant	
Pareuro, BV (2)					Dominant	
(2) Pareuro, BV						
Sonae, SGPS, SA (3)					Dominant	
(3) Sonae, SGPS, SA						
Sonae Investments, BV (8)					Dominant	
Sonae Investimentos, SGPS, SA (4)					Dominant	250,286,683
Sonaecenter, Serviços, SA (5)					Dominant	
(4) Sonae Investimentos, SGPS, SA						
Sonae MC - Modelo Continente, SGPS, SA (8)					Dominant	
(5) Sonaecenter, Serviços, SA						
Sonae Investimentos, SGPS, SA (4)						518,269,127
(6) Sonae Investments BV						
Sonae Investimentos, SGPS, SA (4)						131,419,190
Libra Serviços, Sociedade Unipessoal, Lda (7)					Dominant	
(7) Libra Serviços, Sociedade Unipessoal, Lda						
Sonae Investimentos, SGPS, SA (4)						25,000
(8) Sonae MC - Modelo Continente, SGPS, SA						
Sonae Investimentos, SGPS, SA (4)						100,000,000
(9) Migracom, SGPS, SA						
Sonae, SGPS, SA (3)					Minority	
Imparfin, SGPS, SA (10)					Minority	
(10) Imparfin, SGPS, SA						
Sonae, SGPS, SA (3)					Minority	
(11) Enxomil - SGPS, SA						
Sonae, SGPS, SA (3)					Minority	

(*) Member of the Board of Directors of Sonae, Investimentos, SGPS, SA

(**) Member of the Board of Directors of Sonae, SGPS, SA (directly and indirectly dominant company) (3)

(***) Member of the Board of Directors of Efanor Investimentos SGPS, SA (1)

(****) Member of the Board of Directors of Imparfin, SGPS, SA (10)

Article 448 of the Portuguese Companies Act

Número de ações detidas por acionistas com mais de 10%, 33% e 50% do capital social da Sonae Investimentos, SGPS, SA:

	Número de ações a 31.dezembro.2015
Sonae, SGPS, SA	250,286,683
Sonae Investments, BV	131,419,190
Libra Serviços, Sociedade Unipessoal, Lda	25,000
Sonaecenter, Serviços, SA	518,269,127
Sonae MC - Modelo Continente, SGPS, SA	100,000,000

Qualified shareholding

Shares held and voting rights attributable to shareholders owning 2% or more of the share capital of the Sonae Investimentos, SGPS, SA, calculated according to article 20 of the Portuguese Securities Code, as required by article 8, paragraph 1, subparagraph b), of the Portuguese Securities Market Commission (CMVM) Regulation nr. 05/2008:

Shareholder	Nr. of shares	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, SA (I)			
By Sonae, SGPS, SA	250,286,683	25.03%	27.81%
By Sonae Investments, BV	131,419,190	13.14%	14.60%
By Libra Serviços, Sociedade Unipessoal, Lda	25,000	0.00%	0.00%
By Sonaecenter, Serviços, SA	518,269,127	51.83%	57.59%
By Sonae MC - Modelo Continente, SGPS, SA (II)	100,000,000	10.00%	-
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.00%	100.00%

Source: communications received by the Company regarding qualified shareholdings up to 31st December 2015

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

(I) Belmiro Mendes de Azevedo is, according to subparagraph b) of paragraph 1 of article 20 and paragraph 1 of article 21, both of the Portuguese Securities Code, the "ultimate beneficial owner", as he is the controlling shareholder of Efanor Investimentos, SGPS, SA and the latter wholly owns Pareuro BV

(II) Considered treasury shares in accordance with Commercial Companies Code as Sonae MC - Modelo Continente, SGPS, SA is directly owned by Sonae Investimentos, SGPS, SA.

SONAE INVESTIMENTOS, SGPS, SA

Corporate Governance

Sonae Investimentos, SGPS, S.A. Corporate Governance practices annual report, pursuant to the terms of number 4 of article 245 A of the Portuguese Securities Code and article 2 and article 3 of Law 28/2009, enacted on 19th of June.

Chapter 1 – Qualified Shareholdings – article 245-A, number 1, section c) of the Portuguese Securities Code

Shareholder	Nr. of shares	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, SA (I)			
By Sonae, SGPS, SA	250,286,683	25.03%	27.81%
By Sonae Investments, BV	131,419,190	13.14%	14.60%
By Libra Serviços, Sociedade Unipessoal, Lda	25,000	0.00%	0.00%
By Sonaecenter, Serviços, SA	518,269,127	51.83%	57.59%
By Sonae MC - Modelo Continente, SGPS, SA (II)	100,000,000	10.00%	-
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.00%	100.00%

Source: communications received by the Company regarding qualified shareholdings up to 31st December 2015

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

** Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

(I) Belmiro Mendes de Azevedo is, according to subparagraph b) of paragraph 1 of article 20 and paragraph 1 of article 21, both of the Portuguese Securities Code, the "ultimate beneficial owner", as he is the controlling shareholder of Efanor Investimentos, SGPS, SA and the latter wholly owns Pareuro BV

(II) Considered treasury shares in accordance with Commercial Companies Code as Sonae MC - Modelo Continente, SGPS, SA is directly owned by Sonae Investimentos, SGPS, SA.

Chapter 2 – Identification of shareholders that hold special rights and description of those rights - article 245-A, number 1, section d) of the Portuguese Securities Code

There are no shareholders who hold special rights.

Chapter 3 – Restrictions on voting rights - article 245-A, number 1, section f) of the Portuguese Securities Code

As set in the company's Articles of Association (if nothing is stated, the guidelines shall be those of the governing law):

The Shareholders' General Assembly is solely made up of shareholders with voting rights, holders of shares or securities for subscription, that until 5 business days prior to the Assembly taking place, present evidence of their shareholding, under the terms established by Law. The presence of shareholders who have preferential shares without voting rights in the Shareholders' General Assembly, and their taking part in the discussion of matters regarding order of the day, depends on the General Assembly Authorisation.

One share confers one vote.

Shareholders who are individuals can be represented at the Shareholders' General Assembly by sending a letter to the Chairman of the Board of the Shareholders General Assembly, stating the name and address of their representative and date of the Assembly. Legal entities may be represented by a person designated by them in a letter, the authenticity of which will be verified by the Chairman of the Board of the Shareholders' General Assembly.

If the Company is listed as a "publicly quoted company", shareholders can vote by mail, but only in relation to changes to the Articles of Association and Company Governing Bodies election.

Postal votes will only be considered when received at the Company's registered office by registered mail, with receipt notice, addressed to the Chairman of the Board of the Shareholders' General Assembly, at least 3 days prior to the date of the General Assembly, notwithstanding the requirement of presenting evidence of its capacity as a shareholder.

The voting declaration must be signed by the shareholder or by his/hers legal representative. In the case of an individual, it should be accompanied by a certified copy of his/her identity card. In case of a legal entity, the signature should be notarised and should specify that the signatory is authorised and empowered for that effect.

Voting declarations will only be considered valid when they clearly and unequivocally set out:

- a) The item or items of the agenda they refer to;
- b) The specific proposal to which they relate to with an indication of the respective proponent or proponents;
- c) The precise and unconditional voting intention on each proposal.

Notwithstanding, what is set in section b) herein above, a shareholder is allowed to include in a written voting declaration, regarding an identified proposal, the intention to vote against all alternative proposals, in relation to the same item on the agenda, without further specification.

The shareholders who send their voting declaration by mail shall be deemed to have abstained from voting on any proposals that are not specifically included in their written voting declarations.

Postal votes count as negative votes regarding resolution proposals presented after the date on which the same votes were cast.

It is the Chairman of the Board of the Shareholders' General Assembly's responsibility, or the person replacing him, to verify voting declarations sent by mail, disregarding any votes relating to declarations that have not been accepted.

It is the Company's responsibility to guarantee the confidentiality of votes sent by mail, until voting takes place.

The Shareholders General Assembly may deliberate at first call so long as there are present or represented shareholders whom represent more than 50% of the issued share capital.

Chapter 4 – Rules applicable to the designation and replacement of the Statutory Governing Bodies members and changes to the Company’s Articles of Association - article 245-A, number 1, section h) of the Portuguese Securities Code.

The Board of Directors is made up of an even or an odd number of members. A minimum of 2, and maximum of 11 members, elected at the Shareholders’ General Assembly, make up the Board of Directors.

In case of death, resignation or temporary or permanent incapacity of any member, the Board of Directors will carry out a replacement.

In the case of the company being a publicly quoted, concessionaire of the State or equivalent entity, the definitive lack of an elected Director under the provision of article 392 of the Portuguese Companies Act (special election rules apply), and new elections shall take place.

Notwithstanding, what is set herein above, governing law does not prevent that the replacement be decided by the Shareholders’ General Assembly resolution.

As set forth in governing law, a change to the Articles of Association must be carried out by a Shareholders’ General Assembly Resolution.

The required quorum for amendment to the Articles of Association:

- a) The Articles of Association state that at first call to deliberate on any matter, shareholders whom represent more than 50% of the share capital must be present or represented;
- b) In accordance with number 3, article 383 of the Portuguese Companies Act, the Assembly, on a second call, can deliberate regardless of the number of shareholders present, represented or the share capital by them represented.

Under the terms of number 3 article 386 of the Portuguese Companies Act, the resolution regarding a change to the articles of association, must be approved by 2/3 of votes, regardless of the Assembly meeting during a first or a second call.

Chapter 5 – Powers of the Board of Directors, namely with regards to share capital increase resolutions - article 245-A, number 1, section i) of the Portuguese Securities Code

Article 5, number 2 of the Articles of Association states that the Company’s share capital can be increased, through new entries in cash, of up to five billion Euro, in one or more stages, by resolution of the Boards of Directors, which will determine, in accordance with the law, the conditions of subscription and the categories of shares to be issued, based on those already existing at the time”.

This authorisation was renewed by the Shareholders General Assembly which took place on 27th of April 2012 and remains valid for a period of 5 years under the terms of number 2 b) of article 456 of the Portuguese Companies Act.

Chapter 6 – Main elements of internal control systems and risk management implemented in the company regarding the process of disclosing financial information - article 245-A, number 1, section m) of the Portuguese Securities Code

The existence of an effective internal control environment, particularly in the process of financial reporting, is a commitment that Sonae Investimentos' Board of Directors has. It aims to identify and improve the most relevant process in terms of preparation and disclosure of financial information, with the goals of transparency, consistency, simplicity, reliability and relevance. The aim of the internal control system is to ensure a reasonable guarantee in relation to the preparation of financial statements in accordance with the accounting principles adopted, and quality of financial reporting.

The reliability of the financial information is guaranteed not only by the clear separation between the person that prepares it and its users, but also by the implementation of various control procedures during the process of preparation and disclosure of financial information.

The internal control system regarding accounting, preparation and disclosure of financial information, includes the following key controls:

- The process of disclosing financial information is formalised, the risks and associated controls are identified. The criteria for preparation and disclosure are duly established and approved and are reviewed periodically;
- There are three main types of control: high level controls (control at the entity level), information system controls and processing controls. These controls include a number of procedures related to the execution, supervision, monitoring and process improvement, with the aim of preparing the financial statement of the company;
- The use of accounting principles which are explained in the appendix to financial statements (see Consolidated Financial Statements chapter 2), constitute one of the fundamental pillars of the control system;
- The plans, procedures and registers of the Group's companies enable a reasonable guarantee that the transactions are only executed with the general or specific management authorisation, and that these transactions are registered to permit that the financial statements comply with the main accounting principles widely accepted. It also ensures that the companies maintain an up-to-date registers of their assets and that the register of the assets is always checked against existing assets. Appropriate measures are always adopted whenever differences occur;
- The financial information is systematically and regularly checked by business unit management and by those responsible for the results departments, guaranteeing a constant monitoring and respective budget control;
- During the process of preparing and checking the financial information, a timetable is previously established and shared with the different departments involved, and all of the documents are reviewed in detail. This includes the revision of the principles used, checking the precision of information produced and the consistency with the principles and policies defined and used in previous periods;
- In terms of individual companies, the accounting books and preparation of financial statements are assured by the different tasks within the administrative and accounting services, who guarantee the control of registering the transactions of business processes and the balance of the assets, liabilities and own shares. The financial statements are prepared by External Auditors for each one of the companies and examined by the management control and fiscal departments;

- The consolidated financial statements are prepared on a quarterly basis by the department of accounts consolidation of the administrative services within Sonae Investimentos Corporate Centre. This process constitutes an additional level of control and accuracy of financial information, namely guaranteeing the application of the accounting principles across the board, of the cutting operations procedures and the control of balances and transactions between companies of the Sonae Investimentos Group and remaining companies within the Sonae Group;
- The Management Report and the Corporate Governance Report are prepared with contributes from multidisciplinary teams;
- The various documents which constitute the annual report are reviewed and approved by Sonae Investimentos Board of Directors. After the approval, the documents are sent to the External Auditor, who provides the Legal Accounts Certification and External Auditing Report;
- The process of preparing individual and consolidated financial information and the Management Report is supervised by the Fiscal Committee. On a quarterly basis, this committee gathers and reviews the individual and consolidated statements and the Management Report. Every year, the Statutory Auditor presents, directly to the Fiscal Committee, a summary of the main conclusions reached after having examined the financial information;
- All of those involved in the Company's financial analysis process make up the list of people with access to privileged information, and are informed of the content of their obligations and on the penalties resulting from the undue use of the referred information;
- The internal rules applicable to the disclosure of financial information aim to guarantee its timing and avoid leaking information that may distort the market.

Amongst the grounds for risk which may materially affect the accounting and financial reporting, we note the following:

- Accounting estimates – The most significant accounting estimates are described in the appendix to the Consolidated Financial Statements chapter 2.19, and in other chapters. The estimates were based on the best information available during the preparation of the financial statements, and best knowledge and experience of past and/or present events;
- Balances and transactions with related parties – The most significant balances and transactions with related parties are detailed in the annexes to financial statements. These are particularly associated with operating activities of the Group, as well as to the granting and attainment of loans, carried out at market value.

More specific information on how these, and other grounds for risk were mitigated, can be consulted in the notes to the financial statements.

Sonae Investments adopts various actions regarding the continuous improvement of the Financial Risk Control System, including:

- Improvement in control documentation – Following work carried out in the past, during 2015 Sonae Investimentos continued to improve the documentation and systemisation of risks and the internal control system related to the concern for financial information. These actions include identifying the causes of risks (inherent risk), the identification of processes with greater materiality, the control of documentation and the final analysis (residual risk) after the implementation of potential improvements in controls;
- Conformity Review – The Legal team, in cooperation with the Administrative, Internal Auditing and Risk Management departments, and in accordance with other necessary

departments, coordinates a periodic review of the compliance with legal and regulatory requirements regarding the processes of underlying government and corresponding financial information, which are disclosed in the Management Report and Corporate Governance Report.

Chapter 7 – Governing Bodies Remuneration Policy - article 2, of the Law 28/2009 of 19th of June

The statutory Governing Bodies Remuneration Policy was approved at the Annual General Meeting held on 30th April, 2015, based on the following principles:

A. Principles of the Remuneration and Performance Bonus Policy:

The Remuneration and Performance Bonus Policy applicable to the statutory Governing Bodies and Officers, adheres to the basic outline and main principles of the Remuneration and Performance Bonus Policy approved by Sonae, SGPS, S.A., competent bodies. It is based upon the premise that initiative, competence and commitment are essential factors to perform well, and this should be in line with the medium and long-term interests of the company, with the aim of its sustainability.

The Remuneration Policy is determined by carrying out a comparative study between market references as supplied by the various studies made available in Portugal and other European Markets.

The remuneration packages are defined based upon market studies carried out on Top Executives in Portugal and Europe, and fall in-line with market average in terms of variable remuneration, and in-line with the third quartile in terms of total remuneration on a comparable basis.

The lower and upper limits of fixed remuneration are aligned with market standards which are in turn measured by the equivalent practices in comparable companies.

The Performance Bonus component which is determined on a case-by-case basis and is non-binding to controlled companies, is subject to maximum percentage limits and follows pre-established and measurable performance criteria – performance indicators – agreed upon with each potential beneficiary every fiscal year.

B. In achieving the set principles, remuneration and compensation for the statutory Governing Bodies and Officers at Sonae Investimentos and respective controlled companies will follow the guidelines defined below, and will be applied on an individual basis considering the governance structure of each company:

Executive Directors

The individual remuneration plans are defined in accordance with each Executive Directors' responsibility levels and are reviewed on an annual basis. Each Executive Director is given a classification which internally is referred to as Functional Group. The Executive Directors' are classified into functional groups "Senior Executive Group" (G1) and "Senior Executive" (G2). The structure of the functional classifications are based upon Hay's International Model of classifying corporate functions, with the goal of allowing for market comparisons and promoting internal equality.

More specifically, the policy comprises (i) a fixed remuneration paid in monthly instalments covering a calendar year period and (ii) short and medium-term Performance Bonus the granting of which does not constitute an obligation on part the of the controlled companies and must conform to the following rules:

a) The Short-Term Performance Bonus aims to compensate the achievement of goals defined on an annual basis, which are associated with Key Performance Indicators of Business Activity (Business KPIs) and Personal Key Performance Indicators (Individual KPIs). The Business KPIs represent 70% (seventy percent) and are determined by the business, economic and financial KPIs. They encompass unambiguous indicators which are divided into Group Business and departmental KPIs. The Group Business KPIs are based on economic and financial indicators which are defined in accordance with the budget; the performance of each business unit as well as Sonae's overall consolidated performance. The remaining 30% (thirty percent) result from Individual KPIs which combine ambiguous and unambiguous indicators. The final figures are a result of the actual performance (business results/individual contributions) and may vary between 0% (zero percent) and 140% (one hundred and forty percent) of the previously defined objective goal bonus. This Performance Bonus will be determined in accordance with the individual performance during the year immediately preceding it, and will be paid in full during the first quarter of the calendar year in which it is given. This payment will be carried out in strict compliance with the legal and regulatory arrangements that best adjust to each entity, namely via profit sharing when deliberated at the General Assembly.

b) The Medium-Term Variable Performance Bonus aims to strengthen the Executive Directors' relationship with the company, aligning their interests with that of the shareholders and increasing awareness regarding the importance of their performance in the overall success of the organisation. The amount granted is, at least, equal to 50% (fifty percent) of the total Variable Performance Bonus. The value paid in Euros shall be divided by the average share price for the determination of the number of shares it corresponds to. The value converted into shares will be adjusted to include any variations occurring in the share capital or dividends (Total Share Returns) during a deferring period of three years. During this period, the Bonus amount, converted into Shares, shall be corrected by level of performance of the medium term KPIs, in order to guarantee the alignment with the business medium terms sustainability goals.

Consistent with a policy that reinforces alignment of the Executive Directors with the company's medium term interests, and in accordance with Sonae Group remunerations Policy, an increasing percentage discount may be granted to executive directors in the acquisition of shares, determining a part in the acquisition of shares to be borne by the Executive Directors in an amount corresponding to a percentage of the market price of the shares, with a maximum of 5% (five percent) of its share price at the date of transfer of securities. On the maturity date, the Company has the option to deliver the shares, or its replacement the value of the shares in cash.

Non-Executive Directors

Non variable remuneration or Performance Bonus of any kind are paid to Non-Executive Directors.

Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is based exclusively on fixed annual amounts, which includes an Annual Responsibility Allowance established in accordance with comparable market practices.

Statutory External Auditor

The Statutory External Auditor is remunerated in accordance with the applicable Standard Fee Table as per market practice under the supervision of our Statutory Audit Board.

Officers

The same principles applicable to the Executive Directors Remuneration and Performance Bonus apply to Officers, with the proper adjustments.

C. Moreover pertaining to Sonae Investimentos it has been deliberated that:

- i) No fixed remuneration or incentives shall be granted to Sonae Investimentos Non-Executive Directors.
- ii) The remuneration for the members of the Board of the General Assembly of this company is comprised of a fixed amount that was determined by the characteristics of this company and by market practices.

Matosinhos, 22 of April 2016

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015 AND 2014

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

(Amounts expressed in euro)

ASSETS	Notes	31 December 2015	31 December 2014 Restated Note 4	1 January 2014 Restated Note 4
NON-CURRENT ASSETS:				
Tangible assets	10	1,539,139,683	1,798,574,339	1,820,583,824
Intangible assets	11	204,399,410	185,442,788	163,731,471
Goodwill	12	518,417,011	498,166,236	498,186,402
Investments in joint ventures and associates	6 and 13	47,582,327	40,703,708	51,797,067
Other investments	7, 9 and 13	12,164,765	11,572,032	13,401,237
Deferred tax assets	20	56,737,847	81,753,780	117,412,133
Other non-current assets	9 and 14	11,633,297	29,450,786	23,103,739
Total Non-Current Assets		2,390,074,340	2,645,663,669	2,688,215,873
CURRENT ASSETS:				
Inventories	15	634,365,983	601,898,771	588,396,336
Trade account receivables	9 and 16	58,215,243	40,207,957	43,070,196
Other debtors	9 and 17	101,470,215	82,151,592	90,687,013
Taxes recoverable	18	48,839,730	44,956,433	47,359,471
Other current assets	19	74,479,518	88,519,537	58,912,883
Investments	9 and 13	2,506,086	4,001,344	42,105
Cash and cash equivalents	9 and 21	89,020,049	101,826,265	71,510,332
Total Current Assets		1,008,896,824	963,561,899	899,978,336
Assets available for sale	22	131,044,139	-	-
TOTAL ASSETS		3,530,015,303	3,609,225,568	3,588,194,209
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	23	1,000,000,000	1,000,000,000	1,000,000,000
Own shares	23	(320,000,000)	(320,000,000)	(320,000,000)
Legal reserve		170,940,266	141,237,816	140,642,469
Reserves and retained earnings		(257,533,311)	(252,701,251)	(214,478,479)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		70,039,847	70,697,244	-
Equity attributable to the equity holders of the Parent Company		663,446,802	639,233,809	606,163,990
Equity attributable to non-controlling interests	24	52,292,885	80,234,962	84,312,167
TOTAL EQUITY		715,739,687	719,468,771	690,476,157
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9 and 25	294,693,494	67,250,948	114,694,578
Bonds	9 and 25	297,670,973	317,220,715	646,307,863
Obligation under finance leases	9, 25 and 26	2,423,501	4,236,417	7,630,324
Other loans	9 and 25	1,347,110	17,707	53,936
Other non-current liabilities	9 and 28	437,223,223	437,747,822	444,708,892
Deferred tax liabilities	20	70,495,516	91,057,069	116,937,919
Provisions	33	11,585,642	22,396,928	29,588,227
Total Non-Current Liabilities		1,115,439,459	939,927,606	1,359,921,739
CURRENT LIABILITIES:				
Loans	9 and 25	89,590,587	22,457,132	56,774,365
Bonds	9 and 25	49,962,080	379,724,734	9,990,122
Obligation under finance leases	9, 25 and 26	3,142,651	4,406,849	4,185,507
Other loans	9 and 25	887,477	616,335	1,448,609
Trade creditors	9 and 30	1,143,806,164	1,131,212,718	1,143,639,351
Other creditors	9 and 31	129,800,313	128,100,485	90,860,537
Taxes and contributions payable	18	65,321,335	73,715,530	49,720,914
Other current liabilities	32	213,505,600	206,157,151	178,458,919
Provisions	33	2,819,950	3,438,257	2,717,989
Total Current Liabilities		1,698,836,157	1,949,829,191	1,537,796,313
TOTAL LIABILITIES		2,814,275,616	2,889,756,797	2,897,718,052
TOTAL EQUITY AND LIABILITIES		3,530,015,303	3,609,225,568	3,588,194,209

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

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

(Amounts expressed in euro)	Notes	31 December 2015	31 December 2014
Sales	36	4,796,464,501	4,768,352,819
Services rendered	36	63,016,525	52,135,116
Investment income	37	(4,111,410)	(9,458,055)
Financial income	38	18,037,124	6,392,741
Other income	39	678,813,889	519,043,204
Cost of goods sold and materials consumed	15	(3,930,194,950)	(3,761,067,233)
Changes in stocks of finished goods and work in progress		(46,783)	(98,002)
External supplies and services	40	(599,413,077)	(581,950,752)
Staff costs	41	(597,386,328)	(585,808,648)
Depreciation and amortisation	10 and 11	(160,781,054)	(159,046,910)
Provisions and impairment losses	33	(11,412,380)	(8,057,402)
Financial expenses	38	(70,323,480)	(73,090,412)
Other expenses	42	(86,540,063)	(64,131,121)
Share of results of joint ventures and associated undertakings	6	(2,727,279)	(2,071,468)
Profit/(Loss) before taxation		93,395,235	101,143,877
Taxation	43	(20,516,391)	(28,180,333)
Profit/(Loss) after taxation		72,878,844	72,963,544
Attributable to:			
Equity holders of the Parent Company		70,039,847	70,697,244
Non-controlling interests	24	2,838,997	2,266,300
Profit/(Loss) per share			
Basic	45	0.077822	0.078552
Diluted	45	0.077822	0.078552

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

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

<i>(Amounts expressed in euro)</i>	31 December 2015	31 December 2014
Net Profit / (Loss) for the period	72,878,844	72,963,544
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	551,071	(186,970)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 6.3)	(2,095,489)	725,964
Changes in hedge and fair value reserves	(1,499,933)	2,490,366
Deferred taxes related with other components of comprehensive income	365,993	(643,225)
Other comprehensive income for the period	(2,678,358)	2,386,135
Total comprehensive income for the period	70,200,486	75,349,679
Attributable to:		
Equity holders of Parent Company	67,472,539	73,036,978
Non controlling interests	2,727,947	2,312,701

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2015 AND 2014

(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											
	Reserves and Retained Earnings								Net Profit/(Loss)	Total	Non-controlling interests (Note 24)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Hedging Reserve	Legal reserves in accordance with article 324º CSC	Other Reserves and Retained Earnings	Total				
Balance as at 1 January 2014	1,000,000,000	(320,000,000)	140,642,469	628,573	(439,433)	320,000,000	(434,564,805)	(114,375,665)	(84,265,323)	622,001,481	84,312,167	706,313,648
Effects of restatement (Note 4)	-	-	-	-	-	-	(15,837,491)	(15,837,491)	-	(15,837,491)	-	(15,837,491)
Balance as at 1 January 2014 - Restated	1,000,000,000	(320,000,000)	140,642,469	628,573	(439,433)	320,000,000	(450,402,296)	(130,213,156)	(84,265,323)	606,163,990	84,312,167	690,476,157
Total comprehensive income for the period	-	-	-	(192,528)	1,806,298	-	725,964	2,339,734	70,697,244	73,036,978	2,312,701	75,349,679
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	595,347	-	-	-	(84,860,670)	(84,860,670)	84,265,323	-	-	-
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(132,874)	(40,132,874)
Income distribution	-	-	-	-	-	-	-	-	-	-	(3,164,816)	(3,164,816)
Variation in percentage of subsidiaries	-	-	-	-	-	-	18,959	18,959	-	18,959	(3,092,216)	(3,073,257)
Others	-	-	-	-	-	-	13,882	13,882	-	13,882	-	13,882
Balance as at 31 December 2014 - Restated	1,000,000,000	(320,000,000)	141,237,816	436,045	1,366,865	320,000,000	(574,504,161)	(252,701,251)	70,697,244	639,233,809	80,234,962	719,468,771
Balance as at 1 January 2015 - Restated	1,000,000,000	(320,000,000)	141,237,816	436,045	1,366,865	320,000,000	(574,504,161)	(252,701,251)	70,697,244	639,233,809	80,234,962	719,468,771
Total comprehensive income for the period	-	-	-	622,097	(1,093,916)	-	(2,095,489)	(2,567,308)	70,039,847	67,472,539	2,727,947	70,200,486
Appropriation of profit of 2014:												
Transfer to legal reserves and retained earnings	-	-	29,702,450	-	-	-	40,994,794	40,994,794	(70,697,244)	-	-	-
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(113,298)	(40,113,298)
Income distribution	-	-	-	-	-	-	-	-	-	-	(1,522,397)	(1,522,397)
Acquisitions of shares of affiliated undertakings	-	-	-	-	-	-	-	-	-	-	140,624	140,624
Variation in percentage of subsidiaries	-	-	-	-	-	-	(3,549,025)	(3,549,025)	-	(3,549,025)	(29,174,997)	(32,724,022)
Others	-	-	-	-	-	-	289,479	289,479	-	289,479	44	289,523
Balance as at 31 December 2015	1,000,000,000	(320,000,000)	170,940,266	1,058,142	272,949	320,000,000	(578,864,402)	(257,533,311)	70,039,847	663,446,802	52,292,885	715,739,687

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER
2015 AND 2014**

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

(Amounts expressed in euro)	Notes	31 December 2015	31 December 2014
OPERATING ACTIVITIES			
Cash receipts from trade debtors		4,855,503,466	4,828,641,380
Cash paid to trade creditors		(3,974,625,141)	(3,955,893,178)
Cash paid to employees		(602,103,057)	(576,759,408)
Cash flow generated by operations		278,775,268	295,988,794
Income taxes (paid) / received		(31,984,586)	10,351,301
Other cash receipts and (payments) relating to operating activities		(10,972,669)	25,978,463
Net cash flow from operating activities (1)		235,818,013	332,318,558
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	46	-	2,958,542
Tangible assets		184,768,832	25,833,582
Intangible assets		185,024	3,330
Interests and similar income		7,509,972	1,567,359
Loans granted		87,509,000	12,578,370
Dividends		448,973	168,325
		280,421,801	43,109,508
Cash Payments arising from:			
Investments	46	(31,550,174)	-
Tangible assets		(169,724,963)	(136,340,034)
Intangible assets		(37,408,464)	(35,625,225)
Loans granted		(72,434,000)	(12,763,370)
		(311,117,601)	(184,728,629)
Net cash flow used in investment activities (2)		(30,695,800)	(141,619,121)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		4,010,284,873	3,786,324,614
Investments	46	30,174,078	1,829,199
		4,040,458,951	3,788,153,813
Cash Payments arising from:			
Loans obtained		(4,083,024,267)	(3,829,935,692)
Investments	46	(82,794,856)	(5,850,351)
Interests and similar charges		(61,390,190)	(67,297,606)
Dividends		(41,510,730)	(43,200,091)
Others		(1,871,037)	(1,879,017)
		(4,270,591,079)	(3,948,162,757)
Net cash flow used in financing activities (3)		(230,132,128)	(160,008,944)
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(25,009,915)	30,690,493
Effect of foreign exchange rate		247,165	100,191
Cash and cash equivalents at the beginning of the period	21	101,698,092	71,107,790
Cash and cash equivalents at the end of the period	21	76,441,012	101,698,092

The accompanying notes are part of these consolidated financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

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

(Amounts expressed in euro)

1 INTRODUCTION

Sonae Investimentos, SGPS, S.A., 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 5 to 7 the Sonae Investimentos Group ("Sonae Investimentos"). Sonae Investimentos operations and operating segments are described in the management report and in Note 47.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are as follows:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union applicable to economic period beginning on 1 January 2015, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting 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.

The accompanying 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 some financial instruments which are stated at fair value.

Additionally, for financial reporting purposes, fair value measurement is categorized in levels 1, 2 and 3, according to the level in which the used assumptions are observable and its significance, in what concerns fair value valuation, used in the measurement of assets/liabilities or its disclosure.

Level 1 - Fair value is determined based on active market prices for identical assets and liabilities;

Level 2 - The fair value is determined based on other data other than market prices identified in level 1 but they are possible to be observable; and

Level 3 - Fair value measurements derived from valuation techniques, whose main inputs are not based on observable market data.

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

Up to the financial statements approval date, the following standards interpretations, amendments and revisions some of which become mandatory during the year 2015, have been endorsed by the European Union.

With mandatory application on 1 January 2015:	Effective Date (for financial years beginning on/after)
IFRIC 21 - (Levies)	01 Jul 2014
Annual Improvements to IFRS (cycle 2011-1013)	01 Jan 2015

These standards were applied for the first time by the Group in 2015 and there is no significant impact on these financial statements.

The following standards, interpretations, amendments and revisions were endorsed by the European Union and are mandatory in the future financial years.

With mandatory application after 2015:	Effective Date (for financial years beginning on/after)
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

The Group did not proceed to the early adoption of any of these standards on the financial statements for the year ended on the 31 December 2015, since their application is not yet mandatory. There is no estimated significant impact on the accounts resulting from their application.

The following standards, interpretations, amendments and revisions were not endorsed by the European Union:

With mandatory application after 2015:	Effective Date (for financial years beginning on/after)
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) – (Clarification of several issues regarding the application of consolidation requirement by investment entities)	Undefined
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 between an investor and its associate or joint venture)	Undefined

The Group did not proceed with the early implementation of these standards on the financial statements for the year ended on the 31 December 2015 due to the fact that their application is not mandatory, lying in the process of analysing expected effects of these standards that with exception of IFRS 9, IFRS 15, and IFRS 16 are not expected to reflect significant impacts.

2.2 Consolidation Principles

The main accounting policies adopted by Sonae Investimentos are as follows:

a) Investments in Sonae Investimentos companies

Investments in companies in which Sonae Investimentos owns, directly or indirectly, controls are included in the consolidated financial statements using the full consolidation method.

Sonae Investimentos has control of the subsidiary when the company cumulatively fulfils the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights to variable results from its involvement with the subsidiary; and iii) the ability to use its power to affect its returns.

Sonae Investimentos reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the conditions of control listed above.

Equity and net profit attributable to minority shareholders are shown separately, under the caption non-controlling interests, in the consolidated statement of financial position and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Note 5.

The comprehensive income of an associated is attributable to the Sonae Investimentos Group Owners and non-controlling interests, even if the situation results in a deficit balance at the level of non-controlling interests.

Assets and liabilities of each Sonae Investimentos subsidiary are measured at their fair value at the acquisition date or control assumption, such measurement can be completed within twelve months after the date of acquisition. The excess of the consideration transferred plus the fair value of any previously held interests and non-controlling interests over the fair value of the identifiable net assets acquired is recognized as goodwill (Note 2.2.c)). Any excess of fair value of identifiable assets over consideration transferred, previously held interest and non-controlling interests recognized as income in profit or loss for the period of acquisition in the caption "Other income", after reassessment of the estimated fair value attributed to the net assets acquired. Sonae Investimentos will choose on transaction-by-transaction basis, the fair measurement of non-controlling interests, (i) according to the non-controlling interests share assets, liabilities and contingent liabilities of the acquired, or (ii) according to their fair value.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of gain of control or up to the effective date of loss of control, as appropriate.

Adjustments to the financial statements of Sonae Investimentos companies are performed, whenever necessary, in order to adapt accounting policies to those used by Sonae Investimentos. All intra-group transactions, balances, income and expenses and distributed dividends are eliminated on the consolidation process.

b) Investments in jointly controlled companies and associated companies

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement instead of rights to the assets and obligations for the liabilities of the joint arrangement. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties who share control.

In situations where the investment or financial interest and the contract concluded between the parties allows the entity holds joint control directly on the active or detention rights obligations inherent liabilities related to this agreement, it is considered that such joint agreement does not correspond to a joint venture but rather a jointly controlled operation. In 31 December 2015 and 2014 the Group not held jointly controlled operations.

Financial investments in associated companies are investments where Sonae Investimentos has significant influence. Significant influence (presumed when contributions are above 20%) is the power to participate in the financial and operating decisions of the entity, without, however, holding control or joint control over those decisions.

Investments in joint ventures and associates are recorded under the equity method.

Under the equity method, investments are recorded at cost, adjusted by the amount corresponding to Sonae Investimentos in comprehensive income (including net profit for the period) of jointly controlled entities and associates, against Sonae Investimentos comprehensive income or gains or losses for the year as applicable, and dividends received.

The excess of cost of acquisition over the fair value of identifiable assets and liabilities of each joint venture and associate at the acquisition date is recognized as goodwill (Note 2.2.c)), and is kept under which is included in the caption Investment in jointly controlled and associated companies. Any excess of Sonae Investimentos's share in the fair value of the identifiable net assets acquired over cost are recognized as income in the profit or loss for the period of acquisition, after reassessment of the estimated fair value of the net assets acquired under the caption "Share of results of joint ventures and associated undertakings".

An assessment of investments in jointly controlled and associated companies is performed when there is an indication that the asset might be impaired being any impairment loss recorded in the income statement. Impairment losses recorded in prior years that are no longer justifiable are reversed.

When Sonae Investimentos's share of losses exceeds the carrying amount of the investment, the investment is reported at null value and recognition of losses is discontinued, unless Sonae Investimentos is committed beyond the value of its investment. In these situations impairment is recorded for that amount.

Sonae Investimentos's share in not performed gains not related arising from transactions with jointly controlled and associated companies is eliminated in proportion to Sonae Investimentos's interest in the above mentioned entities against the investment on the same entity. Unrealised losses are as well eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

When the not performed gains or losses on transactions correspond to business activities, and taking into consideration the inconsistency existing between currently the requirements of IFRS 10 and IAS 28, Sonae Investimentos, taking into account the defined in amendment to IFRS 10 and IAS 28 proceeds to full gain/loss recognition in situations where there is loss of control of that business activity as a result of a transaction with a joint venture.

Investments in jointly controlled and associated companies are disclosed in Note 6.

c) Goodwill

The excess of consideration transferred in the acquisition of investments in subsidiaries, jointly controlled and associated companies plus the amount of any non-controlling interests (in the case of affiliated companies) over Sonae Investimentos's share in the fair value of the identifiable assets, liabilities and contingent liabilities of those companies at the date of acquisition, when positive, is shown as goodwill (Note 12) or as Investments in jointly controlled and associated entities (Note 6). The excess of the consideration transferred in the acquisition of investments in foreign companies the amounts of any non-controlling interests (in the case of affiliated companies) over the fair value of their identifiable assets, liabilities and contingent liabilities at the date of acquisition is calculated using the functional currency of each of those companies. Translation to Sonae Investimentos's functional currency (Euro) is made using the closing exchange rate. Exchange rate differences arising from this translation are recorded and disclosed in "Currency translation reserves".

Future contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the 'Goodwill', but only as long as they occur during the 'measurement period' (until 12 months after the acquisition-date) and as long as they

relate to facts and circumstances prior to that existed at the acquisition date, otherwise these changes must be recorded in profit or loss on the income statement.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders' funds captions, and without giving rise to any additional Goodwill and without any gain or loss recognised.

The moment a sales transaction generates a loss of control, assets and liabilities of the entity are derecognised, any interest retained in the entity sold is measured at fair value and any gain or loss calculated on the sale is recorded in results.

Goodwill is not amortised, but it is subject to impairment tests on an annual basis or whenever there are indications of impairment to check for impairment losses to be recognized. Net recoverable amount is determined based on business plans used by Sonae Investimentos management or on valuation reports issued by independent entities namely for real estate assets. Impairment losses recognized in the period are recorded in the income statement under the caption "Provisions and impairment losses".

Impairment losses related with goodwill will not be reversed.

The goodwill, if negative is recorded as income in the profit or loss for the period, at the date of acquisition, after reassessment of the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

d) Translation of financial statements of foreign companies

Assets and liabilities denominated in foreign currencies in the financial statements of foreign companies are translated to euro using exchange rates at date of the statement of financial position. Profit and loss and cash flows are converted to euro using the average exchange rate for the period. Exchange rate differences originated after 1 January 2004 are recorded as equity under Translation reserves in "Other Reserves and retained earnings". Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Retained earnings".

Goodwill and fair value adjustments arising from the acquisition of foreign companies are recorded as assets and liabilities of those companies and translated to euro using exchange rates at the statement of financial position date.

Whenever a foreign company is sold (totally or partially), accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income, when there is a control loss; in the case where there is no control loss, it is transferred to non-controlling interests.

Exchange rates used on translation of foreign group, jointly controlled and associated companies are listed below:

	31 December 2015		31 December 2014	
	End of period	Average of period	End of period	Average of period
Brazilian Real	0.23193	0.27451	0.31049	0.32063
Turkish Lira	0.31481	0.33228	0.35311	0.3443
Colombian Peso	0.00029	0.00033	0.00035	0.00038
Mexican Peso	0.05287	0.05693	0.05597	0.05665
Polish Zloty	0.23453	0.23915	0.23402	0.23895

2.3 Tangible assets

Tangible assets acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition or production cost, or revalued acquisition cost, in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Tangible assets acquired after that date is recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis, according to the estimated life cycle for each group of goods, starting from the date the asset is available for use in the necessary conditions to operate as intended by the management, and recorded against the income statement caption "Depreciation and amortisation" in the consolidated income statements.

Impairment losses identified in the recoverable amounts of tangible assets are recorded in the year in which they arise, by a corresponding charge against, the caption "Provisions and impairment losses" in the profit and loss statement.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Buildings	10 to 50
Plant and machinery	10 to 20
Vehicles	4 to 5
Tools	4 to 8
Fixture and fittings	3 to 10
Other tangible assets	4 to 8

Maintenance and repair costs relating to tangible assets are recorded directly as expenses in the year they are incurred.

Tangible assets in progress represent fixed assets still under construction-development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or become ready for use.

Gains or losses on sale or disposal of tangible assets are calculated as the difference between the selling price and the carrying amount of the asset at the date of its sale-disposal. These are recorded in the income statement under either "Other income" or "Other expenses".

2.4 Intangible assets

Intangible assets are stated at acquisition or production cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them, if they are controlled by Sonae Investimentos and if their cost can be reliably measured.

Research expenditure associated with new technical knowledge is recorded as an expense recorded in the income statement when it is incurred.

Expenditure on development is recognized as an intangible asset if Sonae Investimentos demonstrates the technical feasibility and its intention to complete the asset, its ability to sell or use it and the probability that the asset will generate future economic benefits. Expenditure on development which does not fulfil these conditions is recorded as an expense in the period in which it is incurred.

Internal costs associated with maintenance and development of software is recorded as an expense in the period in which they are incurred. Only costs directly attributable to projects for which the generation of future economic benefits for Sonae Investimentos is probable are capitalised as intangible assets. According to these assumptions, the costs are initially accounted for as expenses, being capitalized as intangible assets by mean of "Own work capitalized".

The expenses incurred with the acquisition of client portfolio's (attributed value relating to the allocation of the purchasing price in business activity concentration) are stated as intangible assets and amortized on straight-line bases, during the average estimated period of portfolio's client retention.

Brands and patents are recorded at their acquisition cost and are amortised on a straight-line basis over their respective estimated useful life. When the estimated useful life is undetermined, they are not depreciated but are subject to annual impairment tests.

Amortisation is calculated on a straight-line basis, as from the date the asset is first used, over the expected useful life which usually is between 3 and 7 years. It is recorded in the caption of "Amortizations and depreciations", in the income statement.

2.5 Accounting for leases

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

The analysis of the transfer of risks and rewards of ownership of the asset takes into account several factors, including whether or not ownership is contractually conditioned to assume ownership of the asset, the value of minimum future payments over the contract, nature of the leased asset and the duration of the contract taking into consideration the possibility of renewal, when that renewal is considered to be probable.

Whether a lease is classified as finance or an operating lease depends on the substance of the transaction rather than the form of the contract.

a) Accounting for leases where Sonae Investimentos is the lessee

Tangible assets acquired under finance lease contracts and the related liabilities, are recorded in accordance with the financial method. Under this method, the tangible assets, the correspondent accumulated depreciation and the related liability are recorded in accordance with the contractual financial plan at fair value or, if less, at the present value of payments. In addition, interests included in lease payments and the depreciation of the tangible assets is recorded as expenses in the profit and loss statement for the period to which they relate.

In operating leases, rents are recognized as expenses in the income statement on a straight line basis over the lease period.

Possible incentives received related with leases are recorded as liabilities and recognized in a straight line over the lease period. Similarly amounts to be offset against future income are recognized as assets and reversed over the lease period.

b) Accounting for leases where Sonae Investimentos is the lessor

For operating leases where Sonae Investimentos acts as lessor, the value of allocated goods is kept on Sonae Investimentos statement of financial position and income is recognized on a straight line basis over the period of the lease contract.

c) The accounting treatment of Sale and Leaseback operations

The accounting treatment of Sale and Leaseback operations depends on the substance of the transaction by applying the principles explained previously on lease agreements. In case of sale of assets followed by operating lease contracts, the Company recognizes a gain related with the fair value of the asset sold deducted from the book value of the leased asset. In situations where the assets are sold for an amount higher than its fair value or when the Group receives a higher price as compensation for expenses to be incurred, namely with costs that are traditionally the owner's responsibility, such amounts is deferred over the lease period.

2.6 Non-current assets held for sale

The non-current assets (or disposal group) are recorded as held for sale if it is expected that the book value will be recovered through the sale and not through the use in the operations. This condition is achieved only if the sale is highly probable and the asset (or disposal group) is available for the immediate sale in the actual conditions. Additionally, there must be in progress actions that should allow concluding the sale within 12 months counting from the classification's date in this caption. The non-current assets (or disposal group) recorded as held for sale are booked at the lower amount of the historical cost or the fair value deducted from costs, not being amortized after being classified as held for sale.

2.7 Government grants

Government grants are recorded at fair value when there is reasonable assurance that they will be received and that Sonae Investimentos will comply with the conditions attaching to them.

Grants received as compensation for expenses, namely grants for personnel training, are recognized as income in the same period as the relevant expense.

Grants related to depreciable assets are disclosed as "Other non-current liabilities" and are recognized as income on a straight-line basis over the expected useful lives of those underlying assets.

2.8 Impairment of non-current assets, except for Goodwill

Assets are assessed for impairment at each statement of financial position date whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement under Provisions and impairment losses.

The recoverable amount is the higher of an asset's fair value net of costs to sell and its value in use. Fair value net of costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

In situations where the use of the asset will be expectedly discontinued (stores to be closed on the remodelling processes) the Group performs a review of the asset's useful life after considering its impact on the value of use of that asset for terms of impairment analysis, particularly on the net book value of the assets to derecognise.

Reversal of impairment losses recognized in prior exercises is only recorded when it is concluded that the impairment losses recognized for the asset no longer exist or have decreased. This analysis is performed whenever there is an indication that the impairment loss previously recognized has been reversed. The reversal is recorded in the income statement as Operational income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for that asset in prior years.

2.9 Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses on an accruals basis.

Financial expenses related to loans obtained for the acquisition, construction or production of fixed assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended. Any income earned on funds temporarily invested pending their expenditure on the qualifying asset, is deducted from the financial expenses that qualify for capitalisation.

2.10 Inventories

Consumer goods and raw materials are stated at the lower of cost deducted from discounts obtained and net realisable value. Cost is determined on a weighted average basis.

Differences between cost and net realisable value, if negative, are shown as expenses under the caption "Cost of goods sold and materials consumed", as well as Impairment Reversions.

2.11 Provisions

Provisions are recorded when, and only when, Sonae Investimentos has an obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the statement of financial position date to reflect the best estimate as of that date.

Restructuring provisions are recorded by Sonae Investimentos whenever a formal and detailed restructuring plan exists and that plan has been communicated to the parties involved.

2.12 Financial Instruments

Sonae Investimentos classifies the financial instruments in the categories presented and conciliated with the Consolidated Statement of financial position disclosed in Note 9.

a) Investments

Investments are classified into the following categories:

- Held to maturity;
- Investments measured at fair value through profit or loss;
- Available for sale.

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and Sonae Investimentos has the intention and ability to hold them until the maturity date.

The investments measured at the fair value through profit or loss include the investments held for trading that Sonae Investimentos acquires with the purpose of trading in the short term. They are classified in the consolidated statement of financial position as current investments.

Sonae Investimentos classifies as available-for-sale investments those that are neither included as investments measured at fair value through profit or loss neither as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are recorded at acquisition value, usually, which is the fair value of the consideration paid for them, including transaction costs apart from investment measured at fair value through results, in which the investments are initially recognized at fair value and transaction costs are recognized in the income statement.

After initial recognition, investments measured at fair value through profit or loss are subsequently revalued at fair value, without any deduction for transaction costs which may be incurred on sale, by reference to their listed market price at the statement of financial position date. Available-for-sale not listed and whose fair value cannot be reliably measured, are recorded at cost less impairment losses.

Gains or losses arising from a change in fair value of available-for-sale investments are recognized directly in equity, under "Investments Fair value reserve", until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss for the period. A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also objective evidence of impairment.

Equity instruments classified as available for sale are considered to be impaired if there is a significant or prolonged decline in its fair value below its acquisition cost.

Gains or losses arising from a change in fair value of investments measured at fair value through the income statement are recorded in the caption "Gains and losses in investments recorded at fair value through results" of consolidated profit results.

Held to maturity investments are carried at amortised cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Loans and non-current accounts receivable

Loans and non-current accounts receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when Sonae Investimentos provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, when they are classified as non-current assets. Loans and receivables are included in the captions presented in Note 9.

c) Trade accounts receivable and other accounts receivable

"Trade accounts receivables" and "Other accounts receivable" are recorded at their nominal value and presented in the consolidated statement of financial position net of eventual impairment losses, recognized under the allowance account "Impairment losses on accounts receivable", in order to reflect its net realisable value. These captions, when classified as current, do not include interests because the effect of discounting would be immaterial.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each Sonae Investimentos company takes into consideration market information that indicates:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

When it's not feasible to assess the impairment for every single financial asset, the impairment is assessed on a collective basis. Objective evidence of impairment of a portfolio of receivables could include Sonae Investimentos past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the discount is considered null as it is immaterial.

d) Classification as Equity or Liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Sonae Investimentos after deducting all of its liabilities. Equity instruments issued by Sonae Investimentos are recorded at the proceeds received, net of direct issue costs.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 2.9. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Funding on the form of commercial paper are classified as non-current, when they have guarantees of placing for a period exceeding one year and it is the intention of the Sonae Investimentos group to maintain the use of this form of financing for a period exceeding one year.

f) Trade accounts payable

Accounts payable are stated at their nominal value, as they do not bear interests and the effect of discounting is considered immaterial.

g) Confirming

Some subsidiaries within the retail business maintain agreements with financial institutions in order to enable its suppliers to an advantageous tool for managing its working capital by the confirmation by these subsidiaries of the validity of invoices and credits that these suppliers hold over these companies.

Under these agreements, some suppliers freely engage into contracts with these financial institutions that allow them to anticipate the amounts receivable from these retail subsidiaries, after confirmation of the validity of such receivables by these subsidiaries.

These retail subsidiaries consider that the economic substance of these financial liabilities does not change, therefore these liabilities are kept as accounts payable to Suppliers until the normal maturity of these instruments under the general supply agreement established between the company and the supplier, whenever (i) the maturity corresponds to a term used by the industry in which the company operates, this means that there are no significant differences between the payment terms established with the supplier and the industry, and (ii) the company does not have net costs related with the anticipation of payments to the supplier when compared with the payment within the normal term of this instrument. In some situations such subsidiaries receive a commission from the financial institutions.

In the due date of such invoice, the amount is paid by the subsidiaries to the financial institution regardless whether or not it anticipated those amounts to the suppliers.

h) Derivatives

Sonae Investimentos uses derivatives in the management of its financial risks to hedge such risks and/or in order to optimise the funding costs.

Derivatives classified as cash flow hedging instruments are used by the Sonae Investimentos mainly to hedge interest risks on loans obtained and exchange rate. Conditions established for these cash flow hedging instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The inefficiencies, if any, are accounted under "Financial income" or "Financial expenses" in the consolidated income statement.

Sonae Investimentos criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- The hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- The effectiveness of the hedge can be reliably measured;
- There is adequate documentation of the hedging relationships at the inception of the hedge;
- The transaction being hedged is highly probable.

Cash flow hedge instruments used by the Sonae Investimentos to hedge the exposure to changes in interest and exchange rates of its loans are initially accounted for at cost, if any, which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption "Hedging reserves", and then recognized in the income statement over the same period in which the hedged instrument affects profit or loss.

The accounting of hedging derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption "Hedging reserve" are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction or stay in equity if there is a high probability that the hedge transaction will occur. Subsequent changes in the revaluations are recorded in the income statement.

Sonae Investimentos also uses financial instruments with the purpose of cash flow hedging, that essentially refer to exchange rate hedging ("forwards") of loans and commercial operations. If they configure a perfect hedging relation, hedge accounting is used. In certain situations such as loans and other commercial operations, they do not configure perfect hedging relations, and so do not receive hedge accounting treatment, although they allow in a very significant way, the reduction of the loan and receivable-payable exchange volatility, nominated in foreign currency.

Sonae Investimentos may agree to become part of a derivative transaction in order to hedge cash-flows related to exchange rate risk. In some cases, these derivatives may not fulfil the criteria for hedging accounting under IAS 39, and if so changes in their fair value are recognized in the income statement.

In some derivative transactions Sonae Investimentos does not apply "hedge accounting", although they intend to hedge cash-flows (currency "forward", interest's rate option or derivatives including similar clauses). They are initially accounted for at value, and subsequently adjusted to the corresponding fair

value, determined by specialized software. Changes in fair value of these instruments are recognized in the income statement under “Financial income” and “Financial expenses”.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics of the host contract, and these are not stated at fair value, gains and losses which are not realizable are recorded in the Income Statement.

Sonae Investimentos may agree to become part of a derivative transaction in order to fair value hedge some interest rate exposure. In these cases, derivatives are recorded at fair value through profit or loss and the effective portion of the hedging relationship is adjusted in the carrying amount of the hedged instrument, if not stated at fair value (namely loans recorded at amortised cost), through profit or loss.

i) Owen shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in “Other Reserves”, included in “Other Reserves and retained earnings”.

j) Cash and cash equivalents

Amounts included under the caption “Cash and cash equivalents” correspond to amounts held in cash and term bank deposits and other treasury applications, which mature in less than three months, and where the risk of change in value is insignificant.

The caption “Cash and cash equivalents” in the consolidated cash flow statement also includes bank overdrafts, which are reflected in the consolidated balance sheet caption in “Other loans”.

All the amounts included in this caption can be reimbursed at demand as there are no pledges or guarantees over these assets.

2.13 Share-based payments

Share-based payments result from deferred performance bonus plans which were attributed by Sonae Investimentos, and are indexed to the evolution of Sonae SGPS, S.A. shares’ price (Parent Company of Sonae Investimentos, SGPS, S.A.) and vest within a period of 3 years after being granted.

The value of these responsibilities are determined on the grant date (usually in April of each year) and subsequently re-measured at the end of each reporting period, based on the number of shares or options granted and the corresponding fair value at the closing date. These obligations are stated as staff costs and other current and non-current liabilities on a straight line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates, in proportion to the time elapsed between these dates in the case of assignment rights on redeemable shares in cash according to their fair value at the statement of financial position date.

2.14 Contingent assets and liabilities

Contingent assets are not recorded in the consolidated financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the consolidated financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

2.15 Income tax

The tax charge for the year is determined based on the taxable income of companies included on consolidation and considers deferred taxation.

Current income tax is determined based on the taxable income of companies included on consolidation, in accordance with the tax rules in force in the respective country of incorporation.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually re-measured using the tax rates that have been enacted or substantively enacted and therefore are expected to apply when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each statement of financial position date a review is made of the deferred tax assets recognized, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in equity.

The value of taxes recognised in the financial statements correspond to the understanding of Sonae Investimentos on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate.

In situations where such positions will be challenged by the tax authorities as part of their skills by your interpretation is distinct from Sonae Investimentos, such a situation is the subject of review. If such a review, reconfirm the positioning of the Group concluded that the probability of loss of certain tax process is less than 50%, Sonae Investimentos treats the situation as a contingent liability, i.e. is not recognized any amount of tax since the decision more likely is that there will be no place for the payment of any tax. In situations where the probability of loss is greater than 50% is recognized a provision, or if the payment is recognized the cost associated.

In situations in which payments were made to Tax Authorities under special schemes of regularization of debts, in which the related tax is Income Tax, and that cumulatively keep the respective lawsuits in progress and the likelihood of success of such lawsuits is greater than 50%, such payments are recognized as assets, as these amounts correspond to determined amounts, which will be reimbursed to the entity, (usually with interests) or which may be used to offset the payment of taxes that will be due by the group, in which case the obligation in question is determined as a present obligation.

2.16 Accrual basis and revenue recognition

Revenue from the sale of goods is recognized in the income statement when the risks and benefits have been transferred to the buyer and the amount of the revenue can be measured reasonably. Sales are recognized net of sales taxes and discounts and other expenses arising from the sale, and are measured as the fair value of the amount received or receivable.

Revenue associated with extended warranties operations, which are granted for a period of 1 to 3 years, after the legally binding warranty of 2 years, by the specialized retail operating Segment, and are recognized in a straight line basis over the warranty lifetime period. The revenue associated with warranties sold but for which the legal binding warranty hasn't yet expired is accounted under the captions of the Statement of Financial Position "Other non-current liabilities" and "Other current liabilities" (Notes 28 and 32).

The deferral of revenue related with customer loyalty plans, awarding discounts on future purchases, by the food retail operating Segments, is quantified taking into account the probability of exercising the above mentioned discounts and are deducted from revenue when they are generated. The corresponding liability is presented under the caption "Other creditors".

Dividends are recognized as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

"Other current assets" and "Other current liabilities" include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses of future years, when they will be recognized in the income statement.

2.17 Balances and transactions expressed in foreign currencies

Transactions are recorded in the separate financial statements of the subsidiaries in the functional currency of the subsidiary, using the rates in force on the date of the transaction.

At each statement of financial position date, all monetary assets and liabilities expressed in foreign currencies are translated to the functional currency of each foreign company at the exchange rates as at that date. All non-monetary assets and liabilities recorded at fair value and stated in foreign currencies are converted to the functional currency of each company, using the exchange rate at the date the fair value was determined.

Exchange gains and losses arising from differences between historical exchange rates and those prevailing at the date of collection, payment or the date of the statement of financial position, are recorded as income or expenses of the period, except for those related to non-monetary assets or liabilities, for which adjustments to fair value are directly recorded under equity.

When Sonae Investimentos wants to reduce currency exposure, it negotiates hedging currency derivatives (Note 2.12.h)).

2.18 Subsequent Events

Events after the statement of financial position date that provide additional information about conditions that existed at the statement of financial position date (adjusting events), are reflected in the consolidated financial statements. Events after the statement of financial position date that are non-adjusting events are disclosed in the notes when material.

2.19 Judgements and estimates

The most significant accounting estimates reflected in the consolidated income statements include:

- a) Useful lives of the tangible and intangible assets;
- b) Impairment analysis of goodwill in investments in associated companies and jointly controlled entities and of tangible and intangible assets;
- c) Recognition of adjustments on assets, provisions and contingent liabilities;
- d) Determining the fair value of investment properties and derivative financial instruments;
- e) Recoverability of deferred tax assets;
- f) Valuation at fair value of assets, liabilities and contingent liabilities in business combination transactions.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by Sonae Investimentos nor foreseeable, some could occur and have impact on the estimates. Changes to estimates that occur after the date of these consolidated financial statements, will be recognized in net income, in accordance with IAS 8, using a prospective methodology.

The main estimates and assumptions in relation to future events included in the preparation of consolidated financial statements are disclosed in the corresponding notes.

2.20 Segment information

Information regarding operating segments identified is included in Note 47.

2.21 Legal reserves, other reserves and transited results

Legal reserves:

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the Company, but it may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Hedging Reserves:

The Hedging reserve reflects the changes in fair value of “cash flow” hedging derivatives that are considered as effective (Note 2.12.h)) and is not distributable or used to cover losses.

Currency translation reserve:

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of Sonae Investimentos foreign subsidiaries and joint ventures into Euro, in accordance with the accounting policy described in Note 2.17.

Legal reserve in accordance with article 324 of CSC:

The reserves constituted according to Art. 324 of ("CSC"), reflect the value of treasury shares acquired in the period and comply with commercial legislation relating with legal reserves.

According to Portuguese commercial legislation the amount of distributable reserves is computed considering the Company's individual financial statements presented in accordance with International Financial Reporting Standards as adopted by the European Union.

3 FINANCIAL RISK MANAGEMENT

Risk management general principles are approved by the Board of Directors, and its implementation is supervised by the Sonae Investimentos's finance department.

3.1 Market risk

The interest and exchange rate risk have a decisive importance in what concerns market risk management.

Derivatives are used to hedge certain exposures related to Sonae Investimentos market risk and, Sonae Investimentos does not enter into derivatives or other financial instruments for trading or speculative purposes.

3.1.1 Interest rate risk

Sonae Investimentos exposure to interest rates arises mainly from long term loans which bear interests at Euribor plus spread.

Sensitivity analysis:

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest rate financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity;
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the consolidated net profit before tax for the period ended as at 31 December 2015 would decrease by approximately 5.7 million euro (6.7 million euro as at 31 December 2014), considering the contractual fixing dates and excluding other effects arising from the company operations.

3.1.2 Exchange rate risks

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the transactions are denominated in euro. Sonae Investimentos is mainly exposed to exchange rate risk through transactions relating to acquisitions of goods in international markets, which are in US Dollars.

The exchange risk management purpose is to provide a stable decision platform when deciding and negotiating the purchases of inventories establishing fixed exchange rates. The hedging accompanies all the purchase process, since procurement up to the formal agreement of purchase.

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimizing the negative impacts of volatility in exposure level as a consequence of changes of the amounts of imports denominated in other currencies rather than euro.

As at 31 December 2015 and 2014 the assets and liabilities denominated in a currency different from the subsidiary functional currency where the following:

	Assets		Liabilities	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Euro	228,182	314,927	4,616,277	649,129
Brazilian Real	-	9,183,930	1,357	7,186,149
British Pound	2,070	-	85,065	186,386
US Dollar	2,846,685	4,072,426	22,388,944	19,027,895
Other Currencies	12,519	89,181	69,379	63,441

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the affiliated or jointly controlled company. Therefore it does not represent any risk of financial statements translation. Due to the short-term character of the majority of monetary assets and liabilities and the magnitude of its net value, the exposure to currency risk is immaterial and therefore a sensitivity analysis to changes in the exchange rate isn't presented.

3.2 Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the group has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy, through the management of the trade-off cost and maturity of debt.

Sonae Investimentos follows an active policy of re-financing its debts by maintaining a high level of unused and available on demand resources to face short term needs and by increasing or maintaining an adequate debt maturity, according to the estimated cash-flows, and to the capability of leveraging its statement of financial position. At the end of 2015, Sonae Investimentos's average debt maturity was approximately 2.9 years (1.8 years as at December 2014).

Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination is also considered as an important mean of managing liquidity risk. The group also assures, in its relationship with financial institutions, a high level of diversification of financing sources and counterparties, in order to ease the ability of entering new loan agreements and to minimize the effects of any relationship discontinuance.

A liquidity reserve in form of credit lines with its relationship banks is maintained by Sonae Investimentos, to ensure the ability to meet its commitments without having to refinance itself in unfavourable terms. The value of loans maturing in 2016 is of 144 million euro (407 million euro maturing in 2015) and as at 31 December 2015, Sonae Investimentos had undrawn committed credit facilities of 61 million euro (176 million euro in 2014) cancellable within a previous notice of less than one year and 340 million euro (453 million euro in 2014) cancellable with a previous notice of no less than one year. Additionally, Sonae Investimentos held, as at 31 December 2015, cash and cash equivalents and current investments amounting to 89 million euro (102 million euro as at 31 December 2014). Consequentially, Sonae Investimentos expects to meet all its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.

The liquidity analysis of each class of financial liabilities is presented in the corresponding notes.

3.3 Credit Risk

Sonae Investimentos is exposed to the credit risk in its current operational activity. The credit risk in the scope of its current operational activity is managed through a system of gathering financial and qualitative information from independent entities that supply risk information, in order to allow the assessment of credit risk from debtors. The credit risk from suppliers arises from advances made to or discounts billed to suppliers and are mitigated by the expectation of maintaining the commercial relationship. The amounts presented in the statement of financial position are net of impairment losses, thus reflect its fair value.

Sonae Investimentos is also exposed to the credit risk in its relationship with financial institutions, in result of bank deposits, debt instruments available facilities, derivatives, among others.

The credit risk is limited to financial institutions, by risk concentration management and by a selection of counterparties, which have a high national and international prestige and based on their respective rating notations taking into account the nature, maturity and size of the operations.

3.4 Capital Risk

The capital structure of Sonae Investimentos, determined by the proportion of equity and net debt is managed in order to ensure continuity and development of its operations, maximize the return on shareholders and optimize financing costs.

Sonae Investimentos periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures for the achievement of these objectives.

4 RESTATEMENT OF FINANCIAL STATEMENTS

Under the Special Regime of Debt Adjustments to Tax Authorities and Social Security (Decree Law No. 248-A of 2002 (PMFL) and Decree Law No. 151-A/2013 (RERD)), Sonae Investimentos has voluntarily made payments in the past years relating to additional tax assessments, for which, Sonae Investimentos had already appealed to the competent courts.

Until the time of those payments the assessment made which has not changed since then, is that these claims correspond to contingencies in which the probability of being decided against Sonae investimentos intents is remote and that such claims are motivated by different interpretations of the applicable tax legislation, hence corresponding to uncertain tax positions. As a result of this evaluation made by the Group, these claims were disclosed in the Notes to the financial statements, as these claims correspond to contingent liabilities.

Amounts paid under those programs were accounted for as assets under the caption "Other debtors", according to IAS 12 - Income taxes in the case of amounts related with IRC (Portuguese Income Tax). In what concerns payments of other taxes, and considering that applicable accounting standards are silent in relation with those, Sonae Investimentos applied by analogy the accounting policy, meaning that these payments were also accounted for as assets.

However, during the verification process of 2012 accounts, CMVM disagreed with Sonae Investimentos's interpretation and requested the restatement of the financial statements for the 1st quarter of 2015 in what concerns to payments made of taxes, arguing that the tax payments which exclude income tax should be considered contingent assets. Although disagreeing with the CMVM's positioning, Sonae Investimentos performed the restatement of the financial statements for that period, which had no impact in the income statement and has an immaterial impact in the statement of financial position.

The impact of the restatement in the statement of financial position can be analysed as follows:

	31 December 2014			01 January 2014		
	Before the restatement	Restated of PMFL and RERD	After the restatement	Before the restatement	Restated of PMFL and RERD	After the restatement
Amounts in thousands of euros						
Assets						
Tangible and Intangible assets	1,984,017	-	1,984,017	1,984,315	-	1,984,315
Goodwill	498,166	-	498,166	498,186	-	498,186
Investments	52,276	-	52,276	65,198	-	65,198
Deferred tax assets	81,754	-	81,754	117,412	-	117,412
Other non-current assets	45,288	(15,837)	29,451	23,104	-	23,104
Non-current assets	2,661,501	(15,837)	2,645,664	2,688,215	-	2,688,215
Current assets	963,562	-	963,562	915,816	(15,837)	899,979
Total assets	3,625,063	(15,837)	3,609,226	3,604,031	(15,837)	3,588,194
Liabilities						
Loans	388,726	-	388,726	768,687	-	768,687
Other non-current liabilities	551,202	-	551,202	591,235	-	591,235
Non-current liabilities	939,928	-	939,928	1,359,922	-	1,359,922
Loans	510,624	-	510,624	72,399	-	72,399
Other current liabilities	1,439,205	-	1,439,205	1,465,397	-	1,465,397
Total current liabilities	1,949,829	-	1,949,829	1,537,796	-	1,537,796
Total liabilities	2,889,757	-	2,889,757	2,897,718	-	2,897,718
Shareholders' funds excluding non-controlling interests	655,071	(15,837)	639,234	622,001	(15,837)	606,164
Non-controlling interests	80,235	-	80,235	84,312	-	84,312
Total shareholders' funds	735,306	(15,837)	719,469	706,313	(15,837)	690,476
Total shareholders' funds and liabilities	3,625,063	(15,837)	3,609,226	3,604,031	(15,837)	3,588,194

5 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae Investimentos as at 31 December 2015 and 31 December 2014 are as follows:

Percentage of capital held

Company	Head Office	31 December 2015		31 December 2014	
		Direct*	Total*	Direct*	Total*
Sonae Investimentos- SGPS, S.A.	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	a) Matosinhos	100.00%	100.00%	100.00%	100.00%

Combustíveis, SA

	Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
1)	Elergone Energias, Lda	a)	Matosinhos	75.00%	75.00%	-	-
	Farmácia Seleção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	MJB – Design, Lda	a)	Maia	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 – Atividades 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

3)	Aduanas Caspe, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	-	-
3)	Comercial Losan Polonia SP. Z.O.O.	a)	Warsaw (Poland)	100.00%	100.00%	-	-
3)	Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	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%
3)	Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	-	-
	HighDome PCC Limited (Cell Europe)	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Infofield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Losan Colombia, S.A.S.	a)	Bogotá (Colombia)	100.00%	100.00%	-	-
3)	Losan Overseas Textile, S.L	a)	Zaragoza (Spain)	100.00%	100.00%	-	-
3)	Losan Tekstil Urun.V E Dis Ticaret, L.S.	a)	Istambul (Turkey)	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)	La Valletta (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%	51.00%	51.00%
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)	Cidade do Mexico (Mexico)	100.00%	100.00%	-	-
Worten Canarias, S.L.	a)	Tenerife (Spain)	60.00%	60.00%	51.00%	51.00%
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%
Zíppy Cocuk Maiz.Dag.Satis 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 Imosedede	a)	Maia	80.40%	80.40%	57.82%	57.82%
Fundo de Investimento Imobiliário Imosonaes Dois	a)	Maia	97.92%	97.92%	98.55%	98.55%
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 de Fafe, 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%
Sesaggest - 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 (Hungry)	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 (Netherlands)	100.00%	100.00%	100.00%	100.00%
Tlantic BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	77.66%	77.66%
Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	100.00%	72.10%	100.00%	77.66%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	72.10%	100.00%	77.66%

* the percentage of capital held "Total" is the total percentage of interest held by the Group; the percentage of capital held "Direct" corresponds to the percentage that subsidiary (ies) which hold(s) participation, hold(s) the share capital of that company.

- a) Control held by majority of voting rights which gives power of relevant activities;
- b) Control held by majority of Board members;
- 1) Company acquired in 2 November 2015, integrated in the consolidated financial statements since that date;
- 2) Company acquired in 31 de May de 2015, integrated in the consolidated financial statements since that date;
- 3) Company acquired in 19 November 2015, integrated in the consolidated financial statements as of 31 December 2015.

These entities were consolidated using the full consolidation method.

6 JOINT VENTURES AND ASSOCIATED COMPANIES

6.1 Detail of book value of Investment in joint ventures and associates

Joint ventures and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held as at 31 December 2015 and 31 December 2014 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		31 December 2015		31 December 2014		31 December 2015	31 December 2014
		Direct*	Total*	Direct*	Total*		
1) Raso SGPS, SA (consolidated)	Lisbon	-	-	50.00%	50.00%	-	-
Investments in joint ventures						-	-
MDS SGPS, SA (consolidated)	Maia	47.53%	47.53%	46.92%	46.92%	43,093,084	39,105,848
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,236,445	1,180,061
APOR- Agência para a Modernização do Porto, SA	Porto	23.00%	23.00%	23.00%	23.00%	373,147	417,799
2) Ulabox, S.L.	Barcelona	28.57%	28.57%	-	-	2,879,651	-
Investments in associated companies						47,582,327	40,703,708
Total						47,582,327	40,703,708

* 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.

- As at 29 June 2015, the Group acquired the remaining 50% of Raso SGPS, SA and classified this investment as a non-current asset held for sale (Note 22). In October the sale was realized;
- Associated acquired during the period.

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

6.2 Financial indicators of participations

As at 31 December 2015 and 2014, summary financial information of associated companies of the group can be analysed as follows:

Associated Companies	31 December 2015				31 December 2014		
	MDS SGPS, SA (Consolidated)*	Sempre a Postos*	Ulabox*	Others*	MDS SGPS, SA (Consolidado)	Sempre a Postos	Outros
Non-current assets	64,452,910	1,778,633	1,923,349	18,619	79,408,395	2,407,921	9,394
Current assets	22,408,075	10,076,920	2,548,955	1,679,225	20,903,270	9,551,507	1,911,071
Non-current liabilities	27,481,551	8,594	-	-	47,199,037	17,263	-
Total current liabilities	25,670,040	6,901,181	103,517	57,638	28,667,592	7,221,923	83,985
Shareholders' funds excluding non-controlling interests	33,709,394	4,945,778	4,368,786	1,640,206	24,445,035	4,720,242	1,836,480

Associated Companies	31 December 2015				31 December 2014		
	MDS SGPS, SA (Consolidated)*	Sempre a Postos*	Ulabox*	Others*	MDS SGPS, SA (Consolidated)*	Sempre a Postos	Others
Turnover	45,545,127	51,477,596	3,738,298	71,680	46,392,083	49,085,266	126,952
Other operational income	686,364	3,917,029	998,025	1,904	1,047,522	4,690,148	-
Operational expenses	(44,714,675)	(53,556,317)	(7,069,085)	(303,122)	(48,994,761)	(52,194,919)	(266,560)
Net financial expense	(6,215,415)	13,691	(39,010)	33,263	(3,101,722)	(4,955)	53,079
Taxation	234,203	(440,218)	577,431	(32)	1,400,902	(389,294)	(42)
Consolidated net income/(loss) for the year	(4,464,396)	1,411,781	(1,794,340)	(196,307)	(3,255,976)	1,186,246	(86,571)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	(4,464,396)	1,411,781	(1,794,340)	(196,307)	(3,255,976)	1,186,246	(86,571)

* Financial statements not yet approved.

6.3 Movements occurred in the period

During the year ended at 31 December 2015 and 2014, movements in investments in joint ventures and associates are as follows:

	31 December 2015			31 December 2014		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Joint ventures						
Initial balance as at January,1	-	-	-	1,629,998	8,520,204	10,150,202
Transfer to assets held for sale (Note 22)	-	(2,262,691)	(2,262,691)	-	-	-
Equity method:	-	-	-	-	-	-
Effect in gain or losses in joint controlled and associated companies	-	-	-	(118,793)	-	(118,793)
Accumulated impairment losses (Note 33)	-	2,262,691	2,262,691	(1,511,205)	(8,520,204)	(10,031,409)
	-	-	-	-	-	-
Associated companies						
Initial balance as at January,1	15,781,454	24,922,254	40,703,708	16,724,611	24,922,254	41,646,865
Acquisitions during the period (Note 46)	1,644,681	1,586,348	3,231,029	300,000	-	300,000
Capital increase	8,766,920	-	8,766,920	-	-	-
Equity method:	-	-	-	-	-	-
Effect in gain or losses in joint controlled and associated companies	(2,727,279)	-	(2,727,279)	(1,952,675)	-	(1,952,675)
Distributed dividends	(296,562)	-	(296,562)	(16,446)	-	(16,446)
Other effects on reserves	(2,095,489)	-	(2,095,489)	725,964	-	725,964
	21,073,725	26,508,602	47,582,327	15,781,454	24,922,254	40,703,708
Total	21,073,725	26,508,602	47,582,327	15,781,454	24,922,254	40,703,708

The effect in "Variation in the reserves of the group" is mainly a result of the currency translation effect of companies with functional currency different of the euro (about -2.8 million euro) and the transfer of fair value reserves to impairment in the period amounting to about 1.1 million euro related to participation in Cooper Gay Sweet & Crawford Ltd included in the associated company MDS, SGPS, SA.

The financial participation in Cooper Gay Sweet & Crawford Ltd was measured at its fair value as at 31 December 2015 taking into consideration the multiples of EBITDA or multiples of sales by region and the transaction price of the North American operation sold in February 2016. This valuation resulted in a reduction of the financial investment in 1.5 million euro and on the accounting of an impairment of 3.8 million euro, which includes the transfer of fair value reserves to profit and loss - impairment for the year, in the amount of 2.2 million euro. The valuation of this equity investment in 2014 was based on taking into consideration the EBITDA from other companies with the same activity deducted from its debt amount. Both valuations correspond to a Level 3 of Fair value hierarchy.

For the year ended at 31 December 2014, the caption "Impairment in joint ventures companies" refers to the effect of impairment losses created in the period for the joint ventures Raso SGPS, SA.

7 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 31 December 2015 and 2014 are as follows:

Company	Head Office	Percentage of capital held				Statment of financial position	
		31 December 2015		31 December 2014		31 December 2015	31 December 2014
		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%	898,197	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%	9.09%	9.09%	991,315	400,000
Other investments						10,132,115	10,130,697
						12,164,765	11,572,032

As at 31 December 2015 the caption "Other investments" includes, among others, 9,996,932 euro (10,000,046 euros in 31 December 2014) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 33 and 34).

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 34). 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.

Other investments include investments in non-listed companies which fair values cannot be reliably measured. As so, these investments are recorded at cost net of any impairment losses.

Losan Group, a multinational group with its headquarters in Spain is specialized in wholesale business of children's wear. This acquisition aims to improve Sonae's ability in the supply chain and strengthen the international expansion capacity of Sonae through the wholesale channels. These companies were incorporated as at 31 December 2015. This was the date from which Sonae began to exercise control over the activities of this Group.

Following the acquisition of these companies, with the exception of Losan Group, a preliminary assessment was made regarding the fair value of the assets acquired and the liabilities assumed. Regarding the acquired companies belonging to Losan Group and given the proximity of the end of the year it has not yet been possible to complete the fair value allocation or the calculation of goodwill which will be made in the maximum period of 12 months from the date of acquisition. The purchase price allocation can be done within one year of the date of acquisition as allowed by IFRS3 - Business Combinations.

9 FINANCIAL INSTRUMENTS

The financial instruments classification according to the policies disclosed in Note 2.12 is as follows:

Financial assets	Notes	Loans and accounts receivable	Available for sale	Hedging derivatives (Note 27)	Sub-total	Assets not within the scope of IFRS 7	Total
As at 31 December 2015							
Non-current assets							
Other investments	7	9,996,932	2,167,833	-	12,164,765	-	12,164,765
Other non-current assets	14	11,630,110	-	-	11,630,110	3,187	11,633,297
		21,627,042	2,167,833	-	23,794,875	3,187	23,798,062
Current assets							
Trade receivables	16	58,215,243	-	-	58,215,243	-	58,215,243
Other debtors	17	91,485,338	-	-	91,485,338	9,984,977	101,470,215
Other investments	13	-	-	2,506,086	2,506,086	-	2,506,086
Cash and cash equivalents	21	89,020,049	-	-	89,020,049	-	89,020,049
		238,720,630	-	2,506,086	241,226,716	9,984,977	251,211,593
		260,347,672	2,167,833	2,506,086	265,021,591	9,988,164	275,009,654
As at 31 December 2014							
Non-current assets							
Other investments	7	10,000,046	1,571,986	-	11,572,032	-	11,572,032
Other non-current assets	14	29,447,946	-	-	29,447,946	2,840	29,450,786
		39,447,992	1,571,986	-	41,019,978	2,840	41,022,818
Current assets							
Trade receivables	16	40,207,957	-	-	40,207,957	-	40,207,957
Other debtors	17	82,151,592	-	-	82,151,592	-	82,151,592
Other investments	13	6,123	-	3,995,221	4,001,344	-	4,001,344
Cash and cash equivalents	21	101,826,265	-	-	101,826,265	-	101,826,265
		224,191,937	-	3,995,221	228,187,158	-	228,187,158
		263,639,929	1,571,986	3,995,221	269,207,136	2,840	269,209,976

Financial liabilities	Notes	Financial liabilities recorded at amortised cost	Hedging derivatives (Note 27)	Sub-total	Liabilities not within the scope of IFRS 7	Total
As at 31 December 2015						
Non-current liabilities						
Loans	25	294,693,494	-	294,693,494	-	294,693,494
Bonds	25	297,670,973	-	297,670,973	-	297,670,973
Obligations under finance leases	25 and 26	2,423,501	-	2,423,501	-	2,423,501
Other loans	25	1,347,110	-	1,347,110	-	1,347,110
Other non-current liabilities	28	404,021,270	-	404,021,270	33,201,953	437,223,223
		1,000,156,348	-	1,000,156,348	33,201,953	1,033,358,301
Current liabilities						
Loans	25	89,590,587	-	89,590,587	-	89,590,587
Bonds	25	49,962,080	-	49,962,080	-	49,962,080
Obligations under finance leases	25 and 26	3,142,651	-	3,142,651	-	3,142,651
Other loans	25	26,974	860,503	887,477	-	887,477
Trade creditors	30	1,143,806,164	-	1,143,806,164	-	1,143,806,164
Other creditors	31	129,800,313	-	129,800,313	-	129,800,313
		1,416,328,769	860,503	1,417,189,272	-	1,417,189,272
		2,416,485,117	860,503	2,417,345,620	33,201,953	2,450,547,573
As at 31 December 2014						
Non-current liabilities						
Loans	25	67,250,948	-	67,250,948	-	67,250,948
Bonds	25	317,220,715	-	317,220,715	-	317,220,715
Obligations under finance leases	25 and 26	4,236,417	-	4,236,417	-	4,236,417
Other loans	25	17,707	-	17,707	-	17,707
Other non-current liabilities	28	405,340,763	-	405,340,763	32,407,059	437,747,822
		794,066,550	-	794,066,550	32,407,059	826,473,609
Current liabilities						
Loans	25	22,457,132	-	22,457,132	-	22,457,132
Bonds	25	379,724,734	-	379,724,734	-	379,724,734
Obligations under finance leases	25 and 26	4,406,849	-	4,406,849	-	4,406,849
Other loans	25	33,466	582,869	616,335	-	616,335
Trade creditors	30	1,131,212,718	-	1,131,212,718	-	1,131,212,718
Other creditors	31	128,100,485	-	128,100,485	-	128,100,485
		1,665,935,384	582,869	1,666,518,253	-	1,666,518,253
		2,460,001,934	582,869	2,460,584,803	32,407,059	2,492,991,862

Financial instruments recognized at fair value

The Group applies IFRS 13 - Fair Value Measurement. This standard requires that the fair value is disclosed in accordance with the following hierarchy:

	31 December 2015			31 December 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Derivatives (Note 13)	-	2,506,086	-	-	3,995,221	-
	-	2,506,086	-	-	3,995,221	-
Financial liabilities measured at fair value						
Derivatives	-	860,503	-	-	582,869	-
	-	860,503	-	-	582,869	-

10 TANGIBLE ASSETS

During the periods ended as at 31 December 2015 and 2014 movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Other Tangible Assets	Tangible Assets
Gross assets:						
Opening balance as at 1 January 2014	1,657,183,620	1,234,317,728	20,796,898	101,657,486	39,522,388	3,083,973,098
Capital Expenditure	6,083,220	1,981,530	149,878	137,471	99,288	148,071,495
Disposals	(10,972,617)	(67,945,846)	(394,807)	(4,323,339)	(2,296,721)	(90,543,816)
Disposals of subsidiaries	(2,758,249)	(397,643)	(3,492)	-	-	(3,159,384)
Exchange rate effect	(31,156)	42,790	(3,897)	24,302	-	32,039
Transfers	19,902,754	105,733,697	1,240,813	8,992,951	2,519,340	96,164
Opening balance as at 1 January 2015	1,669,407,572	1,273,732,256	21,785,393	106,488,871	39,844,295	3,138,469,596
Capital Expenditure	7,575,225	1,946,016	39,615	189,498	24,322	164,216,911
Acquisitions of subsidiaries (Note 8)	5,088,587	1,274,558	401,035	2,059,614	925,148	9,748,942
Disposals	(172,139,713)	(74,096,788)	(1,242,586)	(6,933,030)	(1,807,644)	(265,508,961)
Disposals of subsidiaries	-	-	-	-	-	-
Exchange rate effect	(246,538)	(39)	(34,631)	(203,399)	(2,840)	(487,447)
Transfers	(169,784,927)	116,184,927	1,582,589	14,093,518	3,518,844	(182,708,483)
Closing balance as at 31 December 2015	1,339,900,206	1,319,040,930	22,531,415	115,695,072	42,502,125	2,863,730,558
Accumulated depreciation and impairment losses						
Opening balance as at 1 January 2014	409,051,726	725,545,159	16,964,223	77,224,379	34,603,787	1,263,389,274
Depreciation and impairment losses	25,265,977	101,958,371	1,169,373	9,461,000	2,425,956	140,280,677
Impairment losses	-	1,479,167	-	-	-	1,479,167
Disposals	(1,634,094)	(54,584,932)	(377,121)	(3,908,312)	(2,250,040)	(62,754,499)
Disposals of subsidiaries	(210,643)	(168,610)	(3,492)	-	-	(382,745)
Exchange rate effect	(29,544)	38,896	(714)	7,821	-	16,459
Transfers	1,187,695	(2,308,356)	(4,620)	(896,302)	(111,493)	(2,133,076)
Opening balance as at 1 January 2015	433,631,117	771,959,695	17,747,649	81,888,586	34,668,210	1,339,895,257
Depreciation	23,825,554	103,863,273	1,145,274	9,485,896	2,442,509	140,762,506
Impairment losses (Note 33)	-	1,182,357	136	80,471	6,211	1,269,175
Acquisitions of subsidiaries (Note 8)	1,923,295	1,154,741	362,563	1,404,375	583,508	5,428,482
Disposals	(38,119,745)	(61,285,276)	(1,175,695)	(6,496,415)	(1,755,815)	(108,832,946)
Exchange rate effect	(235,637)	-	(7,571)	(168,592)	(2,050)	(413,850)
Transfers	(53,327,632)	(166,675)	58,933	(519,574)	437,199	(53,517,749)
Closing balance as at 31 December 2015	367,696,952	816,708,115	18,131,289	85,674,747	36,379,772	1,324,590,875
Carrying amount						
As at 31 December 2014	1,235,776,455	501,772,561	4,037,744	24,600,285	5,176,085	1,798,574,339
As at 31 December 2015	972,203,254	502,332,815	4,400,126	30,020,325	6,122,353	1,539,139,683

Investment in 2015 includes approximately 164 million euro (148 million euro in 2014) of assets acquisition primarily associated with the opening and remodelling of stores.

Disposals of the period can be analysed as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Other Tangible Assets	Tangible assets in progress	Tangible Assets
Gross assets:							
Disposals	(8,209,735)	(66,561,510)	(1,242,586)	(6,933,030)	(1,807,644)	(9,289,200)	(94,043,705)
Sale and Leaseback	(163,929,978)	(7,535,278)	-	-	-	-	(171,465,256)
Closing balance as at 31 December 2015	(172,139,713)	(74,096,788)	(1,242,586)	(6,933,030)	(1,807,644)	(9,289,200)	(265,508,961)
Accumulated depreciation and impairment losses							
Disposals	(5,940,642)	(54,419,576)	(1,175,695)	(6,496,415)	(1,755,815)	-	(69,788,143)
Disposals of subsidiaries	(32,179,103)	(6,865,700)	-	-	-	-	(39,044,803)
Closing balance as at 31 December 2015	(38,119,745)	(61,285,276)	(1,175,695)	(6,496,415)	(1,755,815)	-	(108,832,946)
Carrying amount							
Disposals	(2,269,093)	(12,141,934)	(66,891)	(436,615)	(51,829)	(9,289,200)	(24,255,562)
Sale and Leaseback	(131,750,875)	(669,578)	-	-	-	-	(132,420,453)

During the period several sale and leaseback transactions were accounted for by the Group (see Note 35 - Operating Leases). The accounting values of the disposed assets, approximately, 132.4 million euro, are disclosed as disposals and correspond to 15 real estate food retail assets located in Portugal. These operations resulted in a cash inflow of 184.7 million euro and generated a net capital gain of (Note 32) approximately, 42.4 million euro (Note 39).

The lease agreements of the related assets were considered operating leases, taking into account the indicators traditionally used to determine the nature of the lease agreements as defined in IAS 17. These contracts have an initial term of 20 years, with the possibility of being extended, at market conditions, for four additional periods of 10 years. The Board of Directors considers that the assets will only be leased for the initial period of 20 years, which is less than the expected remaining life of the assets linked with this transaction. It was also considered that there is no repurchase obligation regarding the asset linked with the lease agreements, that the acquisition options are only exercisable at market prices, and the present value of minimum payments of the lease contract.

In disposals are still included 7 million euro related to the restructuring process of stores in Sonae SR, related with new stores concepts, mainly in Spain. This process led to the usage of impairment losses of approximately 7.8 million euro accounted for in previous years.

Transfers include the net amount of 131 million euro of net assets transferred to "Non-current assets held for sale" during the period, relating to real estate assets of the Food Retail Segment and Worten Spain retail stores, whose sale took place in 2016 (Note 22).

Most real estate assets from Sonae RP (Note 47), as at 31 December 2015 and 2014, which are recorded at acquisition cost deducted of amortization and impairment charges, were evaluated by independent appraisers (Jones Lang LaSalle). These evaluations were performed using the income method, using yields between 7.00% and 9.25 % (7.25% and 9.25 % in 2014), where the fair value of the property is in "Level 3" hierarchy - according to the classification given by IFRS 13. Such assessments support the value of the assets as at 31 December 2015. There were no impairments recorded during the period.

The most significant values under the caption "Tangible assets in progress" refer to the following projects:

	31 December 2015	31 December 2014
Refurbishment and expansion of stores in Portugal	17,356,382	15,341,349
Refurbishment and expansion of stores in Spain	1,030,144	1,166,105
Projects "Modelo" and "Continente" stores for which advance payments were made	2,968,500	8,879,900
Others	2,705,784	1,823,855
	24,060,810	27,211,209

The caption "Impairment losses" as at 31 December 2015 and 2014 can be detailed as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Other Tangible Assets	Tangible Assets
Impairment losses						
Opening balance as at 1 January 2015	100,774,582	42,728,624	32,341	423,410	101,003	144,059,960
Impairment losses (Note 33)	-	1,182,356	137	80,471	6,211	1,269,175
Disposals	(550,172)	(11,507,587)	(7,165)	(110,601)	(17,484)	(12,193,009)
Transfers	(4,996)	776,384	9,017	15,170	69,254	864,829
Closing balance as at 31 December 2015	100,219,414	33,179,777	34,330	408,450	158,984	134,000,955

11 INTANGIBLE ASSETS

During the periods ended as at 31 December 2015 and 2014, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses was as follows:

Gross cost:	Industrial property	Software	paid for property o	Others intangible assets	Intangible assets in progress	Total Intangible Assets
Opening balance as at 1 January 2014	103,163,864	189,643,421	14,033,325	719,084	27,711,325	335,271,019
Capital expenditure	107,175	282,057	-	-	41,068,475	41,457,707
Disposals	(436,689)	(791,321)	-	-	(349,820)	(1,577,830)
Disposals of subsidiaries	(741)	-	-	-	-	(741)
Exchange rate effect	16,217	7,991	-	5,405	-	29,613
Transfers	613,742	30,815,683	-	-	(32,077,337)	(647,912)
Opening balance as at 1 January 2015	103,463,568	219,957,831	14,033,325	724,489	36,352,643	374,531,856
Capital expenditure	72,281	178,490	-	-	39,171,171	39,421,942
Acquisitions of subsidiaries (Note 8)	4,248	3,715,017	-	8,650	137,782	3,865,697
Disposals	(69,930)	(861,152)	-	-	(378,569)	(1,309,651)
Exchange rate effect	(46,803)	(195,011)	-	(13,502)	-	(255,316)
Transfers	579,089	47,427,914	-	-	(48,386,507)	(379,504)
Closing balance as at 31 December 2015	104,002,453	270,223,089	14,033,325	719,637	26,896,520	415,875,024
Accumulated depreciation and impairment losses						
Opening balance as at 1 January 2014	24,647,476	133,123,460	13,628,981	139,631	-	171,539,548
Depreciation of the period	1,711,208	17,000,749	-	54,276	-	18,766,233
Disposals	(433,657)	(789,001)	-	-	-	(1,222,658)
Exchange rate effect	8,988	334	-	3,440	-	12,762
Transfers	(244)	(6,573)	-	-	-	(6,817)
Opening balance as at 1 January 2015	25,933,771	149,328,969	13,628,981	197,347	-	189,089,068
Depreciation of the period	1,177,085	18,788,034	-	53,429	-	20,018,548
Acquisitions of subsidiaries (Note 8)	2,869	3,118,928	-	3,464	-	3,125,261
Disposals	(68,519)	(538,697)	-	-	-	(607,216)
Exchange rate effect	(30,691)	(93,731)	-	(10,977)	-	(135,399)
Transfers	(14,177)	(471)	-	-	-	(14,648)
Closing balance as at 31 December 2015	27,000,338	170,603,032	13,628,981	243,263	-	211,475,614
Carrying amount						
As at 31 December 2014	77,529,797	70,628,862	404,344	527,142	36,352,643	185,442,788
As at 31 December 2015	77,002,115	99,620,057	404,344	476,374	26,896,520	204,399,410

As at 31 December 2015 the Investment related to intangible assets in progress includes, 39 million euro related to IT projects and development software (41 million at 31 December 2014). Within that amount it is included 10 million euro of capitalizations of personnel costs related to own work (about 7.8 million euro in 31 December 2014) (Note 39).

The caption intangible assets in progress includes a 3.3 million euro asset related to an E-Commerce project, a 2.6 million euro project related with a B2B project (Business to Business), a 2.1 million euro project related to the operationalization of new features to systems related with loyalty programs and a 1.7 million euro MDM project (Master Data Management).

Additionally the caption "Patents and other similar rights" include the acquisition cost of a group of brands with indefinite useful lives among which the "Continente" brand, acquired in previous years, amounting to 75,000,000 euro (the same amount as in 2014).

Sonae Investimentos performs annual impairment tests over the brands, and obtained for this purpose an independent assessment of Continente brand made by independent appraisers (Interbrand). This evaluation supports the accounting value of the asset as at 31 December 2015, not being recorded any impairment in the year.

12 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;

At 31 December 2015 and 2014, the caption "Goodwill" was made up as follows by insignia and country:

	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
	31 December 2014			
	Portugal	Spain	Other countries	Total
Sonae MC	433,813,034	-	-	433,813,034
Sonae SR				
electronics	53,422,018	-	-	53,422,018
fashion	1,539,982	-	-	1,539,982
sports	5,722,036	-	-	5,722,036
Sonae RP	3,669,166	-	-	3,669,166
	498,166,236	-	-	498,166,236

During the year ended in 31 December 2015 and 2014, movements in the caption Goodwill as well as in the corresponding impairment losses, are as follows:

	31 December 2015	31 December 2014
Gross value:		
Opening balance	505,807,904	505,807,904
Goodwill generated in the period (Note 8)	20,250,775	-
Closing balance	526,058,679	505,807,904
Accumulated impairment losses:		
Opening balance	7,641,668	7,621,502
Increases	-	20,166
Closing balance	7,641,668	7,641,668
Carrying amount	518,417,011	498,166,236

The evaluation of the existence, or not, of impairment losses in Goodwill is made by taking into account the cash-generating units, based on the most recent business plans duly approved by the Group's Board of Directors, which are made on an annual basis prepared with cash flow projections for periods of five years, unless there is evidence of impairment, in which case the analysis is done in short periods of time.

The main assumptions used in the above mentioned business plans are detailed as follows for each of Sonae Investimentos operating segments.

For this purpose the Food Retail (Sonae MC) and Specialized Retail (Sonae SR) operating segments in Portugal use internal valuation of its business concepts, using annual planning methodologies, supported in business plans that consider cash flow projections for each unit which depend on detailed and properly supported assumptions. These plans take into consideration the impact of the main actions that will be carried out by each business concept as well as a study of the resources allocation of the company.

The recoverable value of cash generating units is determined based on its value in use, which is calculated taking into consideration the last approved business plans which are prepared using cash flow projections for periods of 5 years.

In what concerns Spain, the Group only from 2015 onwards presents goodwill which was generated with the acquisition of Losan (Note 8). The fair value allocation of assets, liabilities and contingent liabilities, for this operation, has not been performed at this date, given the late acquisition date in the year.

The case scenarios are elaborated with a weighted average cost of capital and with a growth rate of cash-flows in perpetuity that can be detailed as follows:

	31 December 2015			31 December 2014		
	Weighted average capital cost	Growth rate in perpetuity	Compound growth rate sales	Weighted average capital cost	Growth rate in perpetuity	Compound growth rate sales
Sonae MC	9% to 10%	<= 2%	-0.7%	9% to 10%	<= 1%	-0.2%
Sonae SR						
electronics	9% to 11%	<= 1%	3.1%	9% to 11%	<= 1%	3.6%
fashion	9% to 11%	<= 1%	5.8%	9% to 11%	<= 1%	3.6%
sports	9% to 11%	<= 1%	6.5%	9% to 11%	<= 1%	5.2%

The analyses of the impairment indices and the review of the impairment projections and tests of Sonae Investimentos have not lead to clearance losses, during the year ended at 31 December 2015. For the sensitivity analyses made, required in the IAS 36 - Impairment of Assets have not led to material changes of the recoveries, so not result material additional impairments.

13 OTHER INVESTMENTS

As at 31 December 2015 and 2014 this caption is made up as follows:

	31 December 2015		31 December 2014	
	Non Current	Current	Non Current	Current
Other investments:				
Opening balance as at 1 January	11,572,032	6,123	13,401,237	6,106
Increases in the period	596,227	147	550,200	17
Decreases in the period	(3,494)	(6,270)	(2,512,567)	-
Transfers	-	-	133,162	-
Closing balance as at 31 December	12,164,765	-	11,572,032	6,123
Accumulated impairment losses	-	-	-	-
Closing balance as at 31 December	12,164,765	-	11,572,032	6,123
Derivative financial instruments				
Fair value as at 1 January	-	3,995,221	-	35,999
Changes in perimeter	-	522,124	-	-
Acquisitions in the period	-	-	-	3,761,187
Increase/(Decrease) in fair value	-	(2,011,259)	-	198,035
Fair value as at 31 December (Note 27)	-	2,506,086	-	3,995,221
Total of Other Investments (Note 9)	12,164,765	2,506,086	11,572,032	4,001,344

In other financial investments non-current, are recorded 9,996,932 euro (10,000,046 euro as at 31 December 2014), related to deposited amounts on an Escrow Account (Note 7).

14 OTHER NON-CURRENT ASSETS

As at 31 December 2015 and 2014, other non-current assets are detailed as follows:

	31 December 2015	31 December 2014
Loans granted to related parties	620,688	9,014,061
Trade accounts receivable and other debtors		
Bails (a)	4,633,112	5,173,020
Legal deposits (b)	605,316	823,044
Recognition of the value to be received Carrefour (c)	-	7,948,165
Special regime for payment of tax and social security debts (d)	5,207,108	6,489,656
Amount receivable for selling the Modelo Cont.Seguros	2,450,000	2,450,000
Amount receivable for selling the Raso SGPS	527,618	-
Others	36,268	-
	13,459,422	22,883,885
Accumulated impairment losses in other debtors (Note 33)	(2,450,000)	(2,450,000)
Total trade accounts receivable and other debtors	11,009,422	20,433,885
Total financial instruments (Note 9)	11,630,110	29,447,946
Other non-current assets	3,187	2,840
	11,633,297	29,450,786

“Loans granted to related parties” mainly refer to MDS SGPS, SA 620,688 euro (9,014,061 euro as at 31 December 2014), the variation face to 2014 is related with the conversion of supplies in capital in 2015. These loans bear interests at market rates and do not have a defined maturity, because of having character of supplies. The fair value of these loans is estimated to be similar to its carrying amount.

Most significant values included in non-current “Trade accounts receivable and other debtors” refer to:

- Amounts related with guarantees of lease contracts in group stores located in Spain, which aren't due at 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 28), with no defined maturity;
- The amount receivable from Carrefour as at 31 December 2014 was received by Wall-Mart and deducted by the Group to the liabilities recorded related to contingencies assumed by the Group on disposal of the subsidiary Sonae Distribuição Brasil, S. A. (Note 33).
- 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 cancelled. 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 (Note 4).

15 INVENTORIES

As at 31 December 2015 and 2014, Inventories are as follows:

	31 December 2015	31 December 2014
Raw materials and consumables	1,229,298	664,904
Goods for sale	663,620,150	631,676,977
Finished and intermediate goods	332,646	413,127
Work in progress	245,455	205,855
	665,427,549	632,960,863
Accumulated impairment losses on Inventories	(31,061,566)	(31,062,092)
	634,365,983	601,898,771

Cost of goods sold as at 31 December 2015 and 2014 may be detailed as follows:

	31 December 2015	31 December 2014
Opening balance	632,341,881	620,322,326
Exchange rate effect	13,717	20,713
Changes in consolidation perimeter (Note 8)	13,666,488	-
Purchases	3,956,924,208	3,782,450,336
Adjustments	(6,075,877)	(7,800,892)
Closing balance	664,849,449	632,341,881
	3,932,020,968	3,762,650,602
Impairment losses	(1,826,018)	(1,583,369)
	3,930,194,950	3,761,067,233

The amounts recorded under the caption "Adjustments" for the years ended 31 December 2015 and 2014 relate mainly to donations to social welfare institutions.

16 TRADE ACCOUNTS RECEIVABLE

As at 31 December 2015 and 2014, trade accounts receivable are detailed as follows:

	31 December 2015	31 December 2014
Trade accounts receivable	57,389,161	39,871,948
Doubtful receivables	4,900,840	4,141,647
	62,290,001	44,013,595
Accumulated impairment losses on Trade accounts receivable (Note 33)	(4,074,758)	(3,805,638)
	58,215,243	40,207,957

Current trade accounts receivable caption includes 17,372,487 euro (10,200,172 euro as at 31 December 2014), related to gross sales to related companies.

Sonae Investimentos's exposure to credit risk is mainly related to accounts receivable arising from its operational activity. The amounts presented on the statement of financial position are net of impairment losses that were estimated based on Sonae Investimentos's past experience and on the assessment of current economic conditions. It is Sonae Investimentos's understanding that the book value of the accounts receivable does not differ significantly from its fair value.

As at 31 December 2015 there is no indication that the debtors of trade accounts receivable not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized.

As at 31 December 2015 and 2014, the ageing of the trade receivables are as follows:

	Trade Receivables	
	31 December 2015	31 December 2014
Not due	16,717,391	17,824,747
Due but not impaired		
0 - 90 days	38,638,608	19,049,766
+ 90 days	2,859,244	3,333,444
Total	41,497,852	22,383,210
Due and impaired		
0 - 90 days	57,551	23,088
90 - 180 days	50,060	40,139
180 - 360 days	302,220	96,086
+ 360 days	3,664,927	3,646,325
Total	4,074,758	3,805,638
	62,290,001	44,013,595

In determining the recoverability of trade receivables, Sonae Investimentos considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the large number of customers. Accordingly, it is considered that the risk of not recovering the trade receivables is not higher than the allowance for doubtful receivables.

Additionally, Sonae Investimentos considers that the maximum exposure to the credit risk is the amount presented in the consolidated statement of financial position.

17 OTHER DEBTORS

As at 31 December 2015 and 2014, "Other debtors" are as follows:

	31 December 2015	31 December 2014
Granted loans to related companies	39,811,954	30,199,099
Other debtors		
Trade creditors - debtor balances	37,291,228	48,134,288
VAT recoverable on real estate assets	2,560,040	3,313,110
Disposal of investments	2,482,072	-
Accounts receivable from the disposal of tangible fixed assets	2,463,910	460,902
Vouchers and gift cards	1,214,062	2,222,783
Other current assets	16,823,542	12,362,394
	62,834,854	66,493,477
Accumulated impairment losses in receivables (Note 33)	(11,161,470)	(14,540,984)
Total of other debtors	51,673,384	51,952,493
Total of Financial Instruments (Note 9)	91,485,338	82,151,592
Other non current assets	9,984,877	-
	101,470,215	82,151,592

Granted loans to related companies caption includes:

- the value of 39.8 million euros (21.3 million euro as at 31 December 2014) relating to receivable of Sonae SGPS, SA result of the inclusion companies in Special Regime of Taxing Groups of Companies.; and
- in 31 December 2014 the receivable associated with the loan granted to Raso, SGPS, SA for 8,768,402 euro at 31 December 2014, bear interest at market rates do not have defined maturity but are deemed to be received within twelve months.

As at 31 December 2015, the amounts disclosed as “Trade creditors - debtor balances” relate with commercial discounts billed to suppliers to be net settled with future purchases.

The amount in “Other Current Assets” will be compensated with payments related with a lease of a retail store.

As at 31 December 2015 and 2014, the ageing of Other debtors is as follows:

	Other Debtors	
	31 December 2015	31 December 2014
Not due	49,322,023	40,257,972
Due but not impaired		
0 - 90 days	41,086,985	39,976,876
+ 90 days	972,249	1,916,704
Total	42,059,234	41,893,580
Due and impaired		
0 - 180 days	1,058,087	1,678,611
180 - 360 days	1,042,992	598,851
+ 360 days	9,164,472	12,263,562
Total	11,265,551	14,541,024
	102,646,808	96,692,576

There is no indication that the debtors not due will not fulfil their obligations on normal conditions, thus no impairment loss was recognized. The carrying amount of “Other debtors” is estimated to be approximately its fair value.

18 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2015 and 2014, Taxes recoverable and taxes and contributions payable are made up as follows:

	31 December 2015	31 December 2014
Tax recoverable		
Income taxation	14,307,841	16,776,577
VAT	33,028,023	26,667,536
Other taxes	1,503,866	1,512,320
	48,839,730	44,956,433
Taxes and contributions payable		
Income taxation	2,175,863	9,810,252
VAT	47,615,964	48,489,676
Staff income taxes withheld	4,421,462	4,343,806
Social security contributions	10,668,691	10,793,040
Other taxes	439,355	278,756
	65,321,335	73,715,530

19 OTHER CURRENT ASSETS

As at 31 December 2015 and 2014, "Other current assets" is made up as follows:

	31 December 2015	31 December 2014
Commercial discounts	47,661,848	59,032,254
Rents	6,484,212	6,201,118
Insurance premiums paid in advance	6,353,493	7,536,483
Software licenses	1,996,911	2,080,744
Commissions to be received	928,439	2,485,123
Condominium management fee's	892,705	729,311
Interests to be received	836,631	1,122,067
Other current assets	9,325,279	9,332,437
	<u>74,479,518</u>	<u>88,519,537</u>

The caption "Commercial discounts" refers to promotional campaigns carried out in the Group stores and reimbursed by Sonae Investimentos partner's suppliers.

20 DEFERRED TAXES

Deferred tax assets and liabilities as at 31 December 2015 and 2014 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Difference between fair value and acquisition cost	6,127,552	6,216,291	20,849,622	20,787,861
Amortisation and depreciation	1,616,131	1,816,225	45,720,732	46,765,062
Provisions and impairment losses not accepted for tax purposes	6,580,316	10,280,290	-	-
Write off of tangible and intangible assets	73,408	73,395	-	-
Valuation of hedging derivatives	242,175	73,443	364,824	574,288
Amortisation of goodwill for tax purposes	-	-	-	18,613,423
Revaluation of tangible assets	-	-	1,160,205	1,285,047
Tax losses carried forward	38,050,179	60,687,594	-	-
Reinvested capital gains/(losses)	-	-	547,219	1,256,610
Tax Benefits	1,030,619	1,478,439	-	-
Others	3,017,467	1,128,103	1,852,914	1,774,778
	<u>56,737,847</u>	<u>81,753,780</u>	<u>70,495,516</u>	<u>91,057,069</u>

During the periods ended 31 December 2015 and 2014, movements in "Deferred tax assets and liabilities" are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Opening balance	81,753,780	117,412,133	91,057,069	116,937,919
Effects in net income:				
Difference between fair value and acquisition cost	(88,739)	475,587	61,761	(227,369)
Amortisation and depreciation	(200,094)	478,864	(320,756)	5,738,158
Provisions and impairment losses not accepted for tax purposes	(4,847,961)	(5,970,740)	-	-
Provisions and impairment losses transfer	-	(17,445,738)	-	(17,445,738)
Write-off of tangible and intangible assets	-	(1,571,066)	-	-
Revaluation of tangible assets	-	-	(118,088)	(132,502)
Tax losses carried forward	(22,637,415)	8,434,783	-	-
Amortisation of goodwill for tax purposes	-	-	-	(2,791,950)
Non taxed exchange differences	-	-	(18,613,422)	-
Reinvested capital gains/(losses)	-	-	(662,714)	(131,501)
Changes in tax rates	(53,477)	(16,556,392)	(825,316)	(11,961,857)
Tax Benefits	(447,820)	(1,049,555)	-	-
Others	2,936,568	(1,462,341)	(233,063)	655,167
	(25,338,938)	(34,666,598)	(20,711,598)	(26,297,592)
Effects in equity:				
Valuation of hedging derivatives	66,572	(96,171)	(311,623)	492,250
Others	(53,515)	(895,584)	101,904	2,013
	13,057	(991,755)	(209,719)	494,263
Acquisitions of subsidiaries (Note 8)	309,948	-	359,764	-
Disposals of subsidiaries	-	-	-	(77,521)
Closing balance	56,737,847	81,753,780	70,495,516	91,057,069

As at 31 December 2015, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

As at 31 December 2015 and 2014, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	31 December 2015			31 December 2014		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2011	-	-	2015	65,786	13,815	2015
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	230,791	48,466	2027	-	-	-
	1,425,027	299,256		1,260,022	264,605	
Without limited time use	150,883,958	37,750,923		-	-	
With a time limit different from the above mentioned	-	-		241,691,949	60,422,989	
	152,308,985	38,050,179		242,951,971	60,687,594	

As at 31 December 2015 and 2014, 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 might be offset against available tax losses or against deductible temporary differences. The main assumptions used in those business plans are described in Note 12.

As at 31 December 2015 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 35.1 million euro (54.3 million euro as at 31 December 2014). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 December 2015 and 2014, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

Additionally Spanish law allows the annual deduction, for tax purposes, of 5% of goodwill recognized on the acquisition of foreign based companies before 21 December 2007, however in 2012 and 2013 this rate was reduced to 1%. Sonae has accounted deferred tax liabilities relating to goodwill depreciation performed for tax purposes, generated with the acquisition of Continente Hipermercados (ex-Carrefour Portugal) until 31 December 2014.

In 2010 and 2011, Spanish Tax authorities notified Modelo Continente S.A. Spanish Branch of a decrease in 2008 and 2009 tax losses incurred, amounting to approximately 23.3 million euro, challenging the deduction of Goodwill depreciation, generated on the acquisition of Continente Hipermercados for each of the mentioned years. That branch appealed to the proper Spanish Authorities (Tribunal Economico Administrativo Central de Madrid) in 2010 and 2011 respectively, and it is the Board of Directors understanding that the decision will be favorable to the Group, thus maintaining the recognition of deferred tax assets and deferred tax liabilities related with Goodwill. In 2012 the Company interposed an appeal to the National Court in Spain ("Audiencia Nacional Espanha"), due to a decision opposite to the claims and estimates of the Company, by the Economic and Administrative Central Court of Madrid, for the notification for fiscal year of 2008.

In 2014 following an additional inspection for fiscal years 2008 to 2011, Spanish Tax authorities corrected tax losses carried forward regarding goodwill depreciation and financial expenses that resulted from the acquisition of Continente Hipermercados S.A.. Although in complete disagreement, Sonae Investimentos carried out the tax returns correction until 2012 and appealed, in 2015, to the proper Spanish Authorities (Tribunal Económico-Administrativo em Espanha). Tax reports for 2012 to 2014 were corrected and the same procedure will be followed for 2015, and in subsequent periods, until a decision on the pending litigations is made by the proper authorities.

In 2015, the Spanish Authorities (Tribunal Económico-Administrativo Central em Espanha) decided in court against the Group's intentions, and Sonae Investimentos, despite having appealed to the Supreme Court, the Group, as a matter of prudence, decided to reverse the deferred tax assets recognized in the financial statements from 2008 to 2011 in the amount of 36 million euro, and deferred tax liabilities related to amortization of goodwill for tax purposes in the amount of 18.6 million euro.

The recoverability of the previously mentioned deferred tax assets, regarding Sonae Investimentos operations in Spain is supported by the analysis of the recoverable amount of the cash-generating units for the specialized retail formats in Spain based on their value in use, obtained from business plans with a 10-year projection period, assuming it is the most realistic and appropriate deadline for the implementation of the strategy of internationalization of Sonae Investimentos in the specialized retail segment, taking into consideration not only the nature of the products in question (more discretionary character) but also the current macro-economic conditions. The Business plans also consider the

acquisition of Grupo Losan in Spain as well as sales operations of real estate assets in Spain already fulfilled in 2016.

Main assumptions used in business plans of the retail companies are a compound growth rate of 11.2% over a 10 year period (12% in 2014) and a growth rate in perpetuity less than or equal to 1%. The discount rates used are based on the weighted average cost of capital which falls between 9% and 11%.

It is the Board of Directors understanding, considering the existing business plans for each of the companies, that such deferred tax assets are fully recoverable.

As at 31 December 2015, there was tax losses carried forward, amounting to 176.6 million euro (188 million euro in 2014) for which no deferred tax assets were recognized due to uncertainties of their future use.

	31 December 2015			31 December 2014		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2009	-	-	2015	4,852,429	1,019,010	2015
Generated in 2011	-	-	2015	4,292,265	901,376	2015
Generated in 2012	3,746,735	786,814	2017	3,495,558	734,067	2017
Generated in 2013	809,338	169,961	2018	809,338	169,961	2018
	<u>4,556,073</u>	<u>956,775</u>		<u>13,449,590</u>	<u>2,824,414</u>	
Without limited time use	172,029,996	44,079,419		14,134,893	4,805,864	
With a time limit different from the above mentioned	26,561	5,312		160,508,588	40,125,966	
	<u>176,612,630</u>	<u>45,041,506</u>		<u>188,093,071</u>	<u>47,756,244</u>	

21 CASH AND CASH EQUIVALENTS

As at 31 December 2015 and 2014, cash and cash equivalents are as follows:

	31 December 2015	31 December 2014
Cash at hand	9,257,191	7,728,910
Bank deposits	79,759,028	94,097,355
Treasury applications	3,830	-
Cash and cash equivalents on the statement of financial position (Note 9)	89,020,049	101,826,265
Bank overdrafts (Note 25)	(12,579,037)	(128,173)
Cash and cash equivalents on the statement of cash flows	<u>76,441,012</u>	<u>101,698,092</u>

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

22 NON - CURRENT ASSETS AVAILABLE FOR SALE

As at 30 June 2015 the financial investment in Raso SGPS was classified as non-current assets available for sale. The valuation of this asset was based on the assessment made for the acquisition, on 29 June 2015, of the remaining 50% of the share capital of Raso SGPS. In October 2015 it was completed the sale of the financial investment to Springwater Tourism Group, S.A. The consolidated impacts for this transaction can be summarized as follows:

	Value in euro
Value of the disposal	8,000,815
Financial participation transferred of joint ventures for Assets held for sale (Note 6)	2,262,691
Impairment losses Reversal in Joint ventures (Note 6)	(2,262,691)
Acquired financial participation	2,262,691
Financial operations disposed of (net of impairment losses)	10,001,948
Total value of assets disposal of	12,264,639
Loss generated in the operation	(4,263,824)
Receipts	5,000,000
Outstanding value	3,000,815
	8,000,815

On 29 January 2016, Sonae Investimentos subsidiaries include in Sonae RP segment have promised to sell and leaseback 12 food retail real estate assets located in Portugal. This operation totalled 164 million euro and was finalized on February 25th, 2016.

On March 1st, 2016, Sonae Investimentos performed a Sale and Leaseback transaction of three Worten stores in Spain, located in Madrid, Barcelona and Valencia. This transaction amounted to 26.8 million euro.

Considering that both transactions were in advanced negotiations as at 31 December 2015, we've transferred the carrying amount of the referred assets amounting to 131 million euro to "Non-current Assets held for sale" in 2016 (Note 10).

23 SHARE CAPITAL

As at 31 December 2015, the share capital, which is fully subscribed and paid for, is made up of 1,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

As at 31 December 2015 and 2014, the company's subscribed share capital are held as follows:

Company	31 December 2015	31 December 2014
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 December 2015, 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 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.

24 NON-CONTROLLING INTERESTS

As at 31 December 2015 and 2014, Non-controlling interest are detailed as follows:

	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)

	31 December 2014				
	Equity	Net Profit/ (Loss)	Statement of financial position	Proportion in income	Dividends/ Income received
Investments Funds	294,164,882	15,739,338	60,290,558	2,269,041	-
Others	42,572,471	396,164	19,944,404	(2,741)	-
Total	336,737,353	16,135,502	80,234,962	2,266,300	-

Movements in non-controlling interests during the periods ended as at 31 December 2015 and 2014 are as follows:

	31 December 2015		
	Investments Funds	Others	Total
Balance as at 1 January	60,290,558	19,944,404	80,234,962
Dividends distributed	-	(113,299)	(113,299)
Income distribution from investment funds	(1,522,397)	-	(1,522,397)
Changes in shareholding interests	(30,319,892)	1,144,942	(29,174,950)
Exchange rate effect	-	(71,027)	(71,027)
Acquisition of subsidiaries (Note 8)	-	140,624	140,624
Changes in hedge and fair value reserves	-	(40,025)	(40,025)
Profit for the period attributable to non-controlling interests	1,942,152	896,845	2,838,997
Balance as at 31 December	30,390,421	21,902,464	52,292,885

	31 December 2014		
	Investments Funds	Others	Total
Balance as at 1 January	64,278,548	20,033,618	84,312,166
Dividends distributed	-	(132,874)	(132,874)
Income distribution from investment funds	(3,164,816)	-	(3,164,816)
Additional paid in capital	(3,092,216)	-	(3,092,216)
Exchange rate effect	-	5,558	5,558
Changes in hedge and fair value reserves	-	40,843	40,843
Profit for the period attributable to non-controlling interests	2,269,041	(2,741)	2,266,300
Balance as at 31 December	60,290,558	19,944,404	80,234,962

As at 31 December 2015, were acquired units of real estate investment fund “Fundo de Investimento Imobiliário Fechado Imosede” by the amount of 34,082,452 euro (5,000,134 as at 31 December 2014).

The acquisitions mentioned above had the following impacts at the level of the financial statements:

Additional acquisitions	Imosede
Additional percentage acquired	22.58%
Share of the acquired equity	(31,313,014)
Aquisition cost (Note 45)	34,082,452
Impact on equity	2,769,438

As at 31 December 2015 and 2014, aggregate financial information of subsidiaries with Interests without control is as follows:

	31 December 2015		
	Investments Funds	Others	Total
Total Non-Current Assets	284,346,869	45,503,529	329,850,398
Total Current Assets	2,230,047	62,834,612	65,064,659
Total Non-Current Liabilities	2,216,874	18,479,805	20,696,679
Total Current Liabilities	13,607,773	42,193,719	55,801,492
Equity	270,752,269	47,664,617	318,416,886

	31 December 2014		
	Investments Funds	Others	Total
Total Non-Current Assets	304,679,485	47,296,937	351,976,422
Total Current Assets	4,742,325	48,960,023	53,702,348
Total Non-Current Liabilities	3,473,011	20,894,637	24,367,648
Total Current Liabilities	11,783,917	32,789,852	44,573,769
Equity	294,164,882	42,572,471	336,737,353

	31 December 2015		
	Investments Funds	Others	Total
Turnover	30,204,581	136,111,221	166,315,802
Other operating income	11,497,672	4,621,929	16,119,601
Operational expenses	(8,691,438)	(137,310,226)	(146,001,664)
Net financial expenses	8,818	(868,701)	(859,883)
Taxation	(4,320,247)	(194,867)	(4,515,114)
Profit/(Loss) after taxation	28,699,386	2,359,356	31,058,742
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	28,699,386	2,359,356	31,058,742
	31 December 2014		
	Investments Funds	Others	Total
Turnover	31,748,193	126,054,804	157,802,997
Other operating income	87,301	3,143,005	3,230,306
Operational expenses	(9,095,936)	(127,022,209)	(136,118,145)
Net financial expenses	143,783	(1,174,276)	(1,030,493)
Taxation	(7,144,003)	(605,160)	(7,749,163)
Profit/(Loss) after taxation	15,739,338	396,164	16,135,502
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	15,739,338	396,164	16,135,502

25 LOANS

As at 31 December 2015 and 2014, Loans are made up as follows:

	31 December 2015		31 December 2014	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	60,000,000	160,000,000	-	30,000,000
Subsidiary of Sonae Investimentos 2011/2016	-	-	20,000,000	35,000,000
Subsidiary of Sonae Investimentos 2014/2020	-	50,000,000	-	-
Subsidiary of Sonae Investimentos 2015/2020	-	55,000,000	-	-
Subsidiary of Sonae Investimentos 2015/2019	-	25,000,000	-	-
Others	17,011,550	5,036,532	2,386,888	2,609,290
	77,011,550	295,036,532	22,386,888	67,609,290
Bank overdrafts (Note 21)	12,579,037	-	128,173	-
Up-front fees beared with the issuance of loans	-	(343,038)	(57,929)	(358,342)
Bank loans	89,590,587	294,693,494	22,457,132	67,250,948
Bonds				
Bonds Sonae SGPS /August 2007 / 2015	-	-	200,000,000	-
Bonds Sonae Investimentos / September 2007 / 2015	-	-	155,000,000	-
Bonds Sonae Investimentos/ 2012/ 2017	50,000,000	95,000,000	25,000,000	145,000,000
Bonds Sonae Investimentos /June 2013/ 2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos/ December 2013 / 2018	-	-	-	75,000,000
Bonds Sonae Investimentos SGPS/ December 2014/2020	-	-	-	50,000,000
Bonds Sonae Investimentos SGPS/ December 2015/2020	-	50,000,000	-	-
Bonds Sonae Investimentos SGPS/ May 2015/2020	-	75,000,000	-	-
Bonds Sonae Investimentos SGPS/ December 2015/2020	-	30,000,000	-	-
Up-front fees beared with the issuance of loans	(37,920)	(2,329,027)	(275,266)	(2,779,285)
Bonds	49,962,080	297,670,973	379,724,734	317,220,715
Other loans	26,974	1,347,110	33,466	17,707
Derivative instruments (Note 27)	860,503	-	582,869	-
Other loans	887,477	1,347,110	616,335	17,707
Obligations under finance leases (Note 26)	3,142,651	2,423,501	4,406,849	4,236,417
	143,582,795	596,135,078	407,205,050	388,725,787

The interest rate as at 31 December 2015 of bonds and loans was on average 2.48% (2.64% as at 31 December 2014). These bonds and bank loans bear interests at variable rates indexed to Euribor.

It's estimated that the carrying amount of the above mentioned loans does not differ significantly from its fair value. The loans fair value was determined by discounting estimated future cash flows.

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

	31 December 2015		31 December 2014	
	Capital	Interests	Capital	Interests
N+1	142,760,212	16,625,595	406,955,376	21,080,438
N+2	184,528,813	10,965,918	88,677,930	15,122,374
N+3	57,779,959	6,571,837	96,345,254	9,200,084
N+4	45,873,483	4,874,752	175,955,135	5,322,311
N+5	310,438,521	3,187,079	30,374,513	74,653
After N+5	186,367	237	510,582	2,905
	741,567,355	42,225,417	798,818,790	50,802,765

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

As at 31 December 2015, there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 31 December 2015 and 2014, Sonae Investimentos has, as detailed in note 21 cash and cash equivalents, the value of 76,441,012 euros (101,698,092 euros in 2014) and available credit lines as follows:

	31 December 2015		31 December 2014	
	Commitments of less than one year	Commitments of more than one	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	60,806,401	340,000,000	176,260,000	452,500,000
Agreed credit facilities	142,060,000	535,000,000	176,260,000	482,500,000

26 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2015 and 2014, Obligations under finance leases are as follows:

Obligations under finance leases	Minimum finance lease payments		Present value of minimum finance lease payments	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Amounts under finance leases:				
N+1	3,250,533	4,627,823	3,142,651	4,406,849
N+2	890,058	1,983,855	859,932	1,879,445
N+3	561,029	829,578	540,951	793,402
N+4	428,073	562,934	414,926	540,951
N+5	432,708	429,194	426,493	414,926
After N+5	181,697	614,977	181,199	607,693
	5,744,098	9,048,361	5,566,152	8,643,266
Interests	(177,946)	(405,095)		
	5,566,152	8,643,266		
Current obligations under finance leases			3,142,651	4,406,849
Non-current obligations under finance leases			2,423,501	4,236,417

Finance leases contracts are agreed at market interest rates, have defined periods and generally include an option for the acquisition of the related assets at the end of the period of the agreement.

As at 31 December 2015 and 2014, the fair value of financial obligations under financial lease contracts is similar to its carrying amount.

Obligations under finance leases are guaranteed by related assets.

As at 31 December 2015 and 2014, the accounting net of assets acquired under finance leases can be detailed as follows:

	31 December 2015	31 December 2014
Assets acquired under finance leases		
Lands and buildings	10,816,241	11,018,213
Plant and Machinery	431,136	598,805
Fixture and Fittings	119,438	655,247
Total tangible assets	11,366,815	12,272,265

As at 31 December 2015 the acquisition cost of these tangible assets amounted to 30,110,337 euro (31,170,919 euro as at 31 December 2014).

27 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 December 2015 the exchange rate derivatives considered of speculation reach the value of 522,124 euro.

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 860,503 euro as liabilities (582,869 euro as at 31 December 2014) and 1,983,962 euro as assets (3,995,221 euro as at 31 December 2014).

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

As at 31 December 2015, the Group had no interest rate derivatives.

28 OTHER NON-CURRENT LIABILITIES

As at 31 December 2015 and 2014 "Other non-current liabilities" are made up as follows:

	31 December 2015	31 December 2014
Shareholders loans	402,325,936	402,372,328
Fixed assets suppliers	234,375	1,037,500
Other non-current liabilities	1,460,959	1,930,935
Total of financial instruments (Note 9)	404,021,270	405,340,763
Share based payments (Note 29)	2,307,197	3,877,007
Deferred of revenue from the sale of warranties extention (2.16)	28,196,895	25,905,981
Accruals and deferrals	2,697,861	2,624,071
Other non-current liabilities	437,223,223	437,747,822

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 December 2015 is 56,404 euro (42,358 euro as at 31 December 2014) per obligation having been determined based on discounted cash flows method;
- 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 December 2015, the caption "Other non-current liabilities" includes 500,156 euro (669,571 euro as at 31 December 2014) relating 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 14), with no defined maturity.

29 SHARE BASED PAYMENTS

In 2015 and in previous years, in accordance with the remuneration policy described in the corporate governance report, Sonae Investimentos granted deferred performance bonuses to its directors and eligible employees based on Sonae SGPS, SA shares to be acquired at null cost or discounted, three years after they were attributed to the employee. The acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. Sonae Investimentos has the right to deliver, instead of shares, the equivalent in cash. These rights only exist if the employee is employed by a company of Sonae Group at maturity date.

As at 31 December 2015 and 2014, the number of attributed shares and their fair value may be summarised as follows:

	Grant year	Vesting year	Number of participants	Number of shares		Fair Value	
				31 December 2015	31 December 2014	31 December 2015	31 December 2014
Shares							
	2012	2015	-	-	5,735,577	-	6,783,117
	2013	2016	72	4,340,974	3,848,897	4,505,516	4,291,364
	2014	2017	63	2,386,903	2,333,654	2,501,474	2,517,631
	2015	2018	76	1,830,764	-	1,918,641	-
Total				8,558,641	11,918,128	8,925,631	13,592,112

As at 31 December 2015 and 2014 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:

	31 December 2015	31 December 2014
Staff costs	4,673,927	5,342,316
Recorded in previous years	2,138,786	5,541,540
	6,812,713	10,883,856
Other non-current liabilities (Note 28)	2,307,197	3,877,007
Other current liabilities (Note 32)	4,505,516	7,006,849
	6,812,713	10,883,856

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

30 TRADE CREDITORS

As at 31 December 2015 and 2014, Trade creditors are as follows:

	31 December 2015	Payable to	
		Up to 90 days	More than 90 days
Trade creditors - current account	1,048,238,421	1,047,792,494	445,927
Trade creditors - invoice accruals	95,567,743	95,567,743	-
	<u>1,143,806,164</u>	<u>1,143,360,237</u>	<u>445,927</u>

	31 December 2014	Payable to	
		Up to 90 days	More than 90 days
Trade creditors - current account	1,031,798,969	1,031,357,188	441,782
Trade creditors - invoice accruals	99,413,749	99,413,748	-
	<u>1,131,212,718</u>	<u>1,130,770,936</u>	<u>441,782</u>

As at 31 December 2015 and 2014 this account includes amounts payable to suppliers resulting from Sonae Investimentos operating activity. Sonae Investimentos believes that the fair value of these balances does not differ significantly from its book value and the effect of discounting these amounts is not material.

The company maintains cooperation agreements with financial institutions in order to enable retail segment suppliers, Sonae MC and Sonae SR, to access to an advantageous tool for managing their working capital, upon confirmation by Sonae Investimentos of the validity of credits that suppliers hold on it. Under these agreements, some suppliers freely engage into contracts with these financial institutions that allow them to anticipate the amounts receivable from these retail subsidiaries, after confirmation of the validity of such receivables by these companies. These retail subsidiaries consider that the economic substance of these financial liabilities does not change, therefore these liabilities are kept as accounts payable to Suppliers until the normal maturity of these instruments under the general supply agreement established between the company and the supplier, whenever (i) the maturity corresponds to a term used by the industry in which the company operates, this means that there are no significant differences between the payment terms established with the supplier and the industry, and (ii) the company does not have net costs related with the anticipation of payments to the supplier when compared with the payment within the normal term of this instrument.

31 OTHER CREDITORS

As at 31 December 2015 and 2014, the caption "Other creditors" is detailed as follows:

	31 December 2015	Payable to		
		Up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	45,731,837	43,929,208	486,180	1,316,449
Other debtors	42,688,239	42,425,362	104,890	157,987
	<u>88,420,076</u>	<u>86,354,570</u>	<u>591,070</u>	<u>1,474,436</u>
Related undertakings	41,380,237			
	<u>129,800,313</u>			

	31 December 2014	Payable to		
		Up to 90 days	90 to 180 days	More than 180 days
Fixed asset suppliers	52,005,243	49,258,396	1,987,676	759,171
Other debtors	47,675,331	46,403,813	735,989	535,529
	99,680,574	95,662,209	2,723,665	1,294,700
Related undertakings	28,419,911			
	128,100,485			

The caption "Other debtors" includes:

- 14,219,757 euro (22,150,238 euro as at 31 December 2014) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 14,365,426 euro (14,150,325 euro as at 31 December 2014) related to vouchers, gift cards and discount tickets not yet redeemed;
- 3,176,938 euro (4,253,041 euro as at 31 December 2014) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 33);

As at 31 December 2015, in the caption "subsidiaries and participants" includes about 41.3 million euro (28.2 million euro as at 31 December 2014), the amount payable to Sonae SGPS, SA result of the inclusion companies in Special Regime of Taxing Groups of Companies.

As at 31 December 2015 and 2014, this caption includes payable amounts to other creditors and fixed assets suppliers that do not bear interests. The Board of Directors understands that the fair value of these payables is similar to its book value and the result of discounting these amounts is immaterial.

32 OTHER CURRENT LIABILITIES

As at 31 December 2015 and 2014, "Other current liabilities" are made up as follows:

	31 December 2015	31 December 2014
Staff costs	98,487,910	100,364,020
Other external supplies and services	40,576,691	46,456,469
Deferred of revenue from the sale of warranties extension (Note 2.16)	24,471,084	17,120,641
Marketing expenses	13,791,241	12,814,640
Charges made on the sale of real estate (Note 2.5.c)	10,031,166	-
Accrued income - rents	6,685,283	9,087,161
Share based payments (Note 29)	4,505,516	7,006,849
Interests payable	2,893,228	3,673,989
Real estate municipality tax	2,372,162	2,587,623
Others	14,956,709	13,307,370
	213,505,600	206,157,151

33 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 31 December 2015 and 2014 are as follows:

Caption	Balance as at 1 January 2015	Increase	Decrease	Transfers and other movements	Balance as at 31 December 2015
Accumulated impairment losses on investments (Note 6)	10,031,409	-	(10,031,409)	-	-
Accumulated impairment losses on tangible assets (Note 10)	144,059,960	1,269,175	(11,398,563)	70,383	134,000,955
Accumulated impairment losses on intangible assets	1,497,101	-	(77)	-	1,497,024
Accumulated impairment losses on other non current assets (Note 14)	2,450,000	-	-	-	2,450,000
Accumulated impairment losses on trade accounts receivables (Note 16)	3,805,638	1,232,697	(971,532)	7,955	4,074,758
Accumulated impairment losses on other debtors (Note 17)	14,540,984	1,545,208	(4,924,722)	-	11,161,470
Non current provisions	22,396,928	6,505,887	(14,400,006)	(2,917,167)	11,585,642
Current provisions	3,438,257	899,756	(1,518,063)	-	2,819,950
	<u>202,220,277</u>	<u>11,452,723</u>	<u>(43,244,372)</u>	<u>(2,838,829)</u>	<u>167,589,799</u>

Caption	Balance as at 1 January 2014	Increase	Decrease	Transfers and other movements	Balance as at 31 December 2014
Accumulated impairment losses on investments (Note 6)	2,101,337	10,031,409	(2,101,337)	-	10,031,409
Accumulated impairment losses on tangible assets (Note 10)	153,320,202	1,479,167	(10,739,409)	-	144,059,960
Accumulated impairment losses on intangible assets (Note 11)	1,497,119	-	(18)	-	1,497,101
Accumulated impairment losses on other non current assets (Note 14)	2,423,530	26,470	-	-	2,450,000
Accumulated impairment losses on trade accounts receivable (Note 16)	3,104,378	1,145,207	(443,947)	-	3,805,638
Accumulated impairment losses on other debtors (Note 17)	13,921,247	1,961,804	(1,342,067)	-	14,540,984
Non current provisions	29,588,227	2,394,348	(9,585,647)	-	22,396,928
Current provisions	2,717,989	726,942	(6,674)	-	3,438,257
	<u>208,674,029</u>	<u>17,765,347</u>	<u>(24,219,099)</u>	<u>-</u>	<u>202,220,277</u>

As at 31 December 2015 and 2014 increases in provisions and impairment losses are as follows:

	31 December 2015	31 December 2014
Provisions and impairment losses	11,412,380	8,057,402
Impairment in joint ventures (Note 6)	-	10,031,409
Goodwill (Note 12)	-	(20,166)
Others	40,343	(303,298)
	<u>11,452,723</u>	<u>17,765,347</u>

As at 31 December 2015 and 2014 the value of decreases in provisions and impairment losses can be detailed as follows:

	31 December 2015	31 December 2014
Provisions and impairment losses reversal (Note 39)	(10,828,524)	(9,319,695)
Direct use of impairments to accounts receivable	(2,081,037)	(14,012)
Direct use of Brazil provisions	-	(2,433,450)
Compensation receivable from Walmart	(9,607,850)	-
Impairment reversal in I investments	(7,768,718)	(2,101,337)
Direct use and reversals recorded in fixed assets tangible	(11,398,638)	(10,739,409)
Other responsibilities	(1,559,605)	388,803
	(43,244,372)	(24,219,099)

The caption "Non-current Provisions" and "Current Provisions" include:

- 6,779,929 euro (12,584,983 euro as at 31 December 2014) relating to non-current contingencies, assumed by the company, when selling the 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 caption non-current provisions and current provisions and the movement in the period in this provision, also includes the estimated liabilities incurred by the Group on the sale of warranty extension programs on products traded by the Specialized Retail operating segment in the amount of 3,363,334 euro (8,773,796 euro as at 31 December 2014). 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.

34 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2015 and 2014, contingent liabilities to which Sonae Investimentos is exposed can be detailed as follows:

- Guarantees and sureties given

	31 December 2015	31 December 2014
Guarantees and securities given:		
on tax claims	929,791,189	867,059,310
on judicial claims	624,472	285,654
on municipal claims	8,268,603	6,383,942
for proper agreement fulfillment	17,165,647	15,044,279
other guarantees	4,940,068	4,994,628

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 in favour of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 520 million euro (466.1 million euro as at 31 December 2014) related to the period from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. The increase in the value of guarantees and securities provided in relation to the previous year, mainly result from additional tax assessments over 2012 and 2013. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients.

- The caption guarantees given on tax claims include guarantees granted, in the amount of 144.3 million euro (108 million euro as at 31 December 2014), 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, 15.2 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 31.3 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 assets and 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 e Decree of Law 248-A), the Group made 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 4 and 14), and having been corrected by the amounts corresponding to the remaining taxes, according to the described In Note 4.

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 euro (39.8 million euro at 31 December 2014).

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.

35 OPERATIONAL LEASE

As at 31 December 2015 was recognized as expense of the exercise the amount for 102,820,137 euro (98,138,253 euro as at 31 December 2014) related to incomes paid by rents of operational leases, related to real estate, values that do not include income variables given their immateriality.

Additionally, as at 31 December 2015 and 2014, Sonae Investimentos had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

	31 December 2015	31 December 2014
Due in:		
N+1 automatically renewal	20,607,703	8,892,583
N+1	90,693,638	85,325,461
N+2	85,544,328	76,299,034
N+3	82,111,544	69,116,558
N+4	76,756,576	63,242,760
N+5	82,284,162	56,640,778
After N+5	675,098,903	452,315,226
	<u>1,113,096,854</u>	<u>811,832,400</u>

At the end of the lease period, the Group has, in certain contracts, the possibility of exercising the option to acquire the assets as its fair value.

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognized as income during the period ended 31 December 2015 and 2014 amounted to 8,390,359 and 8,260 548 euro, respectively.

Additionally, at 31 December 2015 and 2014, Sonae Investimentos had operational lease contracts, as a lessor, whose minimum lease payments (fixed income) had the following payment schedule:

	31 December 2015	31 December 2014
Due in:		
N+1 automatically renewal	2,851,338	2,932,393
N+1	4,206,117	3,588,918
N+2	3,800,458	2,990,918
N+3	3,101,846	2,651,038
N+4	1,942,667	2,162,392
N+5	1,203,964	1,126,289
After N+5	3,617,576	1,965,342
	20,723,967	17,417,290

36 TURNOVER

As at 31 December 2015 and 2014, turnover is made up as follows:

	31 December 2015	31 December 2014
Sale of goods	4,796,464,501	4,768,352,819
Services rendered	63,016,525	52,135,116
	4,859,481,026	4,820,487,935

37 GAINS AND LOSSES ON FINANCIAL INVESTMENTS

As at 31 December 2015 and 2014, gains and losses on financial investments are made up as follows:

	31 December 2015	31 December 2014
Dividends	152,412	151,880
Sale of Raso SGPS	(4,263,824)	-
Sale of Fozmassimo (Note 22)	-	297,373
Others	2	124,101
Gains / (losses) on the sale of investments in subsidiaries	(4,263,822)	421,474
Impairment losses on investments in associated companies (Note 6)	-	(10,031,409)
Impairment of reversal/(losses) on investments	-	(10,031,409)
Total income and (expenses) related to investments	(4,111,410)	(9,458,055)

38 NET FINANCIAL EXPENSES

As at 31 December 2015 and 2014, Net financial expenses are as follows:

	31 December 2015	31 December 2014
Expenses		
Interests payable		
related with bank loans and overdrafts	(4,169,708)	(4,810,476)
related with non convertible bonds	(16,327,761)	(18,461,374)
related with other loans	(32,444,414)	(32,426,215)
related with financial leases	(169,185)	(260,358)
others	(2,175,262)	(4,515,145)
	(55,286,330)	(60,473,568)
Exchange losses	(8,530,069)	(3,341,738)
Up front fees and commissions related to loans	(5,386,539)	(6,502,102)
Others	(1,120,542)	(2,773,003)
	(70,323,480)	(73,090,412)
Income		
Interests receivable		
related with bank deposits	41,599	317,300
others	3,728,329	872,829
	3,769,928	1,190,129
Exchange gains	7,993,207	4,670,287
Other financial income	6,273,989	532,325
	18,037,124	6,392,741
Net financial expenses	(52,286,356)	(66,697,671)

39 OTHER INCOME

As at 31 December 2015 and 2014, the caption "Other income" is made up as follow:

	31 December 2015	31 December 2014
Supplementary income	555,163,085	451,014,930
Gains on sales of assets	44,128,997	2,341,947
Exchange differences	30,563,234	14,360,836
Prompt payment discounts received	23,045,190	21,773,860
Impairment losses and provisions reversals (Note 33)	10,828,524	9,319,695
Own work capitalised (Note 11)	10,089,674	7,815,146
Insurance claims	-	6,230,514
Subsidies	431,540	657,494
Others	4,563,645	5,528,782
	678,813,889	519,043,204

The caption "Supplementary income" relates mainly to promotional campaigns carried out in Sonae Investimentos stores reimbursed by its partners.

Under the caption of "Gains on sales of assets" are included gains related to the operation of "Sale & Leaseback" amounting to 42.4 million euro (Note 10).

40 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2015 and 2014, External supplies and services are as follows:

	31 December 2015	31 December 2014
Advertising expenses	105,256,347	101,774,536
Rents	135,740,347	130,160,607
Transports	50,392,987	53,869,039
Electricity	55,917,296	55,398,176
Services	62,315,058	55,751,998
Maintenance	25,038,506	21,611,559
Costs with automatic payment terminals	10,822,581	20,152,608
Subcontracts	1,894,389	4,373,469
Security	19,754,015	20,179,701
Cleaning up services	20,888,206	20,218,521
Communications	10,237,881	8,780,154
Travel expenses	11,047,873	9,546,004
Insurances	5,865,382	4,912,203
Consumables	13,679,050	17,985,738
Home delivery	5,979,094	5,696,255
Others	64,584,066	51,540,184
	<u>599,413,077</u>	<u>581,950,752</u>

41 STAFF COSTS

As at 31 December 2015 and 2014, Staff costs are as follows:

	31 December 2015	31 December 2014
Salaries	467,158,011	459,844,359
Social security contributions	98,864,667	97,540,363
Insurance	9,296,225	8,943,471
Welfare	3,733,776	3,838,117
Other staff costs	18,333,650	15,642,338
	<u>597,386,328</u>	<u>585,808,648</u>

42 OTHER EXPENSES

As at 31 December 2015 and 2014, "Other expenses" are as follows:

	31 December 2015	31 December 2014
Exchange differences	31,214,052	13,803,615
Donations	7,297,725	7,231,123
Losses on the disposal of assets	14,398,027	13,211,658
Municipal property tax	2,040,348	2,434,201
Other taxes	9,451,367	6,026,046
Others	22,138,543	21,424,478
	<u>86,540,063</u>	<u>64,131,121</u>

The caption "Others", for the year ended as at 31 December 2015, includes approximately 13.2 million (13.7 million euro as at 31 December 2014) relating Sonae Investimentos participation in Galp/Cartão Continente promotional program.

43 INCOME TAX

As at 31 December 2015 and 2014, Income tax is made up as follows:

	31 December 2015	31 December 2014
Current tax	15,889,051	19,811,327
Deferred tax (Note 20)	4,627,340	8,369,006
	20,516,391	28,180,333

The reconciliation between the profit before income tax and the tax charge for the years ended 31 December 2015 and 2014 is as follows:

	31 December 2015	31 December 2014
Profit before income tax	93,395,235	101,143,877
Difference between capital (losses)/gains for accounting and tax purposes	(60,388,254)	306,172
Gains or losses in jointly controlled and associated companies (Note 6)	2,727,279	2,071,468
Donations unforeseen or beyond the legal limits	1,424,422	1,617,773
Impairment of goodwill	-	20,166
Provisions and impairment losses not accepted for tax purposes	6,505,887	11,391,257
Others	(2,580,636)	-
Taxable Profit	41,083,933	116,550,713
Recognition of tax losses that have not originated deferred tax assets	3,056,582	22,761,179
	44,140,515	139,311,892
Income tax rate in Portugal	21.00%	23.00%
	9,269,508	32,041,735
Effect of different income tax rates in other countries	(13,649,705)	(14,690,127)
Effect of the write-off of deferred taxes (Note 20)	17,404,712	2,432,266
Use of tax benefits	(1,856,933)	(4,040,129)
Under/(over) Income tax estimates	(4,307,218)	(1,344,887)
Effect of change in tax income rate in the calculation of deferred taxes	-	4,594,535
Autonomous taxes and tax benefits	3,073,976	2,437,923
Municipality surcharge	7,721,970	5,932,565
Others	2,860,080	816,452
Income tax	20,516,391	28,180,333

44 RELATED PARTIES

Balances and transactions with related parties during the periods ended 31 December 2015 and 2014 are as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Parent company	1,410,920	1,158,744	1,890,923	3,240,175
Jointly controlled companies	964,035	1,545,469	4,630,921	6,078,019
Associated companies	37,470,033	36,476,390	295,877	401,568
Other related parties ⁽¹⁾	63,761,468	67,953,432	70,079,779	73,059,918
	103,606,456	107,134,035	76,897,500	82,779,680

Transactions	Interest income		Interest expenses	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Parent company	2,968	8,269	34,259,601	32,459,985
Jointly controlled companies	331,132	406,238	-	-
Associated companies	262,445	313,343	-	-
Other related parties ⁽¹⁾	-	-	150,852	4,479,524
	596,545	727,850	34,410,453	36,939,509

Balances	Accounts receivable		Accounts payable	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Parent company	39,852,783	21,582,787	43,503,785	31,745,702
Jointly controlled companies	-	617,990	-	697,077
Associated companies	5,853,840	5,128,639	995,073	1,090,674
Other related parties ⁽¹⁾	21,499,121	21,144,252	17,640,121	26,057,886
	67,205,744	48,473,668	62,138,979	59,591,339

Balances	Loans			
	Obtained		Granted	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Parent company (Note 28)	400,000,000	400,000,000	-	-
Jointly controlled companies	-	-	-	8,768,402
Associated companies	-	-	651,119	9,155,593
Other related parties ⁽¹⁾	2,414,770	2,541,268	-	-
	402,414,770	402,541,268	651,119	17,923,995

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

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

Granted loans to associated companies, refer to loans granted to associate MDS, SGPS, SA (620,688 euro as at 31 December 2015, 9,014,061 euro as at 31 December 2014) (Note 14).

In the period ended 31 December 2015, the Group increased the percentage held in Fundo de Investimento Imobiliário Fechado do Imosede, through the acquisition of 22.57% of its share capital, to a related party for an amount of 34.1 million euro (in 2014 there was a 3.28% increase of the percentage of share capital held for an amount of 5 million euro).

Members of the Board of Directors and strategic direction remuneration, in all companies within Sonae Investimentos perimeter, in the years ended 31 December 2015 and 2014, can be detailed as follows:

	Strategic direction ^(a)	
	31 December 2015	31 December 2014
Short-term employee benefits	3,528,427	4,794,396
Share-based payments	1,001,000	1,306,300
	4,529,427	6,100,696

(a) Includes personnel responsible for the strategic management of Sonae Investimentos main companies (excluding members of the Board of Directors of Sonae Investimentos).

45 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2015 and 2014, were calculated taking into consideration the following amounts:

	31 December 2015	31 December 2014
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	70,039,847	70,697,244
Net profit taken into consideration to calculate diluted earnings per share	70,039,847	70,697,244
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)	0.077822	0.078552

As at 31 December 2015 and 2014 there are no dilutive effects on the number of outstanding shares.

46 CASH RECEIPTS RELATED TO INVESTMENTS

As at 31 December 2015 and 2014, cash receipts related to investments are as follows:

- Investment Activities

	31 December 2015	31 December 2014
Receipts		
Disposal of Fozmassimo	-	2,958,542
	-	2,958,542
Payments		
Acquisition of Losan Group (Note 8)	30,244,404	-
Acquisition of MJB - Design (Note 8)	916,123	-
Acquisition of Elergone Energias, Lda (Note 8)	187,501	-
Others	202,146	-
	31,550,174	-

- Financing Activities

	31 December 2015	31 December 2014
Receipts		
Disposal of Imosonae II fund units	1,173,697	1,829,199
Disposal of Raso SGPS	29,000,000	-
Others	381	-
	30,174,078	1,829,199
Payments		
Acquisition of Fundo Imosede (Note 24)	34,082,452	5,000,134
Acquisition of Ulabox (Note 6)	3,231,029	-
Acquisition of the remaining 50% of Raso SGPS	3,888,849	-
Capital increase in Raso SGPS	41,000,000	-
Others	592,525	850,217
	82,794,856	5,850,351

47 SEGMENT INFORMATION

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

- Sonae MC is our food retail unit, operating 509 stores directly and 237 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 515 stores directly and 80 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 December 2015 and 2014 can be detailed as follows:

Turnover	31 December 2015	Inter-segment income	31 December 2014 Restated	Inter-segment income
Sonae MC	3,490,025,696	(1,983,822)	3,460,812,214	(2,081,079)
Sonae SR	1,294,305,186	(29,120,431)	1,289,721,730	(34,601,862)
Sonae RP	121,266,202	(112,148,070)	126,341,851	(118,077,443)
Others, eliminations and adjustments	(46,116,057)	-	(56,387,860)	-
Total consolidated	4,859,481,026	(143,252,323)	4,820,487,935	(154,760,384)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	31 December 2015	31 December 2014 Restated	31 December 2015	31 December 2014 Restated	31 December 2015	31 December 2014 Restated
Sonae MC	85,806,855	84,088,262	1,939,973	1,611,558	119,760,878	151,068,014
Sonae SR	44,883,574	43,078,974	2,949,432	4,104,936	(56,947,385)	(51,238,382)
Sonae RP	27,487,028	29,079,082	-	52,107	121,207,518	88,619,925
Others, eliminations and adjustments	2,603,597	2,800,592	17,089	928,954	(24,330,990)	(19,248,161)
Total direct consolidated	160,781,054	159,046,910	4,906,493	6,697,554	159,690,021	169,201,396

	Investment (CAPEX)		Invested capital	
	31 December 2015	31 December 2014 Restated	31 December 2015	31 December 2014 Restated
Sonae MC	113,771,108	104,726,899	466,999,988	418,842,475
Sonae SR	111,310,822	62,623,328	152,234,943	115,932,567
Sonae RP	60,418,121	21,548,234	1,046,536,798	1,199,634,469
Others, eliminations and adjustments	4,273,016	3,380,300	89,334,953	53,558,752
Total consolidated	289,773,068	192,278,761	1,755,106,682	1,787,968,263

The caption "Eliminations and adjustments" can be analysed as follows:

	Turnover		EBIT	
	31 December 2015	31 December 2014 Restated	31 December 2015	31 December 2014 Restated
Inter-segment income	(143,252,323)	(154,760,384)	-	-
Equity method	-	-	(2,727,279)	(2,071,468)
Contribution from companies not included in the segments	97,136,266	98,372,524	(21,427,511)	(18,166,976)
Others	-	-	(176,200)	990,283
Others, eliminations and adjustments	(46,116,057)	(56,387,860)	(24,330,990)	(19,248,161)

	Investment (Capex)		Invested capital	
	31 December 2015	31 December 2014 Restated	31 December 2015	31 December 2014 Restated
Investments and loans granted	-	-	48,203,015	49,717,769
Contribution from companies not included in the segments	1,461,252	629,262	34,670,458	38,625,663
Others	2,811,764	2,751,039	6,461,480	(34,784,680)
Others, eliminations and adjustments	4,273,016	3,380,300	89,334,953	53,558,752

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;

48 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 value of EBITDA and EBIT are calculated with the direct income component, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 31 December 2015 and 2014 can be summarized as follows:

	31 December 2015			31 December 2014		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	4,859,481,026	-	4,859,481,026	4,820,487,935	-	4,820,487,935
Investment income						
Dividends and other adjustments	152,410	-	152,410	151,880	-	151,880
Impairment losses	(4,263,824)	(4,263,824)	-	-	-	-
Others	-	-	-	(9,609,935)	-	(9,609,935)
Other income						
Negative goodwill	-	-	-	-	-	-
Impairment losses reversal	4,558,217	(471,539)	5,029,756	2,300,161	-	2,300,161
Others	625,606,729	-	625,606,729	516,743,043	-	516,743,043
Total income	5,485,534,558	(4,735,363)	5,490,269,921	5,330,073,084	-	5,330,073,084
Total expenses	(5,173,780,635)	(2,919,593)	(5,170,861,042)	(4,963,413,413)	-	(4,963,413,413)
Depreciation and amortisation	(160,781,054)	-	(160,781,054)	(159,046,910)	-	(159,046,910)
Gains and Losses on tangible and intangible assets	(12,807,184)	-	(12,807,184)	(10,872,008)	-	(10,872,008)
Provisions and impairment						
Provisions for warranty extensions	5,410,462	-	5,410,462	(726,942)	-	(726,942)
Goodwill impairment	-	-	-	-	-	-
Unusual provisions and impairments	(6,505,887)	(6,505,887)	-	(1,359,848)	(1,359,848)	-
Others	(4,906,493)	-	(4,906,493)	(5,970,612)	-	(5,970,612)
Profit before financial results and share of results in associated companies	132,163,768	(14,160,843)	146,324,611	188,683,351	(1,359,848)	190,043,199
Non recurrent items	16,245,102	-	16,245,102	(18,770,335)	-	(18,770,335)
Financial profit/(loss)	(52,286,356)	2,580,730	(54,867,086)	(66,697,671)	-	(66,697,671)
Share of results in joint ventures and associated undertakings						
MDS	(2,666,937)	-	(2,666,937)	(2,367,036)	-	(2,367,036)
Raso	-	-	-	(118,793)	-	(118,793)
Others	(60,342)	-	(60,342)	414,361	-	414,361
Profit before taxation	93,395,235	(11,580,113)	104,975,348	101,143,877	(1,359,848)	102,503,725
Income tax	(20,516,391)	-	(20,516,391)	(28,180,333)	-	(28,180,333)
Profit/(Loss) after taxation	72,878,844	(11,580,113)	84,458,957	72,963,544	(1,359,848)	74,323,392
Attributable to equity holders of Sonae	70,039,847	(11,580,113)	81,619,960	70,697,244	(1,359,848)	72,057,092
Non-controlling interests	2,838,997	-	2,838,997	2,266,300	-	2,266,300
"Underlying" EBITDA (b)			319,637,175			363,480,688
EBITDA (a)			333,154,998			342,638,885
Direct EBIT (c)			159,690,024			169,201,396

(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.

Indirect income can be analysed as follows:

Indirect income	31 December 2015	31 December 2014
Provision for contingencies in Brazil (Note 33)	(6,505,887)	(1,359,848)
Loss on disposal of "non-current assets held for sale" (Note 22)	(4,263,823)	-
Others	(810,403)	-
Total	(11,580,113)	(1,359,848)

"Underlying Direct EBITDA" could be analysed as follows:

	31 December 2015	31 December 2014
Direct EBITDA	333,154,998	342,638,885
Share of results in joint ventures and associated undertakings	2,727,279	2,071,468
Non recurrent items	(16,245,102)	18,770,334
"Underlying" Direct EBITDA	319,637,175	363,480,688

49 SUBSEQUENT EVENTS

On January 29, 2016 Sonae RP has concluded an agreement promising to sell and leaseback transaction of 12 food retail assets located in Portugal. This operation will totalize 164 million euro and corresponds to assets whose net book value is estimated at 114.4 million euro. This transaction was completed at 25 February 2016. These assets are classified as non-current assets held for sale (Note 22).

On March 1, 2016 Sonae RP completed the sale transaction and leaseback of three stores Worten Spain in the cities of Madrid, Barcelona and Valencia. This transaction amounted to 26.8 million euro and the assets have a net book value added of 17.1 million euro. These assets are classified as non-current assets held for sale (Note 22).

On March 30, 2016 Sonae RP completed the sale transaction and leaseback of four food retail stores located in Portugal. This transaction totalled 39.1 million euros and is related to assets with an estimated net book value of 24.8 million euros.

50 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 22 April 2016 nevertheless they are still subject to approval at the Shareholders Annual General Meeting.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Individual financial statements

INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 AND 2014

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

(Amounts expressed in euro)

ASSETS	Notes	31.December.2015	31.December.2014 Restated (note 5)	01.January.2014 Restated (note 5)
NON-CURRENT ASSETS:				
Tangible assets	8	-	8	30
Intangible assets	8	435	228	455
Investments in subsidiaries and associates companies	7	1,676,827,937	760,698,747	2,388,661,291
Deferred tax assets		-	-	6,485
Other non-current assets	6, 9	1,194,041,341	699,808,123	1,186,256,030
Total non-current assets		2,870,869,713	1,460,507,106	3,574,924,291
CURRENT ASSETS:				
Trade account receivables		-	-	394,432
Other debtors	6, 10	2,102,658,845	2,962,680,520	163,413,235
Taxes recoverable	11	8,323,773	10,506,101	34,066,038
Other current assets	6, 12	8,192,565	5,030,036	4,417,840
Cash and cash equivalents	6, 13	131,553	40,614,996	6,623,141
Total current assets		2,119,306,736	3,018,831,653	208,914,686
TOTAL ASSETS		4,990,176,449	4,479,338,759	3,783,838,977
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	14	1,000,000,000	1,000,000,000	1,000,000,000
Legal reserves	15	170,940,266	141,237,816	140,642,469
Hedging reserve, fair value reserve and other reserves	16	1,650,091,519	1,125,745,149	1,154,433,557
Retained earnings		(2,200,320)	(2,200,320)	(2,200,320)
Profit for the period		(20,156,409)	594,048,820	11,906,939
TOTAL EQUITY		2,798,675,056	2,858,831,465	2,304,782,645
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Bonds	6, 17	297,670,973	317,220,715	646,307,863
Bank loans	6, 17	160,000,000	30,000,000	66,666,347
Other non-current liabilities	6, 18	400,234,375	400,000,000	400,000,000
Total non-current liabilities		857,905,348	747,220,715	1,112,974,210
CURRENT LIABILITIES:				
Bonds	6, 17	49,962,080	379,724,734	9,990,122
Bank loans	6, 17	72,453,599	1,670,930	35,825,666
Trade accounts payable	6, 19	27,692	37,010	34,775
Other creditors	6, 20	1,203,086,434	481,058,354	309,433,073
Taxes and contributions payable	11	1,921,801	2,161,371	2,579,178
Other current liabilities	6, 21	6,144,439	8,634,180	8,219,308
Total current liabilities		1,333,596,045	873,286,579	366,082,122
TOTAL EQUITY AND LIABILITIES		4,990,176,449	4,479,338,759	3,783,838,977

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL INCOME STATEMENT FOR THE YEARS ENDED AS AT 31 DECEMBER 2015 AND 2014

(Translation of individual financial statements originally issued in Portuguese.

In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)

	Notes	31.December.2015	31.December.2014
Services rendered		-	64,595
Gains or losses on investments	25	(25,567,704)	618,628,591
Financial income	26	85,834,247	49,055,664
Other income	27	580,237	1,045,967
External supplies and services	28	(3,197,365)	(4,350,327)
Staff costs		(42,527)	(39,105)
Depreciation and amortisation	8	(189)	(249)
Provisions and impairment losses		-	(26,470)
Financial expenses	26	(70,118,187)	(70,730,165)
Other expenses	29	(267,728)	(108,830)
Profit/(Loss) before taxation		(12,779,216)	593,539,671
Taxation	30	(7,377,193)	509,149
Profit/(Loss) after taxation		(20,156,409)	594,048,820
Profit/(Loss) per share	31	(0.0224)	0.6601

The accompanying notes are part of these individual financial statements.

The Board of Directors

**INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED AS AT
31 DECEMBER 2015 AND 2014**

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

	31.December.2015	31.December.2014
Net Profit / (Loss) for the period	(20,156,409)	594,048,820
Total comprehensive income for the period	(20,156,409)	594,048,820

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED AS AT 31 DECEMBER 2015 AND 2014

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

(Amounts expressed in euro)

	Notes	Share capital	Legal reserve	Legal reserves in accordance with article 324 of Commercial Companies Code	Other reserves	Retained earnings	Total other reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2014 Restated		1,000,000,000	140,642,469	320,000,000	834,433,557	(2,200,320)	1,152,233,237	11,906,939	2,304,782,645
Total comprehensive income for the year		-	-	-	-	-	-	594,048,820	594,048,820
Appropriation of profit of 2013:									
Transfer to legal reserves and other reserves	14	-	595,347	-	-	-	-	(595,347)	-
Dividends distributed		-	-	-	(28,688,408)	-	(28,688,408)	(11,311,592)	(40,000,000)
Balance as at 31 december 2014 Restated		1,000,000,000	141,237,816	320,000,000	805,745,149	(2,200,320)	1,123,544,829	594,048,820	2,858,831,465
Balance as at 1 January 2015 Restated		1,000,000,000	141,237,816	320,000,000	805,745,149	(2,200,320)	1,123,544,829	594,048,820	2,858,831,465
Total comprehensive income for the year		-	-	-	-	-	-	(20,156,409)	(20,156,409)
Appropriation of profit of 2014:									
Transfer to legal reserves and other reserves	14	-	29,702,450	-	524,346,370	-	524,346,370	(554,048,820)	-
Dividends distributed	13	-	-	-	-	-	-	(40,000,000)	(40,000,000)
Balance as at 31 december 2015		1,000,000,000	170,940,266	320,000,000	1,330,091,519	(2,200,320)	1,647,891,199	(20,156,409)	2,798,675,056

The accompanying notes are part of these individual financial statements.

The Board of Directors

INDIVIDUAL STATEMENT OF CASH FLOWS FOR THE YEARS ENDED AS AT 31 DECEMBER 2015 AND 2014

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

(Amounts expressed in euro)

	Notes	31.December.2015	31.December.2014
OPERATING ACTIVITIES			
Cash receipts from trade debtors		-	534,585
Cash paid to trade creditors		(4,351,155)	(4,121,416)
Cash paid to employees		(42,512)	(39,335)
Cash flow generated by operations		(4,393,667)	(3,626,166)
Income tax (paid) / received		1,824,638	24,205,522
Other cash receipts and (payments) relating to operating activities		1,375,472	8,778,769
Net cash flow from operating activities (1)		(1,193,557)	29,358,125
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	32	1,564,710,490	784,234,901
Interest and similar income		82,320,008	43,184,200
Dividends		113,299	16,758,860
Others		50,396,691	15,998,689
Loans granted		6,265,043,939	2,582,910,674
		7,962,584,427	3,443,087,324
Cash payments arising from:			
Investments	32	(1,105,406,700)	(6,150,135)
Intangible assets		(387)	-
Loans granted		(7,364,923,955)	(3,460,041,537)
		(8,470,331,042)	(3,466,191,672)
Net cash used in investment activities (2)		(507,746,615)	(23,104,349)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		9,767,678,455	6,570,932,781
		9,767,678,455	6,570,932,781
Cash payments arising from:			
Loans obtained		(9,201,333,354)	(6,433,263,084)
Interest and similar charges		(70,336,749)	(69,936,841)
Dividends	14	(40,000,000)	(40,000,000)
		(9,311,670,103)	(6,543,199,925)
Net cash used in financing activities (3)		456,008,352	27,732,856
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(52,931,820)	33,986,633
Cash and cash equivalents at the beginning of the period	13	40,609,774	6,623,141
Cash and cash equivalents at the end of the period	13	(12,322,046)	40,609,774

The accompanying notes are part of these individual financial statements.

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

(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 7).

2 BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. This standards were issued by the International Accounting Standards Board ("IASB") and interpretations issued by International Financial Reporting Interpretations Committee ("IFRS-IC") or by the previous Standing Interpretations Committee ("SIC"), that have been adopted by the European Union.

The accompanying financial statements have been prepared from the books and accounting records 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 in the financial statements

Up to the approval date of these financial statements, the European Union endorsed standards, interpretations, amendments and revisions, some of which have become effective during the year 2015. These changes are presented in note 2 of the notes to the consolidated financial statements. The adoption, during 2015 of the mentioned standards did not produce impacts on the Company financial statements, since they aren't applicable to the Individual financial statements of the Company.

Additionally there are standards that have been approved for adoption in the periods started at or after 1 January 2016, which were not adopted by the Company in advance. No material impacts in the individual financial statements of the company will arise from the adoption of these standards.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the accompanying individual financial statements are as follows:

3.1 Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are accounted for accordingly with IAS 27, at acquisition cost net of impairment losses.

3.2 Tangible assets

Tangible assets are recorded at acquisition cost net of depreciation and accumulated impairment losses.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortisation.

The impairment losses in the realisable value of tangible assets are recorded in the year they arise in the caption of the Income Statement - "Provisions and impairment losses".

3.3 Intangible assets

Intangible assets are stated at acquisition cost, net of amortisation and accumulated impairment losses. Intangible assets are only recognized if it is probable that future economic benefits will flow from them, if they are controlled by the Company and if their cost can be reliably measured.

Depreciation charges for the year are calculated on a straight line basis over the useful life of each asset in the caption Depreciation and amortization.

3.4 Borrowing costs

Borrowing costs are usually recognized as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.

3.5 Financial instruments

The Company classifies the financial instruments in the categories presented and conciliated with the statement of financial position disclosed in note 6.

a) Investments

Investments are classified into the following categories:

- Held to maturity
- Investments measured at fair value through profit or loss
- Available for sale

Held to maturity investments are classified as non-current assets unless they mature within 12 months of the statement of financial position date. Investments classified as held to maturity have defined maturities and the Company has the intention and ability to hold them until the maturity date.

The investments measured at fair value through profit or loss include the investments held for trading that the company acquires for sale in a short period of time, and are classified in the statement of financial position as current assets.

The Company classifies as available for sale those investments that are neither included as investments measured at fair value through profit or loss nor as investments held to maturity. These assets are classified as non-current assets, except if the sale is expected to occur within 12 months from the date of classification.

All purchases and sales of investments are recognized on the trade date, independently of the settlement date.

Investments are initially recorded at acquisition cost, which is the fair value of the consideration paid for them. In the case of Investments held to maturity or available for sale investments, transaction costs are included in the acquisition costs.

After its initial recording, investments measured at fair value through profit or loss and available for sale investments are subsequently carried at fair values, by reference to their quoted market value at statement of financial position date, without any deduction for transaction costs which may be incurred on sale. Investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured are stated at cost, less impairment losses.

Gains or losses arising from a change in fair value of available for sale investments are recognized directly in equity, under Fair value reserve, in the caption Other reserves, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit or loss.

Gains or losses arising from a change in fair value of investments measured at fair value through profit or loss are recorded in the Income statement captions financial expenses or financial income.

Held to maturity investments are carried at amortized cost using the effective interest rate, net of capital reimbursements and interest income received.

b) Loans and accounts receivable

Loans and accounts receivable are recorded at amortized cost using the effective rate method net of accumulated impairment losses, in order to reflect its realisable value.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial instruments emerge when the Company provides money or services to its subsidiaries and associates with no intention of trading those assets.

Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the statement of financial position date, situations when they are classified as non-current assets. Loans and receivables are included in the captions presented in note 5.

c) Trade accounts receivable

Receivables are stated at net realisable value corresponding to their nominal value less impairment losses, recorded under the caption Provisions and impairment losses in accounts receivable.

Impairment is recognized if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If the receipt of the full amount is expected to be within one year the effect of the discount will be considered immaterial.

d) Classification as equity or liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

e) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in note 3.7. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

f) Trade accounts payable

Trade accounts payable are stated at their nominal value. There is no discount, as it is immaterial.

g) Derivatives

The Company uses derivatives in the management of its financial risks to hedge such risks. Derivatives are not used for trading purposes.

Derivatives classified as cash flow hedge instruments are used by the Company mainly to hedge interest rate risks on loans obtained. Conditions established for these cash flow hedge instruments

are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The gain or loss relating to the ineffective portion of the hedge, if any, is recorded in the Income Statement under Financial Income or Financial Expenses.

The Company's criteria for classifying a derivative instrument as a cash flow hedge instrument include:

- The hedge transaction is expected to be highly effective in offsetting changes in cash flows attributable to the hedged risk;
- The effectiveness of the hedge can be reliably measured;
- There is adequate documentation of the hedging relationships at the inception of the hedge;
- The transaction being hedged is highly probable.

Cash flow hedge instruments used by the Company to hedge the exposure to changes in interest of its loans are initially accounted for at cost, if any which corresponds to its fair value, and subsequently adjusted to their corresponding fair value. Changes in fair value of these cash flow hedge instruments are recorded in equity under the caption Hedging reserves, included in the caption Reserves and retained earnings, and then recorded in the income statement over the same period in which the hedged instrument is recognized in profit or loss.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded in equity under the caption Hedging reserve included in the caption Reserves and retained earnings, are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

The fair value of these instruments is estimated by the Company using specific software based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg, through the use of interest rate curves taken from Bloomberg.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host instruments, and this is not stated at fair value through profit or loss.

In specific situations, the Company hires exchange rate derivatives. In these circumstances, and although these derivatives are hired to hedge the risk associated with the variation of future cash flows, these derivatives are usually measured at fair value through the income statement.

h) Treasury shares

Treasury shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of treasury shares are directly recorded in other reserves.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the cash flows statement, cash and cash equivalents also include bank overdrafts, which are included in the statement of financial position caption of Current bank loans.

j) Effective interest rate method

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense until the maturity of the financial instrument.

k) Impairment

Financial assets, other than Investments measured at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For non-quoted equity instruments determining whether the investment is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the entity and a suitable discount rate in order to calculate present value.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For investments in subsidiaries (equity investments and loans granted to subsidiaries, jointly controlled companies and associated companies) the impairment analysis is based on the fair value estimate, based on discounted cash flows or based on its net asset value as applicable.

The above mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models, whenever there is an indication that the asset might be impaired, namely from the distribution of dividends by the mentioned entities.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

If, in a subsequent period, the amount of the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of equity investments classified as available for sale, impairment losses previously recognized through profit or loss are not reversed. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

3.6 Contingent assets and liabilities

Contingent liabilities are not recorded in the financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

Contingent assets are not recorded in the financial statements but disclosed when future economic benefits are probable.

3.7 Revenue recognition and accrual basis

Revenue from services rendered is recognized in the income statement in the period they are performed.

Dividends are recognized as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

Other current assets and other current liabilities include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but that correspond to income or expenses of future years, when they will be recognized in the income statement.

3.8 Subsequent events

Events after the statement of financial position date that provide additional information about conditions that existed at the balance sheet date (adjusting events), are reflected in the financial statements. Events after the statement of financial position date that are non-adjusting events are disclosed in the notes when material.

3.9 Judgements and estimates

The most significant accounting estimates reflected in the financial statements are as follows:

- a) Record of adjustments to the value of assets and provisions;
- b) Impairment analysis of financial investments and loans granted to affiliated, jointly controlled companies and associated companies;

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events, are not controlled by the Company are not foreseeable, some could occur and have impact on the estimates. Therefore and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the approval date of these consolidated financial statements, will be recognized in net income prospectively, in accordance with IAS 8.

The main estimates and assumptions in relation to future events included in the preparation of these financial statements are disclosed in the correspondent notes, if applicable.

3.10 Income tax

Sonae Investimentos is included in the group of companies dominated by Sonae, SGPS, SA, and taxed in accordance with the Special Regime of Taxing Groups of Companies since 1 January 2014, so, consequently, the income tax is included in the balance sheet caption Group companies.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore expected to apply in the periods when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each statement of financial position date an assessment of the deferred tax assets recognized is made, being reduced whenever their future use is no longer probable.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases the corresponding deferred tax is recorded in Equity.

3.11 Transactions with related parties

Transactions with related parties are performed at arm's length conditions, and the gains or losses arising on those transactions are recognized and disclosed in note 24.

4 FINANCIAL RISK MANAGEMENT

Risk management general principles are approved by the Board of Directors, and its implementation is supervised by the Group's finance department.

4.1 Market risk

The interest and exchange rate risk have a decisive importance in what concerns market risk management.

4.1.1 Interest rate risk

Sonae Investimentos exposure to the interest rate risk arises mainly from the long term loans which bear interests indexed to Euribor.

Sensitivity analysis:

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest financial instruments (the interest payments of which are not designated as hedged items of cash flow)

hedges against interest rate risks). As a consequence, they are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognized at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7;
- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;
- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity calculation with impact in equity (other reserves);
- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;
- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if interest rates of euro denominated financial instruments had been 75 basis points higher, the net profit before tax for the period ended as at 31 December 2015 would increase by approximately 14.4 million euro (3.3 million euro as at 31 December 2014), considering the contractual fixing dates and excluding other effects arising from the company operations.

4.1.2 Exchange rate risk

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the assets and liabilities are denominated in euro.

4.1.3 Liquidity risk

The purpose of liquidity risk management is to ensure, at all times, that the Company and its subsidiaries, have the necessary financial resources to fulfil its commitments with third parties and carry on with their strategy, through proper management of financing costs and maturity.

The Company follows an active policy of refinancing, guided by the maintenance of a high level of free financial resources, immediately available to deal with short-term needs, and by increasing or maintenance of the maturity of debt, in accordance with the expected cash flows and the ability to leverage its financial position. As at 31 December 2015 Sonae Investimentos debt average maturity was of 2.6 years (1.9 years as at 31 December 2014).

Other important response instruments to liquidity risk are the limitation for contractual clauses capable of triggering the prepayment of loans, before its termination. The Company also guarantees, a high level of diversification in its relationships with financial institutions, which makes it easier to hire new loans and limits the negative impact of any discontinuation on relationship.

The Company maintains a liquidity reserve in the form of credit lines with its relationship banks, to ensure the ability to meet its commitments without having to refinance itself on unfavorable terms.

As at 31 December 2015, the amount of loans with maturity in 2016 is of 122 million euro (382 million with maturity in 2015) and as at 31 December 2015, the Company had a total of 46 million euro committed credit facilities for a period of one year (158 million euro as at 31 December 2014), and 340 million euro (453 million euro as at 31 December 2014) committed for periods over than one year. Furthermore, Sonae Investimentos maintains as at 31 December 2015 a liquidity reserve that includes cash and cash equivalents as described on note 13. Sonae Investimentos expects to meet all its obligations by means of its investments cash flows and from its financial assets as well as from drawing existing available credit lines, if needed.

The liquidity analysis' for financial instruments is disclosed next to the respective note to each financial liabilities class.

4.2 Credit risk

Sonae Investimentos is primarily exposed to credit risk in its dealings with financing companies in which it participates.

Sonae Investimentos is also exposed to the credit risk in its relationship with financial institutions, in result of bank deposits, debt instruments available facilities, derivatives, among others.

The credit risk is limited to financial institutions, by risk concentration management and by a selection of counterparties, which have a high national and international prestige and based on their respective rating notations taking into account the nature, maturity and size of the operations.

5 RESTATEMENT OF FINANCIAL STATEMENTS

Under the Special Regime of Debt Adjustments to the Fiscal Authorities and Social Security (Decree Law No. 248-A/2002 (PMFL) and Decree Law No. 151-A/2013 (RERD)), Sonae Investimentos has voluntarily made payments in the past years relating to additional tax assessments, for which, Sonae had already appealed to the competent courts.

Until the time of those payments the assessment made which has not changed since then, is that these claims correspond to contingencies which probability of being decided against Sonae intents is remote and that such claims are motivated by different interpretations of the applicable tax legislation, hence corresponding to uncertain tax positions. As a result of this assessment, these claims were disclosed in the Notes to the financial statements, as these claims correspond to contingent liabilities.

Amounts paid under those programs were recognized as assets under the caption "Other debtors", according to the "IAS 12 - Income taxes" in the case of amounts related to IRC (Portuguese Income Tax). In what concerns payments of other taxes, and considering that applicable accounting standards are silent in relation with those, Sonae Investimentos used a similar accounting policy, meaning that the payments were also recognized as assets.

However, during the verification of 2012 accounts, the Comissão do Mercado de Valores Mobiliários "CMVM" disagreed with Sonae's interpretation and requested the restatement of the financial statements for the 1st quarter of 2015 in what concerns to payments made of taxes, arguing that the tax payments which exclude income tax should be considered contingent assets. Although

disagreeing with the CMVM's positioning, Sonae Investimentos performed the restatement of financial statements for that period, which had no impact in the income statement and has an immaterial impact in the statement of financial position.

In January 2014 the amount of 2,200,320 euros (2,200,320 euro as at 31 December 2014) was reclassified from other debtors to retained earnings.

6 FINANCIAL INSTRUMENTS BY CLASS AND FAIR VALUE

The accounting policies disclosed in note 3.5 as at 31 December 2015, have been applied to the line items below:

Financial Assets		31.December.2015			
	Notes	Loans and accounts receivable	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets					
Other non-current assets	9	1,194,041,341	1,194,041,341	-	1,194,041,341
		<u>1,194,041,341</u>	<u>1,194,041,341</u>	<u>-</u>	<u>1,194,041,341</u>
Current assets					
Other debtors	10	2,102,658,845	2,102,658,845	-	2,102,658,845
Other current assets	12	7,072,384	7,072,384	1,120,181	8,192,565
Cash and cash equivalents	13	131,553	131,553	-	131,553
		<u>2,109,862,782</u>	<u>2,109,862,782</u>	<u>1,120,181</u>	<u>2,110,982,963</u>
		<u>3,303,904,123</u>	<u>3,303,904,123</u>	<u>1,120,181</u>	<u>3,305,024,304</u>
Financial Liabilities		31.December.2015			
	Notes	Loans and accounts payable	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities					
Bonds	17	297,670,973	297,670,973	-	297,670,973
Bank loans	17	160,000,000	160,000,000	-	160,000,000
Other non-current liabilities	18	400,234,375	400,234,375	-	400,234,375
		<u>857,905,348</u>	<u>857,905,348</u>	<u>-</u>	<u>857,905,348</u>
Current liabilities					
Bonds	17	49,962,080	49,962,080	-	49,962,080
Bank loans	17	72,453,599	72,453,599	-	72,453,599
Trade accounts payable	19	27,692	27,692	-	27,692
Other payables accounts	20	1,203,086,434	1,203,086,434	-	1,203,086,434
Other current liabilities	21	6,144,439	6,144,439	-	6,144,439
		<u>1,331,674,244</u>	<u>1,331,674,244</u>	<u>-</u>	<u>1,331,674,244</u>
		<u>2,189,579,592</u>	<u>2,189,579,592</u>	<u>-</u>	<u>2,189,579,592</u>

The accounting policies disclosed in note 3.5 as at 31 December 2014, have been applied to the items below classified as follows:

Financial Assets		31.December.2014			
	Notes	Loans and accounts receivable	Sub Total	Assets not within scope of IFRS 7	Total
Non-current assets					
Other non-current assets	9	699,808,123	699,808,123	-	699,808,123
		<u>699,808,123</u>	<u>699,808,123</u>	<u>-</u>	<u>699,808,123</u>
Current assets					
Other debtors	10	2,962,680,520	2,962,680,520	-	2,962,680,520
Other current assets	12	3,508,597	3,508,597	1,521,439	5,030,036
Cash and cash equivalents	13	40,614,996	40,614,996	-	40,614,996
		<u>3,006,804,113</u>	<u>3,006,804,113</u>	<u>1,521,439</u>	<u>3,008,325,552</u>
		<u>3,706,612,236</u>	<u>3,706,612,236</u>	<u>1,521,439</u>	<u>3,708,133,675</u>
Financial Liabilities		31.December.2014			
	Notes	Loans and accounts payable	Sub Total	Liabilities not within scope of IFRS 7	Total
Non-current liabilities					
Bonds	17	317,220,715	317,220,715	-	317,220,715
Bank loans	17	30,000,000	30,000,000	-	30,000,000
Other non-current liabilities	18	400,000,000	400,000,000	-	400,000,000
		<u>747,220,715</u>	<u>747,220,715</u>	<u>-</u>	<u>747,220,715</u>
Current liabilities					
Bonds	17	379,724,734	379,724,734	-	379,724,734
Bank loans	17	1,670,930	1,670,930	-	1,670,930
Trade accounts payable	19	37,010	37,010	-	37,010
Other payables accounts	20	481,058,354	481,058,354	-	481,058,354
Other current liabilities	21	8,634,180	8,634,180	-	8,634,180
		<u>871,125,208</u>	<u>871,125,208</u>	<u>-</u>	<u>871,125,208</u>
		<u>1,618,345,923</u>	<u>1,618,345,923</u>	<u>-</u>	<u>1,618,345,923</u>

7 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES COMPANIES

As at 31 December 2015 and 2014, the investments in subsidiaries and associates companies is made up as follows:

Companies	31.December.2015							
	% held	Opening balance	Acquisition cost			Final balance	Accumulated impairment	Amount of statement of financial position
			Increases	Decreases				
Apor - Agência para a Modernização do Porto, SA	22.75%	300,000	-	-	-	300,000	-	300,000
Azulino - Imobiliária, SA	100.00%	498,025	-	-	-	498,025	-	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	2,265,000	-	-	-	2,265,000	700,000	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	1,669,375	-	-	-	1,669,375	1,557,375	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	2,394,591	-	-	-	2,394,591	2,394,591	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	-	-	-	477,848	-	477,848
Cumulativa - Sociedade Imobiliária, SA	100.00%	2,390,191	-	-	-	2,390,191	945,191	1,445,000
Elergone Energia, Lda	75.00%	-	1,118,737	(1)	-	1,118,737	-	1,118,737
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	-	-	-	24,940	-	24,940
Fundo de Investimento Imobiliário Fechado Imosede	80.40%	69,415,155	34,082,452	(1)	-	103,497,607	-	103,497,607
Fundo de Investimento Imobiliário Imosonaes Dois	18.28%	108,760,470	4,243	(1)	81,429,822 (5)	27,334,891	-	27,334,891
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	-	-	-	1,359,000	-	1,359,000
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	-	-	-	24,940	-	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	1,429,940	130,000	(2)	-	1,559,940	1,559,940	-
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	-	-	-	109,736	-	109,736
MDS, SGPS, SA	47.53%	51,000,000	8,766,920	(4)	-	59,766,920	9,570,000	50,196,920
MJLF - Empreendimentos Imobiliários, SA	100.00%	1,809,397	-	-	-	1,809,397	1,619,397	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	24,790,614	-	-	-	24,790,614	3,280,000	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	-	-	-	10,655,164	642,516	10,012,648
MOVVO, SA	16.00%	400,000	591,315	(1)	-	991,315	-	991,315
Ponto de Chegada - Promoção Imobiliária, SA	100.00%	50,000	-	-	-	50,000	-	50,000
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	-	-	-	6,372,293	-	6,372,293
Predilugar - Sociedade Imobiliária, SA	100.00%	50,000	-	-	-	50,000	-	50,000
Raso, SGPS, SA	-	24,500,000	43,262,690	(1) (3)	67,762,690 (6)	-	-	-
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	1,513,379	-	-	-	1,513,379	948,379	565,000
Socjofra - Sociedade Imobiliária, SA	100.00%	550,000	-	-	-	550,000	-	550,000
Soliférias - Operadores Turísticos, SA	11.12%	133,162	-	-	-	133,162	-	133,162
Sonae Capital Brasil, Ltda	37.00%	19,600,307	-	-	-	19,600,307	19,600,307	-
Sonae Center Serviços II, SA	100.00%	58,032,319	-	-	-	58,032,319	-	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	100.00%	423,698,276	1,015,106,000	(1)	-	1,438,804,276	63,300,000	1,375,504,276
Sonae Financial Services, SA	100.00%	350,000	11,980,000	(2) (3)	-	12,330,000	-	12,330,000
Sonae SR Malta Holding Limited	-	1	-	-	-	1	-	1
Sonae Gest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	-	-	-	384,351	-	384,351
Valor N, SA	100.00%	2,087,315	-	-	-	2,087,315	-	2,087,315
Total		817,095,788	1,115,042,357	149,192,512		1,782,945,633	106,117,697	1,676,827,937

- (1) Acquisition;
- (2) Cover losses;
- (3) Capital increase;
- (4) Capital increase by conversion of loans;
- (5) Disposal to controlled entities;
- (6) Disposal to unrelated entities;

During 2015 the company recorded impairment losses on investments in amount of 74,220,656 euro as described on notes 22 and 25.

Companies	31 December 2014							
	% held	Acquisition cost				Accumulated impairment	Amount of statement of financial position	
		Opening balance	Increases	Decreases	Final balance			
Apor - Agência para a Modernização do Porto, SA	22.75%	-	300,000	(1)	-	300,000	-	300,000
Azulino - Imobiliária, SA	100.00%	498,025	-	-	-	498,025	-	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	2,265,000	-	-	-	2,265,000	700,000	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	1,669,375	-	-	-	1,669,375	1,557,375	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	2,394,591	-	-	-	2,394,591	2,394,591	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	-	-	-	477,848	-	477,848
Contimobe - Imobiliária do Castelo de Paiva, SA	-	231,318,722	-	-	231,318,722	(4)	-	-
Cumulativa - Sociedade Imobiliária, SA	100.00%	2,390,191	-	-	-	2,390,191	945,191	1,445,000
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	-	-	-	24,940	-	24,940
Fozmassimo - Sociedade Imobiliária, SA	-	5,044,902	-	-	5,044,902	(5)	-	-
Fundo de Investimento Imobiliário Fechado Imosedo	57.82%	64,415,021	5,000,134	(1)	-	69,415,155	-	69,415,155
Fundo de Investimento Imobiliário Imosonae Dois	74.94%	108,760,470	-	-	-	108,760,470	-	108,760,470
Igimo - Sociedade Imobiliária, SA	-	220,000	-	-	220,000	(4)	-	-
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	-	-	-	1,359,000	-	1,359,000
Imoconti - Sociedade Imobiliária, SA	-	380,000	-	-	380,000	(4)	-	-
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	-	-	-	24,940	-	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	1,429,940	-	-	-	1,429,940	506,055	923,885
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	-	-	-	109,736	-	109,736
Imosistema - Sociedade Imobiliária, SA	-	280,000	-	-	280,000	(4)	-	-
MDS, SGPS, SA	46.92%	51,000,000	-	-	-	51,000,000	-	51,000,000
MJLF - Empreendimentos Imobiliários, SA	100.00%	1,809,397	-	-	-	1,809,397	1,619,397	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	24,790,614	-	-	-	24,790,614	3,280,000	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	-	-	-	10,655,164	642,516	10,012,648
Modelo.Com - Vendas por Correspondência, SA	-	12,637,016	-	-	12,637,016	(4)	-	-
MOVVO, SA	9.09%	-	400,000	(1)	-	400,000	-	400,000
Mundo Vip - Operadores Turísticos, SA	-	2,101,337	-	-	2,101,337	(3)	-	-
Ponto de Chegada - Promoção Imobiliária, SA	100.00%	-	50,000	(2)	-	50,000	-	50,000
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	-	-	-	6,372,293	-	6,372,293
Predilugar - Sociedade Imobiliária, SA	100.00%	-	50,000	(2)	-	50,000	-	50,000
Raso, SGPS, SA	50.00%	24,500,000	-	-	-	24,500,000	24,500,000	-
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	1,513,379	-	-	-	1,513,379	948,379	565,000
Sempre à Mão - Sociedade Imobiliária, SA	-	10,630,558	-	-	10,630,558	(4)	-	-
Sesagest - Projectos e Gestão Imobiliária, SA	-	36,677,088	-	-	36,677,088	(4)	-	-
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	-	-	-	550,000	-	550,000
Socioloures - Sociedade Imobiliária, SA	-	12,350,000	-	-	12,350,000	(4)	-	-
Solférias - Operadores Turísticos, SA	11.12%	-	133,162	(3)	-	133,162	-	133,162
Soflorin, BV	-	257,309,037	-	-	257,309,037	(4)	-	-
Sonae - Specialized Retail, SGPS, SA	-	1,050,000,000	-	-	1,050,000,000	(4)	-	-
Sonae Capital Brasil, Ltda	37.00%	19,600,307	-	-	-	19,600,307	19,303,537	296,770
Sonae Center Serviços II, SA	100.00%	58,032,319	-	-	-	58,032,319	-	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	41.96%	423,698,275	-	-	-	423,698,275	-	423,698,275
Sonae Financial Services, SA	100.00%	-	350,000	(2)	-	350,000	-	350,000
Sonae SR Malta Holding Limited	-	-	1	(2)	-	1	-	1
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	-	-	-	384,351	-	384,351
Sonaerp - Retail Properties, SA	-	114,495,350	-	-	114,495,350	(4)	-	-
Sondis Imobiliária, SA	-	474,940	-	-	474,940	(4)	-	-
Sonvecap, BV	-	3,000,000	-	-	3,000,000	(4)	-	-
Valor N, SA	100.00%	2,087,315	-	-	-	2,087,315	-	2,087,315
Total		2,547,731,440	6,283,297		1,736,918,950	817,095,788	56,397,041	760,698,747

- (1) Acquisition;
- (2) Created in the period;
- (3) Liquidation of Mundo Vip – Operadores Turísticos, SA, with the apportionment of assets and the receivable of an holding interest in Solférias – Operadores Turísticos, SA;
- (4) Disposal to controlled entities;
- (5) Disposal to unrelated companies;

During 2014 the company recorded impairments on investments as described on notes 22 and 25.

As result of alienation during the year were reversed impairment losses and recognized profits as described on notes 22 and 25.

8 TANGIBLE AND INTANGIBLE ASSETS

During the years ended 31 December 2015 and 2014, movements in tangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Vehicles	Fixtures and fittings	Others	Total
Gross cost				
Opening balance as at 1 January 2014	19,062	22,784	679	42,525
Opening balance as at 1 January 2015	19,062	22,784	679	42,525
Closing balance as at 31 December 2015	19,062	22,784	679	42,525
Accumulated depreciation				
Opening balance as at 1 January 2014	19,062	22,754	679	42,495
Increase	-	22	-	22
Opening balance as at 1 January 2015	19,062	22,776	679	42,517
Increase	-	8	-	8
Closing balance as at 31 December 2015	19,062	22,784	679	42,525
Carrying amount				
As at 31 December 2014	-	8	-	8
As at 31 December 2015	-	-	-	-

During the periods ended 31 December 2015 and 2014, movements in intangible assets as well as depreciation and accumulated impairment losses, are as follows:

	Patents and other similar rights	In progress	Total intangible assets
Gross cost			
Opening balance as at 1 January 2014	1,413,704	-	1,413,704
Opening balance as at 1 January 2015	1,413,704	-	1,413,704
Increase	-	388	388
Transfers and write-offs	388	(388)	-
Closing balance as at 31 December 2015	1,414,092	-	1,414,092
Accumulated depreciation			
Opening balance as at 1 January 2014	1,413,250	-	1,413,250
Increase	226	-	226
Opening balance as at 1 January 2015	1,413,476	-	1,413,476
Increase	181	-	181
Closing balance as at 31 December 2015	1,413,657	-	1,413,657
Carrying amount			
As at 31 December 2014	228	-	228
As at 31 December 2015	435	-	435

9 OTHER NON-CURRENT ASSETS

As at 31 December 2015 and 2014 the non-current assets were as follows:

	31.December.2015	31.December.2014
Loans granted (note 34)	1,193,513,723	699,808,123
Other debtors	527,618	-
	1,194,041,341	699,808,123

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.

The impairment of loans granted to group companies is assessed in accordance with note 3.5.K.

In the current year the company recorded an impairment loss on the amount of 9,118,031 euro on the loans granted to Sonae Capital Brasil, Ltda and Imomuro – Sociedade Imobiliária, SA, as described on notes 22 and 25.

As at 31 December 2015 and 2014 the other loans granted are no past due or impaired.

The caption Other debtors includes a receivable amount of 527,618 euro related to the sale of Raso SGPS, SA, to a unrelated company (note 7 and note 10). This amount is expected to be received, in 21 March 2017.

This caption also includes a receivable amount related to the sale of a subsidiary, for which an impairment was recorded in previous years in the amount of 2,450,000 euro (2014: 2,450,000 euro) (note 22).

10 OTHER DEBTORS

As at 31 December 2015 and 2014, this caption is as follows:

	31.December.2015	31.December.2014 Restated (note 5)
Short term loans (note 34)	2,062,612,216	1,473,912,654
Interests charged but not received	20,752,285	21,747,999
Taxes - Special Regime for taxation of groups of companies	13,148,034	25,643,546
Adicionnal tax payment	17,721	1,578,116
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
Receivables on the sale of investements	2,482,072	1,435,757,800
Others	63,200	457,088
	<u>2,102,658,845</u>	<u>2,962,680,520</u>

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

The amount of 13,148,034 euro (25,643,546 euro as at 31 December 2014) recorded in the caption Taxes - special regime for taxation of groups of companies, 1,613,472 euro (21,553,930 euro as at 31 December 2014) are related to income tax of previous periods relates to amounts to be received from subsidiaries (included in the above mentioned taxation regime), while the Company was dominant. The remainder amount of 11,534,562 euro (4,089,616 euro as at 31 December 2014) is related to the income tax for the period receivable according Special Regime for taxation of groups of companies, which Sonae, SGPS, SA is dominant from 2014.

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 amount of 2,482,072 euro recorded under the caption Receivables on the sale of investments is related to the sale of Raso, SGPS, SA to a unrelated company (note 7 and note 10). This amount is expected to be received in 21 June 2016.

There were no past due assets thus no impairment loss was recognized as at 31 December 2015 and 2014. The fair value of loans granted is similar to its carrying amount.

11 TAXES RECOVERABLE AND TAXES AND CONTRIBUTIONS PAYABLE

As at 31 December 2015 and 2014, taxes recoverable and taxes and contributions payable are made up as follows:

	31.December.2015	31.December.2014
Income tax	8,323,773	10,506,101
Assets	8,323,773	10,506,101

	31.December.2015	31.December.2014
Income tax	1,893,202	1,893,202
Value added tax	19	14,482
Social security	630	615
Withholding tax	12,951	3,072
Others	14,999	250,000
Liabilities	1,921,801	2,161,371

The amount recorded under the caption Assets is related to income tax receivables, still not reimbursed.

12 OTHER CURRENT ASSETS

As at 31 December 2015 and 2014, the caption Other current assets can be detailed as follows:

	31.December.2015	31.December.2014
Interests receivable	6,383,417	2,292,438
Indemnity interests	187,030	480,420
Guarantees	337,463	690,738
Others	164,475	45,000
Accrued income	7,072,385	3,508,596
Insurances	165,859	173,068
Costs with credit facilities	954,321	1,348,372
Prepayments	1,120,180	1,521,440
	8,192,565	5,030,036

13 CASH AND CASH EQUIVALENTS

As at 31 December 2015 and 2014, cash and cash equivalents can be detailed as follows:

	31.December.2015	31.December.2014
Cash in hand	-	550
Bank deposits	131,553	40,614,446
Cash and cash equivalents on the balance sheet	131,553	40,614,996
Bank overdrafts	(12,453,599)	(5,222)
Cash and cash equivalents on the cash flow statement	(12,322,046)	40,609,774

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

14 SHARE CAPITAL

As at 31 December 2015, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares (1,000,000,000 as at 31 December 2014), with a nominal value of 1 euro each.

As at 31 December 2015 and 2014 a subsidiary company, Sonae MC – Modelo Continente, SGPS, SA, held 100,000,000 Sonae Investimentos shares. These shares are considered as treasury shares under the Commercial Companies Code, reason why the underlying rights to these shares are suspended.

As deliberated in the Shareholders Annual General Meeting held on 30th April 2015, the net income for the year ended 31st December 2014, in the amount of 594,048,820 euro, was transferred to legal reserves (29,702,450 euro), other reserves (524,346,370) and the remaining amount paid in dividends (40,000,000 euro).

As at 31 December 2015 and 2014, the subscribed share capital was held as follows:

	31.December.2015	31.December.2014
Sonae, SGPS, SA	25.0287%	25.0287%
Sonae Investments 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%

As at 31 December 2015 Efanor Investimentos, SGPS, SA and affiliated companies held 52.48% of Sonae's share capital. Sonae held directly or indirectly 100% of the company.

15 LEGAL RESERVE

The company has set up legal reserves in accordance with Commercial Companies Code. In 2015 and 2014, respectively, 29,702,450 euro and 595,347 euro was transferred from profit for the year to legal reserves.

16 HEDGING RESERVES, FAIR VALUE RESERVES AND OTHER RESERVES

As at 31 December 2015 and 2014, the other reserves detail is as follows:

	31.December.2015	31.December.2014
Legal Reserves in accordance with article 324 of		
Commercial Companies Code	320,000,000	320,000,000
Supplementary capital	372,000,000	372,000,000
Other reserves	958,091,519	433,745,149
	1,650,091,519	1,125,745,149

Following the custody of Sonae Investimentos SGPS, SA shares by a subsidiary company, free reserves amounting to the cost of the above mentioned shares were made unavailable, under article 324 of the Commercial Companies Code. The distribution of this reserve depends on the termination or disposal of the treasury shares.

17 BORROWINGS

As at 31 December 2015 and 2014, this caption included the following loans:

	31.December.2015	31.December.2014
Bonds Sonae Investimentos / 2012/2017	95,000,000	145,000,000
Bonds Sonae Investimentos / June 2013/2018	50,000,000	50,000,000
Bonds Sonae Investimentos / December 2013/2018	-	75,000,000
Bonds Sonae Investimentos / December 2014/2020	-	50,000,000
Bonds Sonae Investimentos / December 2015/2020	50,000,000	-
Bonds Sonae Investimentos / May 2015/2020	75,000,000	-
Bonds Sonae Investimentos / December 2015/2020	30,000,000	-
Up-front fees not yet charged to income statement	(2,329,027)	(2,779,285)
Bonds loans	297,670,973	317,220,715
Commercial paper	160,000,000	30,000,000
Bank loans	160,000,000	30,000,000
Non-current loans	457,670,973	347,220,715
Bonds Sonae Investimentos / August 2007/2015	-	200,000,000
Bonds Sonae Investimentos / September 2007/2015	-	155,000,000
Bonds Sonae Investimentos / 2012/2017	50,000,000	25,000,000
Up-front fees not yet charged to income statement	(37,920)	(275,266)
Bonds loans	49,962,080	379,724,734
Commercial paper	60,000,000	-
Other bank loans	-	1,666,667
Up-front fees not yet charged to income statement	-	(959)
Bank overdrafts (note 13)	12,453,599	5,222
Bank loans	72,453,599	1,670,930
Current loans	122,415,679	381,395,664

The carrying value from all the loans does not differ significantly from its fair value. The calculation method used for estimating the fair value of loans is based on the discounted cash flows model. All loans mentioned bear interest at variable rates indexed to market benchmarks.

Loans and interests shall be reimbursed as follows:

	31.December.2015		31.December.2014	
	Capital	Interests	Capital	Interests
2015	-	-	381,671,889	19,225,736
2016	122,453,599	14,941,028	50,000,000	14,009,420
2017	175,000,000	9,452,231	95,000,000	9,123,749
2018	50,000,000	5,204,924	175,000,000	5,294,317
2019	30,000,000	3,619,094	30,000,000	69,175
2020	205,000,000	2,458,518	-	-
	582,453,599	35,675,795	731,671,889	47,722,397

As at 31 December 2015 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 31 December 2015 and 2014 in addition to the amounts in cash and its equivalents (note 13) the company was available credit facilities in order to manage liquidity risk that can be summarized as follows:

	31.December.2015		31.December.2014	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	118,000,000	500,000,000	158,000,000	482,500,000
Available credit facilities amounts	45,546,401	340,000,000	158,000,000	452,500,000

The interest rate as at 31 December 2015 of the bonds and bank loans was, on average, 2.73% (2.62% as at 31 December 2014).

18 OTHER NON-CURRENTS LIABILITIES

As at December 2015 and 2014, this caption is as follows:

	31.December.2015	31.December.2014
Obtained loans	400,000,000	400,000,000
Other debtors	234,375	-
	400,234,375	400,000,000

As at 31 December 2015 and 2014 this caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions. On 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rates, with full reimbursement in the end of the loan period.

As at 31 December 2015 the fair value of this bond loan is 56,404 euro (42,538 euro as at 31 December 2014) per bond, and was determined based on discounted cash flows method.

As at 31 December 2015 and 2014 Sonae, SGPS, SA and Sonae Investments, BV held 6,948 and 1,052 bonds, respectively.

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

19 TRADE ACCOUNTS PAYABLE

As at 31 December 2015 and 2014 the trade accounts payable caption presents amounts payable within 90 days, arising on the normal course of activity.

20 OTHER CREDITORS

As at 31 December 2015 and 2014, this caption is as follows:

	31.December.2015	31.December.2014
Group companies:		
Short term loans (note 34)	1,187,413,386	459,401,618
Taxes - Special Regime for taxation of groups of companies	14,023,723	21,042,656
Payables on the acquisitions of investements	634,362	-
Others	1,014,963	614,080
	1,203,086,434	481,058,354

The amount of 14,023,723 euro recorded in the caption "Taxes-special regime for taxation of groups of companies", (21,042,656 euro as at 31 December 2014), 6,150,380 euro relates to the tax of previous periods from its subsidiaries, in which the Company was dominant until 2013.

The remaining amount of 7,873,343 euro is the amount to pay of taxation of the year 2015 to it's dominant, Sonae, SGPS, SA related to "Taxes-special regime for taxation of groups of companies", which is dominant from 2014.

The amount of 634,362 euro recorded in payables on the acquisitions of investements is related to the amount owed for the acquisition of Elergone Energias, Lda.

21 OTHER CURRENT LIABILITIES

As at 31 December 2015 and 2014 other current liabilities were made up as follows:

	31.December.2015	31.December.2014
Accrued interests	4,344,446	5,767,985
Guarantees	1,265,146	2,394,721
Others	534,847	471,474
Accruals	6,144,439	8,634,180

22 ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses for the year ended as at 31 December 2015 are as follows:

	Opening balance	Increases	Decreases	Transfers	Closing balance
Investments impairment (notes 7 and 25)	56,397,041	74,220,656	2,262,690	(22,237,309)	106,117,697
Other non-current assets impairment (note 9 and 25)	2,450,000	9,118,031	-	-	11,568,031

The increases and decreases in the caption Investments were recorded in the income statement in the caption Investments income / losses.

The transfers are related to impairments recorded in previous years on the investment in Raso SGPS, SA. At 30 June 2015, this participation was classified as a non-current asset held for sale. As a result of this classification the amount of 22,237,909 euro previously recorded as an impairment was transferred. The valuation of this asset was done taking into consideration the acquisition of the remaining share capital of Raso, SGPS, SA, in 29 June 2015.

23 CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2015 and 2014 the contingent liabilities were detailed as follows:

	31.December.2015	31.December.2014
Guarantees rendered:		
related to tax claims awaiting outcome		
Guarantees provided by financial institutions	86,763,780	88,025,158
Guarantees provided by parent company	255,152,531	219,575,261
related to local and municipal claims awaiting outcome	28,938	28,938
others	10,633,113	10,633,113
Guarantees given in favour of subsidiaries (a)	62,926,569	62,958,018

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.

Within the framework of regularization of tax debts to Tax Authorities (Outstanding Debts Settlement of Tax and Social Security - Decree of Law Decree of Law 248-A and 151-A/2013), the Company made tax payments in the amount of 5,783,637 euro (5,783,637 euro to 31 December 2014), having the respective guarantees been canceled and the related tax appeals continued in courts. From this amount 2,200,320 euro was reclassified from other debtors to retained earnings (note 5).

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.

24 RELATED PARTIES

Main balances and transactions with related parties as at 31 December 2015 and 2014 are detailed as follows:

	31.December.2015	31.December.2014
Balance:		
Shareolders	11,600,933	4,219,330
Subsidiaries	29,131,749	1,482,009,644
Jointly controlled companies	-	133,402
Associated companies	77,645	230,233
Accounts receivable	40,810,327	1,486,592,609
Shareolders	9,494,044	2,748,353
Subsidiaries	8,344,335	23,586,741
Associated companies	511,213	291,896
Other related parties	191	191
Accounts payable	18,349,784	26,627,181
Subsidiaries	3,262,315,137	2,153,763,572
Jointly controlled companies	-	8,635,000
Associated companies	2,928,832	11,322,205
Loans granted	3,265,243,970	2,173,720,777
Shareolders	400,000,000	400,000,000
Subsidiaries	1,187,413,386	459,401,618
Loans obtained	1,587,413,386	859,401,618

	31.December.2015	31.December.2014
Transactions:		
Associated companies	-	64,595
Services rendered	-	64,595
Shareolders	1,367,907	2,486,867
Subsidiaries	327	375
Jointly controlled companies	-	5,692
Associated companies	21,707	44,522
Other related parties	141	151
Purchases and services obtained	1,390,082	2,537,607
Shareolders	67,166	132,167
Subsidiaries	467,261	585,625
Associated companies	28	708
Other income	534,455	718,500
Shareolders	1,661	-
Subsidiaries	78,973,519	48,072,996
Jointly controlled companies	-	406,238
Associated companies	341,041	480,881
Interest income	79,316,222	48,960,115
Shareolders	34,255,426	36,711,614
Subsidiaries	12,077,836	6,467,953
Other related parties	72,256	45,542
Interest expenses	46,405,518	43,225,109
Subsidiaries	113,299	16,758,860
Dividend income	113,299	16,758,860
Subsidiaries	43,398,639	15,998,689
Income from Investment Fund Participation Units	43,398,639	15,998,689
Subsidiaries	99,952,690	2,217,019,468
Sale financial investments	99,952,690	2,217,019,468
Subsidiaries	1,015,106,000	-
Acquisition financial investments	1,015,106,000	-

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

During the period, the Company obtained loans from Sonae, SGPS, SA amounting to 2,503,169,900 euro (2,233,391,285 euro as at 31 December 2014) was repaid 2,503,169,900 euro during the year (2,233,391,285 euro as at 31 December 2014). Additionally the company granted loans to Sonae, SGPS, SA in amount of 33,825,000 euro, which was fully paid.

In 2015 and 2014 did not occur any transactions including granted loans with the Company's Directors.

During 2015 and 2014 no remuneration was attributed to Board of Directors by the company.

As at 31 December 2015 and 2014 there were no balances with Company's Directors.

25 INVESTMENT INCOME / LOSSES

As at 31 December 2015 and 2014 investment income is as follows:

	31.December.2015	31.December.2014
Dividends:		
Contimobe - Imobiliária do Castelo de Paiva, SA	-	7,204,111
Sesagest - Projectos e Gestão Imobiliária, SA	-	2,003,332
Sondis Imobiliária, SA	-	1,069,191
Sonae Center Serviços II, SA	-	6,349,352
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	113,299	132,874
	<u>113,299</u>	<u>16,758,860</u>
Income of financial investments:		
Fundo de Investimento Imobiliário Fechado Imosedo	2,633,848	4,908,830
Fundo de Investimento Imobiliário Imosonae Dois	40,764,791	11,089,859
	<u>43,398,639</u>	<u>15,998,689</u>
Impairment reverse		
Contimobe - Imobiliária do Castelo de Paiva, SA	-	29,818,722
Fozmassimo - Sociedade Imobiliária, SA	-	2,248,554
Igimo - Sociedade Imobiliária, SA	-	69,338
Imomuro - Sociedade Imobiliária, SA	(6,930,000)	-
MDS, SGPS, SA	(9,570,000)	-
Mundo Vip - Operadores Turísticos, SA	-	2,101,337
Sempre à Mão - Sociedade Imobiliária, SA	-	6,898,157
Sociloures - Sociedade Imobiliária, SA	-	10,000,000
Soflorin, BV	-	68,580,000
Sonae MC - Modelo Continente, SGPS, SA	(63,300,000)	-
Raso, SGPS, SA	2,262,690	(15,474,000)
Sonae Capital Brasil, SA	(3,538,687)	(1,569,000)
	<u>(81,075,997)</u>	<u>102,673,108</u>
Investments disposal losses:		
Contimobe - Imobiliária do Castelo de Paiva, SA	-	15,638,293
Fozmassimo - Sociedade Imobiliária, SA	-	(2,071,668)
Igimo - Sociedade Imobiliária, SA	-	1,539,212
Fundo de Investimento Imobiliário Imosonae Dois	18,522,869	-
Imoconti - Sociedade Imobiliária, SA	-	15,083,850
Imosistema - Sociedade Imobiliária, SA	-	8,687,965
Modelo.Com - Vendas por Correspondência, SA	-	495,784
Mundo Vip - Operadores Turísticos, SA	-	(1,977,155)
Raso, SGPS, SA	(6,526,514)	-
Sempre à Mão - Sociedade Imobiliária, SA	-	(2,557,882)
Sesagest - Projectos e Gestão Imobiliária, SA	-	29,761,758
Sociloures - Sociedade Imobiliária, SA	-	(5,712,510)
Soflorin, BV	-	(57,308,037)
Sonae - Specialized Retail, SGPS, SA	-	372,625,000
Sonaerp - Retail Properties, SA	-	82,068,215
Sondis Imobiliária, SA	-	26,351,996
Sonvecap, BV	-	573,113
	<u>11,996,355</u>	<u>483,197,934</u>
	<u>(25,567,704)</u>	<u>618,628,591</u>

26 FINANCIAL INCOME / EXPENSES

As at 31 December 2015 and 2014, net financial expenses are as follows:

	31.December.2015	31.December.2014
Interest receivable		
related to bank deposits	10,755	95,549
related to lans granted	79,668,416	48,933,645
Others	182,326	26,470
Other financial income	5,972,750	-
Financial income	85,834,247	49,055,664
Interest payable		
related to bank deposits and overdrats	(1,762,880)	(2,326,516)
related to non convertible bonds	(16,327,731)	(18,443,145)
related to loans obtained	(46,405,518)	(43,225,109)
Other financial expenses		
Up front fees on the issuance of debt	(5,613,728)	(6,725,566)
Others	(8,330)	(9,829)
Financial expenses	(70,118,187)	(70,730,165)

The amount of 5,972,750 euro recorded in the caption Other financial income is related to default and compensatory interests received from the Portuguese Tax Authorities related to income tax (IRC).

27 OTHER INCOME

As at 31 December 2015 and 2014, other income is as follows:

	31.December.2015	31.December.2014
Impairment reverse	-	8,981
Recovery of charges (a)	188,699	23,298
Guarantees	364,980	702,446
Others incomes	26,558	311,242
	580,237	1,045,967

- a) Income related to costs assumed by the Company, which were re-charged to participated companies.

28 EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2015 and 2014, external supplies and services are as follows:

	31.December.2015	31.December.2014
Specialized services	63,103	318,469
Bank services	1,134,593	1,008,608
Insurance	613,097	511,466
Legal support	17,425	19,859
Guarantees	1,367,907	2,487,432
Others services	1,240	4,493
	3,197,365	4,350,327

29 OTHER EXPENSES

As at 31 December 2015 and 2014 the amount disclosed as Other expenses, was essentially related to indirect taxes.

30 INCOME TAX

Income tax charge for the year ended 31 December 2015 and 2014 is made up as follows:

	31.December.2015	31.December.2014
Current tax	7,377,193	1,554,684
Deferred tax	-	(2,063,833)
Total	7,377,193	(509,149)

The reconciliation between the profit before taxation and the tax charge for the periods ended 31 December 2015 and 2014 is as follows:

	31.December.2015	31.December.2014
Profit before income tax	(12,779,216)	593,539,671
Income tax rate	21.00%	23.00%
	(2,683,635)	136,514,124
Impairment losses not accepted for tax purposes	18,970,715	3,919,890
Reversal of impairment losses not accepted for tax purposes	(1,944,756)	(27,536,770)
Under/(over) taxation estimates	(496,150)	1,554,684
Difference between capital (losses)/gains for accounting and tax purposes	(8,164,288)	(111,135,525)
Effect of non-tributable dividends	(23,793)	(3,854,538)
Effect of deferred tax	-	6,485
Others	7,037	22,501
Other taxes	1,712,063	-
Income tax	7,377,193	(509,149)

31 EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2015 and 2014 were calculated taking into consideration the following amounts:

	31.December.2015	31.December.2014
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(20,156,409)	594,048,820
Net profit taken into consideration to calculate diluted earnings per share	(20,156,409)	594,048,820
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)	(0.0224)	0.6601

34 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended as at 31 December 2015 shareholders' loan contracts were signed with the following companies:

Azulino – Imobiliária, SA

Bertimovel – Sociedade Imobiliária, SA

Canasta - Empreendimentos Imobiliários, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Citorres - Sociedade Imobiliária, SA

Cumulativa - Sociedade Imobiliária, SA

Fozimo – Sociedade Imobiliária, SA

Iginha – Sociedade Imobiliária, SA

Imoestrutura – Sociedade Imobiliária, SA

Imomuro - Sociedade Imobiliária, SA

Imoresultado - Sociedade Imobiliária, SA

MDS, SGPS, SA

MJLF – Empreendimentos Imobiliários, SA

Ponto de Chegada – Sociedade Imobiliária, SA

Predicomercial – Promoção Imobiliária, SA

Predilugar - Sociedade Imobiliária, SA

Selifa - Sociedade de Empreendimentos Imobiliários, SA

Socijofra – Sociedade Imobiliária, SA

Sonae Capital Brasil, Ltda

Sonae Center Serviços II, SA

Sonae MC – Modelo Continente, SGPS, SA

Valor N, SA

During the period ended as at 31 December 2015, treasury application agreements were signed with the following companies:

Canasta - Empreendimentos Imobiliários, SA
 Citorres – Sociedade Imobiliária, SA
 Cumulativa - Sociedade Imobiliária, SA
 Efanor Investimentos, SGPS, SA
 Farmácia Selecção, SA
 Fashion Division, SA
 Iginha – Sociedade Imobiliária, SA
 MJB – Design, Lda
 Modelo Continente Hipermercados, SA
 Pharmacontinente – Saúde e Higiene, SA
 Selifa - Sociedade de Empreendimentos Imobiliários, SA
 Sesagest – Projectos e Gestão Imobiliária, SA
 Sonae Financial Services, SA
 Sonae MC – Modelo Continente, SGPS, SA
 Sonae, SGPS, SA
 Sonae - Specialized Retail, SGPS, SA
 Worten - Equipamentos para o Lar, SA

The amounts due to group companies as at 31 December 2015 related to the mentioned contracts were the following:

<u>Company</u>	<u>31.December.2015</u>
BB Food Service, SA	3,847,179
Bom Momento - Comercio Retalhista, SA	265,179
Continente Hipermercados, SA	69,629,179
Contibomba - Comércio e Distribuição de Combustíveis, SA	1,136,179
Fashion Division, SA	13,472,179
Infocfield - Informática, SA	253,175
Modelo Continente Hipermercados, SA	1,129,000
Modelo Hiper Imobiliária, SA	4,115,179
Modelo.Com - Vendas por Correspondência, SA	11,415,179
Pharmaconcept - Actividades em Saúde, SA	3,179
Sesagest - Projectos e Gestão Imobiliária, SA	55,512,179
Sonae - Specialized Retail, SGPS, SA	814,570,179
Têxtil do Marco, SA	1,404,242
Tlantic Portugal - Sistemas de Informação, SA	617,000
Worten - Equipamentos para o Lar, SA	210,044,179
	<u>1,187,413,386</u>

As at 31 December 2015 amounts owed by subsidiaries can be detailed as follows:

<u>Company</u>	<u>31.December.2015</u>
Azulino - Imobiliária, SA	3,394,994
Bertimóvel - Sociedade Imobiliária, SA	9,741,090
Canasta - Empreendimentos Imobiliários, SA	844,283
Chão Verde - Sociedade de Gestão Imobiliária, SA	11,750,821
Citorres - Sociedade Imobiliária, SA	1,640,124
Contimobe - Imobiliária do Castelo de Paiva, SA	19,000
Cumulativa - Sociedade Imobiliária, SA	810,409
Discovery Sports, SA	996,821
Farmácia Seleção, SA	649,821
Fozimo – Sociedade Imobiliária, SA	1,016,521
Igímo – Sociedade Imobiliária, SA	717,821
Igíinha – Sociedade Imobiliária, SA	13,030,299
Imoconti – Sociedade Imobiliária, SA	319,821
Imoestrutura - Sociedade Imobiliária, SA	227,321
Imomuro - Sociedade Imobiliária, SA	10,505,821
Imoresultado – Sociedade Imobiliária, SA	502,477
Imosistema - Sociedade Imobiliária, SA	127,821
MJB - Design, Lda	264,000
MJLF - Empreendimentos Imobiliários, SA	2,140,201
Modalfa - Comércio e Serviços, S.A.	10,891,821
Modalloop - Vestuário e Calçado, SA	1,651,821
Modelo Continente Hipermercados, SA	100,851,952
Modelo - Distribuição de Materiais de Construção, SA	2,308,144
MDS SGPS, SA	620,688
Pharmacontinente - Saúde e Higiene, SA	1,890,821
Ponto de Chegada - Promoção Imobiliária, SA	4,714,000
Predicomercial - Promoção Imobiliária, SA	940,386
Predilugar - Sociedade Imobiliária, SA	6,634,000
SDSR - Sports Division SR, SA	19,781,759
Selifa - Sociedade de Empreendimentos Imobiliários, SA	1,902,990
Sempre à Mão - Sociedade Imobiliária, SA	730,000
Socijofra - Sociedade Imobiliária, SA	3,971,672
Sociloures - Sociedade Imobiliária, SA	327,821
Sonae Capital Brasil, Ltda	4,460,628
Sonae Center Serviços II, SA	52,564,803
SonaeSR - Serviços e Logística, SA	6,000
Sonae MC - Modelo Continente, SGPS, SA	2,975,926,821
Sonaerp - Retail Properties, SA	11,159,000
Sondis Imobiliária, SA	12,000
Valor N, SA	2,451,735
Zippy - Comércio e Distribuição, S.A.	1,976,821
Zyevolution Investigação e Desenvolvimento, SA	768,821
	<u>3,265,243,970</u>

The Board of Directors,

Duarte Paulo Teixeira de Azevedo (President)

Ângelo Gabriel Ribeirinho dos Santos Paupério

Statutory Audit and Auditors' Report

STATUTORY AUDIT AND AUDITOR'S REPORT

*(Translation of a report originally issued in Portuguese.
In the event of discrepancies, the Portuguese language version prevails.)*

Introduction

1. In accordance with the applicable legislation, we present the Statutory Audit Report and the Auditors' Report on the financial information contained in the Report of the Board of Directors and the individual and consolidated financial statements for the year ended 31 December 2015 of Sonae Investimentos, S.G.P.S., S.A. ("Company") (which comprise the Consolidated and Individual Statements of Financial Position as at 31 December 2015 that presents total consolidated and individual assets of 3,530,015,303 Euro and of 4,990,176,449 Euro respectively, and consolidated and individual equity of 715,739,687 Euro and of 2,798,675,056 respectively, including consolidated net profit attributable to the Company's Equity Holders of 70,039,847 Euro and an individual negative net profit of 20,156,409 Euro), the Consolidated and Individual Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated and individual financial information that present a true and fair view of the financial position of the companies included in the consolidation and the Company, the consolidated and individual results and comprehensive income of their operations, the consolidated and individual changes in equity and the consolidated and individual cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate internal control system; and (iv) informing any significant facts that have influenced its operations or the operations of the companies included in the consolidation, its consolidated or individual financial position, its consolidated or individual results and comprehensive income.
3. Our responsibility is to review the financial information contained in the above mentioned account documents, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards issued by the Portuguese Institute of Statutory Auditors, which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated and individual financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used, the application of the equity method, and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated and individual financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also comprises verifying that the consolidated and individual financial information contained in the Report of the Board of Directors is in accordance with the other consolidated and individual documents of account, as well as verifying the required in the numbers 4 and 5 of article 451^o of Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated and individual financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated and individual financial position of Sonae Investimentos, S.G.P.S., S.A., as at 31 December 2015, the consolidated and individual results and comprehensive income of its operations, the consolidated and individual changes in equity and the consolidated and individual cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union, and the information contained on those is, in accordance with the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Reporting over other legal requirements

6. It is also our opinion that the financial information contained in the Report of the Board of Directors is in accordance with the consolidated and individual financial statements of the year and the reporting of the corporate governance practices includes the elements required to the Company in accordance with article 245^o-A of the Securities Market Code.

Porto, 27 April 2016

Deloitte & Associados, SROC S.A.
Represented by Nuno Miguel dos Santos Figueiredo

Report and Opinion of The Statutory Audit Board

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

*(Translation of a Report and Opinion originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)*

To the Shareholders

Sonae Investimentos, S.G.P.S., S.A.

Introduction

In compliance with the applicable legislation and in accordance with the terms of our mandate, the Statutory Audit Board issues the present its Report and Opinion on the Report of the Board of Directors and the remaining documents of individual and consolidated accounts for the year ended 31 December 2015, which are the responsibility of the Board of Directors.

Supervision

During the year, the Statutory Audit Board accompanied the management of the Company, the evolution of its activity and of its affiliated companies, holding meetings with the frequency and extension considered appropriate. The Board meetings, considering the subject under analysis, had the presence of the persons in charge of the financial departments, namely the Company CFO, the officers in charge of Planning and Control department, Internal Audit and Risk Management. The Statutory Audit Board also met with the Statutory Auditor and External Auditor in order to obtain all the information and clarifications in relation with the scope and conclusions of the audit performed. The Statutory Audit Board always obtained the necessary information from the Administration, the several departments, the consolidated companies and External Auditor in response to the questions raised in order to properly understand and evaluate the business evolution, financial performance and risk management and internal control systems.

The Statutory Audit Board accompanied the preparation and disclosure of financial information, as well as the audit of the accounts that support the individual and consolidated financial statements and received from the External auditor all information and explanations required. In the fulfilment of its duties the Statutory Audit Board examined the individual and consolidated Balance sheets for the year ended 31 December 2015, the Individual and Consolidated Statements of profit and loss by nature, cash flows, comprehensive income and changes in equity and the corresponding notes for the year then ended.

Additionally, the Statutory Audit Board analysed the management report for the year ended 31 December 2015 issued by the Board of Directors and the Statutory Audit and Auditor's Report on the accounts issued by the External Auditor, which received their agreement.

Considering the above, the Statutory Audit Board understands that the information included on the financial statements under analysis was prepared in accordance with the applicable accounting, legal and statutory rules and regulations and that gives a true and fair view of the assets, liabilities, financial position and results of Sonae Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter. Additionally, concludes that the management report expresses truthfully the

business evolution and financial performance and position of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

The Statutory Audit Board expresses its appreciation to the Board of Directors and other departments for their cooperation.

Opinion

Considering the above, is the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

- a) the Report of the Board of Directors, the consolidated and individual balance sheets as at 31 December 2015 and the consolidated and individual statements of profit and loss by natures, cash flows, comprehensive income and changes in equity for the year then ended and corresponding notes;
- b) the proposal of results appropriation presented by the Board of Directors.

Responsibility Statement

In accordance with the terms defined in paragraph c) nº 1 of the article 245º of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of Sonae Investimentos, S.G.P.S., S.A. and companies included in the consolidation.

Also it is their understanding that the Board of Directors Report faithfully describes the business evolution, performance and financial position of Sonae Investimentos, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Matosinhos, 28 April 2016

The Statutory Audit Board

Armando Luís Vieira de Magalhães

António Augusto Almeida Trabulo

Maria José Martins Lourenço da Fonseca