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Sonae Companies invested more than 82 million Euros in innovation in 2012

SONAE COMPANIES INNOVATION FORUM AWARDS THE BEST INNOVATION PROJECTS

Sonae Companies have given awards to the best innovation projects developed during the last year in the bi-annual meeting of FINOV, the Sonae Companies Innovation Forum. The finalists, chosen from hundreds of candidates, represent the strategic commitment to innovation by the Sonae Companies, which have invested more than 82 million Euros in research, development and innovation (R&D+I) during 2012.

The **Sonae Companies Innovation Awards**, which are awarded to an innovation project in each Sonae Company that has had a significant impact on the business or the organisation, awarded prizes to the new store concept of the Hypermarket of the Future project (Sonae MC), Berg's product innovation (Sonae SR), Optimus's internal platform of beta testers (Sonaecom), the Promofans discount program and site (Sonae Sierra), the Proximity online application for access and information for insurance clients (MDS), the Lab Grade Compact chemical-resistant laminate (Sonae Indústria) and the BuildOne energy efficiency software (Sonae Capital).

The **Chairman's Award**, presented by Eng. Belmiro de Azevedo and which recognizes a single innovation amongst the hundreds developed in Sonae Companies during the last year, had as its big winner the Continente sorting cart, used by employees in Sonae MC's food retail stores to gather the products for customers who do their shopping through Continente online. The equipment combines high technology, ergonomics and high storage capacity, simplifies the work of employees and allows significant gains in efficiency. In addition to the big winner, honourable mentions were given to two other finalists: Book.it and Well's active sales desk (Sonae MC) and the sieve for residues collected with an electrostatic filter (Sonae Indústria).

FINOV's objective is to promote the value of innovation in the community, and contribute to the economic and social development of the country, as well as encouraging and supporting innovative projects in the various Sonae Companies, in order to create even more value for all its stakeholders.

IMPROVING LIFE

Sonae is a Retail company with two major partnerships in the fields of Telecommunications, Information Software & Systems and Media (Sonaecom) and Shopping Centres (Sonae Sierra). Sonae's turnover at the end of 2012 was around 5.4 billion euros. The company's strategic aims are the internationalisation and diversification of investment style and the leveraging and strengthening of core assets and competencies. Learn more at www.sonae.pt.

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Luís Reis, president of the Sonae Companies Innovation Forum, states: "The winning projects of the *Sonae Companies Innovation Awards* and the *Chairman's Award* demonstrate our capacity to develop solutions, in Portugal and also in the more than 60 countries in which we have a presence, that create competitive advantages and establish Sonae Companies as references in their sectors, at a national and international level. We have promoted a culture of open innovation, involving employees, partners, universities and centres of knowledge, with remarkable results that have been translated into new products and services, but also into new business formats and processes, as has been evident in FINOV' 13".

The roughly 900 participants in FINOV'13, which was held under the theme "Igniting the Future", discussed the role of innovation in economic growth and in the development of companies and organisations. The conference held in the Porto Customs House (Alfandega do Porto), brought together national and international experts, including Dan Ariely, Professor of Behavioural Psychology and Economics at Duke University and currently one of the most irreverent behavioural economists.

The event combined a display of the FINOV Hub projects, making known the latest innovations developed by Sonae Companies, as well as their partners, including the sponsors of the event: Microsoft, Fujitsu, Huawei, Samsung, Noesis, Roff, Ericsson, CBE, HP, Decunify, Deloitte, SAP and Return on Ideas.

The event is part of the Sonae Companies' strategy of open innovation, which seeks to involve its internal public, but also partners in business, universities and other player and companies from the most diverse sectors of activity. As a result of this commitment and of the many innovation initiatives implemented, Sonae Companies have developed new products, solutions and services, as well as new business processes and models, contributing to greater commercial dynamism and gains in efficiency that have made them references in their sectors of activity.

Luís Reis concluded: "Innovation is something that is ingrained in Sonae Companies' employees And despite the current economic and social climate, Sonae Companies will continue to invest in innovation, following a policy that promotes the creation of competitive advantages in the long term, contributing to a strengthening of positions of leadership in Portugal, but also to the increasing international establishment of Sonae Companies as a multinational reference.

The projects recognized by the *Chairman's Award*:

Winner: *Continente sorting cart* (Sonae MC)

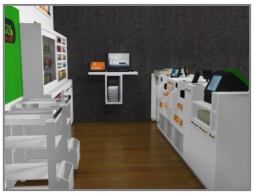


Vehicle used by employees in Sonae MC's grocery stores, to gather the products for customers who do their shopping through Continente Online. The equipment combines high technology, ergonomics and high storage capacity, simplifies the work

of employees and allows significant gains in efficiency.

Honourable Mentions:

Active sales desk (Sonae MC)



Created by Well's and by Book.it, allows the process of serving a customer to be carried out while facing him, avoiding having to go to the help desk or other equipment supporting the activity. The structure was developed through the application of a "cockpit" model, ensuring that everything most frequently used is positioned within arms' reach.

Sieve for residues collected using an electrostatic filter (Sonae Indústria).



This equipment, by Sonae Industria, incorporates a mesh which allows the filtration of residues deposited as a result of the cleaning of gases and which are used in the manufacture of composite organic fertilizers. The filtration process is now carried out by machines as opposed to manual labour (the excavator places the residues collected in the mesh, and filters them).

The winning projects of the *Sonae Companies Innovation Awards*:

Sonae MC (food retail): *Hypermarket of the Future*

The Hypermarket of the Future project proposes adding economic and emotional value to the shopping experience, in a shop also seen as a social and cultural hub. In this way, the environment was designed to be attractive and comfortable, which stimulates the shopping experience and reflects innovation.

The space and the communication of Continente's stores deserve a revolutionary and ambitious commitment. This revolutionary store concept is marked by a spatial organisation which generates excitement, inspired by traditional markets and warehouses, with neutral colours and urban graphics. There was a commitment in the communication of products and prices to the customer, which improves the shopping experience and makes it more dynamic. New concepts have been implemented, such as a lounge space, a wine shop and a sushi bar distributed by a spatial organization divided into three areas: the food core, the non-food core and the fresh foods area.

This new concept was implemented in the Cascais Continente store, where the renovated space offered customers a better price, a better range and better services.

Sonae SR (specialised retail): *Berg product innovation*

With the aim of reinforcing the Berg brand at an international level and with the objective of getting it better known, a process of product development was created that has resulted in 5 innovative items: The technical shirt (2 BL Base layer), the waterproof jacket (Lynx Soft Shell), The self-inflating sleeping bag (Rider 200 Sleeping bag), the Peugaiter sock (3 F Sock) and the Trail-running back pack (Lynx 10 + 5_CS2). They result from various internal and external innovation forums and included contributions from the whole Discovery Sports team, suppliers and external institutions.

Sonaecom (Telecommunications, media and ISS): *Beta User Group*

Optimus developed an internal platform to leverage the development of ideas, prototypes and products and services. The platform integrates a group of staff, friends and family members available to evaluate and give

feedback on various projects, and allow market testing and preliminary analysis to be carried out in a rapid and efficient manner, thus reducing costs.

The functioning of the platform is simple and practical. Those responsible for the projects submit requests for "test users" with specific profiles and receive expressions of interest from the employees registered on the platform, as well as friends and family members they consider suitable. The feedback is then received through online questionnaires, individual meetings, online group meetings, and live tests amongst others.

Sonae Sierra: *PromoFans®*

PromoFans ® is a program that is profoundly changing how Sonae Sierra interacts with its visitors and store tenants. It is a program that allows visitors to get to know and have access to, in real time, all the promotions available in their Shopping Centre. This platform blurs the frontier between online and offline behaviour, because it allows consumers to shop with online discounts, and then buy offline in the Shopping Centre.

Its multi-access interface allows all the information to be accessed through the site, via Facebook, from any smartphone, or from the help desk in the Shopping Centre. It also allows the store tenants to send promotions at any time and in any place. In summary, PromoFans ® represents a new, unique and very powerful channel of sales communication and activation.

MDS: *Proximity*

Proximity is an innovative application, exclusive to MDS Clients and unique in the market. It makes online access possible to the Client's entire portfolio, permanently updated and just a click away, 24/7, 365 days of the year. More than just a web portal, Proximity has revolutionized the nature of communication and the relationship between MDS and its Clients. MDS continually encourages a policy of innovation that creates constant challenges to traditional ideas. The development of Proximity results from an extensive know how of insurance and risk management, from a profound understanding of new technologies, and from a great deal of work and dialogue with Clients.

Sonae Indústria: *Lab Grade Compact*

Lab Grade Compact is a compact laminate in which the decorative paper has a special decorative film, subjected to curing by electron beams (Electron Beam Curing – EBC), which renders it highly resistant to chemical products. Kraft paper which is the raw material of this product, is impregnated with a new phenolic resin specially developed to confer high-performance resistance to humidity.

The paper is compressed under high pressure and temperature, resulting in a compact, non porous product that allies decorative characteristics with an elevated resistance to aggressive and contaminating chemical agents. With great mechanical resistance, good dimensional stability, and durability, Lab Grade Compact has no adverse effects on the environment, and is also extremely hygienic and easy to clean and maintain.

Sonae Capital: *BuildOne*

Build One has as its objective the reduction of energy consumption in every kind of building, and is particularly advantageous for companies that have to manage a large portfolio of geographically dispersed buildings. BuildOne connects to systems of Technical Management and systems measuring building consumption, and shares this information with all the other business applications, contributing to an improvement in levels of efficiency of buildings and includes indications about their performance through a vast range of benchmark indicators and warnings regarding deviation from predefined consumption objectives.