PRESS RELEASE /

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Preliminary retail sales reveal leadership positions and success of new formats and omnichannel

SONAE REACHES SALES OF 5.2 BILLION EUROS IN RETAIL IN 2016

Joint sales of Sonae retail units grew 7.2% compared to previous year, surpassing 5 billion euros for the first time

Sonae retail businesses registered an accelerated growth in 2016, as all units contributed to increase sales. This performance translated the constant improvement of the value proposition, expansion of convenience formats, success of new store concepts, and investment in the omnichannel, as well as the reinforced business portfolio and growing internationalisation of Sonae insignias.

Sonae MC, Sonae's food retail business, reached a 5.6% growth, increasing turnover by 6.6% over the last quarter, in a performance driven by an increase in LfL sales. In 2016, food retail strengthened its presence in convenience formats, having also opened its first supermarket fully dedicated to healthy food.

Sonae SR, Sonae's specialised retail unit, increased turnover by 11.2% in 2016, as sales increased 14.4% during the last quarter of the year. Once again, Worten strengthened its leadership position in Portugal and increased market share by 10 bps, growing the online operation by 50% in December. Sports & Fashion grew 31.3%, increasing LfL sales as it benefitted from the positive results of its original portfolio, to which Salsa and Losan were added as positive reinforcements over the last two years. Internationally, Sonae retail businesses continued to expand and entered new markets by opening their own stores, establishing franchising partnerships and exporting products, leveraging their competitive advantages.

Concerning performance in food retail, Luís Moutinho, CEO of Sonae MC, states, "*I am particularly pleased with 2016 results. We were able to increase turnover by 5.6% and to reinforce our leadership despite the very tough market environment. This growth was driven by a LfL sales increase of 1.9%, at the same time that we kept betting in the expansion of our Continente Bom Dia urban stores, and the continued improvement of our value proposition and price perception.*

These results are also important for the upcoming quarters, as they demonstrate that we have the right strategy and the right resources to reach our objectives".

As regards to performance in specialised retail, Miguel Mota Freitas, CEO of Sonae SR, says, "*Sonae SR turnover reached €1,439 M, resulting from a turnover growth both at Worten and Sports and Fashion divisions.*

At Worten, we gave important steps in the consolidation of our Iberian position, pursuing a successful omni-channel strategy, and strengthening our competitive position with market share gains in Portugal and solid growth in e-commerce both in Portugal and Spain.

Sonae is a multinational company managing a diversified portfolio of businesses in retail, financial services, technology, shopping centres and telecommunications. Present in over 70 countries, it reached a turnover of more than 5 billion euros by the end of 2015.
Find out more at www.sonae.pt

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Sports and Fashion division posted a combined turnover growth of 31.3%, with positive contributions both from the acquired companies, Salsa and Losan, and the original portfolio, thus positioning the division for future growth".

Growth in every business unit

Sonae retail turnover increased by 7.2% in 2016, reaching €5,198 M, with a positive contribution from all businesses, namely Sonae MC and Sonae SR.

Sonae MC turnover reached €3,687 M, representing a 5.6% growth when compared to 2015, thanks to the positive variation of LfL sales and increased sales area. Sonae MC LfL sales growth stood at 1.9% in2016, benefiting from the positive performance of the last quarters, namely the 3Q16 and 4Q16.

Sonae MC performance in 2016 benefited from a group of measures aimed at strengthening Continente's value proposition. These measures included, among other purposes, to improve price perception, both through innovative communication campaigns and more effective discounts. Likewise, Sonae MC remained focused on developing a truly competitive perishables offer.

As a result, Sonae MC saw its price leadership recognised by DECO, the Portuguese Consumers Association, both in June and October 2016.

One of Sonae MC's most important strategic goals entails the expansion of its convenience store network. This purpose was accomplished by opening new Continente Bom Dia stores, proximity own stores with an approximate average sales area of 1 thousand sqm, and Meu Super stores, franchising local food retail stores located in residential areas with an average sales area of 200 sqm.

It should be noted that, in 2016, Sonae MC took two major steps towards promoting a broad and democratic access to a healthy lifestyle. Firstly, Sonae MC celebrated and agreement for the acquisition of a 51% stake in 'Go Well', which operates under the 'Go Natural' in Portugal. Founded in 2004, 'Go Natural' is the pioneer and reference brand in the healthy catering service in Portugal, with 22 restaurants, most of which located in shopping centres. Secondly, Sonae MC inaugurated the first supermarket fully specialised in healthy food, in Lisbon, offering solutions and products that contribute to improving consumers' health and quality of life.

Sonae SR turnover totalled €1,439 M in 2016, increasing 11.2% when compared to 2015, backed by a positive turnover growth both at Worten and Sports & Fashion.

Throughout 2016, **Worten** consolidated its omnichannel strategy, increasing turnover by 2.1%, to €910 M. It should be noted the 4.0% y.o.y. increase in turnover in the last quarter of the year.

Aiming to strengthen its omnichannel commitment while also providing its customers a more complete and integrated shopping experience across all channels, Worten launched a renewed e-commerce platform in Portugal, in November 2016, and continued to pursue its omnichannel strategy in Spain. Online revenues increased by more than 50% in December 2016 y.o.y., as Worten strengthened its leadership in the Portuguese electronics market, growing market share by nearly 10b.p. in December 2016.

Sports and Fashion division includes a portfolio of businesses comprising Sport Zone, MO, Zippy and more recently Losan and Salsa. Losan results are fully consolidated since 1 January 2016, and Salsa results are

fully consolidated since the beginning of 2H16.

Sports and Fashion turnover grew by 31.3% in 2016, benefiting both from the performance of the original portfolio and from Salsa and Losan. Regarding 4Q16, turnover grew by 39.2%.

Sport Zone maintained its positive top line performance, growing sales per sqm by 1.9%. One should note its e-commerce operation posted positive results, growing turnover by 26% in Portugal and by 18% in Spain, in 2016.

Zippy was able to consolidate the performance delivered throughout the last quarters and grew LfL sales by 9% in Portugal and 4% in Spain in 2016.

Mo continued to readjust its value proposition and has been showing some positive signs, particularly in 4Q16, with a high variation of lfl sales.

Turnover and sales growth – preliminary figures

Millions of euros	2015	2016	var.	4T15	4T16	var.
Sonae retail	4,850	5,198	7.2%	1,334	1,452	8.8%
Sonae MC	3,490	3,687	5.6%	941	1,002	6.6%
Sonae SR	1,294	1,439	11.2%	377	432	14.4%
Others[1]	65	72	9.6%	16	18	11.4%

The retail segment identified as 'Others' includes Maxmat turnover.