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ANNUAL REPORT

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SONAECOM GROUP

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1.1. Group at a glance

Sonaecom is a sub-holding of the Sonae Group for the Technology, Media and Telecommunications areas, created in 1994 and first quoted on Euronext Lisbon in 2000.

Its business portfolio includes the Software and Technology area, with Sonae Investment Management (previously called Sonaecom – Sistemas de Informação – “SSI”), the Online & Media area where there are businesses such as the “Público” daily, generalist newspaper which has been in print for over 25 years in Portugal and the Telecommunications area, which owns an important stake in the NOS group, which is the main asset in its portfolio.

Sonaecom holds a participation of 50% in ZOPT, SGPS, S.A., which in turn holds 50.01% of the share capital of NOS, SGPS, S.A. (NOS). Additionally, Sonaecom also has a direct stake of 2.14% in the capital of NOS.

1.1.1. About Sonaecom

Our mission

Sonaecom is an entrepreneurial growth company that chooses exceptional people to work and unlock their full potential. Sonaecom relentlessly pursues the creation of innovative products, services and solutions that fulfil the needs of its markets and generate superior economic value.

1.1.2. Our values

Ethics and trust

Our fundamental commitment is to create economic value founded on the principles of ethical business practice and sustainable development. We take a long-term strategic view based on stakeholder relationships built around confidence and trust.

People at the centre of our success

We develop the competencies and capabilities of every Sonaecom employee through fresh challenges, an appetite for change and teamwork. Supported by an internal culture that promotes meritocracy, we believe these factors are crucial to attracting, retaining and developing people with outstanding talent and potential.

Ambition

As our guiding force, the strength of our ambition is reflected in the way we continuously challenge ourselves to remain resilient and determined in our efforts to improve our capabilities and add value to our clients.

Innovation

Innovation is the lifeblood of our business. By continuously challenging conventions, we consistently surprise the market. We believe that failure can also be a source of learning. At the same time, we are aware that it is important to balance mistakes within acceptable risk limits.

Social responsibility

We have an active sense of social responsibility. With a strong concern for the environment and the development of human knowledge, fulfilling this responsibility involves helping to improve the lives of the communities around us.

Frugality and efficiency

We value efficiency and healthy competition, and continuously strive to optimise the use of our resources while maximising their returns.

Co-operation and independence

We take a position of independence and autonomy in relation to central and local government. That said, we are always ready to co-operate with the authorities to improve the regulatory, legislative and social environment.



1.2. Corporate developments in 2015

Shareholders' Annual General Meeting

On 20 April 2015, Sonaecom's shareholders decided, at the company's Annual General Meeting, to approve all the proposals of the agenda, namely:

1. Discuss and approve the Company's Annual Report, and the Individual and Consolidated Accounts for 2014;
2. Decide on the proposed appropriation of the Net Results for year ended 31 December 2014;
3. Assess the management and audit of the Company;
4. Approve the alteration to article 33 of the company's articles of association, which are to include the possibility of up to 5% of the annual net profit being distributed to the board directors and as a bonus to company employees;
5. Discuss and approve the document setting out the proposed remuneration policy to be applied to the Company's management and auditing bodies and to persons discharging managerial responsibilities, as well as on the plan to grant shares and its respective regulation (the "Medium Term Incentive Plan" or "MTIP") to be applied by the Shareholders' Remuneration Committee;
6. Authorise the purchase and sale of own shares up to the limit of 10%, as permitted by Portuguese Company Law;
7. Authorise both purchasing or holding of shares of the Company by affiliated companies, under the terms of Article 325-B of Portuguese Company Law.

17.80% increase in the capital of S21Sec

In 2015, Sonaecom, through its subsidiary Sonaecom – Cyber security and Intelligence S.G.P.S., S.A. increased its stake in the share capital of S21Sec raising its holding from 60% to 77.80%.

1.3. Proposal for the application of results

The Board of Directors proposes that the net profit in the Individual accounts, in the amount of 34,389,062.32 euros be transferred as follows:

- i) 1,719,453.12 euros to legal reserves;
- ii) 18,057,722.15 euros is distributed to shareholders;
- iii) The remaining 14,611,887.05 euros is transferred to the item "Other Reserves".

Since it is not possible to determine precisely the number of treasury shares that will be held by the company on the date of the abovementioned payments without limiting the company's capacity for intervention, we highlight the following:

- i) Each share issued will be paid a gross dividend of 0.058 euros;
- ii) The amount corresponding to the shares that belong to the Company itself on the day of the payment of the abovementioned amount (calculated on said unit amount of 0.058 euros per issued share) will not be paid to shareholders, but will instead be maintained in Other Reserves.

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SONAECOM BUSINESS

2.1. Business overview in 2015

2.2. Telecommunications Results
in 2015

2.3. Technology Results in 2015

2.4. Media Results in 2015

2.5. Sonaecom Individual
Results in 2015

2.1. Business Overview in 2015

2.1.1. Sonaecom Consolidated Results

Sonaecom's results were positively impacted by the Telecommunications area performance, which includes a 50% stake in ZOPT - consolidated through the equity method - which owns 50.01% stake in NOS. In 2015, this operation saw its competitive position reinforced with very strong operating growth, across all services and relevant markets, and improving financial trends, supported by increased commercial and network investment.

In the Technology area, the structure was strengthened in order to reinforce the portfolio through acquisitions. Although no transaction occurred last year, more than 1,200 potential targets were screened, with more than 250 companies assessed, feeding a pipeline, as at the end of the year, with 32 active processes, thus opening a promising outlook for the remainder of 2016.

Turnover

Consolidated turnover in 2015 reached 129.5 million euros, increasing 5.9% when compared to 2014, or 0.8% excluding S21Sec contribution¹. This growth was driven by a 7.0% increase in service revenues and an increase of 3.6% in sales. Excluding S21Sec contribution, Service Revenues increased by 0.2%.

Operating costs

Operating costs amounted to 128.2 million euros, 9.1% above 2014. Personnel costs grew 15.4% driven by the increase in the average number of employees since the consolidation of S21Sec. Commercial costs grew 5.9% to 35.8 million euros, driven by an increase in cost of goods sold of Technology area, aligned with sales evolution. The increase in other operating costs is mainly explained by the outsourcing and G&A costs at S21Sec.

EBITDA

Total EBITDA stood at 21.5 million euros, 40.7% below 2014, on the back of discontinued operations and the 1.8 million euros related to Media restructuring costs. The equity results, which are mostly impacted by ZOPT contribution, which in turn depends on NOS net income evolution, increased by 13.3%. On what concerns underlying EBITDA, it stood at 5.4 million euros, 29.5% down when compared to 2014, and corresponding to a margin of 4.2%, which compares to 6.3% in 2014, but with a significant 33.9% improvement versus last quarter. Excluding S21Sec contribution, underlying EBITDA decreased by 16.5%.

Net results

Sonaecom's EBIT decreased 63.3% to 10.7 million euros, explained by the lower level of EBITDA and higher level of depreciations.

Net financial results reached 24.8 million euros in 2015, positively impacted by NOS direct stake fair value adjustment at market price, amounting to 22.1 million euros, and the corresponding 1.5 million euros of dividends received. In 2014, the fair value adjustment was negative by 3.1 million euros and the dividend received was 1.3 million euros.

Sonaecom's earnings before tax (EBT) increased to 35.4 million euros, driven the higher net financial results.

Net results group share stood at 34.6 million euros, which compares with 28.0 million euros in 2014.

Operating CAPEX

Sonaecom's operating CAPEX increased from 6.9 million euros to 8.6 million euros, reaching 6.6% of turnover, 1.0 p.p. above 2014.

Capital structure

The cash position decreased 1.1 million euros since December 2014 reaching 169.1 million euros.

¹ S21Sec was acquired on July 2014, being consolidated at Sonaecom since August 2014.

2.1.2. Sonaecom Consolidated Income Statement

Million euros

| CONSOLIDATED INCOME STATEMENT | 4Q14 | 4Q15 | Δ 15/14 | 3Q15 | q.o.q. | 2014 | 2015 | Δ 15/14 |
|---|------|------|---------|------|--------|-------|-------|---------|
| Turnover | 32.1 | 29.8 | -7.2% | 32.6 | -8.4% | 122.3 | 129.5 | 5.9% |
| Service Revenues | 22.7 | 21.9 | -3.7% | 21.2 | 3.4% | 83.7 | 89.5 | 7.0% |
| Product Sales | 9.4 | 7.9 | -15.6% | 11.4 | -30.3% | 38.6 | 40.0 | 3.6% |
| Other Revenues | 0.6 | 1.1 | 81.1% | 0.5 | 114.5% | 2.9 | 2.4 | -17.9% |
| Operating Costs | 29.9 | 30.8 | 2.9% | 31.6 | -2.8% | 117.5 | 128.2 | 9.1% |
| Personnel Costs | 11.9 | 14.0 | 17.4% | 12.5 | 12.3% | 44.4 | 51.3 | 15.4% |
| Commercial Costs ⁽¹⁾ | 7.5 | 6.8 | -8.7% | 10.3 | -34.0% | 33.8 | 35.8 | 5.9% |
| Other Operating Costs ⁽²⁾ | 10.5 | 9.9 | -5.5% | 8.8 | 12.2% | 39.3 | 41.2 | 4.8% |
| EBITDA | 2.3 | 1.7 | -28.0% | 7.1 | -76.5% | 36.3 | 21.5 | -40.7% |
| Underlying EBITDA ⁽³⁾ | 2.8 | 1.9 | -32.5% | 1.4 | 33.9% | 7.7 | 5.4 | -29.5% |
| Non recurrent itens | 0.0 | -1.8 | - | 0.0 | - | 0.0 | -1.8 | - |
| Equity method ⁽⁴⁾ | -0.5 | 1.5 | - | 5.6 | -73.4% | 15.7 | 17.8 | 13.3% |
| Discontinued Operations ⁽⁵⁾ | 0.0 | 0.0 | - | 0.0 | - | 12.9 | 0.0 | -100.0% |
| Underlying EBITDA Margin (%) | 8.9% | 6.4% | -2.4pp | 4.4% | 2.0pp | 6.3% | 4.2% | -2.1pp |
| Depreciation & Amortization | 2.3 | 5.2 | 127.1% | 1.9 | 172.0% | 7.1 | 10.8 | 51.2% |
| EBIT | 0.0 | -3.6 | - | 5.1 | - | 29.1 | 10.7 | -63.3% |
| Net Financial Results | 4.6 | -0.5 | - | 1.8 | - | -1.3 | 24.8 | - |
| Financial Income | 0.4 | -2.0 | - | 2.9 | - | 4.4 | 25.6 | - |
| Financial Expenses | -4.2 | -1.5 | 64.3% | 1.1 | - | 5.7 | 0.9 | -84.7% |
| EBT | 4.6 | -4.1 | - | 6.9 | - | 27.8 | 35.4 | 27.5% |
| Tax results | -0.3 | -1.8 | - | -0.4 | - | -0.7 | -2.3 | - |
| Net Results | 4.3 | -5.8 | - | 6.5 | - | 27.1 | 33.2 | 22.3% |
| Group Share | 4.9 | -5.7 | - | 6.8 | - | 28.0 | 34.6 | 23.8% |
| Attributable to Non-Controlling Interests | -0.6 | -0.2 | 76.1% | -0.3 | 48.6% | -0.9 | -1.5 | -69.3% |

(1) Commercial Costs = COGS + Mktg & Sales Costs; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated by Sonaecom;

(4) Includes the 50% holding in Unipress, the 45% holding in SIRS, the 50% holding in S21Seciberseguridad, the 50% holding in Big Data and the 50% holding in ZOPT;

(5) Includes Mainroad contribution until the sale and the capital gain

2.1.3. Sonaecom Consolidated Balance Sheet

Million euros

CONSOLIDATED BALANCE SHEET

| | 4Q14 (R) | 4Q15 | Δ 15/14 | 3Q15 | q.o.q. | 2014 (R) | 2015 | Δ 15/14 |
|--|----------|---------|---------|---------|--------|----------|---------|---------|
| Total Net Assets | 1,090.4 | 1,092.7 | 0.2% | 1,114.3 | -1.9% | 1,090.4 | 1,092.7 | 0.2% |
| Non Current Assets | 787.5 | 773.6 | -1.8% | 792.5 | -2.4% | 787.5 | 773.6 | -1.8% |
| Tangible and Intangible Assets | 28.3 | 28.9 | 2.2% | 29.1 | -0.9% | 28.3 | 28.9 | 2.2% |
| Goodwill | 28.7 | 26.9 | -6.4% | 29.3 | -8.3% | 28.7 | 26.9 | -6.4% |
| Investments | 723.2 | 711.5 | -1.6% | 725.6 | -2.0% | 723.2 | 711.5 | -1.6% |
| Deferred Tax Assets | 6.8 | 6.1 | -10.8% | 8.2 | -25.2% | 6.8 | 6.1 | -10.8% |
| Others | 0.5 | 0.3 | -44.9% | 0.3 | -2.3% | 0.5 | 0.3 | -44.9% |
| Current Assets | 302.9 | 319.0 | 5.3% | 321.8 | -0.9% | 302.9 | 319.0 | 5.3% |
| Trade Debtors | 40.0 | 40.1 | 0.3% | 34.4 | 16.6% | 40.0 | 40.1 | 0.3% |
| Liquidity | 182.0 | 181.1 | -0.5% | 181.9 | -0.4% | 182.0 | 181.1 | -0.5% |
| Others | 80.9 | 97.8 | 20.9% | 105.5 | -7.3% | 80.9 | 97.8 | 20.9% |
| Shareholders' Funds | 1,018.5 | 1,025.2 | 0.7% | 1,046.7 | -2.1% | 1,018.5 | 1,025.2 | 0.7% |
| Group Share | 1,019.1 | 1,026.9 | 0.8% | 1,048.2 | -2.0% | 1,019.1 | 1,026.9 | 0.8% |
| Non-Controlling Interests | -0.6 | -1.7 | -170.0% | -1.5 | -14.2% | -0.6 | -1.7 | -170.0% |
| Total Liabilities | 72.0 | 67.5 | -6.3% | 67.6 | -0.2% | 72.0 | 67.5 | -6.3% |
| Non Current Liabilities | 13.2 | 15.0 | 13.9% | 14.5 | 3.9% | 13.2 | 15.0 | 13.9% |
| Bank Loans | 9.1 | 8.6 | -5.5% | 9.1 | -5.7% | 9.1 | 8.6 | -5.5% |
| Provisions for Other Liabilities and Charges | 2.6 | 4.2 | 64.0% | 3.4 | 24.6% | 2.6 | 4.2 | 64.0% |
| Others | 1.6 | 2.2 | 43.3% | 2.0 | 11.8% | 1.6 | 2.2 | 43.3% |
| Current Liabilities | 58.8 | 52.4 | -10.8% | 53.1 | -1.3% | 58.8 | 52.4 | -10.8% |
| Loans | 2.0 | 2.2 | 9.6% | 2.1 | 4.9% | 2.0 | 2.2 | 9.6% |
| Trade Creditors | 21.6 | 19.0 | -11.9% | 17.3 | 9.6% | 21.6 | 19.0 | -11.9% |
| Others | 35.2 | 31.3 | -11.2% | 33.7 | -7.3% | 35.2 | 31.3 | -11.2% |
| Operating CAPEX ⁽¹⁾ | 2.2 | 2.5 | 14.3% | 1.8 | 33.7% | 6.9 | 8.6 | 25.0% |
| Operating CAPEX as % of Turnover | 6.7% | 8.3% | 1.6pp | 5.7% | 2.6pp | 5.6% | 6.6% | 1.0pp |
| Total CAPEX | 2.2 | 2.5 | 14.3% | 1.8 | 33.7% | 12.5 | 8.6 | -31.2% |
| Underlying EBITDA - Operating CAPEX | 0.7 | -0.5 | - | -0.4 | -32.9% | 0.8 | -3.2 | - |
| Gross Debt | 11.8 | 12.1 | 2.1% | 12.3 | -2.4% | 11.8 | 12.1 | 2.1% |
| Net Debt | -170.2 | -169.1 | 0.7% | -169.6 | 0.3% | -170.2 | -169.1 | 0.7% |

(1) Operating CAPEX excludes Financial Investments.

(R) Under the Special Regime of Debt Adjustments to the Fiscal Authorities and Social Security (Decree Law No. 248-A/2002 and Decree Law No. 151-A/2013), Sonae and Sonaecom voluntarily made payments to the State relating to additional tax assessments of previous years, for which, at the time of such payments, both companies had already brought the corresponding judicial appeals, lying processes running under the relevant courts. These payments were recognized in assets, according to "IAS 12 - Income Taxes". However, during the verification process of the 2012 accounts, CMVM disagreed with the interpretation of Sonae and requested the retrospective correction of the financial statements, arguing that the payments made in respect of other taxes than income tax should be considered as contingent assets. While not agreeing with the position of CMVM, Sonae and Sonaecom made the restatement of financial statements. The impact of this change is nil in the income statement and immaterial in the statement of financial position.

2.1.4. Sonaecom Consolidated Free Cash Flow (FCF)

| LEVERED FREE CASH FLOW | 4Q14 | 4Q15 | Δ 15/14 | 3Q15 | q.o.q. | 2014 | 2015 | Δ 15/14 |
|-----------------------------------|------|------|---------|------|---------|------|------|---------|
| Underlying EBITDA-Operating CAPEX | 0.7 | -0.5 | - | -0.4 | -32.9% | 0.8 | -3.2 | - |
| Change in WC | 5.4 | 0.9 | -82.4% | -1.4 | - | 1.0 | -1.7 | - |
| Non Cash Items & Other | -1.4 | -0.7 | 49.2% | -0.1 | - | 1.4 | 2.0 | 45.5% |
| Operating Cash Flow | 4.7 | -0.3 | - | -1.9 | 83.8% | 3.1 | -2.8 | - |
| Investments | 0.0 | 0.0 | - | 0.0 | - | 7.7 | 0.0 | -100.0% |
| Dividends | 0.0 | 0.0 | - | 8.5 | -100.0% | 8.6 | 17.4 | 100.8% |
| Financial results | 0.0 | 0.9 | - | -0.9 | - | -0.3 | 1.8 | - |
| Income taxes | -0.1 | -0.9 | - | -1.1 | 20.8% | -1.1 | -2.7 | -139.1% |
| FCF ⁽¹⁾ | 4.6 | -0.2 | - | 4.6 | - | 18.1 | 13.6 | -24.8% |

(1) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.

2.2. Telecommunications Results in 2015

NOS operating revenues were 1 444.3 million euros in 2015, growing 4.4% y.o.y.

EBITDA reached 533.1 million euros, increasing 4.4% when compared to 2014 and representing a 36.9% EBITDA margin.

Recurrent CAPEX amounted to 297.3 million euros in 2015, an increase of 7.8% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA-Recurrent CAPEX increased 0.5%.

Net Financial Debt to EBITDA stood at 2.0x at the end of 2015 and the average maturity of the company's net financial debt reached 3.6 years.

NOS published its 2015 results on 29th February, 2016, which are available at www.nos.pt.

During 2015, the NOS share price increased 38.4% from €5.236 to €7.246, whilst PSI20 increased by 10.7%.

Operational Indicators

| Operational Indicators ('000) | 4Q14 | 4Q15 | Δ 15/14 | 3Q15 | q.o.q. | 2014 | 2015 | Δ 15/14 |
|-------------------------------|---------|---------|---------|---------|--------|---------|---------|---------|
| Total RGUs | 7 610.5 | 8 443.8 | 10.9% | 8 257.3 | 2.3% | 7 610.5 | 8 443.8 | 10.9% |
| Convergent RGUs | 1 853.3 | 2 853.7 | 54.0% | 2 665.0 | 7.1% | 1 853.3 | 2 853.7 | 54.0% |
| IRIS subscribers | 693.6 | 865.0 | 24.7% | 825.1 | 4.8% | 693.6 | 865.0 | 24.7% |
| 3,4 and 5P subscribers | 851.6 | 968.4 | 13.7% | 936.7 | 3.4% | 851.6 | 968.4 | 13.7% |

Financial indicators

Million euros

| NOS HIGHLIGHTS | 4Q14 | 4Q15 | Δ 15/14 | 3Q15 | q.o.q. | 2014 | 2015 | Δ 15/14 |
|------------------------|-------|-------|---------|-------|--------|---------|---------|---------|
| Operating Revenues | 353.8 | 376.4 | 6.4% | 367.9 | 2.3% | 1 383.9 | 1 444.3 | 4.4% |
| EBITDA | 113.5 | 123.3 | 8.6% | 143.5 | -14.1% | 510.5 | 533.1 | 4.4% |
| EBITDA margin (%) | 32.1% | 32.7% | +0.7pp | 39.0% | -6.2pp | 36.9% | 36.9% | -0.0pp |
| Net Income | 12.3 | 9.2 | -25.1% | 26.2 | -64.9% | 74.7 | 82.7 | 10.7% |
| CAPEX | 142.5 | 113.7 | -20.2% | 97.9 | 16.1% | 374.4 | 408.3 | 9.0% |
| EBITDA-CAPEX | -29.0 | 9.6 | - | 45.6 | -79.0% | 136.1 | 124.9 | -8.3% |
| RECURRENT CAPEX | 83.2 | 79.7 | -4.1% | 77.1 | 3.5% | 275.8 | 297.3 | 7.8% |
| EBITDA-RECURRENT CAPEX | 30.3 | 43.5 | 43.4% | 66.4 | -34.4% | 234.7 | 235.8 | 0.5% |

2.3. Technology Results in 2015



The Technology area has been pursuing an active portfolio strategy, aiming at strengthening its position as a technological reference at an international scale, in selected IT areas, through organic and non-organic growth.

This area currently comprises four companies in the IT/IS sector that generated circa 54.0% of its revenues outside the Portuguese market with 44% out of the total 888 employees based abroad.

WeDo Technologies is a worldwide market leader in enterprise business assurance software that works with some of the world's leading blue chip companies from the retail, energy and finance industries, as well as more than 190 telecommunications operators from more than 90 countries. During the year, both Strategist (Frost & Sullivan) and Analysys Mason announced WeDo Technologies as respectively the worldwide leader in Financial Assurance area (comprising Revenue Assurance, Fraud Management and Margin Assurance) and as the worldwide market leader in the Telecom Revenue Assurance and Fraud Management software space.

In February 2015, WeDo revealed its new major release of the RAID Telecom Software, at the Mobile World Congress in Barcelona. In May 2015, WeDo organized its first Enterprise Business Assurance Summit together with the 10th annual Worldwide User Group conference, counting with more than 400 attendees from the Telco, Retail, Utilities, Healthcare and Finance industries, from more than 45 countries.

In July 2015, WeDo announced the launch of SHAPE Telecom software product, designed to provide CSPs (Communication Service Providers) with advanced knowledge to ascertain cost and determine profitability of customers, plans and services. SHAPE Telecom improves customer-base knowledge to critically determine marketing campaign effectiveness and boost customer loyalty and profitability. The first reference client for this new product was already obtained in North America during H2.

In October 2015, WeDo Technologies organized its first Regional Conference in Washington DC. It counted with more than 17 CSPs and 75 delegates attending.

It should also be highlighted that during 2015, the installed products increased by 16% and the company has won eight new telecom customers (2 in USA, 1 in Qatar, 1 in Azerbaijan, 1 in Chile, 1 in Peru, 1 in Argentina, 1 in Italy) and two new ones in other verticals, one in the energy sector and one in healthcare. At the end of 2015, 76.6% of its turnover was generated in the international market and more than 10% in non-telecom industries.

S21Sec is a leading multinational cybersecurity player, focused exclusively on providing security services and technologies. Since its foundation, the company has grown through constant investment in innovation and today works with a global customer base, leveraging its teams in Spain, Portugal, Mexico and the UK and a network of selected partners that ensure local support and touch points in other key markets.

S21sec was among the first companies in the world to identify Dridex (a banking malware) and understand the sophisticated nature of its organisation, infrastructure and procedures. The insight and intelligence generated through the company's work into Dridex rapidly became a key element of the collaboration with Law Enforcement Agencies, such as Europol, NCA, Guardia Civil and the FBI, among others. Beyond the Law Enforcement community, S21sec was also highly proactive to ensure it was providing valuable support to the financial community. By way of example, S21sec shared the intelligence generated through its investigations with banks, through various forums in European countries such as Portugal, Spain, France and the UK, where Dridex has been especially damaging. Furthermore, and in continued support of its antifraud strategy, especially in the ATM machines space, S21sec has also continued to be a key voice in various Latin American forums, including the XVII Congreso Nacional de Seguridad in Punta Cana and the ATEFI event in Panama. During 4Q15, S21Sec also announced the discovery of a new version of the URL zone malware, which affected Spanish financial institutions.

In order to continue pushing its brand, S21sec participated as both sponsor and speaker at the first ever eCrime Congress hosted in Madrid. Furthermore, and with a focus on talent attraction, S21sec participated in the Cybercamp, a major event hosted by INCIBE (national institute of cybersecurity in Spain). In Portugal, S21sec signed a collaboration agreement with the insurance broker MDS. 2015 was also marked by the closing of the first MOOC (Massive Open Online Courses) project about cybersecurity with INCIBE, the memorandum of understanding signed with Europol, the recognition as a McAfee elite partner, the expertise work done with DYRE (currently the busiest banking malware) and Ransomware Mobile (a malware that restricts access to the infected system and demands a ransom paid to the creator of the malware for the restriction to be removed).

Saphety is a solutions provider for business processes optimization that has a strong position in electronic invoicing and EDI (Electronic Data Interchange) market, as well as in data synchronization for GS1 worldwide organizations.

This year has been marked by a significant improvement on revenues and profitability, coupled with a good commercial activity: 195 new customers and some important new contracts including Oi in Brazil, GS1 Egypt, Essilor, Sodexia, Cimpor, Quinta do Lago, Calzedonia, Laboratórios Vitória, Associação Nacional de Farmácias, ESPAP (Entidade de Serviços Partilhados da Administração Pública) and Surunai in Malaysia. Saphety's customer base has now over 8,200 customers and 120,000 users in about 20 countries. Importantly, in this period, international revenues increased when compared to 2014 and represented more than 30.0% of total revenues. Also relevant, Saphety's SyncCode solution, used by GS1 worldwide organizations as a Data Synchronization solution, has been certified by GDSN meaning that all new international standards defined by the regulator are now covered.

Bizdirect is a technology company specialized in IT solutions commercialization, consulting and management of corporate software licensing contracts and Microsoft solutions integration.

The improvement recorded in the IT market investments in hardware and software, coupled with a positive performance in the new solutions area, enabled the company to increase its turnover by 8.7% in 2015. The Competence Center launched in Viseu, to respond to the growing demand in the areas of CRM (Customer Relationship Management) and ECM (Enterprise Content Management), has increased the number of projects delivered and is growing its awareness in the European market where is already working with 14 customers at 8 countries. International revenues represented 11.0% of total Turnover in the 2015.

2.3.1. Financial data

Million euros

| TECHNOLOGY AREA | 4Q14 | 4Q15 | Δ 15/14 | 3Q15 | q.o.q. | 2014 | 2015 | Δ 15/14 |
|--|-------|-------|---------|------|--------|-------|-------|---------|
| Turnover | 27.8 | 26.2 | -5.8% | 29.1 | -10.0% | 106.3 | 114.8 | 8.1% |
| Service Revenues | 20.8 | 20.4 | -1.7% | 20.0 | 2.0% | 77.3 | 83.8 | 8.4% |
| Sales | 7.1 | 5.8 | -18.0% | 9.1 | -36.4% | 29.0 | 31.0 | 7.2% |
| Other Revenues | 0.5 | 1.0 | 112.5% | 0.3 | - | 2.0 | 1.9 | -4.9% |
| Operating Costs | 24.8 | 23.7 | -4.5% | 27.1 | -12.6% | 96.5 | 106.8 | 10.7% |
| Personnel Costs | 9.3 | 9.4 | 1.4% | 9.9 | -4.2% | 33.9 | 38.9 | 14.7% |
| Commercial Costs ⁽¹⁾ | 6.2 | 5.6 | -8.6% | 9.4 | -39.8% | 28.7 | 31.5 | 9.6% |
| Other Operating Costs ⁽²⁾ | 9.3 | 8.6 | -7.8% | 7.8 | 9.4% | 33.9 | 36.4 | 7.6% |
| EBITDA | 3.5 | 3.5 | 1.8% | 2.3 | 52.6% | 17.6 | 9.7 | -44.7% |
| Underlying EBITDA ⁽³⁾ | 3.5 | 3.5 | 0.4% | 2.4 | 48.9% | 11.7 | 9.9 | -15.6% |
| Discontinued Operations ⁽⁴⁾ | 0.0 | 0.0 | - | 0.0 | - | 5.9 | 0.0 | -100.0% |
| Underlying EBITDA Margin (%) | 12.7% | 13.5% | 0.8pp | 8.2% | 5.3pp | 11.0% | 8.6% | -2.4pp |
| Operating CAPEX ⁽⁵⁾ | 1.8 | 2.3 | 29.0% | 1.6 | 43.7% | 5.9 | 7.5 | 27.1% |
| Operating CAPEX as % of Turnover | 6.5% | 8.9% | 2.4pp | 5.6% | 3.3pp | 5.6% | 6.6% | 1.0pp |
| Underlying EBITDA - Operating CAPEX | 1.7 | 1.2 | -29.5% | 0.8 | 59.9% | 5.8 | 2.3 | -59.5% |
| Total CAPEX | 1.8 | 2.3 | 29.0% | 1.6 | 43.7% | 6.0 | 7.5 | 25.5% |

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated at Technology area; (4) Includes Mainroad contribution until the sale and the capital gain;

(5) Operating CAPEX excludes Financial Investments;

Turnover

Turnover continued to benefit from the international expansion of companies, growing 8.1% y.o.y., to 114.8 million euros. Service Revenues increased 8.4% to 83.8 million euros while Sales increased by 7.2% to 31.0 million euros.

Excluding S21Sec contribution until Jul'15, turnover increased by 2.1% and Service Revenues by 1.1%.

Operating costs

Operating costs increased 10.7%, reaching 106.8 million euros, impacted by higher commercial costs, higher staff costs and higher other operational costs. Staff costs increased 14.7% driven by the growth in the number of employees mainly driven by S21Sec. Commercial costs increased 9.6% when compared to 2014, to 31.5 million euros, backed by a higher cost of goods sold, consistent with the higher level of sales. Other operating costs increased 7.6% explained by the enlarged portfolio.

EBITDA

Total EBITDA declined 44.7%, which is explained by discontinued operations' impact in 2014 but also by the decrease of underlying EBITDA.

In 2015, underlying EBITDA reached 9.9 million euros, falling 15.6% y.o.y., reaching a margin of 8.6%, but showing an improving trend in the 4Q15, 48.9% above 3Q15, with a 13.5% margin. When compared to LY, 4Q15 EBITDA stood in line but with a higher margin.

Excluding S21Sec, underlying EBITDA in 2015 decreased by 5.1% and reached a 10.2% margin.

Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at 2.3 million euros, decreasing when compared to 2014, explained by the lower level of underlying EBITDA and the higher level of CAPEX.

2.4. Media Results in 2015

During the first semester of the year, Público was able to improve EBITDA and slightly grow its revenues. However, the negative trend of offline revenues, both in advertising and circulation, coupled with a restructuring plan implemented at the end of the year, drove the negative evolution of Turnover and EBITDA in 2015.

Turnover reached 15.0 million euros, decreasing when compared to 2014 but with good performances at online advertising and content revenues. EBITDA, excluding the restructuring costs of 1.8 million euros, was negative by 3.3 million euros.

Once again, this year was marked by some significant achievements:

- **the celebration of Público's 25th anniversary;**
- the positive performance in terms of circulation (Público was the daily generalist newspaper that presented higher growth in total circulation, according to APCT);
- the 14 awards of journalism, design, photography and infographic design, including a special mention in the category of best news site by the European Digital Media Awards, only behind *The Guardian*;
- **the reinforcement of Público's international presence, mainly at Brazil, through the co-organization of some events with Globo and contents partnerships with UOL and Livraria Cultura.**

2.5. Sonaecom Individual Results in 2015

2.5.1. Operational data

Sonaecom SGPS's individual results for the years ended 31 December 2015 and 2014 are summarised as follows:

| Million euros | 2014 | 2015 | Difference | % |
|-------------------------|-------|-------|------------|------|
| Service Revenues | 0.3 | 0.3 | 0.0 | 11% |
| Operating Costs (1) | 2.5 | 1.9 | (0.5) | -21% |
| EBITDA | (2.0) | (1.4) | 0.6 | 32% |
| EBIT | (2.0) | (1.4) | 0.6 | 32% |
| Dividend Received | 8.6 | 17.4 | 8.8 | 102% |
| Net Financial Activity | 2.5 | 1.7 | (0.8) | -31% |
| Other Financial Results | (3.6) | 16.3 | 19.9 | 547% |
| EBT | 5.4 | 33.9 | 28.6 | 531% |
| Net Income | 5.8 | 34.4 | 28.6 | 491% |

⁽¹⁾ Excluding depreciation, amortisation and provisions.

On 31 December 2015, Sonaecom SGPS's Executive Board of Directors was composed of three directors (the same of last year).

Service revenues

This line totalled 0.3 million euros, in line with 2014, and it essentially comprises management services provided to its subsidiaries.

Total operational costs

Total operating costs exclude depreciation, amortisation charges and provisions. This line amounted to 1.9 million euros, which compares with 2.5 million euros in 2014.

EBITDA

EBITDA was negative 1.4 million euros (negative 2.0 million euros in 2014) and the improvement versus last year was mainly driven by the lower level of operating costs.

Dividends received

In 2015, Sonaecom received dividends from NOS (1.5 million euros) and ZOPT (15.8 million euros). In 2014, Sonaecom received dividends from NOS (1.3 million euros) and ZOPT (7.3 million euros).

Net financial activity

The net financial activity (interest income less interest expenses) was positive by 1.7 million euros, which compares with 2.5 million euros in 2014.

Other financial results

Other financial results were positive by 16.3 million euros, almost fully explained by the positive 22.1 million of market value adjustments related to the 2.14% direct stake on NOS (shares recorded at fair value through profit and loss), partially absorbed by the 6.6 million of impairments recorded in the financial investments. In 2014, the market value adjustments were responsible for a negative 3.1 million euros.

Net income

Net results for the year were positive by 34.4 million euros, mainly driven by the dividends and by the other financial results.

The amount of 57,191 euros is already reflected in the net income and is planned for a part of the short term variable bonus of executive directors, as a distribution of profit, pursuant to art. 2 of the Articles of Association as proposed by the Remunerations Committee, which is responsible for the implementation of the remuneration policy approved at the General Meeting held on April 29th, 2016.

2.5.2. Financial data

The following table summarises the major cash movements during the year ended at 31 December 2015:

| Changes in Sonaecom SGPS Liquidity | Million euros |
|--|---------------|
| Sonaecom SGPS stand-alone liquidity as at 31 December 2014 | 176.9 |
| Cash and Bank | 0.2 |
| Treasury Applications | 176.7 |
| Bank | 176.7 |
| Subsidiaries | 0.0 |
| Changes in Nominal Gross Debt | (0.1) |
| External Debt | (0.1) |
| Treasury applications from subsidiaries | 0.0 |
| Shareholder Loans and Supplementary capital granted | (3.3) |
| Dividend paid | (13.8) |
| Free Cash Flow | 19.7 |
| Interest paid | (0.6) |
| Interest received | 3.4 |
| Dividend received | 17.4 |
| Operational Free Cash Flow and others | (0.5) |
| Sonaecom SGPS stand-alone liquidity as at 31 December 2015 | 179.4 |
| Cash and Bank | 22.8 |
| Treasury Applications | 156.7 |
| Bank | 155.4 |
| Subsidiaries | 1.3 |

During the year 2015, Sonaecom's stand-alone liquidity increased 2.5 million euros to 179.4 million euros due to the following movements:

- (i) FCF was positive by 19.7 million euros (including dividends of 17.4 million from NOS and ZOPT);
- (ii) Loans granted to subsidiaries decreased 0.1 million euros;

However:

- (iii) Payment of dividends amounted to 13.8 million euros;
- (iv) Supplementary capital placed in subsidiaries increased by 3.4 million euros;
- (v) External debt decreased 0.1 million euros.

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3

CAPITAL MARKETS

3.1. Equity Capital Markets
in 2015

3.2. Share price evolution
during 2015

3.3. Shareholding structure
and own shares

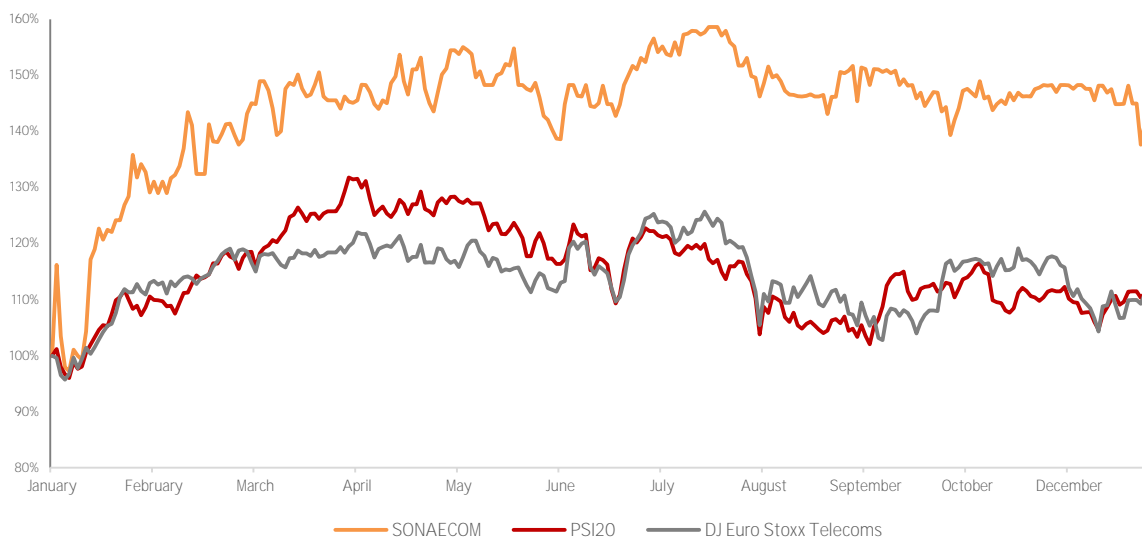
3.1. Equity Capital Markets in 2015

Sonaecom shares have been listed on the Portuguese Stock Exchange – Euronext Lisbon – since June 2000, with the symbol SNC. The table below lists the main statistics relating to Sonaecom's 2015 stock performance.

Sonaecom shares on the stock market during 2015

| Stock market | Euronext Lisbon |
|---|-----------------|
| Ticker | SNC |
| ISIN | PTSNCOAM0006 |
| Bloomberg code | SNC PL Equity |
| Reuters code | SNC.LS |
| Number of shares outstanding | 311,340,037 |
| Share capital | 230,391,627 |
| Stock price as of last day December (euros) | 2.070 |
| Stock price – High (euros) | 2.300 |
| Stock price – Low (euros) | 1.410 |
| Average daily volume – 2015 (# shares) | 47,445 |
| Average daily volume – 2014 (# shares) | 192,806 |
| Market capitalisation as of last day December (euros) | 644,473,877 |

Market performance



Graph 1 – Sonaecom's performance vs PSI 20 and DJ Euro Stoxx Telecoms in 2015

At the end of 2015, **Sonaecom's shares** reached a market price of 2.070 euros per share, 42.8% above the closing price of 1.450 euros per share at 31 December 2014. The share price reached a maximum of 2.3000 euros per share on 6 August 2015 and a minimum of 1.140 euros on 7 January 2015.

As far as the Portuguese market is concerned, PSI-20, the principal local stock index, ended 2015 at 5,313.17 points, an increase of 10.7% versus year-end 2014. DJ Euro Stoxx Telecoms, the European Stock Telecommunications index, ended 2015 with an annual increase of 9.9%.

Sonaecom's market capitalisation stood at approximately 644 million euros at the end of 2015. The average daily trading volume reached approximately 47,000 shares, a 75.4% decrease compared to 2014 (193,000 shares).

3.2. Share price evolution during 2015

Sonaecom's share performance

In 2015, Sonaecom's market share price increased 42.8% compared to 2014.

Sonaecom shares would have been influenced by various milestones during the year, as follows:

- 6 March 2015: Sonaecom full-year 2014 consolidated results released;
- 20 April 2015: **shareholders'** Annual General Meeting held with release of information on approved decisions;
- 5 May 2015: Information about the payment of the dividends for 2014;
- 7 May 2015: Sonaecom first quarter 2015 consolidated results released;
- 30 July 2015: Sonaecom first-half 2015 consolidated results released;
- 5 November 2015: Sonaecom first nine months 2015 consolidated results released.

3.3. Shareholding structure and own shares

In accordance with the Portuguese Securities Code, shareholdings amounting to or exceeding the thresholds of 2%, 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.67% and 90% of the total share capital must be reported to the Portuguese Securities Market Commission and disclosed to the capital market. Reporting is also required if the shareholdings fall below the same percentages.

Simplified Sonaecom shareholding structure

| Shareholder | Number of shares held | % Shareholding as at 31 Dec. 2014 |
|--------------------|-----------------------|-----------------------------------|
| Sonae - SGPS, S.A. | 275,086,083 | 88.36% |
| Own shares | 5,571,014 | 1.52% |
| Free Float | 30,682,940 | 9.86% |

Sonae – SGPS, S.A. (Sonae) is Sonaecom's **largest shareholder**, owning an 88.36% stake in Sonaecom, equivalent to 89.97% of the voting rights. Sonae is a Portuguese multinational retail company, market leader in Portugal in food and specialised retail formats, with two core partnerships: shopping centres and telecoms. At 31 December 2015, the free float stood at approximately 9.86%. The free float is the percentage of shares not held or controlled by shareholders with qualified holdings and excluding own shares.

Sonaecom didn't acquire or sell treasury shares in 2015.

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4

CORPORATE GOVERNANCE

Part I Shareholding Structure,
Organisation and Corporate
Governance

Part II Statement
of Compliance

Appendices I, II and III

PART I – SHAREHOLDING STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. Shareholding Structure

I - Share capital structure

1. Capital structure

The company's share capital is 230,391,627.38 euros, fully subscribed and paid up and is divided into 311,340,037 registered ordinary shares with a nominal value of 0.74 Euro each.

All shares representing the share capital of Sonaecom are traded in the Euronext Lisbon regulated market.

2. Restrictions on share transferability and ownership

There are no restrictions on the transferability or ownership of Sonaecom shares.

3. Treasury shares

At 31 December 2015, Sonaecom held 5,571,014 treasury shares, representing 1.789% of its share capital.

4. Impact of the change in Sonaecom shareholder control in significant agreements

There are no agreements signed by Sonaecom that include clauses intended to constitute defensive measures against change in its shareholding control or which would cease in case of change in control of the company after a takeover bid.

Most of Sonaecom's share capital is owned by one single shareholder.

5. System to which the renewal or removal of defensive measures are subject, in particular those which establish the limitation of the number of votes that can be cast or exercised by a single shareholder individually or in agreement with other shareholders.

No defensive measures were taken.

6. Shareholders' agreements

No shareholders' agreements regarding Sonaecom are known.

II - Shares and bonds held

7. Qualified shareholdings

In compliance with the Article 8, paragraph 1, subparagraph (b) of the Securities and Exchange Commission Regulation 05/2008, the qualified shareholdings at 31 December 2015 are described as follows:

| Shareholder | Number of shares | % of Share capital | % Share capital and voting rights* | % of exercisable voting rights** |
|-----------------------------------|------------------|--------------------|------------------------------------|----------------------------------|
| Directly | | | | |
| Sontel BV | 194,063,119 | 62.33% | 62.33% | 63.47% |
| Sonae- SGPS, S.A. | 81,022,964 | 26.02% | 26.02% | 26.50% |
| Total attributable ⁽¹⁾ | 275,086,083 | 88.36% | 88.36% | 89.97% |

(1) Belmiro Mendes de Azevedo is, according to article 20 paragraph 1, subparagraph b), and article 21, paragraph 1, both of the Portuguese Securities Code, the ultimate beneficial owner, as it owns Efanor Investimentos, SGPS, SA and the latter indirectly owns Sonae - SGPS S.A. and Sontel BV.

* 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

8. Number of shares and bonds held by the members of management and supervisory Board, presented pursuant to art. 447 paragraph 5 of the Portuguese Companies Act

The information can be found in Appendix I of this Report.

9. Competence of the Board of Directors in capital increases

This is a competence that corresponds exclusively to the General Shareholders' Meeting.

10. Commercial relationships between the holders of qualified shareholdings and the company

Business and transactions with holders of qualified shareholdings are part of the usual activity of Sonaecom subsidiaries and are conducted in normal market conditions. The amounts involved correspond mostly to interest.

B. Statutory Governing Bodies and Committees

I - Shareholders' General Meeting*

a) Composition of the General Shareholders' Meeting Board

11. Identification and roles of the members of the General Shareholders' Meeting Board and term of office

António Agostinho Cardoso da Conceição Guedes
Maria Daniela Farto Baptista Passos

Chairman
Secretary

Term of office 2012-2015
Term of office 2012-2015

** Throughout the reference year*

b) Exercising voting rights

12. Any restriction on voting rights

The company's Articles of Association do not envisage any restriction in terms of voting rights. The company's share capital is integrally represented by a single kind of shares that correspond to one vote per share.

Pursuant to the law and the company's articles of association, shareholders with voting rights have the right to participate, discuss and vote at the General Shareholder Meeting, if on the registration day, which is considered to be 0:00 GMT on the fifth trading day before the meeting, they own shares which grant them at least one vote and comply with the legal formalities as described in the corresponding notice of the meeting.

The right to proxy voting and how this can be exercised is also given on the notice for each General Meeting, pursuant to the law and articles of association.

Notwithstanding the need to prove they are shareholders, shareholders can vote by post regarding all matters under appreciation at the General Meeting. The General Meeting notice shall contain adequate information about postal voting.

The Company also has an electronic voting system that allows shareholder unlimited access to exercise voting rights. Shareholders are advised how to vote electronically in the General Meeting notice.

13. Maximum percentage of voting rights that can be exercised by a single shareholder or by shareholders with whom s/he is in any of the relationships described in paragraph 1, article 20.

There is no statutory limitation on exercising voting rights.

14. Shareholder decisions which, due to the Articles of Association, may only be taken with a qualified majority

As established in the Company's Articles of Association, any decisions made by the General Shareholders' Meeting shall be by simple majority, unless otherwise required by law.

II – Management and supervision

a) Composition

15. Identification of the adopted governance model

This company has adopted the monist governance model, whose administration structure is centralised in the Board of Directors. The supervisory structure includes a Statutory Audit Board and a Statutory External Auditor.

The Board of Directors is the body in charge of managing the company's business, performing all the administration functions pertaining to the corporate purpose, monitoring risks, and executing the organisation's objectives and strategy. The Statutory Audit Board has the supervising responsibility.

16. Statutory regulations on procedural and material requirements applicable to the appointment and replacement of the members of the Board of Directors

The members of the Board of Directors are elected, as established by law and the Company's Articles of Association, in the terms specified in **the proposal approved in the General Shareholders' Meeting.**

The Articles of Association establish that, should shareholders representing at least 10% of the share capital vote against the winning proposal for the election of the directors, a director will be elected by the shareholders in said minority, in the same meeting, and the director elected shall automatically replace the person with the lowest number of votes in the winning list, or, in case of an equal number of votes, the person in the last position in the list. One shareholder may not nominate more than one candidate.

Should candidates be nominated by more than one group of shareholders, the vote shall concern those candidacies as a whole. These regulations shall not apply to the election of a substitute director.

It is also statutorily established that in case of death, resignation, or any temporary or definitive incapacity of any director other than a director elected under the minority rule, the Board of Directors shall replace that director through co-option. This appointment shall be subject to ratification by the shareholders in the following General Meeting.

However, the definitive lack, for any reason, of a director elected under the aforementioned special rules shall lead to a new election by the General Meeting.

The Board of Directors shall appoint its Chairman.

17. Composition of the Board of Directors

Composition

Pursuant to the Sonaecom's Articles of Association, the Board of Directors may be constituted by an odd or even number of members, between a minimum of three and a maximum of twelve, elected by the shareholders in the General Shareholders' Meeting. The Board of Directors' term of office is four years. Its members may be re-elected.

In 2015, the composition of the Board of Directors was as follows:

| Members | Position | Date of 1st Appointment | End of term of Office |
|---|--|-------------------------|-----------------------|
| Ângelo Gabriele Ribeiro dos Santos Paupério | Chairman of the Board of Directors | 24-04-2007 | 31-12-2015 |
| António Bernardo Aranha da Gama Lobo Xavier | Executive director | 23-04-2010 | 31-12-2015 |
| Maria Cláudia Teixeira de Azevedo | Executive director and CEO of the Software and Technology and the Online and Media areas | 05-04-2006 | 31-12-2015 |

18. Description of the members of the Board of Directors

Members

| | |
|---|--|
| Ângelo Gabriel Ribeiro dos Santos Paupério | Chairman of the Board of Directors |
| António Bernardo Aranha da Gama Lobo Xavier | Executive Director |
| Maria Cláudia Teixeira de Azevedo | Executive Director and CEO of the Software and Technologies areas and Online & Media |

The Board of Directors trusts that, given its composition resulting from the decision made by the shareholders in the General Meeting on 24 April 2014 to reduce the number of members of this board to three, and in virtue of the company's dimension, the delegation of powers in an Executive Committee or managing director is unnecessary.

The company believes that its current dimension, its shareholder structure and the reduced dispersion of its share capital do not justify the existence of independent directors.

19. Professional qualifications of the members of the Board of Directors

The academic qualifications, experience, and duties of the directors are given in Appendix II of this report.

20. Significant family, professional, and commercial relationships of the members of the Board of Directors with shareholders that have qualified shares

Maria Cláudia Teixeira de Azevedo, member of the Board of Directors, is the sister of Duarte Paulo Teixeira de Azevedo, CEO of Sonae – SGPS, S.A. – which holds, as of 31 December 2015, an 88.36% share in Sonaecom, corresponding to 89.97% of the voting rights. She is also the daughter of Belmiro Mendes de Azevedo, shareholder and member of the Board of Directors of Efanor Investimentos, S.A., a company that holds the control of Sonaecom's share capital.

The Chairman of the Board of Directors of Sonaecom, Ângelo Ribeiro dos Santos Paupério, is Co-Chairman of the Executive Committee of Sonae – SGPS, S.A., shareholder of Sonaecom in the terms described above.

21. Distribution of competences among the various corporate bodies, committees, and/or company departments, including information about delegation of competence, in particular regarding delegation of the company's daily management

i) Distribution of competences among the various corporate bodies and respective committees:

Sonaecom's corporate structure clearly describes the functions, responsibilities and duties of its bodies.

| Sonaecom, SGPS, S.A. | | |
|--|--|----------------------------|
| Shareholders' Remuneration Committee | Board of the Shareholders' General Meeting | Statutory Audit Board |
| | | Statutory External Auditor |
| Board and Corporate Governance Officer | Board of Directors | Company Secretary |

Board of Directors

The Board of Directors is responsible for managing the company's business, monitoring risks, handling conflicts of interest, and executing the organisation's objectives and strategy.

Sonaecom's Articles of Association allow the Board of Directors to delegate powers in an Executive Committee when it comes to everyday business, duties and management responsibilities. However, the articles of association do not allow the Board of Directors to approve capital increases, which has to be decided in the General Shareholders' Meeting.

All the terms of reference for the Board of Directors may be viewed on the company's website (www.sonae.com) at http://other.static.sonae.com/2016/03/22/RULES_AND_REGULATIONS_OF_THE_BOARD_OF_DIRECTORS_SONAECON/RULES_AND_REGULATIONS_OF_THE_BOARD_OF_DIRECTORS_SONAECON.pdf.

The Board of Directors believes that given the current size of the company and the composition of the Board, no specialized committees inside the Board are justified.

The Board of Directors is advised by a series of corporate functions:

Administrative and Financial Department

Main duties:

- To ensure the control of internal processes and transactions and the reliability and timely reporting of financial, fiscal, and management information;
- Accounting records of transactions and preparation of individual and consolidated financial reports for the companies;
- **Efficient management of the Sonaecom Group's cash;**
- Negotiation and contracting of the most suitable banking products and services for the Group's business needs;
- **Efficient and effective management of all the administrative processes for the Sonaecom Group's business;**
- Management of financial risk and support in execution of monetary market, interest rate, or exchange transactions;
- Management of the administrative processes for Accounts Payable, Receivables, Cash and Banks, Stocks, and Tangible and Intangible Assets;
- Ensuring the rigour and reliability of the financial information, with the support of the most efficient information system;
- **Optimisation of the Sonaecom's Group tax efficiency,** ensuring the monitoring of tax procedures in all Sonaecom businesses, as well as compliance with tax obligations;
- Management of the Sonaecom transfer pricing dossier;
- Support for decision-making and process implementation in the various areas in the Sonaecom Group;
- Collaboration in the definition of the strategy and tax objectives, in particular providing support to business internationalisation;
- Monitoring of all the litigation processes with the tax authorities;
- Participation in special projects in the Sonaecom Group, such as mergers and acquisitions and corporate restructuring.

Planning and Management Control Department

Main duties:

- Supporting the development of the corporate and/or business strategy;
- Promoting, leading, and implementing the annual strategic planning;
- Leading and monitoring the annual Sonaecom budgeting process, as well as preparing the report on budget implementation;
- Challenging the corporate business and areas as regards the goals set so as to constantly improve and optimise the efficiency of Sonaecom's business, performance, and results;
- Preparing and analysing business management information, as well as consolidated data, on a monthly, quarterly, and annual basis, analysing deviations from the budget and proposing corrective actions;
- Supporting decisions for the allocation of capital to ongoing businesses and new business opportunities; analysing the invested capital and the return on the invested capital;
- Creating business plans together with the business management teams;
- Performing technical and benchmark studies for the business in order to evaluate its performance in comparison with competitors and other players in the market.

Risk Management Department

The Risk Management is ensured at the level of company business. Thus, each business unit is involved in the functional processes, with the responsibility of implementing internal controls and managing specific risks. In general, the main responsibilities of each one of the businesses involves:

- Promoting a culture of risk awareness, as well as mediating and managing the business risks that interfere with the achievement of objectives and the creation of value in the organisation;
- Promoting and monitoring the implementation of programmes and actions aimed at bringing risk levels close to the acceptable levels established by the management.

Internal audit Department

Main duties:

- Assessing risk exposure and checking the effectiveness of risk management and internal controls through the execution of audits of business processes and information systems;
- Proposing measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings.

Legal Department

Main duties:

- Relations with Euronext Lisbon, with the Portuguese Securities Market Commissions and with shareholders regarding legal issues;
- Legal management of company governance and monitoring of compliance with best practices in this area;
- Monitoring, controlling and ensuring compliance of business activities in Software, and Technologies and Online & Media areas;
- Drafting and/or analysing contracts to maximise security and reduce legal risks and potential costs;
- Management of all aspects pertaining to the intellectual and industrial property of the various businesses, such as brands, trademarks, names, patents, logos, marketing, slogans, domain names and copyright;
- Execution of all public deeds, registrations and notarial procedures required for business, whether they are commercial, property, or corporate;
- Management of all dispute processes;
- Support to obtain the various licences required for business;
- Monitoring the development of the legislation relevant to the Group's business;
- Legal support in national and international operations of the company's business, as well as analysis of new national and international operations, in particular, in the latter, regarding the legal environment in the countries under analysis;
- Mergers/demergers, acquisitions and corporate restructuring.

Human Resources Department

Main duties:

- Support to senior management on the implementation and development of human resources policies;
- Defining and implementing the human resources strategy, planning and talent management on various levels;
- Ensuring the presence and development of the technical and management competences of Sonaecom executives, either through the implementation of adequate recruitment and selection practices, or through the design and implementation of transversal training and/or individualised training and development plans;
- Developing human resources management models and processes in areas such as remuneration and benefit policy; career management; social climate monitoring and development; administrative management and salary processing; staff budgeting and reporting on human resources issues; occupational health, hygiene; and safety management;
- Monitoring legal occupational issues;
- Representing the company in official bodies and associations linked to this area.

Investor Relations Department

Main duties:

- Manage the relationship between Sonaecom and the financial community, through the continuous preparation and disclosure of relevant and up to date information about the company;
- Support to the Board of Directors, providing relevant information about the capital markets;
- Support in the definition of the corporate message to be disseminated to the capital market.

b) Operating rules

22. Location of the terms of reference of the Board of Directors

The terms of reference of the Board of Directors are available on the company's website ([www.sonae.com](http://other.static.sonae.com/2016/03/22/RULES_AND_REGULATIONS_OF_THE_BOARD_OF_DIRECTORS_SONAEOM/RULES_AND_REGULATIONS_OF_THE_BOARD_OF_DIRECTORS_SONAEOM.pdf)) at http://other.static.sonae.com/2016/03/22/RULES_AND_REGULATIONS_OF_THE_BOARD_OF_DIRECTORS_SONAEOM/RULES_AND_REGULATIONS_OF_THE_BOARD_OF_DIRECTORS_SONAEOM.pdf.

23. Number of meetings held and attendance level of each member of the Board of Directors.

The Sonaecom Board of Directors meets at least four times every year, as specified by the Company's Articles of Association, and whenever the Chairman or two members of the Board of Directors call a meeting. Four meetings of the Board were held in 2015 with a 100% attendance rate, in person. The following table displays detailed information about the attendance at meetings:

| Date | Participants |
|-----------------|--|
| 2 March 2015 | Ângelo Paupério Cláudia de Azevedo António Lobo Xavier |
| 28 April 2015 | Ângelo Paupério Cláudia de Azevedo António Lobo Xavier |
| 30 July 2015 | Ângelo Paupério Cláudia de Azevedo António Lobo Xavier |
| 2 November 2015 | Ângelo Paupério Cláudia de Azevedo António Lobo Xavier |

24. Suitability of the competent corporate bodies to appraise the performance of the Executive Directors

To establish the variable component of remuneration, an individual evaluation of the Executive Directors' performance is carried out by the Remuneration Committee. This evaluation is performed once the company's performance is known.

25. Predetermined criteria for evaluating the performance of Executive Directors

The performance evaluation of Executive Directors is based on predetermined criteria, consisting of objective performance indicators established for each period and aligned with the overall strategy of growth and positive business performance.

These indicators consist in business, economic and financial Key Performance Indicators (KPIs) and are subdivided into collective, departmental and personal KPIs.

Collective business KPIs include economic and financial indicators based on the budget, on the performance of each business unit, as well as on the consolidated performance of Sonaecom.

In turn, departmental business KPIs are similar in nature to the previous ones, being directly influenced by the performance of the business Executive Director.

Personal KPIs include objective and subjective indicators and seek to assess the compliance with the obligations and commitments undertaken individually by the executive director.

26. Availability of each of the members of the Board of Directors, specifying the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities performed by the members of these bodies during the business year.

The information regarding the positions held by the company directors simultaneously in other companies, inside and outside the group, is disclosed in Appendix II of this report.

Each one of the members of the Board of Directors consistently displayed their availability to perform their duties, attending meetings and taking part in the respective works on a regular basis.

c) Board of Directors' committees and managing directors

27. Identification of the committees created within the Board of Directors and where to find their operating regulations

The Board of Directors, given its composition, resulting from the decision made by the shareholders in the General Meeting on 24 April 2014 - which reduced the number of members of this body to three -, and in virtue of the company's dimension, considers that keeping any specialized Committee is unnecessary.

The company keeps a Corporate Governance Officer, who reports to the Board of Directors, through the Chairman, or when there is one, through the Senior Independent Non-Executive Director.

In particular, the main duties of the Corporate Governance Officer are:

- (i) Ensuring the smooth running of the activities of the Board and, when applicable, Board Committees;
- (ii) Participating in Board Meetings and, if applicable, relevant Board Committee Meetings and, when appointed, serving as a member;
- (iii) Facilitating the acquisition of information by all Board members;
- (iv) Supporting the Board in defining its role, objectives and operating procedures; taking a leading role in organising Board evaluations and assessments;
- (v) Keeping all Legislative, Regulatory and Corporate Governance issues under close review; supporting and challenging the Board to achieve the highest standards in Corporate Governance;
- (vi) Ensuring that the Board is conscious of the concept of stakeholders and the need to protect minority interests, when important business decisions are being taken by the Board of Directors;
- (vii) Helping to ensure that the procedure to nominate and appoint Directors is properly carried out and assist in the induction of new directors;
- (viii) Acting as a primary point of contact and source of advice and guidance for Non-Executive Directors in particular as regards the company and its activities; facilitating and supporting the Independent Non-Executive Directors in the assertion of their 'independence';
- (ix) Helping to ensure compliance with the continuing obligations of the Portuguese Securities Market Commissions;
- (x) Participating in making arrangements for and managing the process of Shareholders' General Meetings;
- (xi) Participating in the arrangement of insurance cover for Directors and Officers;
- (xii) Participating, on behalf of the company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

28. Composition, if applicable, of the Executive Committee and/or identification of the managing director(s)

The Board of Directors, given its composition resulting from the decision made by the shareholders in the General Meeting on 24 April 2014 - that reduced the number of members of this body to three - and in virtue of the company's dimension, considers the delegation of powers in an Executive Committee or managing director unnecessary.

As such, the management of the company is carried out collectively by the Board of Directors and all its members have executive functions. The director Maria Cláudia Teixeira de Azevedo is CEO of the Software and Technology and Online & Media areas.

29. Specification of the competences of each of the Committees created and synthesis of the activities performed in the exercise of those competences

The Board of Directors, given its composition, resulting from the decision made by the shareholders in the General Meeting on 24 April 2014 - of reducing the number of members of this body to three -, and considering the company's dimension trusts that keeping any specialized Committee is unnecessary.

The company has a Corporate Governance Officer, with the functions and responsibilities disclosed in section 27 of this Report. The company still has a company secretary, who is responsible for:

- (i) Ensuring the minutes and attendance lists of the **Shareholders' General Meeting**
- (ii) Sending summons and other legal documents necessary to hold the General Meeting;
- (iii) Supervising the preparation of supporting documentation for the General Meetings and Board of Directors' meetings and drawing up the corresponding minutes;
- (iv) Responding to requests for information by the shareholders within the framework of the law;
- (v) Proceeding with the legal registration of any act or decision of the **Company's** governing bodies.

III – Supervision

a) Composition

30. The supervisory body

Under the adopted governance model, the Board of Auditors and the Statutory Auditor Board are the company's supervisory bodies.

31. Composition

In accordance with the Articles of Association, the SAB may be made up of an odd or even number of members, with a minimum of three and a maximum of five members, elected for four-year terms. The SAB also includes one or two alternate members, depending on whether the number of members is three or more.

In 2015, the Board of Auditors was composed of the following members:

| | |
|----------------------------------|--------------------|
| Arlindo Dias Duarte Silva | Chairman |
| Armando Luís Vieira de Magalhães | Member |
| Óscar José Alçada da Quinta | Member |
| Jorge Manuel Felizes Morgado | (Alternate Member) |

All the current members of the Board of Auditors were elected for the first time on 2 May 2007 and end their term of office on 31 December 2015.

Statutory External Auditor

The Statutory External Auditor for Sonaecom is Deloitte & Associados, SROC, S.A. represented since 2012 by António Manuel Martins Amaral, who may be replaced by João Luís Falua Costa da Silva.

32. Degree of independence of the members of the Statutory Audit Board

All members of the Statutory Audit Board ("SAB") are independent under the terms of article 414, paragraph 5, and they are not covered by any incompatibility under the terms of article 414-A paragraph 1, both from the Portuguese Companies Act. The Statutory Audit Board carried out an assessment of the independence of its members by the renewal of written declarations issued individually.

Members of the Statutory Audit Board must notify the company immediately of any occurrence during the course of their terms of office that gives rise to incompatibilities or a loss of independence, as required by law.

33. Professional Qualifications

Professional qualifications and other relevant curricular elements are disclosed in Appendix II of this Report.

b) Operation

34. Terms of reference and annual activity report

The operating regulations of the Statutory Audit Board can be consulted in the Sonaecom website (www.sonae.com), at http://other.static.sonae.com/2016/03/22/Statutory_Audit_Board_ToR_Nov2015/Statutory_Audit_Board_ToR_Nov2015.pdf.

The annual report and opinions of the Statutory Audit Board are published during each financial year, together with documents relating to accountability of the Board of Directors, available at <http://www.sonae.com/investidores/informacao-financeira/relatorios/> (the 2015 documents are in the folder R&C 2015 /Chapter 8).

35. Statutory Audit Board Meetings

Resolutions of the Statutory Audit Board are passed by majority vote, with dissenting members being required to give their reasons for dissent in the minutes.

The Statutory Audit Board meets at least once a quarter. Four meetings were held in 2015 with a 100% attendance rate.

36. Availability of the members, with a description of roles held in other companies inside and outside the Group, as well as other activities carried out by members of the Statutory Audit Board

Members of the Statutory Audit Board consistently demonstrated their availability when carrying out their functions, having regularly attended meetings of the board and taken part in the respective work.

Information relating to other posts held by the **members of the Statutory Audit Board**, as well as those members' qualifications and professional experience are available in Appendix II to this report.

c) Competencies and functions

37. Description of the procedures and criteria that apply to interventions by the Supervisory Body for the purpose of contracting services additional to the external auditor

The Statutory Audit Board shall have the authority to approve the provision of services that are additional to the audit services provided by the External Auditor.

To that end, at the first meeting held in each financial year, the Statutory Audit Board schedules a work plan that includes supervisions of the **External Auditor's activity in matters concerning: (i) the External Auditor's annual activity plan; (ii) monitoring of work performed and review of conclusions of the audit work and of interim and annual statutory audits; (iii) overseeing the External Auditor's independence; (iv) providing services other than audit services, in fulfilment of Recommendation CMVM IV.2 and (v) assessing annual activity;**

In the assessment of criteria that supports the hiring of additional duties to the Statutory External Auditor, the Board verifies the presence of the following:

- contracting additional services should not affect the independence of the External Auditor;
- additional services do not account for a surcharge of more than 30%;
- tax consultancy services and other services are provided with high levels of quality, autonomy and independence in relation to the services carried out as part of the audit process;
- the necessary factors guaranteeing independence and exemption are in place.

38. Other functions of the Supervisory Body

38.1 Statutory Audit Board

The Statutory Audit Board, while performing its statutory and legally assigned functions, including the ones set out in Art. 420 of the Portuguese Companies Act, has the following main duties, among others:

- To oversee the company's management;**
- To oversee compliance with legal and regulatory requirements and the company's Articles of Association;**
- c) To verify that the books of account, accounting records and supporting documentation are correctly maintained and kept up to date;
- d) To verify the accuracy of the documents used in the presentation of the accounts;
- e) To verify if the accounting policies and accounting criteria used by the company are suitable to showing a true and fair view of the financial position and the results of its operations;
- f) To prepare an annual report on the supervisory work performed and express an opinion on the management report, accounts and other proposals submitted by the Board of Directors, in which it should express its agreement or not, with the management report and the **year's** accounts;
- g) To check if the disclosed corporate governance report includes the information listed in Art. 245.º - A of the Portuguese Securities Code;
- h) To convene the Shareholders' General Meeting, should the Chairman of the General Meeting fail to do this in circumstances when it is necessary;**
- i) To assess the risk management systems, internal control system and internal audit system and to monitor the effectiveness of them, and receive the respective reports;
- j) To oversee the independence of the internal audit function, particularly with regard to restrictions to its organisational independence and any lack of resources for internal audit activity;
- k) To receive communications of alleged irregularities occurring in the company and presented by the company's shareholders, employees or others;**
- l) To appoint and hire services from experts to help one or more members in the exercise of their duties. The hiring and fees of these experts should take into consideration the complexity of the matters involved and the financial position of the company;
- m) To oversee the preparation and disclosure of financial information;
- n) To propose the appointment of the **Statutory External Auditor to the Shareholders' General Meeting and corresponding remuneration;**
- o) To oversee the company's financial statements, and to assess the Statutory External Auditor on an annual basis and recommend their dismissal to the Shareholders' General Meeting, if there is due case to do so;**
- p) To assure that the company provides the Statutory External Auditor with the necessary conditions for carrying out its duties, to intermediate between him and the company, as well as, to receive the reports;
- q) To issue a prior opinion on relevant business activities (higher than 10 million euros) with qualified shareholders, or entities with whom they are in any relationship, according to Art. 20 of the Portuguese Securities Code;
- r) To carry out any other supervisory duties required by law.

The SAB obtains all the necessary information to carry out its duties from the Board of Directors, namely relating to the operational and financial progress of the company, changes to its business portfolio, the terms of any transactions that have occurred and the details of the decisions taken.

The SAB is the overall supervision body of the company for matters of internal control and risk management, acts in an independent manner and has primacy over other bodies regarding the supervision of those matters.

The full Terms of Reference of the Statutory Audit Board are available on the company's website (www.sonae.com), at http://other.static.sonae.com/2016/03/22/Statutory_Audit_Board_ToR_Nov2015/Statutory_Audit_Board_ToR_Nov2015.pdf.

38.2 Statutory Auditor

The Statutory Auditor is the supervisory body responsible for the legal certification of the Company's financial information with the following competences:

- a) To check the regularity of all books, records and supporting documents;
- b) To check the extension of cash and values of any type of assets or securities belonging to the Company or received as a guarantee, deposit or another purpose whenever it feels appropriate and through whatever means it deems appropriate;
- c) To check the accuracy of financial statements and express opinions regarding them on the Statutory Audit Certificate and on the Audit Report;
- d) To verify that the accounting policies and valuation criteria adopted by the Company result in the correct valuation of assets and results;
- e) To perform any examinations and tests required for the audit and legal certification of accounts and execute all procedures set forth in the law;
- f) To verify, within its functions, the implementation of policies and remuneration systems, as well as the efficiency and effectiveness of the internal control mechanisms, reporting any deficiencies to the Statutory Audit Board, within the limits of legal powers and applicable procedures;
- g) To evaluate if the corporate governance report includes the information listed in Art. 245-A of the Portuguese Securities Code.

IV – Statutory External Auditor

39. Identification of the Statutory External Auditor and the partner who represents it

The Statutory External Auditor for Sonaecom is Deloitte & Associados, SROC, S.A. represented by António Manuel Martins Amaral, who may be replaced by João Luís Falua Costa da Silva.

40. Number of consecutive years in which the external auditor and the respective partner who represents it, have performed duties for the company and/or for the Group

The current structure of the supervisory body, composed of a Statutory Audit Board and a Statutory External Auditor, was adopted by the company at the Shareholders' annual General Meeting, in accordance with applicable legislation, on 2 May 2007, and Deloitte & Associados, SROC, S.A. was chosen as the Statutory Auditor, serving until the end of the current term.

In 2008, a new term corresponding to the 2008/2011 four-year period began and the Statutory External Auditor was re-appointed to the post. In 2012, the proposal for election of Deloitte & Associados, SROC, S.A. to a new term (2012/2015) was submitted by the Statutory Audit Board to the Shareholders' Annual General Meeting, having been supported by the following opinion in which the conditions of independence of the auditor and the advantages and costs of its replacement are weighed:

"To prepare this proposal, the Statutory Audit Board oversaw an extended selection process that began in 2010, in which various audit companies of recognised national and international competence were invited to take part.

For this purpose, the conditions of eligibility were identified beforehand, which comprised the background of experience and competence of the candidates in the activity sectors in which Sonaecom operates, the competence, sufficiency, and availability of the work team proposed, the methods used, as well as the size of the charges to be defrayed by the company.

During 2011, all the factors in the selection equation were weighed and the Statutory Audit Board decided to propose to the General Meeting re-appointment to a new term of the current Statutory Auditor, in the company's conviction that its remaining in service neither eliminates nor limits the fitness and independence with which it is serving."

(Transcription of the proposal submitted by the Statutory Audit Board under point 5 on the Agenda for the Annual General Meeting on 27 April 2012).

41. Description of other services rendered to the company by the Statutory Auditor

Deloitte & Associados, SROC, S.A. performs the duties of an External Auditor and compliance and tax consulting services, among others.

V – External Auditor

42. Identification of Statutory external auditor designated for the purposes of article 8 and of the partner who represents it in the performance of these duties, as well as the respective registry number at the Portuguese Securities Market Commission (CMVM).

The Sonaecom External Auditor, designated for the purposes of Article 8 of the Portuguese Securities Code, is Deloitte & Associados, SROC S.A., recorded under No 231 at the Portuguese Securities Market Commission, represented by António Manuel Martins Amaral.

43. Number of consecutive years in which the external auditor and the respective partner who represents it have performed duties for the company and/or for the Group

Deloitte & Associados, SROC, S.A. was appointed External Auditor of the company in the annual Shareholders' General Meeting, held the 2 May 2007, exercising duties until the end of the term then in progress.

In 2008, a new term corresponding to the 2008/2011 four-year period began and the Statutory External Auditor was re-appointed to the post. In 2012, the proposal for election of Deloitte & Associados, SROC, S.A. to a new term (2012/2015) was submitted by the Statutory Audit Board at the Shareholders' Annual General Meeting, having been supported by the opinion in section 40 of this report. The partner who represents it in the performance of its duties was replaced in 2012.

44. Policy and frequency for rotation of the external auditor and the respective partner who represents it

The Statutory Audit Board has adopted the recommended principle of not replacing the External Auditor after the end of two four-year mandates if, after careful assessment, it has concluded that the supervision of its activity after that said period does not interfere with the independence of the External Auditor, and the advantages and costs of renewing the mandate outweigh its replacement.

Notwithstanding the analysis leading to the decision that the External Auditor should remain in service beyond the end of two terms, a new Partner was appointed in 2012 by the External Auditor to represent Deloitte & Associados SROC, S.A..

45. Body in charge of assessing the External Auditor and frequency of assessment

Based on the company's governance model, the appointment or removal of the Statutory Auditor/External Auditor is decided at the General Shareholders Meeting, based on a proposal from the Statutory Audit Board.

The Statutory Audit Board oversees the performance of the External Auditor and the work done each year, considers and approves the additional work to provide and, annually, prepares an overall appraisal of the External Auditor, which includes an assessment of their independence.

46 and 47. Work other than auditing performed by the External Auditor for the company and/or for companies with which it is in a control relationship, as well as reporting on the internal procedures for purposes of approval of the contracting of such services and the reasons for such hiring and the annual remuneration paid by the company and/or by legal entities in a control or group relationship to the auditor and to other individuals or legal entities belonging to the same network, and break out of the percentages for each service.

The remuneration paid to the Statutory External Auditor and to the External Auditor, Deloitte & Associados, SROC, SA, by proposal of the Statutory Audit Board, and to other individuals and entities of the same company network, supported by the Company and/or by corporate entities in a control relation with the latter, are as follows, analysed by type of service:

| | 2015 | | 2014 | |
|--|----------------|-------------|----------------|------------|
| | Values in € | % | Values in € | % |
| For the company | | | | |
| Statutory audit review | 17,416 | 13% | 23,981 | 18% |
| Other consultancy | - | - | 4,738 | 4% |
| By entities included in the group | | | | |
| Statutory audit review | 97,922 | 74% | 91,682 | 70% |
| Other services of assurance | 750 | 1% | - | - |
| Tax consultancy | 15,750 | 12% | - | - |
| Total | | | | |
| Statutory audit review | 115,338 | 87% | 115,663 | 88% |
| Other services of assurance | 750 | 1% | - | - |
| Audit services | 115,338 | 87% | 115,663 | 88% |
| Tax consultancy | 15,750 | 12% | - | - |
| Other consultancy | - | - | 4,738 | 4% |
| Total | 131,838 | 100% | 120,401 | 91% |

⁽¹⁾ Includes individual and consolidated accounts.

The additional services to the auditing services were contracted from the External Auditor upon authorisation from the Statutory Audit Board, which recognised that the contracting of the additional services did not affect the External Auditor's independence, and corresponded to the satisfaction of the company interests, given the provider's expertise, the history of providing services in those areas and the knowledge of the Company and its Group.

As an additional safeguard, the SAB receives and analyses the information about the fees and services provided by the Statutory Auditor every quarter and in the adoption of the procurement of services to the External Auditor, it was ensured that:

- a) the additional services do not account for a surcharge of more than 30%;
- b) the tax consulting services and the other services were provided by experts other than those who were involved in the audit process;
- c) the fees paid by Sonaecom group to the Deloitte group represented **less than 1% of Deloitte's total billing in Portugal**;
- d) the Deloitte applied quality system (internal control), according to the provided information, monitors the potential loss of independence risks, or of any conflicts of interest with Sonaecom and ensures the quality and the rules of ethics and independence.

Every year a Declaration of Independence is prepared by the External Auditor, in which they guarantee the respective independence and compliance with international guidelines in matters of auditor independence (IFAC – International Federation of Accountants).

C. Internal Regulation

I – Articles of association

48. Rules applicable to amendment of the company's articles of association

Amendments to the company's articles of association follow the terms of the Portuguese Companies Act, requiring a two-thirds majority of the votes cast for approval. For the Shareholders' General Meeting to be held, in the first occasion it is convened, the Company's Articles of Association require that a minimum of 50% of the issued share capital should be present or represented at the meeting.

II - Reporting irregularities

49. Means and policy for reporting irregularities occurring in the company

Sonaecom's values and principles, widespread and deeply rooted in the culture of its people, are based on absolute respect and the adoption of rules of good conduct in the management of conflicts of interests and duties of care and confidentiality, having adopted a Code of Ethics and Conduct which sets out the principles and standards of conduct that reflect the culture of the company.

This Code of Conduct, which should guide the actions of its employees when exercising their functions, is available at http://other.static.sonae.com/2014/07/31/COD_CONDUCTA_EN_/COD_CONDUCTA_EN_.pdf.

Any individual who seeks to report an irregularity that they think has been or know to have been committed by any manager, staff member or partner of Sonaecom shall do so through a letter sent to the Statutory Audit Board, with a brief description of the facts. The identity of the discloser will be kept anonymous if this is expressly requested.

The complaint will be analysed and, if there are grounds for reporting an irregularity, the appropriate steps will be taken.

The Statutory Audit Board has statutory accountability in this process, specifically to receive reports of alleged irregularities, submitted by company stockholders, by staff or by other parties. After the receipt, the Statutory Audit Board must record all alleged irregularities reported, undertake an investigation with due diligence by the Board of Directors through internal and/or external auditing, and to report its/their conclusions.

III - Internal control and risk management

50. Individuals, bodies, or committees in charge of internal auditing and/or implementing internal control systems

Risk Management is one of the components of Sonaecom's culture and a pillar of the Corporate Governance, which is why each business unit in Sonaecom has, as part of its competencies in the functional processes, the responsibility of implementing internal controls and management of specific risks.

At the same time, the Internal Audit Department evaluates the exposure to risk and verifies the effectiveness of risk management in the internal controls of business processes and information systems. Additionally, it proposes measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings and conclusions.

51. Making explicit (if necessary by including an organisation chart) the hierarchical and/or functional dependency relationships with other company bodies or committees

The Board of Directors monitors the activities of the Internal Audit Department, which reports functionally to the Statutory Audit Board, as a supervisory body and independent entity of the Board of Directors. Internal Audit can meet with the Statutory Audit Board, without the presence of any member of the Board of Directors.

As regards matters of internal control and risk management, the Statutory Audit Board is the supervisory statutory body, acting independently and with the responsibility of overseeing the Internal Audit plan of activities, gathering regular information on their work, evaluating findings and issuing the guidelines it deems necessary.

The External Auditor, within the scope of the annual audit process, analyses the functioning of internal control mechanisms and reports identified shortcomings.

Responsibilities for the creation, operation and periodic evaluation of the internal control and risk management systems are published under the terms of reference of the Board of Directors and the Statutory Audit Board, all of which are available at the company's website.

52. Existence of other functional areas with risk control competencies

Besides the areas mentioned above, Sonaecom has other functional areas and business processes with competency in controlling and monitoring risks, in particular the following:

- The functions of Planning and Control, along with the respective pivots in the business areas, are responsible for preparing and monitoring the execution of annual plans of action as well as resources, budgets and forecasts in the finance and operating areas;
- The various business areas have processes and indicators to monitor operations and KPIs;
- Technical areas have indicators and alerts for interruption in service and safety incidents at the operating level.

53. Reporting and description of the main types of risks (economic, financial, and legal) to which the company is exposed in the performance of its activity

Risks are presented and ranked, in the present section, based on the ranking and **structure of Sonaecom's Business Risk Management (BRM)**. BRM is a systematic way of identifying risks that affect the organisation (everyday language) and makes it possible to define and group risks along with their main causes (dictionary of risks).

Economic risks

According to Sonaecom's BRM, economic risks are associated with the following risk categories: business environment, strategy, operations, information processing and technology, empowerment and integrity.



Economic influences

Sonaecom is exposed to the current adverse economic environment in Portugal, although, due to the increasing pace of the internationalisation of the Software and Technology area, this exposure is more and more mitigated.

Regarding WeDo Technologies, the impact of the adverse economic environment in the business is diluted due to regional expansion, to the expansion of the respective product portfolio and to the expansion to other business sectors.

S21Sec, although mainly operating in the Spanish market, in which the economic recovery has been slower, mitigates that risk by operating in a segment of high growth and criticality in organizations.

In the case of Bizdirect, although it is still highly dependent on the national market for IT equipment, the company has continued to diversify its risk with the provision of software licensing corporate agreements' management services and with the expansion of the Microsoft solutions integration activity.

Saphety has a constant position in the domestic market as a leader in process simplification and automation solutions and has been investing in the expansion of this activity into the international market.

In the case of Público, the exposure to a segment that is going through a period of financial crisis and changing of reading trends has forced the definition of a restructuring project. With the need to ensure sustainability without compromising its role as an independent information source in Portugal, Público has continued to conduct this project, which involves a greater focus on meeting growing demands in the digital world and a sizeable reduction in its operating costs structure.

Technological innovation

For Sonaecom, having an optimised technology infrastructure is a critical success factor that helps to reduce potential failures in leveraging technological developments. Accordingly, its various businesses continue to take actions to optimize the technological structure and boost innovation.

WeDo Technologies is certified in Research, Development and Innovation Management (NP 4457:2007). This certification, along with its existing quality certification (ISO 9001:2008), helps the company to continue innovating sustainably and helps to mitigate potential risk factors, ensuring that the offer is continuously adapted to technological trends. In 2015, WeDo Technologies also managed to be awarded ISO/IEC 27001: 2013 certification, for the Managed Services area.

S21Sec operates in a sector that demands constant innovation and a clear domain of all technological trends and it continuously invests in research and innovation. It is also certified by UNE-EN ISO 9001:2008 quality management and by UNE- ISO/ IEC 27001:2007, Information Security management International reference Standard.

Although Bizdirect assumes cloud computing as a risk factor for their activity, since it can cannibalise the market for the sale of infrastructure and reduce procurement of systems by clients, it also assumes it as a chance to extend its offer. Strategic relationships with partners allow them to offer a full portfolio of products, including cloud solutions. We emphasise, for example, the partnership that allows Bizdirect to offer integration of Microsoft solutions, such as Dynamics CRM, SharePoint, BizTalk, and Office 365.

Público has continued with restructuring of its layout and content and in adopting technological innovations in its online edition. These innovations are designed to ensure a greater alignment with the new reading habits of the Portuguese, offering new access channels to **information using smartphones and tablets, as well as sustaining Público's position as the leading non-specialist online newspaper.**

Competition


Sonaecom's various companies are exposed to risks of competition from other operators in the domestic and international markets in its respective businesses sectors.

WeDo Technologies may be most exposed to international competition; however, it is known as the worldwide leader in revenue assurance software and is a top-three global competitor in the aggregate market for revenue assurance and fraud management.

Business portfolio

The risk of specialization and consequent limitation of activity due to portfolio has been mitigated in all Sonaecom's businesses, through the expansion of the product line or business segments.

WeDo Technologies continues to consolidate its global presence outside Portugal and has identified new target business sectors since 2009, in order to reduce exposure to centralization in a single market and in a single line of products. Therefore, to offset the concentration of clients in the telecommunications sector, it expanded the scope of its activity into new sectors, like retail, energy, and financial sectors. It also enlarged its product portfolio, expanding from revenue assurance and fraud management to business assurance. Also, since 2012, following the acquisition of Connectiv Solutions in the USA, WeDo Technologies has made a commitment to managed services and Software as a Service (SaaS).



In the case of S21Sec, one of the strategic priorities is to strengthen its position in the telecommunications sector, while still maintaining its focus in the financial segment. In addition, its product portfolio is to be extended in order to evolve in the e-crime market and incorporate analytic technologies, thus allowing the expansion of its operating area.

Bizdirect has recently expanded its portfolio to the integration of solutions focused on Microsoft technologies.

Safety, apart from being divided into three types of solutions that can operate in integrated fashion SaaS: SaphetyGov, SaphetyBuy and SaphetyDoc, has widened its portfolio to a new solution: SaphetySync. This is a global standard solution, based on GS1 standard, which allows for the continuous and safe data synchronization, thus representing a differentiating key-factor for the internationalization of its portfolio.

Business interruption and catastrophic losses (Business Continuity Management)

Since Sonaecom businesses are particularly focused on the use of technology, potential faults with technical/operational resources (network infrastructure, information system applications, servers etc.) can present a significant risk of business interruption if they are not well managed. This, in turn, can pose other risks to the company, such as adverse impacts on our reputation and our brand, on the integrity of our revenues and client satisfaction, and on quality of service. These can lead to loss of clients.

In the IT sector, business clients typically have a lower tolerance for interruptions. In this context, technology companies face risks associated with the availability of software platforms that support the **companies'** processes as well as the corresponding clients. To identify this specific set of risks and to implement actions for prevention and mitigation that guarantee continuity of critical services and operations, Sonaecom has adopted a Business Continuity Management (BCM) programme over several years.

Confidentiality, integrity and availability (Information Security Management)

Since Sonaecom is primarily a technology, media and telecommunications group, all its subsidiary companies extensively use technology and information that are typically subject to availability, integrity, confidentiality and privacy risks.

In addition to being a technological issue, security should also be considered as a cultural and behavioural issue. In this sense, awareness is a key success factor when it comes to promoting a strong culture of information security among employees, partners and key stakeholders. Sonaecom has developed several initiatives to raise awareness and accountability over the past few years, of which the following stand out:

- A security communication plan based on campaigns to raise awareness of the issues considered most relevant in each year;
- **Publication of the information security policy on the company's Intranet, accessible to all employees from the homepage;**
- **Clauses on personal data protection and confidentiality in contracts with employees and business partners.** All employees are bound to obligations of confidentiality, secrecy and protection of personal data. As such they are forbidden from disclosing to third parties information to which they have access as a result of their roles in the company. These obligations and these duties shall remain in force even after the end of the employment relationship between the company and the employee. Our business partners have, generally, the same confidentiality obligations.

For specific issues related to the confidentiality and privacy of personal data, a few Sonaecom companies has appointed a Chief of Personal Data Protection Officer (CPDPO), who:

- Has responsibility for implementing and complying with the laws and regulations applicable to data processing.
- **Acts on behalf of the company during interactions with the national regulatory authority for data protection (CNPD - National Data Protection Commission).**
- Promotes the adoption of data protection principles that are consistent with international standards and best practices.

Product-service failure (professional liability)

As Sonaecom companies are customer-oriented, we give special attention to the impact that the potential failure of our products or services may have on our customers, particularly with regard to civil liability issues. Risk events can be physical (for example: damage to equipment or facilities) or non-physical (for example: error in a software installation) and, usually, they are related to accidents, unintentional acts, errors or omissions by employees or subcontractors.


The risk management strategy selected by Sonaecom for this type of risk, involves the transfer of risk through insurers in addition to the implementation of internal controls. In this context, we continue to carry out the actions designed and implemented in previous years relating to professional liability insurance, and which consist of:

- Implementation of improvements in certain internal controls to further reduce the causes of risk.
- Renewal of existing professional liability insurance that incorporates an extended scope of coverage and is adapted to the business realities of Technology companies and Media;
- Additional subscriptions of professional liability insurance for foreign companies, improving coverage in certain international locations where our general insurance policy is not applicable due to legal restrictions.

Financial risks

Sonaecom's businesses are exposed to a variety of financial risks associated with its operations, namely interest rate risk, foreign exchange risk, liquidity risk, and credit risks (described and analysed in detail in the Appendix to the Annual Consolidated Financial Statements).

The financial risks management policy is determined by the Board of Directors, and the risks are identified and monitored by the Finance Department and Treasury.



In addition to a management policy for each of the identified risks and the implementation of control mechanisms to identify and determine them, Sonaecom uses, among others, natural hedges, credit insurances and, occasionally, derivative financial hedging instruments. Sonaecom's attitude in relation to financial risk management is conservative and prudent, refusing speculative purposes and resorting only to high credit quality financial institutions.

Legal, statutory and regulatory risks

Sonaecom and its subsidiaries have the support of legal and tax departments permanently dedicated to the specifications of the corresponding activity, under management's supervision, and exercising their competencies in interaction with other functions and departments, in order to pre-emptively ensure the protection of the company's interests and businesses, in compliance with their legal obligations, as well as by applying good practices. The teams in these departments have specialized training and participate in in-house and external training courses to update their knowledge.

Legal and tax advice is also provided, nationally and internationally, by outsourced resources selected from firms with established reputations and which always have the highest standards of competence, ethics and experience.

The Software and Technology companies face an additional risk relating to the globalisation process, arising because these companies have a presence in several countries, which involves specific risks relating to very different legal frameworks in each country.

They are exposed to specific national, local and sectorial laws and regulations, depending on the market they operate in; they are particularly exposed to the continuous risk of eventual regulatory changes that can condition business and, consequently, hinder or harm the range of the strategic goals.

Sonaecom collaborates with the authorities with the aim of defining an optimal legal and regulatory framework that, in our opinion, promotes the development of the Information Technology sector in Portugal. Such collaboration may involve sending comments in response to public consultations, issued by national and international entities.

54. Description of the risk management processes: identification, assessment, monitoring, control and management

The risk management process is supported by a consistent and systematic methodology, based on the international standard Enterprise Risk Management - Integrated Framework issued by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This methodology aims to identify business risks, assess their causes, measure triggers, manage the identified risks and, finally, monitor them.

Derived from this general framework, the management and control of the main risks facing Sonaecom, are achieved through the following key approaches and methods:

Concerning the Enterprise-Wide Risk Management, this approach allows Sonaecom's businesses to prioritise and identify critical risks that might compromise their performance and goals and to take actions to manage those risks, within the predefined levels of acceptance. This is achieved through constant monitoring of risks and the implementation of certain corrective measures.

Regarding Safety Management, the implementation of Information Security Management processes is intended to manage the risks associated with the availability, integrity, confidentiality, and privacy of information. The scope of this process also includes the development and maintenance of the Information Security Policy, verification of compliance with policy procedures, development of training programmes and awareness, setting and supervision of KPIs for information security.

Finally, regarding the Specific Risk Management Cycles or Processes, the development of specific risk management cycles/processes enables the mitigation of critical risks that can impact certain processes, areas or entities, positioning these risks within the levels defined by the management team. In addition, it identifies and monitors other operational risks that management considers relevant.

55. The key elements of the risk management and internal control systems implemented in-company regarding the disclosure of financial information

Sonaecom acknowledges that, as with other listed companies with similar activities, it is potentially exposed to risks related to the financial and accounting reporting processes, in addition to other financial risks, as detailed above. Sonaecom's attitude concerning financial risk management is conservative and prudent, and these principles have been maintained during 2015.

Therefore, Sonaecom is committed to ensuring an effective internal control environment, particularly regarding the financial reporting process. It seeks to identify and improve the most relevant processes in terms of the preparation and disclosure of financial information, with the objectives of transparency, consistency, simplicity and materiality. The internal control system aims to obtain reasonable assurance regarding the preparation of financial statements, in accordance with accounting principles and adopted policies, and warranting the quality of financial reporting.

The internal control system for the accounting department and the preparation of financial statements, includes the following key controls:

- I. The process of disclosing financial information is documented, the risks and key controls are identified, the criteria for its preparation and disclosure are duly established and approved, and they are periodically reviewed;
- II. There are three main types of controls: High-level controls (entity level controls), information systems' controls (IT level controls) and process controls (process level controls). Those include a set of procedures related to the execution, supervision, monitoring and process improvement, with the main purpose of preparing the Company's financial reporting;

- III. The accounting principles used, which are disclosed throughout the notes to the financial statements (see chapter 5.2, note 1 in the Report and Accounts), constitute one of the fundamental pillars of the internal control system;
- IV. The plans, procedures and records of the Group, provide a reasonable assurance that transactions are executed solely with the general or specific authorisation of management and that those transactions are recorded to ensure that financial statements comply with the generally accepted accounting principles. This also ensures that the company keeps updated records regarding assets, that the access to said assets rely on management authorisation and that whenever differences occur checking against existing assets, appropriate measures are taken;
- V. During the process of preparing and reviewing financial information, a schedule is first established and shared with the different areas involved, and all documents are reviewed in detail. This includes a review of the principles followed, verifying the accuracy of the provided information, and the consistency with the principles and policies defined and followed in previous periods;
- VI. **The Group's financial statements are prepared and reviewed by the Finance and Accounting Department, under the supervision of the Group's Executive Committee. The Management Report and the Corporate Governance Report are both prepared by the Investor Relations Department, with the input and further review by several business and support areas and with the support and the supervision of the Director of Corporate Governance and the Legal Department. The set of documents that constitute the Annual Report are sent for review and approval by the Sonaecom Statutory Audit Board and the Board of Directors. After approval, the documents are sent to the Statutory External Auditor, which issues its legal certification of accounts and the External Auditor Report.**

The most significant accounting estimates are disclosed in the notes to the financial statements. These estimates were based on the best information available during the preparation of the financial statements, and in the best knowledge and experience of past and/or present events. The most significant balances and transactions with related parties are disclosed in the notes to the financial statements. In the appendix to the Report and Accounts, we present a list of all parties related to the Sonaecom Group. These are mainly associated with the operational activities of the Group, as well as the granting and obtaining of loans under arm's length conditions.

More specific information regarding how these and other risks were mitigated, is disclosed in the notes to the financial statements.

IV – Investor Relations

56. Department responsible for investor relations, composition, functions, information provided by these services and contact details

The Investor Relations Department is responsible for managing Sonaecom's relationship with the financial community – current and potential investors, analysts and market authorities – with the goal of enhancing their knowledge and understanding of Sonaecom's businesses and activities, by providing relevant, timely and reliable information.

The department regularly prepares presentations and communications covering quarterly, half-year and annual results. Likewise, it is also its responsibility to issue announcements to the market, whenever necessary, disclosing or clarifying any relevant event that could influence Sonaecom's share price.

Any interested party may contact the Investor Relations Department using the following contact details:

Tel: (+351) 22 013 2349

E-mail: investor.relations@sonae.com

Address: Building 1.A Lugar do Espido – Via Norte – 4471-909 Maia

Website: www.sonae.com

57. Legal representative for Capital Market Relations

The legal representative for Capital Market Relations and Euronext is António Bernardo Aranha da Gama Lobo Xavier, who may be contacted by phone or e-mail:

Tel: (+351) 22 013 2349

E-mail: antonio.xavier@sonae.com / investor.relations@sonae.com

Address: Building 1.A Lugar do Espido – Via Norte – 4471-909 Maia

58. Details regarding information requests received during the target year or pending from previous years, amount and average response time

During 2015, the Investor Relations Department received a normal number of information requests, considering the size of the company in the capital markets. These information requests were submitted either by e-mail or post, or by phone. The response to these requests was provided with the maximum possible speed. The average response time, without prejudice to the complexity of the matter, didn't exceed 2 working days.

V – Company's Website

59. Address

Company's website: www.sonae.com

60. Location of the information mentioned in Article 171 of the Portuguese Companies Act

Website: <http://www.sonae.com/investidores/governo-das-sociedades/identificacao-da-sociedade/?l=en>

61. Location where the Articles of Association, Bodies and/or Committees' regulations can be found

Website: <http://www.sonae.com/investidores/governo-das-sociedades/orgaos-de-governacao/?l=en> in the documents called "Termos de referência do Conselho da Administração" and "Termos de Referência do Conselho Fiscal"

62. Location where is provided information concerning the identity of the governing bodies, the representative for market relations, the Investor Relations Department, functions and means of access

Websites: <http://www.sonae.com/investidores/governo-das-sociedades/orgaos-de-governacao/?l=en>
<http://www.sonae.com/investidores/contactos/>

63. Location of accounting documents and the calendar of corporate events

Accounting documents: <http://www.sonae.com/investidores/informacao-financeira/relatorios/>
Calendar of corporate events: <http://www.sonae.com/investidores/calendario-do-investidor/>

64. Location of the notice for the General Meeting and all the preparatory and subsequent information related to it

Website: <http://www.sonae.com/investidores/assembleia-geral/> in the document called "Aviso Convocatório" included in each of the annual folders.

65. Location of the historical records with the resolutions taken at the Company's General Meetings, the represented share capital and the voting results, with reference to the previous three years

Website: <http://www.sonae.com/investidores/assembleia-geral/>

D. Remuneration

I - Determining Competence

66. Competence for determining the remuneration of Governing bodies, members of the Executive Committee or Managing Director and the **Company's Directors**

Sonaecom's Remuneration Committee is responsible for approving the remuneration of Board members and other Statutory Governing Bodies, on behalf of the shareholders and under the terms specified in the compensation policy approved at the Shareholders' General Meeting.

II - Remuneration Committee

67. Composition of the Remuneration Committee, including identification of other individuals or companies hired to provide support and statement on the independence of advisors

Sonaecom has a Remuneration Committee consisting of two members: Duarte Paulo Teixeira de Azevedo, on behalf of Sonae SGPS, S.A. and Francisco de la Fuente Sánchez, on behalf of Sontel BV.

The company has not hired any entities to provide regular support to the Remuneration Committee.

When establishing the remuneration policy, the Remuneration Committee resorts to benchmark studies on remuneration practices annually disclosed by the internationally renowned consultants Hay Group and Mercer, and also by companies included in the main Portuguese Stock Market Index (PSI 20), in order to ensure that the statutory governing bodies' remuneration policy to be submitted to the approval of the Shareholders' Annual General Meeting fulfils comparable market standards.

The members of the Remuneration Committee are independent in relation to the Board of Directors.

68. Knowledge and experience of the members of the Remuneration Committee on remuneration policy

The experience and professional qualifications of the members of Sonaecom's Remuneration Committee are disclosed in their curricula vitae and available for consultation in Appendix II of this report. These qualifications allow them to exercise their responsibilities competently and accurately, each having the appropriate skills to perform their duties.

III – Remuneration Structure

69. Description of the remuneration policy of the Board of Directors and the Supervisory bodies

Sonaecom's remuneration policy is structured in order to find a balance between the performance of Executive Directors in relation to goals established for them, and the Company's positioning in the market and comparable situations. Proposals regarding the remuneration of members of the Statutory Governing Bodies are elaborated taking into account (i) overall market comparisons, (ii) practises of similar companies, including other segments of the Group with comparable situations and (iii) the individual assessments and performance.

Remuneration policy constitutes therefore a formal means of aligning the interests of the Company's management with those of shareholders, such that, among the various component parts of the remuneration package, the variable component, the value of which depends on the individual's and Sonae's performance, is given high importance. A management approach focusing on the long term interests of the Company in which business risks are carefully considered, is thus encouraged.

The remuneration policy includes control mechanisms, which consider the link between individual and group performance, in such a manner as to avoid behaviour which is likely to involve excessive risk. This goal is also achieved by limiting the maximum value of each KPI.

The body responsible for approval of the remuneration of both executive and non-executive members of the Board of Directors and the other statutory governing bodies of the Company, is the Shareholders' Remuneration Committee, whose members are elected and remuneration decided upon at the Shareholders' General Meeting.

As part of the Company's principles of corporate governance, guidelines regarding remuneration policy have been established and reflected in the Remuneration and Compensation Policy, currently in operation (available for consultation at the website http://other.static.sonae.com/2015/04/20/Extrato_Ata_ENG/Extrato_Ata_ENG.pdf?download=1 and approved at the Shareholders' General Meeting held on 20 April 2015. The Remuneration and Compensation Policy is based on the following principles.

Remuneration Policy Principles:

Competitiveness:

At Sonaecom, the remuneration policy is determined by comparison with the overall market and the practices of comparable companies. This information is obtained from the main remuneration surveys carried out independently for Portugal and the main European markets. Currently, the market surveys conducted by Mercer and the Hay Group are used as references.

The average value for top managers in Europe is used to determine the figures for the overall market. The companies that make up the pool of comparable companies, are those included in the Portuguese stock market index, the PSI-20.

The remuneration paid to Executive Directors is based on comparisons with the market, using market studies on top managers' remuneration packages in Portugal and across Europe, seeking to ensure that fixed remuneration is equal to the median market value and the total remuneration is close to the market third quartile.

Guidance to performance:

A significant part of the remuneration of Sonae's executive directors is determined by the success of the Company. The variable component of remuneration is structured in such a way as to establish a link between the sums awarded and the level of performance, both at individual and group level. If predefined objectives are not achieved, measured through KPIs applicable to the business and to the individual performance, the value of short and medium term incentives will be partially or totally reduced.

Alignment with the interests of shareholders:

Part of the variable remuneration of Executive Directors is paid in the form of shares and deferred for a period of 3 years.

Given that there is a link between the Company's share prices and its performance, the remuneration paid will be impacted by the manner in which the Executive Director has contributed towards this result. Hence, the interests of directors are aligned with those of Shareholders and with medium term performance.

Transparency:

All aspects of the remuneration structure are clear and openly disclosed internally and externally through documentation published on the **Company's website**. This communication process contributes towards promoting equal treatment and independence.

Reasonability:

Executive Directors' remuneration at Sonaecom aims to be reasonable, ensuring the balance between the Company's interests and market positioning, the expectations and motivations of our employees and the need to retain talent.

The Remuneration and Compensation Policy currently in operation, was approved at the Shareholders' General Meeting that took place on the 20 April 2015, and is based on the following principles:

- no compensation payments to Board Directors or members of Statutory Governing Bodies related to the cessation of their duties, whether their resignation occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any relevant legislation in force in this area;

- non-existence of any specific system of benefits, in particular relating to retirement, in favour of members of the Board of Directors, auditing bodies and other executives.

Sonaecom reviews its remuneration policy annually as part of its risk management process, in order to ensure that it is entirely consistent with its desired risk profile. During 2015, no problems relating to payment practice were found that posed significant risks to the Company.

In designing remuneration policy, care has been taken not to encourage excessive risk-taking behaviour, attributing significant importance, but at the same time a balanced approach, to the variable component, thus closely linking individual remuneration to group performance.

Sonaecom has in place internal control procedures concerning remuneration policy, which target the identification of potential risks. Firstly, the variable remuneration structure is designed in such a way as to discourage excessive risk-taking behaviour to the extent that remuneration is linked to the evaluation of performance. The existence of KPI goals constitutes an efficient control mechanism. Secondly, the Company does not allow contracts to be signed that would minimise the importance of the Medium Term Incentive Plan (MTIP). This policy includes forbidding any transaction that might eliminate or mitigate the risk of share price variations.

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration.

The company's External Auditor is paid accordingly with the standard fees table for similar services, at market rates and under a proposal from the Statutory Audit Board.

70, 71, 72 and 73. Information regarding how remuneration is structured to align the interests of management body members with the **company's long-term** interests, as well as how it is based on performance evaluation and lack of incentives to take on excessive risk. Reference, if applicable, to the variable remuneration policy and how performance evaluation can potentially affect this component. Deferred payment of the variable remuneration component, specifying the deferral period. Criteria underpinning the attribution of variable **remuneration in shares, as well as the executive directors' retention of these shares in the event of** any contracts related to them, specifically hedging or risk transfer contracts, the respective limit, and their relationship with the total annual remuneration and the **company's** managers

The Remuneration and Compensation Policy applicable to statutory governing bodies and its managers complies with community guidelines, national legislation and the recommendations of the Securities Market Commission. It is based on the presumption that initiative, competence and commitment are the essential foundations for **good performance and must be aligned with the company's medium and long-term** interests, with the aim of sustainability.

The content of the performance indicators, on which the variable remuneration component depends, and its specific role in determining actual remuneration, ensures that the Executive Directors are aligned with the defined strategic objectives and the compliance with the legal standards **that govern the company's activities**.

Therefore, for each financial year, individual performances and contributions to collective success are assessed and the results will necessarily **influence allocation of the fixed and variable component of each member's remuneration plan**.

The remuneration of executive directors is determined according to the level of responsibility of the director involved. The salary is paid in 14 monthly amounts and is subjected to annual review.

Above and beyond the fixed remuneration, Executive Directors are also entitled to a variable remuneration, in accordance with **the company's** Remuneration Policy. The variable remuneration is divided into two equal parts:

- (i) Short Term Variable Bonus (STVB): awarded in the first half following the year to which it relates (after gauging the profits for the period) and linked to the performance in the prior year. It aims to guide and compensate the Executive Board Directors for achieving predefined objectives.
- (ii) Medium Term Variable Bonus (MTVB) or (MTIP) is deferred for 3 years depending on the amount awarded and market share price, so as to link remuneration to long-term performance and provide alignment with the interests of shareholders (in accordance with the Share Award Plan, described in greater detail in chapter IV in this Report

The Executive Directors' variable remuneration is of a discretionary nature and, in view of the fact that it is dependent on the achievement of objectives, its payment is not guaranteed. Variable remuneration is determined annually with the value based on a predefined goal of between 30% and 60% of total annual remuneration (fixed remuneration, plus variable remuneration target values).

The variable part of the remuneration is checked by assessing the performance of a series of performance indicators from the various businesses that are mainly economic and financial – Key performance Indicators of Business Activity (Business KPIs). The content of the performance indicators and their specific weighting in determining the effective remuneration ensure the executive directors are aligned with the defined strategic **objectives and compliance with legal standards that cover the company's activity**.

The amount of each bonus is between 0% and 160% of the previously defined bonus objective.

The variable remuneration is paid in cash, but the Remunerations Committee may decide it should be paid within the same time period in shares.

The payment of the variable bonus can be made by any of the means of extinguishing the obligation foreseen in the law and the articles of association.

The payment of at least 50% (fifty percent) of the variable component of the remuneration is deferred for 3 (three) years, under the terms described below.

The Medium Term Variable Bonus aims to compensate the Executive Board Administrator's loyalty, aligning their interests with those of the shareholders and increasing the awareness of their importance on the overall success of the Company.

Variable remuneration is awarded annually, according to the results of the previous year, and is then integrated into the MTVB plan. Payment of this component of variable remuneration is dependent on the director continuing to work with the Company for a period of three years after its award, as well as the overall continuing success of the company during this period, measured in accordance with the objectives set by the **Shareholders' Remuneration Committee every three years**.

If, subsequently to being awarded the right to this kind of remuneration and before exercising this rights, dividends are distributed, changes are made in the nominal value of shares or **the company's** share capital is changed, the number of shares on the plan will be adjusted to the number of shares that, considering the above modifications, are equivalent to the number of initial shares. This maintains an alignment with the total shareholder return. At the vesting date, shares are only delivered if the criterion for continuing positive performance of the company, mentioned above, is met. Payment is made by delivering shares at a discount that can vary between 90% and 100%, although Sonaecom retains an option to pay an equivalent value in cash. Appendix I includes the Share Allocation Plan.

The remuneration of Non-Executive directors, when applicable, will be exclusively composed of fixed values, according to market values. Therefore, for each Non-Executive director, approximately 15% of fixed remuneration will be dependent on the attendance rate of the meetings of the Board of Directors. In addition, a further annual responsibility allowance will be paid. The fixed remuneration can be increased by up to 6% for those non-executive directors who chair a Board of Directors' Committee. There will be no variable remuneration.

74. Criteria underpinning the assignment of variable remuneration in options, indication of the deferral period and the exercise price
Not applicable. The Company did not establish any variable remuneration in options.

75. Main parameters and reasoning concerning annual bonuses and any other non-cash benefits

The main parameters and reasoning concerning the variable remuneration system are disclosed in the remuneration policy approved in the Shareholders General Meeting, held on 20 April 20145, which is available for consultation at the Company's website: http://other.static.sonae.com/2015/04/20/Extrato_Ata_ENG/Extrato_Ata_ENG.pdf?download=1

76. Main features of the Directors' complementary pensions or early retirement schemes and date of approval by the General Shareholders' Meeting, individually and for company managers

Not applicable. The Company does not have any complementary pension or early retirement schemes for Directors, and there are no other significant benefits in kind.

IV - Disclosure of Remuneration

77, 78 and 79. Indication of the annual remuneration earned, in aggregate and individual amount, by the Company's members of the Board of Directors, including fixed and variable remuneration. Related to this, reference to the different components that led to them, amounts of any kind paid by other controlled or Group companies, or those under shared control, and remuneration paid as profit sharing and/or bonus payments and the reasons why such bonuses and/or profit sharing payments were made

The remuneration for each Sonaecom director, awarded by the Company and Group Companies during the year 2015 and 2014, is summarized in the charts below.

Remuneration of each Sonaecom Board member awarded by the company in 2014 and 2015

| | 2015 | | | | 2014 | | | |
|---|-----------------------|--------------------------------|---------------------------------------|---------|-----------------------|--------------------------------|---------------------------------------|---------|
| | Fixed Remuneration | Short Term Variable Bonus * | Medium Term Variable Bonus/MTIP | Total | Fixed Remuneration | Short Term Variable Bonus * | Medium Term Variable Bonus/MTIP | Total |
| Amounts in euros | | | | | | | | |
| Individual breakdown | | | | | | | | |
| Executive Directors | | | | | | | | |
| Ángelo Gabriel Ribeiro dos Santos Paupério (CEO) | 183,900 | 142,600 | 142,600 | 469,100 | 162,018 | 125,100 | 125,100 | 412,218 |
| Maria Cláudia Teixeira de Azevedo | 147,332 | 78,100 | 78,100 | 303,532 | 147,332 | 75,415 | 75,415 | 298,162 |
| António Bernardo Aranha Gama Lobo Xavier | 153,320 | - | - | 153,320 | 198,320 | - | - | 198,320 |
| | 484,552 | 220,700 | 220,700 | 925,952 | 507,670 | 200,515 | 200,515 | 908,700 |
| Non-Executive Directors | | | | | | | | |
| Duarte Paulo Teixeira de Azevedo (Chairman)(Note 1) | - | - | - | - | 18,940 | - | - | 18,940 |
| Jean François René Pontal (Note 2) | - | - | - | - | 11,730 | - | - | 11,730 |
| David Charles Denholm Hobley (Note 2) | - | - | - | - | 10,790 | - | - | 10,790 |
| António Maria Theotonio Pereira Sampaio Melo (Note 2) | - | - | - | - | 10,790 | - | - | 10,790 |
| Frank Emmanuel Dangeard (Note 2) | - | - | - | - | 10,530 | - | - | 10,530 |
| Gervais Pellissier (Note 2) | - | - | - | - | - | - | - | - |
| | - | - | - | - | 62,780 | - | - | 62,780 |
| Total | 484,552 | 220,700 | 220,700 | 925,952 | 570,450 | 200,515 | 200,515 | 971,480 |

* Amount earned through the company and its subsidiaries

(1) The value for Duarte Paulo Teixeira de Azevedo for 2014, disclosed in the table above, is related to management services recharged by Sonae to Sonaecom. The values recharged by Sonae to Sonaecom represents the equivalent cost of his services centralised at Sonae SGPS during 2014. He left the Board of Sonaecom on 2014.04.30 and the recharging of management services ceased on that date.

(2) The values for Non-Executive Directors for 2014 relate to the 4 months ended 2014.04.30 (the date they left the Board of Sonaecom).

The short-term variable bonus of executive directors includes a participation in the profits of the company.

Directors' participation in MTIP

| Executive Directors | Plan (Performance Year) | Award Date | Vesting Date | Amount Vested in 2015* | Open Plans Value at Awarded Date* | Open Plans Value at 31 December 2015 *** |
|---|-------------------------------|------------|--------------|------------------------------|--------------------------------------|---|
| Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO) | 2011 | mar-12 | mar-15 | 912,311 | | |
| | 2012 ⁽¹⁾ | mar-13 | mar-16 | | 225,000 | 380,609 |
| | 2013 | mar-14 | mar-17 | | 302,800 | 260,562 |
| | 2014 | abr-15 | abr-18 | | 125,100 | 109,467 |
| Total | | | | 912,311 | 652,900 | 750,638 |
| Maria Cláudia Teixeira de Azevedo | 2011 | mar-12 | mar-15 | 236,971 | | |
| | 2012 ⁽¹⁾ | mar-13 | mar-16 | | 67,500 | 113,966 |
| | 2013 | mar-14 | mar-17 | | 67,300 | 57,912 |
| | 2014 | abr-15 | abr-18 | | 75,400 | 65,977 |
| Total | | | | 236,971 | 210,200 | 237,855 |
| Total | | | | 1,149,281*** | 863,100 | 988,493 |

*Amounts in Euro.

**Calculated considering the share market closing price of 2015 last trading day.

***All open plans were paid off for a total of 1,149,281 Euros.

(1) The amount of the 2012 Plan at the award date includes Sonaecom Share Plans and Sonae SGPS Share Plans. At 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. This conversion was based on the terms set out in Tender offer for the general and voluntary acquisition of own shares at 20 February 2014 (1 Sonaecom Share – approximately 2.05 Sonae SGPS shares).

Remuneration earned by Directors in group companies

| Amounts in euros | 2015 | | | | 2014 | | | |
|---|-----------------------|-----------------------------|-------------------------------|-----------------------|-----------------------|--------------------------------|-------------------------------|-----------------------|
| | Fixed Remuneration | Annual Performance Bonus | Medium Term Incentive Plan | Total remuneration | Fixed Remuneration | Annual Performance Bonus | Medium Term Incentive Plan | Total remuneration |
| Name | | | | | | | | |
| Ângelo Gabriel Ribeirinho dos Santos Paupério | 276,800 | 190,500 | 190,500 | 657,800 | 251,082 | 188,800 | 188,800 | 628,682 |
| Duarte Paulo Teixeira de Azevedo (Note 1) | - | - | - | - | 493,800 | 389,400 | 389,400 | 1,272,600 |

Note 1: Left the Board of Sonaecom on 2014.04.30 remuneration reported on an annual basis.

80. Compensation paid or owed to former Executive Directors following loss of office

No compensation was paid or is currently owed to former Executive Directors in relation to early loss of office during 2014 and 2015.

81. Indication of the annual remuneration earned, in aggregate and individual amount, by the Company's Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration.

The amount of fixed annual remuneration for members of this body in 2014 and 2015, was as follows:

| | 2015 | 2014 |
|-------------------------------|--------|--------|
| Amounts in euros | | |
| Individual breakdown | | |
| Statutory Audit Board | | |
| Arlindo Dias Duarte Silva | 9,900 | 9,900 |
| Armando Luis Vieira Magalhães | 7,900 | 7,900 |
| Óscar José Alçada Quinta | 7,900 | 7,900 |
| Jorge Manuel Felizes Morgado | - | - |
| Total | 25,700 | 25,700 |

82. Remuneration in the reference year for the Chairman of the General Shareholders' Meeting Board CSM

The Chairman of the General Shareholders' Meeting Board earns a fixed annual remuneration of 5,000 euros and the Secretary earns a fixed annual remuneration of 2,500 euros.

V - Agreements with Remuneration Implications

83. Contractual limitations on compensations to be paid upon to Directors' dismissal without due cause and its relation with the variable component of the remuneration

There are no agreements in place with members of the Board of Directors that establish amounts to be paid in case of dismissal without due cause, without prejudice to the applicable legal provisions.

84. Reference to the existence and description, stating the sums involved, of the agreements between the company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change in Company control

There are no agreements made between the company and members of the Board of Directors, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment following a change in Company's control.

VI - Share attribution plans or stock options

85 and 86. Identification of the plan and respective recipients. Plan features (assignment conditions, share transfer clauses, share price and option exercise price criteria, period during which options can be exercised, features of the shares or options to be assigned, incentives to acquire shares and/or exercise options).

Medium Term Variable Bonus - MTVB

Framework

The MTVB is designed to align the interests of employees and Executive Directors with the success of the company, reinforcing their engagement and the perception of the impact of their performance on the success of Sonaecom.

The MTVB is applicable to all Sonaecom Group companies. Regarding Público – Comunicação Social, S.A. and the companies owned by it, the attribution rules are more restricted than those described below and this is not expected to change.

General features of the Medium Term Incentive Plan

The MTVB is subjected to the Medium Term Incentive Plan eligibility rules described in this report.

The general terms of the MTIP and any significant amendments thereto are reviewed by the Remuneration Committee and then approved at the Shareholders' General Meeting. The participation of Sonaecom's Executive Committee's members is approved by the Remuneration Committee, in line with the Group's Remuneration Policy, which is also approved at the Shareholders' General Meeting.

Eligibility

All Sonaecom employees at Sonaecom Management Levels GF1 to GF6 are eligible to be awarded an MTVB under the MTIP, provided that they held Management Level GF6 or higher, on 31 December of the respective performance year.

Classification as Management Level GF6, on recruitment or by promotion, does not automatically give entitlement to the award of a MTVB. Any decisions to make an award, including the value awarded (which is calculated as a percentage of the individual annual fixed remuneration), should take into account the total variation in the compensation package of each employee. It is recommended that, for the first MTVB awarded, the value should be equal or lower than 50% of the higher value recommended for that Management Level.

Definition of the MTVB reference value

The MTVB reference values for employees with Management Levels GF1 and GF2 are based on a percentage of their total Target Performance Bonuses, which is defined on an individual basis, and taking into account their level of qualification, the structure of their compensation package and the achievement of personal KPIs and approved by the Remuneration Committee. As for Management Level GF3 employees, the reference value is approved by the Chairman of the Board of Directors.

The value of the MTVB may alter over the period between the awarding date and the vesting date, as it is linked to a standard share package and to the Total Shareholder Return of the respective Sonae SGPS, S.A. (Sonae) and/or Sonaecom SGPS shares. Vesting is dependent on the overall continuing success of the company during said period, measured in accordance with the objectives set by the Remuneration Committee every three years.

For employees with Management Levels GF3, GF4, GF5 and GF6, the MTVB reference values are based on a percentage of the Annual fixed remuneration, which is defined on an individual basis, taking into account their level of qualification, the structure of their compensation package and also the achievement of personal KPIs.

The MTVB reference value for employees who have a monthly performance bonus (commissions) is calculated based on the overall value of commissions received annually and taking into consideration the higher values awarded to other employees with the same Management Level. Whenever the annual commissions awarded are outside the above range, Sonaecom may decide to adjust them.

| Management Level | Reference values for MTVB (% of annual fixed remuneration) |
|------------------|--|
| GF3 | Up to 65% |
| GF4 | Up to 60% |
| GF5 | Up to 50% |
| GF6 | Up to 45% |

Duration of the plan

The MTVB plan is established annually, based on the variable remuneration awarded, and each plan has a three year term. As from the award date of the third consecutive plan, three tri-annual plans will be open.

MTVB Valuation

The MTVB is valued at the award date, based on the listed share prices in Portugal of the shares that make up the respective share package. Regarding Sonae shares, the most favourable of the following prices is used: the closing price on the first working day after the company's Shareholders' Annual General Meeting, or the average of the closing prices of the last 30 trading sessions, before the Annual General Meeting. In the case of Sonaecom shares, the value is calculated by dividing the average of the closing prices of the last 30 trading sessions, before the award date.

If, subsequent to being awarded the right to this kind of remuneration and before exercising this right, dividends are distributed, changes are made to the nominal value of shares, the Company's share capital is changed or any other change is made to the Company's capital structure, then the number of shares, which the director has been awarded, will be adjusted to an equivalent number, taking into account the impact of these changes.

Vesting of the MTVB

On the vesting date of MTVB plans – three years after being awarded -, compensation can be paid in the form of shares or as a discount when purchasing shares. The company awarding the MTVB retains the right to pay the cash equivalent to the shares' value, rather than delivering actual shares.

Share Retention Policy

The following Shareholding and Retention Policy ("SH&R Policy") is applicable to the members of Sonaecom's Board of Directors (Management Levels: GF1 and GF2):

Each GF1 or GF2 is required to retain 50% of the shares delivered on the vesting of each Plan until they hold, on an accumulated basis, a total number of shares that is equivalent to the value of two annual fixed salaries. The requirement to retain shares ends as soon as the respective manager holds, on an accumulated basis, a total number of shares that meets the agreed shareholding requirement, either by retaining MTPB shares awarded by Sonaecom or by acquiring shares in their individual name. The inclusion of the latter shares is optional and is of the exclusive decision of each manager, who, in this case, should inform Sonaecom. For this purpose, the annual fixed salary is the monthly base remuneration paid 14 times a year.

The SH&R Policy, is to be managed individually by the employees involved and will be monitored by the Human Resources and the Accounting and Administrative departments.

The Executive Directors shall not sign, nor will sign contracts with the Company or with any third parties that would have the effect of mitigating the risk inherent in the variability of the remuneration established by the company.

Conditions of exercising the right

The right to MTVB ceases when an employee no longer shares a legal or administrative relationship with Sonae, or any company that represents the sub-holding where they work, nor any other company directly or indirectly affiliated with either of the above. In the event of death or permanent disability, the MTVB is valued at current market prices of the shares and the equivalent value will be paid, depending on the case, to the employee or to his or her legal heirs. In the event of retirement, rights to a MTVB are retained and vest on the normal vesting date.

87. Option rights granted to acquire shares ("stock options") where the beneficiaries are company employees

There are no stock options to acquire the attributed shares.

88. Planned control mechanisms for any employee share capital participation scheme, to the extent voting rights are not directly exercised by them

There are no control mechanisms established to control employee participation in the Company's capital.

E. Transactions with related parties

I - Mechanisms and control procedures


89. Mechanisms implemented by the Company to monitor transactions with related parties (for the purposes of the concept of IAS 24)

Sonaecom endeavours to carry out transactions with related parties based on principles of rigour and transparency, and in strict observance of the rules of market competition. Such transactions are subject to specific internal procedures based on mandatory standards, in particular transfer pricing rules, or on voluntarily adopted internal systems of checks and balances – for example, formal validation or reporting processes, depending on the value of the transaction in question.

In this regard, Sonaecom has adopted specific procedures in order to prevent conflicts of interest, such as promoting communication between the Board of Directors and the Statutory Audit Board, which provides the necessary clarifications to assure that transactions are concluded under normal market conditions.

90. Indication of transactions subjected to control in the reference year

In accordance with the provisions in point 10 above in this report, there were no significant commercial relations or any others in 2015 between the qualified shareholders and the Company. The insignificant transactions that were conducted over the year at Sonaecom, were conducted under market conditions in line with any transactions conducted with other contracting entities with Sonaecom under the supervision of the Statutory Audit Board, described, as stated in point 92. There were no transactions with any member of the SAB in 2015.



91. Description of the procedures and criteria for intervention of the Statutory Audit Board for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code

Transactions with owners of qualified shares or with entities related in any way with them, under the terms of article 20 of the Portuguese Securities Code, are subject to a formal prior opinion by the Statutory Audit Board, if their value exceeds 10 million euros. In addition, all transactions with related parties in excess of 1 million euro, are also submitted to quarterly reports by the Statutory Audit Board.

II - Business related elements.

92. Location of accounting documents containing information regarding transactions with related parties, in accordance with IAS 24 or, alternatively, disclosure of this information

Information on transactions with related parties, in accordance with IAS 24, can be found in note 34 of the 2015 Consolidated Financial Statements' Appendix.

PART II – STATEMENT OF COMPLIANCE

1. Identification of the adopted Corporate Governance Code

The Corporate Governance Report provides a description of the Corporate Governance structure, policies and practices followed by the Company under the terms of article 245-A of the Portuguese Securities Code and information duties required by CMVM Relation no. 4/2013, of 1 August. The Report additionally discloses, in light with the principle of comply or explain, the terms of compliance by the Company with the CMVM Recommendations contained in the CMVM Corporate Governance Code (2013).

The Report should be read as an integral part of the Annual Management Report and the Individual and Consolidated Financial Statements for the year 2015.

The requirements for the provision of information as per article 3 of Law no. 28/2009, of 19 June, articles 447 and 448 of the Portuguese Companies Act, article 245-A of the Portuguese Securities Code and of CMVM Regulation no. 5/2008, have also been fulfilled.

The Company has adopted the CMVM Recommendations on Corporate Governance in July 2013, this year, which corresponds to the end of the term of office of the corporate bodies.

All of the rules and regulations mentioned in the Report are publicly available at www.cmvm.pt.

2. Analysis of compliance with the adopted Corporate Governance Code

The governance model adopted by Sonaecom enabled the Board of Directors to operate normally, and none of the other statutory governing bodies have reported any constraints to their normal functioning.

The Statutory Audit Board exercised its supervisory function, having received appropriate support from the Board of Directors to this end, via regular provision of information.

The Statutory External Auditor monitored the company's activities and conducted the examinations and verifications deemed necessary to review and legally certify the accounts, interacting with the Statutory Audit Board, within the framework of their competences and responsibilities and with full cooperation from the Board of Directors.

The Board of Directors has been carrying out its duties and cooperating with the Statutory Audit Board and the Statutory External Auditor, when so requested, in a transparent and rigorous manner and in compliance with its Terms of Reference and best corporate governance practices.

The full text containing the corporate governance guidelines currently adopted by Sonaecom - whether published by specific regulation, recommendation or voluntarily, including the Code of Conduct, are made publicly available on our website www.sonae.com and also at the CMVM website: www.cmvm.pt.

The CMVM's recommendations on Corporate Governance (as issued in July 2013) and the respective level of compliance by Sonaecom at 31 December 2015, are listed below.

I. VOTING AND CORPORATE CONTROL

1.1. Companies shall encourage shareholders to attend and vote at general meetings, namely by not setting an excessively large number of shares required for the entitlement of one vote, and by implementing the means necessary to exercise the voting right by post and electronically.

Recommendation fully adopted.

The Company encourages its shareholders to participate in general meetings, by assigning one vote to each share, limiting the number of votes that may be held or exercised by each shareholder and making available to shareholders all the means necessary to exercise voting by post or electronically.

Additionally, the Company publishes on its website, from the date of notice of each General Meeting, standard documentation for participation at the General Meeting, thereby facilitating the shareholders' compliance with the applicable legal attendance requirements, and also provides a specific, dedicated e-mail address for communication between shareholders and the Chairman of the general meeting answer shareholders' enquiries and for the reception of all communications to participate in the General Meeting.

1.2. Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including setting a resolution-fixing quorum greater than that required by law.

Recommendation fully adopted.

The Company's Articles of Association do not set a resolution-fixing quorum that exceeds that fixed by law.

1.3. Companies shall not establish mechanisms that might cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly substantiated in terms of long-term interests of shareholders.

Recommendation fully adopted.

No such mechanisms have been adopted or established.

I.4. The company's articles of association that provide for a limitation to the number of votes that may be held or exercised by a sole shareholder, either individually or in agreement with other shareholders, shall also foresee that, at least every five years, the maintenance of such bylaw provision shall be subject to a resolution at the General Meeting – with no requirements for an aggravated quorum as compared to the legal one – and that in said resolution, all votes issued be counted, without applying said restriction.

Recommendation fully adopted.

The Company's Articles of Association do not establish any limitation on the number of votes that may be held or exercised by a single shareholder.

I.5. Measures that require payment or assumption of fees by the company in the event of change of control or change in the composition of the Board and are able to impair the free transfer of shares and the free assessment by shareholders of the performance of Board members, shall not be adopted.

Recommendation fully adopted.

The Company does not adopt, unilaterally, policies that have the effect of any restrictions listed in this recommendation.

II. SUPERVISION, MANAGEMENT AND AUDIT

II.1. SUPERVISION AND MANAGEMENT

II.1.1. Within the limits established by law, and unless the company is of a reduced size, the board of directors shall delegate the daily management of the company, and the delegated duties should be identified in the Annual Report on Corporate Governance.

Recommendation fully adopted.

The Board of Directors trusts that, considering the current structure of the Company and the Board's composition itself – reduced to three members, elected based on proposals submitted by shareholders at the Shareholders' General Meeting held on 24 April 2014 -, there is no need to delegate the daily management of the company to an Executive Committee or a Delegated Director.

The company's management is exercised by the Board of Directors, which is responsible for ensuring the management of the Company's business, exercising all management acts pertaining to its corporate purpose, monitoring risks and setting strategic guidelines. Thus, all Board members perform executive duties. Maria Cláudia Teixeira de Azevedo also has an executive job in the Software and Technology area and the group's Online & Media divisions.

II.1.2. The Board of Directors shall ensure that the company acts in accordance with its goals and should not delegate its duties, as regards the following: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions considered to be strategic due to the amount, risk and particular characteristics involved.

Recommendation fully adopted.

Such powers were not delegated by the Board of Directors.

II.1.3. In addition to its supervisory duties, the General and Supervisory Board shall take full responsibility at corporate governance level, hence, either through the statutory provision, or equivalent, it must be established, as a mandatory requirement, that this body to decide on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that shall be considered strategic due to the amount or risk involved. This body shall also assess compliance with the strategic plan and the implementation of the company's key policies.

Recommendation not applicable.

Sonaecom did not adopt said Corporate Governance model.

II.1.4. Unless the company is of a reduced size, and depending on the adopted model, the Board of Directors and the General and Supervisory Board shall create the necessary committees in order to:

a) Ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as of its own overall performance. And further yet, the performance of all existing committees;

b) Reflect on the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies measures to be implemented with a view to their improvement.

Recommendation fully adopted.

The Board of Directors has decided that, considering the current dimension of the company, the existence of a specific Committee to ensure the effectiveness and the quality of the work performed by Executive Directors is not justified. Such responsibility is delegated to the Remuneration Committee.

The Company has a Corporate Governance Officer who reports hierarchically to the Board of Sonaecom and its main duties are to assess the system structure and governance practices adopted, verify its efficiency and propose to the competent bodies measures to be implemented with a view to their improvement (as detailed above in Part I, paragraph 29).

II.1.5. Depending on the applicable model, the Board of Directors or the General and Supervisory Board should set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals.

Recommendation fully adopted.

The Board of Directors has established internal risk control systems which are monitored by the Statutory Audit Board.

II.1.6. The Board of Directors shall include a sufficient number of non-executive members, whose role is to ensure effective monitoring, supervision and assessment of the activity of the remaining members of the board.

Recommendation not adopted.

The current dimension of the company does not justify the existence of non-executive Directors. As a supervisory body, the Statutory Audit Board is responsible for supervising and assessing the activity of the members of the Board of Directors.

II.1.7. The non-executive members of the management body shall include a number of independent members as appropriate, taking into account the adopted corporate governance model, the size of the company, its shareholder structure and the relevant free float.

The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed under the terms of the legislation in force. The other members of the Board of Directors are considered independent, if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, namely due to:

a. Having been an employee of the company or of a company holding a controlling or group relationship with the latter, within the last three years;

b. Having, in the past three years, provided services or established a commercial relationship with the company or company which is in a control or group relationship with the latter, either directly, or as a partner, board member, manager or director of a legal person;

c. Being paid by the company or by a company with the latter in a control or group relationship, other than the remuneration paid for the exercise of Board member functions;

d. Living with a partner or being spouse, relative or any next of kin relative, either direct or up to and including the third degree of collateral affinity, of board members or natural persons that are direct and indirectly holders of qualifying holdings;

e. Being a qualifying shareholder or representative of a qualifying shareholder.

Recommendation not adopted.

The company believes that its current dimension and respective shareholder structure and the reduced dispersion of its share capital do not justify the existence of independent directors.

II.1.8. When executive directors are requested by other Board members to supply information, the former shall do so in a timely and appropriate manner.

Recommendation fully adopted.

The company Directors fulfil this recommendation, disclosing its decisions in an expeditious, clear and complete manner.

II.1.9. The Chairman of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chairman of the Board of Directors, the Chairman of the Statutory Audit Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board and the Chairman of the Financial Matters Committee, the convening notices and minutes of the relevant meetings.

Not applicable.

The company does not dispose of an Executive Committee.

The announcement of all the Board of Directors' meetings to be held and its respective minutes are communicated to the Chairman of the Statutory Audit Board.

II.1.10. Should the Chairman of the Board of Directors carries out executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination and the conditions of other non-executive members' work, so that said non-executive members can make independent and informed decisions or set up an equivalent mechanism to ensure such coordination.

Recommendation not applicable.

All members of the Board of Directors, including its Chairman, have an executive role. The company believes that its current dimension and the Board's composition do not justify delegating the daily management of the company to an Executive Committee or a Delegated Director.

Therefore, the company's management is exercised by the Board of Directors which does not have any non-executive members.

II.2. SUPERVISORY

II.2.1. Depending on the applicable model, the Chairman of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the appropriate skills to carry out its duties.

Recommendation fully adopted.

The Chairman of the Statutory Audit Board, as well as all the members of this body, are independent under the terms of article 414, paragraph 5, of the Portuguese Companies Act, and possess the necessary skills and experience to perform their duties.

The assessment of the conditions of independence, pursuant to the legal criteria, is established at the time of election and repeated annually on an internal assessment and, apart from that, every member of the SAB is obliged to inform the company immediately if there are any circumstances that compromise their independence.

II.2.2. The supervisory body shall be the main representative of the External Auditor and the first recipient of the relevant reports, and is responsible for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.

Recommendation fully adopted.

The company fully complies with the Portuguese Companies Act, regarding duties and function of the Statutory Audit Board. The Statutory Audit Board is responsible for overseeing the work performed and verifying the Statutory External Auditor's independence. Also, primordially receiving its reports and interacting with it according to the role of the Statutory Audit Board and in compliance with its Regulation, available at the Company's website, at

http://oiher.static.sonae.com/2016/03/22/Statutory_Audit_Board_ToR_Nov2015/Statutory_Audit_Board_ToR_Nov2015.pdf.

II.2.3. The supervisory board shall assess annually the Statutory External Auditor and propose to the competent body its dismissal or termination of the contract as to the provision of their services, whenever justifiable grounds are present.

Recommendation fully adopted.

The Statutory Audit Board reports annually on the work performed by the Statutory External Auditor.

II.2.4. The supervisory board shall assess the functioning of the internal control systems and risk management, proposing adjustments if deemed necessary.

Recommendation fully adopted.

The Board of Directors proactively ensures the internal control system and risk management. The SAB assesses the effectiveness of these systems, proposing any optimisation measures that may be necessary and giving their opinion about them in the annual report opinion, made available together with the other documents and statements at <http://www.sonae.com/investidores/informacao-financieira/relatorios/> (2015 R&D folder/Chapter 8)

II.2.5. The Audit Committee, the General and Supervisory Board and the Statutory Audit Board should decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and should be recipients of reports made by these services, at least when it concerns matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities.

Recommendation fully adopted.

The SAB supervises the internal auditing activity, receives activity reports, assesses the results and conclusions found, checks on the existence of any irregularities and issues the directives it believes are necessary.

II.3. REMUNERATION APPROVAL.

II.3.1. All members of the Remuneration Committee or equivalent shall be independent from the members of the executive members of the board and shall include at least one member with knowledge and experience in remuneration policy.

Recommendation fully adopted.

The members of the Remuneration Committee, Duarte Paulo Teixeira de Azevedo and Francisco de la Fuente Sánchez, are independent in relation to the Board of Directors' members and possess the relevant knowledge and experience in the matter of remuneration policy.

The curricula vitae of the Remuneration Committee's members are available for consultation in the Appendix II of this report.

II.3.2. Any individual or entity who, in the last three years, has rendered services to any structure under the direction of the Board of Directors to the company management body itself or who currently has a relationship with the company or with a consultant of the company, should not be hired to assist the Remunerations Committee in the performance of its duties. This recommendation is equally applicable to any individual or legal entity that has a relationship with such by means of an employment or service agreement.

Recommendation fully adopted.

The company does not hire any entity that rendered services to any structure under the direction of the Board of Directors to assist the Remunerations Committee in the performance of its duties. The Remuneration Committee resorts to benchmark studies on remuneration practices annually disclosed by internationally renowned consultants, whose independence is assured either by the fact that they have no connection to the Board of Directors, or due to their broad experience and recognised status in the market.

II.3.3. The statement on the remuneration policy of the management and supervisory bodies referred to in article 2 of Law No. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on:

- a) Identification and explanation of the criteria for determining the remuneration granted to the members of the governing bodies;
- b) Information regarding the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate terms, to be paid to the members of the corporate bodies, and also the identification of the circumstances whereby these maximum amounts may be payable;
- c) Information regarding the enforceability or unenforceability of payments for board members' dismissal or termination of appointment.

Recommendation fully adopted.

A statement on the Company's remuneration policy was presented to the Shareholders' General Meeting on 20 April 2015 and includes the information referred to in this recommendation. Payments for the dismissal or termination of appointment of directors are not required, subject to the applicable legal provisions.

A statement on the remuneration policy is available at <http://www.sonae.com/investidores/assembleia-geral/> in the following address: http://other.static.sonae.com/2015/04/20/Extrato_Ata_ENG/Extrato_Ata_ENG.pdf?download=1

II.3.4. A proposal for approval of plans for the allotment of shares and/or options to acquire shares or based on share price variation to board members shall be submitted to the General Meeting. The proposal shall contain all the information necessary for a proper appraisal of the plan.

Recommendation fully adopted.

In its proposal, the company includes the approval of the share allocation plan and always accompanies it with the respective regulation.

II.3.5. Approval of any retirement benefit scheme established for members of the statutory governing bodies must be submitted to the General Meeting's approval. The proposal shall contain all the information necessary for the correct assessment of the system.

Recommendation not applicable.

Currently, the company has no retirement pension plans in force for the members of the corporate bodies.

III. REMUNERATION

III.1. The remuneration of the executive members of the board shall be based on actual performance and shall discourage excessive risk taking.

Recommendation fully adopted.

The remuneration of the members of the Board of Directors who perform executive duties is based on their effective performance and discourages excessive risk taking.

III.2. The remuneration of the non-executive board members and the members of the supervisory board, shall not include any component whose value depends on the performance of the company or of its value.

Recommendation fully adopted.

The remuneration policy approved at the Shareholders' General Meeting under proposal of the Remuneration Committee, states that the remuneration of non-executive members of the Board of Directors, when existing, and the remuneration of members of the Supervisory Board includes only one fixed component. As a result, these members do not receive variable remuneration nor do they participate in the MTIP.

III.3. The variable remuneration component shall be overall reasonable in relation to the fixed component of the remuneration and maximum limits should be set for all components.

Recommendation fully adopted.

The company's remuneration policy includes a fixed component and a variable component, as set forth in the main European reference indicators. In comparative terms, the fixed remuneration is close to the average and the total remuneration is close to the third quartile of the indicators. The variable component represents over 40% of the total income received. The minimum and maximum variable components are pre-established as a percentage of a fixed component and, thus, are objectively established.

III.4. A significant part of the variable remuneration should be deferred for a period of no less than three years and its payment should depend on the continued positive performance of the company during said period.

Recommendation fully adopted.

The MTIP, an integral part of the remuneration of the management body's executive members, is based precisely on this deferral.

III.5. Members of the Board of Directors shall not enter into contracts with the company or third parties which intend to mitigate the risk inherent to remuneration variability set by the Company.

Recommendation fully adopted.

The remuneration policy approved at the Shareholders' General Meeting, held on the 20 April 2015, under proposal of the Remuneration Committee, addresses the principle defined in this recommendation: that Executive Directors shall not sign contracts with the Company or with third parties that would have the effect of mitigating the risk inherent in the variability of the remuneration established by the company.

The company did not identify any contracts of this nature.

The Remuneration policy is available for consultation at the website disclosed on paragraph II.3.3..

III.6. Until the end of their mandate, executive board members shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the overall annual remuneration, except for those that need to be sold for paying taxes on the gains of said shares.

Recommendation fully adopted.

Since 2008, the company has implemented a share retention policy that fully complies with this recommendation.

III.7. If the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period not less than three years.

Recommendation not applicable.

The variable component of the company remuneration does not include the allocation of options.

III.8. When the removal of the board member is not due to a serious breach of their duties, nor to their unfitness for the normal exercise of their functions, but is yet due to inadequate performance, the company shall be endowed with the adequate and necessary legal instruments, so that any damages or compensation, beyond that which is legally due, is unenforceable.

Recommendation fully adopted.

The company uses the appropriate legal instruments available in law for this situation. There are no individual contracts with the directors to establish how eventual compensations would be calculated. In addition, the company has never attributed or contemplated attributing compensation to the directors in the event of dismissal or cessation due to inadequate performance.

IV. AUDITING

IV.1. The Statutory External Auditor shall, within the framework of its duties, verify the implementation of remuneration policies and systems of the corporate bodies, as well as the efficiency and effectiveness of the internal control mechanisms, reporting any deficiencies to the Company's supervisory body.

Recommendation fully adopted.

The External Auditor discloses the activities carried out during 2015 in its annual audit report, which is subject to approval at the Shareholders' Annual General Meeting, and is available for consultation at the website: <http://www.sonae.com/investidores/informacao-financeira/relatorios/> at the folder R&C 2015/Chapter 7).

IV.2. The Company or any other entities with the latter in a control relationship, shall not engage the Statutory External Auditor or any entity with the latter in a group relationship or which is part of the same network, for services other than audit services. If there are reasons for hiring such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance – said value should not exceed more than 30% of the total value of services rendered to the company.

Recommendation fully adopted.

The services provided by the Statutory External Auditor were approved by the Statutory Audit Board within the recommended principles (please see points 46 and 47).

IV.3. Companies shall support auditor rotation at the end of two or three terms of office, depending on whether they last for four or three years, respectively. Its continuance beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement.

Recommendation fully adopted.

The Company's Statutory External Auditor, Deloitte & Associados, SROC, S. A., was elected at the Shareholders' General Meeting held on 2 May 2007 and is serving until the end of the current term.

In 2008, a new term corresponding to the 2008/2011 four-year period began and the Statutory Auditor was re-appointed to the post. In 2012, the proposal for election of Deloitte & Associados, SROC, S.A. to a new term (2012/2015) was submitted by the Supervisory Board to the Shareholders' Annual General Meeting, having been supported by a specific opinion in which the conditions of independence of the auditor and the advantages and costs of its replacement are weighed. Further information regarding this matter can be found in paragraph 40 of this report.

V. CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

V.1. In relation to business conducted between the company and shareholders with qualified shareholdings, or entities with which these are related, in accordance with article 20 of the Portuguese Securities Code, such business should be conducted on an arm's length basis.

Recommendation fully adopted.

The Company endeavours to carry out transactions with related parties based on principles of rigour and transparency, and in strict observance of the rules of market competition. Such transactions are subject to specific internal procedures based on mandatory standards, in particular transfer pricing rules, or on voluntarily adopted internal systems of checks and balances – for example, formal validation or reporting processes, depending on the value of the transaction in question.

V.2. The supervisory or audit board shall establish procedures and criteria that are required to define the relevant level of significance of business with qualifying shareholders - or entities with which they are in any of the relationships described in paragraph 1 of article 20 of the Portuguese Securities Code – thus significant relevant business is dependent upon prior opinion of that body.

Recommendation fully adopted.

Transactions with owners of qualified shares or with entities related in any way with them, under the terms of article 20 of the Portuguese Securities Code, are subject to a formal prior opinion by the Statutory Audit Board, if their value exceeds 10 million euros. In addition, all transactions with related parties in excess of 1 million euro, are also submitted to quarterly reports by the Statutory Audit Board.

VI. INFORMATION

VI.1. Companies shall provide, via their websites in both Portuguese and English version, access to information on their progress as regards the economic, financial and governance standing.

Recommendation fully adopted.

The company's website, www.sonae.com, provides information that fulfils the requirements of this recommendation.

VI.2. Companies shall ensure the existence of an investor support and market liaison office, capable of responding to investors' requests in a timely manner. A record of the submitted requests and their processing shall be kept.

Recommendation fully adopted.

The company has an Investor Relations Department, which fulfils the requirements of this recommendation.

APPENDIX I

Article 447, 448 and Qualified Shareholdings

- Article 447

Board of Directors

| | | Additions | | Reductions | | Position at 31.12.2015 | Balance at 31 December 2015 |
|--|------------|-----------|-------------------|------------|-------------------|---------------------------|--------------------------------|
| | | Quantity | Market price € | Quantity | Market Price € | | Quantity |
| Ângelo Gabriel Ribeirinho dos Santos Paupério | | | | | | | - |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | | - |
| Shares attributed under the Medium Term Incentive Plan | 18.05.2015 | 751,429 | 0.06 | | | | - |
| Sale | 23.12.2015 | | | 1,521,855 | 1.08 | | - |
| Sonaecom, SGPS, S.A. ⁽⁹⁾ | | | | | | | - |
| Enxomil - SGPS, SA ⁽¹⁰⁾ | | | | | | Dominant | |
| Maria Cláudia Teixeira de Azevedo | | | | | | | |
| Efanor Investimentos, SGPS, S.A. ⁽¹⁾ | | | | | | Minoritary | |
| Linhacom, SGPS, S.A. ⁽⁴⁾ | | | | | | Dominant | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | | 204,678 |
| Shares attributed under the Medium Term Incentive Plan | 18.05.2015 | 195,183 | 0.06 | | | | |
| Sale | 18.05.2015 | | | 195,000 | 1.26 | | |
| Sale | 19.05.2015 | | | 183 | 1.26 | | |
| António Bernardo Aranha da Gama Lobo Xavier | | | | | | | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | | - |
| Sonaecom, SGPS, S.A. ⁽⁹⁾ | | | | | | | - |

a) Includes shares held indirectly.

Management

| | Date | Quantity | Market price € | Quantity | Market price € | Quantity |
|---|------------|----------|----------------|----------|----------------|----------|
| David Graham Shenton Bain | | | | | | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | 20,000 |
| Sonaecom, SGPS, S.A. ⁽⁹⁾ | | | | | | - |
| Rui José Gonçalves Paiva | | | | | | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | 104,319 |
| Shares attributed under the company's remuneration policy | 18.05.2015 | 54,601 | 0.13 | | | |
| Shares attributed under the company's remuneration policy | 24.07.2015 | 925 | 0.06 | | | |
| Sonaecom, SGPS, S.A. ⁽⁹⁾ | | | | | | - |
| Carlos Alberto Rodrigues Silva | | | | | | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | 63,257 |
| Shares attributed under the Medium Term Incentive Plan | 20.03.2015 | 32,771 | 0.14 | | | |
| Fernando José Lobo Pimentel Macareno Videira | | | | | | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | 56,430 |
| Shares attributed under the company's remuneration policy | 18.05.2015 | 24,222 | 0.13 | | | |
| Shares attributed under the company's remuneration policy | 24.07.2015 | 4,082 | 0.06 | | | |
| Ana Cristina Dinis da Silva Fanha Vicente Soares | | | | | | |
| Sonae- SGPS, S.A. ⁽⁶⁾ | | | | | | 41,697 |
| Sonaecom, SGPS, S.A. ⁽⁹⁾ | | | | | | - |

| | | Additions | | Reductions | | Position at 31.12.2015 | Balance at 31 December 2015 |
|--|------------|-----------|--------------|------------|--------------|----------------------------------|--------------------------------|
| | Date | Quantity | Market price | Quantity | Market price | | Quantity |
| (1) Efanor Investimentos, SGPS, S.A. Sonae - SGPS, S.A. ⁽⁶⁾ Pareuro, BV ⁽²⁾ | | | | | | Dominant | 200,100,000 |
| (2) Pareuro, BV Sonae - SGPS, S.A. ⁽⁶⁾ | | | | | | | 849,533,095 |
| (3) Migracom, SGPS, S.A. Imparfin, SGPS, S.A. ⁽⁵⁾ Sonae - SGPS, S.A. ⁽⁶⁾ | | | | | | Minority | 2,464,337 |
| Sale | 19.05.2015 | | | 247,362 | 1.26 | | |
| Sale | 20.05.2015 | | | 300,037 | 1.25 | | |
| Sale | 21.05.2015 | | | 315,000 | 1.25 | | |
| Aquisitions | 17.12.2015 | 1,000,000 | 1.07 | | | | |
| Aquisitions | 28.12.2015 | 790,053 | 1.06 | | | | |
| (4) Linhacom, SGPS, S.A. Imparfin, SGPS, S.A. ⁽⁵⁾ Sonae - SGPS, S.A. ⁽⁶⁾ | | | | | | Minority | 439,314 |
| (5) Imparfin, SGPS, S.A. Sonae - SGPS, S.A. ⁽⁶⁾ | | | | | | | 4,105,280 |
| (6) Sonae - SGPS, S.A. Sonaecom, SGPS, S.A. ⁽⁹⁾ Sonae Investments BV ⁽⁷⁾ Sontel BV ⁽⁸⁾ | | | | | | Dominant Dominant Dominant | |
| (7) Sonae Investments BV Sontel BV ⁽⁸⁾ | | | | | | Dominant | |
| (8) Sontel BV Sonaecom, SGPS, S.A. ⁽⁹⁾ | | | | | | Dominant | |
| (9) Sonaecom, SGPS, S.A. | | | | | | | 5,571,014 |
| (10) Enxomil - SGPS, SA Sonae - SGPS, S.A. ⁽⁶⁾ Aquisition | 23.12.2015 | 1,521,855 | 1.08 | | | | 2,021,855 |

- Article 48

| | Number of shares as of 31 December 2015 |
|---|---|
| Efanor Investimentos, SGPS, S.A. ⁽¹⁾ | |
| Sonae- SGPS, S.A. | 200,100,000 |
| Pareuro, BV | Dominant |
| Pareuro, BV | |
| Sonae- SGPS, S.A. | 849,533,095 |
| Sonae- SGPS, S.A. | |
| Sonaecom, SGPS, S.A. | Dominant |
| Sonae Investments BV | Dominant |
| Sontel BV | Dominant |
| Sonae Investments BV | |
| Sontel BV | Dominant |
| Sontel BV | |
| Sonaecom, SGPS, S.A. | Dominant |

(1) Belmiro Mendes de Azevedo is, according to article 20 paragraph 1, subparagraph b), and article 21, paragraph 1, both of the Portuguese Securities Code, the ultimate beneficial owner, as it owns Efanor Investimentos, SGPS, SA and the latter indirectly owns Sonae - SGPS S.A. and Sontel BV.

- Qualified Shareholdings

| Shareholder | Number of shares | % of Share capital | % Share capital and voting rights* | % of exercisable voting rights** |
|-----------------------------------|------------------|--------------------|------------------------------------|----------------------------------|
| Directly | | | | |
| Sontel BV | 194,063,119 | 62.33% | 62.33% | 63.47% |
| Sonae- SGPS, S.A. | 81,022,964 | 26.02% | 26.02% | 26.50% |
| Total attributable ⁽¹⁾ | 275,086,083 | 88.36% | 88.36% | 89.97% |

(1) Belmiro Mendes de Azevedo is, according to article 20 paragraph 1, subparagraph b), and article 21, paragraph 1, both of the Portuguese Securities Code, the ultimate beneficial owner, as it owns Efanor Investimentos, SGPS, SA and the latter indirectly owns Sonae - SGPS S.A. and Sontel BV.

* 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

APPENDIX II

Curricula Vitae and positions held by members of management and supervisory bodies.

- Board of Directors:

| |
|--|
| Ángelo Gabriel Ribeirinho dos Santos Paupério |
| Birth date |
| 14 September 1959 |
| Educational qualifications |
| Degree in Civil Engineering - University of Porto |
| MBA by Porto Business School |
| Professional experience |
| Co-CEO of Sonae - SGPS, S.A. |
| Manager of Sonae Investimentos, SGPS, S.A. |
| Manager of MDS, SGPS, S.A. |
| Manager of Sonae Sierra, SGPS, S.A. |
| Vice President of Sonae MC - Modelo Continente, SGPS, S.A. |
| Vice President of Sonae - Retalho Especializado, S.A. |
| Vice President of Sonaerp - Retail Properties, S.A. |
| Member of the Board of Directors of ZOPT, SGPS, S.A. |
| Member of the Board of Directors of NOS, SGPS, S.A. |
| Guest professor of Porto Business School |
| Member of High Council of Universidade Católica Portuguesa |
| Member of High Council of Porto Business School |
| Chairman of the Board of Directors of APGEI |
| Offices held in companies in which Sonaecom is a shareholder |
| Chairman of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A. (Formerly Called Sonaecom - Sistemas de Informação, SGPS, S.A.) |
| Member of the Board of Directors of ZOPT, SGPS, S.A. |
| Member of the Board of Directors of NOS, SGPS, S.A. |
| Chairman of the Board of Directors of Sonaecom - Serviços Partilhados, S.A. |
| Chairman of the Board of Directors of Público - Comunicação Social, S.A. |

Offices held in other entities

Co-CEO of Sonae, SGPS, S.A.

Member of the Board of Directors of Sonae Center Serviços II, S.A.

Member of the Board of Directors of Sonae Investimentos, SGPS, S.A.

Vice President of the Board of Directors of Sonae MC – Modelo Continente, SGPS, S.A.

Vice President of the Board of Directors of Sonae – Specialized Retail, SGPS, S.A.

Chairman of the Board of Directors of Sonaerp – Retail Properties, S.A.

Chairman of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, S.A.

Member of the Board of Directors of Sonae Sierra, SGPS, S.A.

Chairman of the Board of Directors of Sonae, RE, S.A.

Chairman of the Board of Directors of Sonae Financial Services, S.A.

Member of the Board of Directors of Sonae Investments, B.V.

Member of the Board of Directors of Sontel B.V.

Chairman of the Board of Directors of MDS, SGPS, S.A.

Chairman of the Board of Directors of MDS AUTO, Mediação de Seguros, S.A.

Sole Director of Enxomil, SGPS, S.A.

Sole Director of Enxomil – Sociedade Imobiliária, S.A.

Sole Director of STTR – Construção e Imóveis, S.A.

Member of the Board of Directors of Love Letters – Galeria de Arte, S.A.

Maria Cláudia Teixeira de Azevedo

Birth date

13 January 1970

Educational qualifications

Degree in Management - Catholic University of Porto

MBA by INSEAD

Professional experience

Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.

Executive Director of Sonaecom, SGPS, S.A.

Executive Director of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.
(Formerly called Sonaecom - Sistemas de Informação, SGPS, S.A.)

Chairman of the Executive Board of Sonae Capital, SGPS, S.A.

Chairman of the Board of Directors of Sonae Turismo, SGPS, S.A.

Member of the Board of Directors of ZOPT, SGPS, S.A.

Offices held in companies in which Sonaecom is a shareholder

Member of the Board of Directors of ZOPT, SGPS, S.A.

Member of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.
(Formerly called Sonaecom - Sistemas de Informação, SGPS, S.A.)

Member of the Board of Directors of Sonaecom – Serviços Partilhados, S.A.

Chairman of the Board of Directors of Sonaecom – Cyber Security and Intelligence, SGPS, S.A.

Chairman of the Board of Directors of ITrust - Cyber Security Intelligence Services, S.A.

Chairman of the Board of Directors of WeDo Consulting, Sistemas de Informação, S.A.

Chairman of the Board of Directors of Saphety Level – Trusted Services, S.A.

Chairman of the Board of Directors of Digitmarket – Sistemas de Informação, S.A.

Member of the Board of Directors of Público - Comunicação Social, S.A.

Chairman of the Board of Directors of PCJ – Público, Comunicação, e Jornalismo, S.A.

Director of Sonaecom – Sistemas de Información Espana, S.L.

Chairman of the Board of Directors of Grupo S 21 SEC Gestión, S.A.

Member of the Board of Directors of WeDo Technologies (UK) Limited

Member of the Board of Directors of Praesidium Services Limited (UK)

Manager of WeDo Technologies Mexico, S. De R.L. De C.V.

Chairman of the Board of Directors of WeDo Technologies Americas Inc.

General Manager of Saphety – Transacciones Electronicas, S.A.S

Director of WeDo Technologies Egypt

Member of the Board of Directors of WeDo Technologies Australia PTY Limited

Member of the Board of Directors of NOS, SGPS, S.A.

Offices held in other entities

Chairman of the Board of Directors of Capwatt - Brainpower, S.A.

Manager of Carvemagere, Manutenção e Energias Renováveis, Lda

Chairman of the Board of Directors of Capwatt Hectare - Heat Power, Ace
(Formerly called Companhia Térmica Hectare, Ace)

Manager of C.T.E. - CENTRAL TERMOELÉCTRICA DO ESTUÁRIO, UNIPessoal, LDA

Chairman of the Board of Directors of Capwatt Maia - Heat Power, S.A.
(Formerly called Ecociclo II - Energias, S.A.)

Manager of Enerlousado - Recursos Energéticos, Unipessoal, Lda

Chairman of the Board of Directors of Imoarea - Investimentos Turísticos, SGPS, S.A.

Chairman of the Board of Directors of Capwatt Ace, S.A.
(Formerly called Integrum Ace, S.A.)

Chairman of the Board of Directors of Capwatt Colombo - Heat Power, S.A.
(Formerly called Integrum Colombo - Energia, S.A.)

Chairman of the Board of Directors of Capwatt Engenho Novo - Heat Power, S.A.
(Formerly called Integrum Engenho Novo - Energia, S.A.)

Chairman of the Board of Directors of Capwatt Martim Longo - Solar Power, S.A.
(Formerly called Integrum Martim Longo - Energia, S.A.)

Chairman of the Board of Directors of Capwatt Vale do Calma - Heat Power, S.A.
(Formerly called Integrum Vale do Calma - Energia, S.A.)

Chairman of the Board of Directors of Capwatt Vale do Tejo - Heat Power, S.A.
(Formerly called Integrum Vale do Tejo - Energia, S.A.)

Chairman of the Board of Directors of CAPWATT II - HEAT POWER, S.A.
(Formerly called Integrum II - Energia, S.A.)

Chairman of the Board of Directors of CAPWATT III - HEAT POWER, S.A.
(Formerly called Integrum III - Energia, S.A.)

Chairman of the Board of Directors of Capwatt, SGPS, S.A.

Manager of Ronfegen - Recursos Energéticos, Unipessoal, Lda

Chairman of the Board of Directors of SC, SGPS, S.A.

Chairman of the Board of Directors of Sistavac, SGPS, S.A.

Chairman of the Board of Directors of Sistavac, S.A.

Chief Executive Officer of Sonae Capital, SGPS, S.A.

Chairman of the Board of Directors of SC Hospitality, SGPS, S.A.
(Formerly called Sonae Turismo - SGPS, SA)

Manager of Companhia Térmica Tagol, Unipessoal, Lda.
(Formerly called Companhia Térmica Tagol, Lda)

Chairman of the Board of Directors of Spred, SGPS, S.A.

Chairman of the Board of Directors of OCE - Desenvolvimento e Fabrico de Equipamentos, S.A.

Chairman of the Board of Directors of Sopair, S.A.

Chairman of the Board of Directors of Efanor - Serviços de Apoio à Gestão, S.A.

Member of the Board of Directors of Imparfin, SGPS, S.A.

Chairman of the Board of Directors of Linhacom, SGPS, S.A.

Member of the Board of Directors of Efanor - Investimentos, SGPS, S.A.

Member of the Curators Council of Fundação Belmiro de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Birth date

16 October 1959

Educational qualifications

Degree in Law - University of Coimbra

Master in Economics Law - University of Coimbra

Professional experience

Partner and Member of the Board of Directors of MLGTS

Non-executive Director of the Board of Directors of BPI, SGPS

Non-executive Director of the Board of Directors of Riopele, S.A.

Non-executive Director of Board of Directors of Mota-Engil, SGPS, S.A.

Executive Director of Sonaecom, SGPS, S.A.

Member of the Board of Directors of Público - Comunicação Social, S.A.

Member of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.
(Formerly Called Sonaecom - Sistemas de Informação, SGPS, S.A.)

Non-executive Director of NOS, SGPS, S.A.

Offices held in companies in which Sonaecom is a shareholder

Member of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.
(Formerly Called Sonaecom - Sistemas de Informação, SGPS, S.A.)

Member of the Board of Directors of Sonaecom – Serviços Partilhados, S.A.

Member of the Board of Directors of Público - Comunicação Social, S.A.

Member of the Board of Directors of PCJ – Público, Comunicação, e Jornalismo, S.A.

Member of the Board of Directors of NOS - SGPS, S.A.

Offices held in other entities

Partner and Member of the Board of Directors of MLGTS & Associados, Sociedade de Advogados

Member of the Board of Directors of BPI, SGPS, S.A.

Member of the Board of Directors of Mota-Engil, SGPS, S.A.

Member of the Board of Directors of Riopele, S.A.

Chairman of the General Meeting of Textil Manuel Goncalves, S.A.

Member of the Board of Directors of Vallis Capital Partners

- Statutory Audit Board

| | |
|---|--|
| Arlindo Dias Duarte Silva | |
| Birth date | |
| 27 October 1936 | |
| Educational qualifications | |
| 1963 | Degree in Economics - University of Oporto |
| Professional experience | |
| 1960-1963 | Teacher in Escola Comercial e Industrial |
| 1968-1971 | Military service required, including in Angola (interruption in banking activity) |
| 1976-1979 | Restart of banking activity, subdirector of Banco BPA since 1976 |
| 1989-1992 | Member of the General Council da Câmara dos Revisores Oficiais de Contas |
| 1992-1995 | Member of Directive Board in Câmara dos Revisores Oficiais de Contas |
| Since 1979 | Registered as Statutory Auditor, performing these functions either as a member of Sociedade de Revisores Oficiais de Contas, both on an individual name |
| Since 1979 | Statutory auditor, Member of Member of fiscal council or single supervisor in various societies as Banco Universo, União Portuguesa de Bancos, Orbitur - Intercâmbio de Turismo, SA, ATPS - SGPS, SA, MDS - Corretor de Seguros, SA, Imoarea - Sociedade Imobiliária, SA e Contacto - SGPS, SA |
| Offices held in other entities | |
| Member of the Fiscal Council of Associação Cultural do Senhor do Padrão | |

Armando Luis Vieira de Magalhães

Birth date

22 August 1945

Educational qualifications

1972 Bachelor in Accounting - ex-ICP e actual ESCAP

1978 Degree in Economics - University of Oporto (1978)

1996 Executive MBA - European Management, IESF/EFG

Professional experience

1964-1989 Held several functions in a credit institution

1989-2010 Statutory auditor and Partner of Santos Carvalho & Associados, SROC, SA

Since 2010 Statutory auditor and Partner of Armando Magalhães, Carlos Silva & Associados, SROC, Lda.

Offices held in other entities

Member of the Fiscal Council of Futebol Clube do Porto - Futebol SAD

Member of the Fiscal Council of Real Vida Seguros, SA

Member of the Fiscal Council of Caravela - Companhia de Seguros, S.A.

Offices held in charitable associations and others

Member of the Fiscal Council of Associação Sénior de Golfe do Norte de Portugal

Member of the Fiscal Council of Fundação Eça de Queiroz

Oscar José Alçada da Quinta

Birth date

01 December 1957

Educational qualifications

1982 Degree in Economics - University of Oporto

1990 Statutory auditor number 731

Professional experience

1982-1986 Administrative and financial responsibilities in the area of textile companies, construction and office equipment

Since 1986 Provision of services related to external audit for Statutory Auditors and for companies in the previous activities

1990-1992 Independent Statutory Auditor

Since 1992 Statutory Auditor and Partner of Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC

Offices held in other entities

Member of the Board of Directors of Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC

Member of the Fiscal Council of Sonae Indústria, SGPS, SA

Member of the Fiscal Council of Caetano-Baviera - Comércio de Automóveis, S.A.

Member of the Fiscal Council of BA GLASS I - Serviços de Gestão e Investimentos, SA

Jorge Manuel Felizes Morgado

Birth date

6 June 1955

Educational qualifications

1977 Degree in Management - ISEG - Technical University of Lisbon

1999 MBA in Finance - IEDE Madrid

2004 MBA em Management and Information Systems - Faculty of Economics and Business - University Catholic

22 abril 1991 Statutory auditor number 775

Professional experience

1980-1989 Assistant and Audit Manager at Coopers & Lybrand

1989-1991 Responsible for the Internal Audit and Management Control at Coelima Group

1991-2004 Partner at Deloitte – member of the Statutory Audit Board and External Auditor of several companies; responsible for consultancy in the northern Portuguese region and for corporate finance in Portugal, since 2001

Since 2004 External Auditor of several national and international companies and consultant to several companies

Since 2006 Partner of Horwath Parsus - Consultoria e Gestão, Lda.

Offices held in other entities

Member of the Statutory Audit Board of Sonae Sierra, SGPS, SA

External Auditor of ValorInveste - Soc. Invest. Imob., SA

External Auditor of Jofabo - Construção e Imobiliária, SA

External Auditor of Know it - Soluções Formação Tecnologia, SA

External Auditor of Blue Share, SA

External Auditor of Praianorte - Hotelaria e Turismo, SA

External Auditor of Companhia das Pastas-Empreendimento e Investimentos Hoteleiros, SA

External Auditor of Luso-Insular, Projectos e Invest., SA

External Auditor of PMVA – Imobiliária, SA

APPENDIX III

Curricula Vitae of the members of the Remuneration Committee.

| Duarte Paulo Teixeira de Azevedo | |
|--|---|
| Date of Birth | |
| 31 December 1965 | |
| Academic Curriculum | |
| 1986 | Degree in Chemical Engineering - École Polytechnique Fédérale de Lausanne |
| 1989 | MBA - Porto Business School |
| Executive Education | |
| 1994 | Executive Retailing Program - Babson College |
| 1996 | Strategic Uses of Information Technology Program - Stanford Business School |
| 2002 | Breakthrough Program for Senior Executives - IMD |
| 2008 | Proteus Programme - London Business School |
| 2012 | Corporate Level Strategy - Harvard Business School |
| Professional Experience in Sonae Group | |
| 1988-1990 | Analyst and Manager of Projeto Novos Investimentos in Sonae Tecnologias de Informação |
| 1990-1993 | Manager of Projeto de Desenvolvimento Organizativo and Comercial Director in Portugal in New Business in Sonae Indústria (Painéis Derivados de Madeira) |
| 1993-1996 | Director of Planning and Strategic Control and Organizational Development in Sonae Investimentos - SGPS, S.A. (currently Sonae - SGPS, S.A.) |
| 1996-1998 | Executive Director of Modelo Continente Hipermercados, SA (Merchandising, IT e Marketing Retalho) |
| 1998-2000 | Chairman of the Executive Committee of Optimus - Telecomunicações, S.A. (Operador Móvel) |
| 1998-2007 | Executive Director of Sonae - SGPS, S.A. |
| 2002-2007 | Chairman of the General Board of Público - Comunicação Social, S.A. |
| 2007-2014 | Chairman of the Board of Directors of Sonaecom, SGPS, S.A. |
| 2003-2007 | Chairman of the General Board of Glunz, AG |
| 2004-2007 | Chairman of the Board of Directors of Tableros de Fibras, S.A. (Tafisa) |
| 2009- 2013 | Chairman of the Board of Directors of Sonaegest, Sociedade Gestora de Fundos e Investimentos |
| 2010- 2013 | Chairman of the Board of Directors of Sonae RP - Retail Properties |
| 2007- 2015 | Member of the Board of Directors of Sonae Indústria, SGPS, S.A. |
| 2008- 2014 | Chairman of the Board of Directors of MDS, SGPS, S.A. |
| 2007- 2015 | Chairman of the Executive Committee of Sonae - SGPS, S.A. |

Professional experience in other entities

| | |
|------------|--|
| 1989- 1990 | Member of the Executive Committee of APGEI - Associação Portuguesa de Gestão e Engenharia Industrial |
| 2001-2002 | Chairman of Apritel - Associação dos Operadores de Telecomunicações |
| 2001-2008 | Member of the General Council of EGP - UPBS (now Porto Business School) |
| 2003 | Co-author of the book "Reformar Portugal" |
| 2006-2013 | Member of the Board of Founders of Fundação Casa da Música |
| 2008-2009 | Member of the General Council of AEP - Associação Empresarial de Portugal |
| 2009-2014 | Member of the Board of Trustees of AEP - Associação Empresarial de Portugal |
| 2009-2015 | Chairman of the Board of Trustees of Universidade do Porto |
| 2012- 2015 | Member of the Board of COTEC |

Offices held in other entities

| |
|---|
| Chairman of the Board of Directors of Sonae - SGPS, S.A. |
| Co-CEO Sonae - SGPS, S.A. |
| Chairman of the Board of Directors of Sonae Indústria, SGPS, S.A. |
| Chairman of the Board of Directors of Sonae Capital, SGPS, S.A. |
| Chairman of the Board of Directors of Sonae Investimentos, SGPS, S.A. |
| Chairman of the Board of Directors of Sonae MC - Modelo Continente , SGPS, S.A. |
| Chairman of the Board of Directors of Sonae - Specialized Retail , SGPS, S.A. |
| Chairman of the Board of Directors of Sonae Center Serviços II, SGPS, S.A. |
| Chairman of the Board of Directors of Sonae Sierra, SGPS, S.A. |
| Chairman of the Board of Directors of Migracom, SGPS, S.A. |
| Member of the Board of Directors of Imparfin, SGPS, S.A. |
| Member of the Board of Directors of Efanor Investimentos, SGPS, S.A. |
| Member of ERT - European Round Table of Industrialists |
| Chairman of the Board of Trustees of Universidade do Porto |
| Member of International Advisory Board of Allianz SE |
| Member of Consejo Iberoamericano para La Productividad y la Competitividad |

Francisco de La Fuente Sánchez

Birth date

2 January 1942

Educational qualifications

1965 Degree in Electrical Engineering - Technical University

Main Professional Activities the last five years

2000-2010 Non-Executive Director of Fundação Portugal-África

2004-2010 Member of Advisory Council of Instituto Português de Corporate Governance

2005-2009 Chairman of Fundação EDP

2005-2012 Member of Advisory Council of Fórum para a Competitividade

2006-2009 Member of Supervisory Board of Millennium BCP - Banco Comercial Português

2007-2009 Chairman of Corporate Governance Committee of the Supervisory Board of Millennium BCP

2007-2012 Guest vowel of Conselho Nacional da Água

2007-2012 Vice president and Non-Executive Chairman of Directors of EFACEC Capital

2007-2013 Chairman of the General Board of PROFORUM and Chairman of Conselho Nacional do Colégio de Engenharia Eletrotécnica da Ordem dos Engenheiros

2010- 2015 Chairman of the General Meeting of Iberwind - Desenvolvimento e Projetos. S.A.

Since 2002 Member of the Board of Trustees of Fundação Luso-Espanhola

Since 2003 Member of Fórum Ibero América

Since 2004 Member of the Board of Trustees of Fundação Luso-Brasileira

Since 2005 Member of Patronato da Fundação Hidroelétrica del Cantábrico

Since 2009 Member co-opted of the Conselho de Escola do Instituto Superior Técnico

Offices held in other entities

Non-Executive Director of Sonae Capital, SGPS, S.A.

Chairman of the General Meeting of APEDS - Associação Portuguesa de Engenheiros para o Desenvolvimento Social

Member of Remuneration Committee of Sonae, SGPS, S.A.

Member co-opted of Conselho de Escola do Instituto Superior Técnico

Chairman of Direção da AAAIST - Associação de Antigos Alunos do Instituto Superior Técnico

Member of Patronato da Fundação Hidroelétrica del Cantábrico

President of honor of Hidroelétrica del Cantábrico, S.A.

Member of the Board of Trustees of Fundação Luso-Brasileira

Member of Fórum Ibero América

Member of the Board of Trustees of Fundação Luso-Espanhola

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5

FINANCIAL STATEMENTS

5. Financial Information

5.1. Sonaecom consolidated financial statements

Consolidated balance sheets

For the years ended at 31 December 2015 and 2014 (restated – note 1).

| (Amounts expressed in Euro) | Notes | December 2015 | December 2014 (restated) | January 2014 (restated) |
|--|-----------------------------|----------------------|-----------------------------|----------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Tangible assets | 1.c, 1.h and 5 | 2,837,779 | 2,696,429 | 5,530,098 |
| Intangible assets | 1.d, 1.e and 6 | 26,048,604 | 25,581,936 | 16,647,260 |
| Goodwill | 1.f, 1.w and 7 | 26,893,310 | 28,719,066 | 28,434,416 |
| Investments in associated companies and companies jointly controlled | 1.b and 8 | 711,234,593 | 721,607,751 | 710,434,285 |
| Financial assets at fair value through profit or loss | 1.g, 4 and 9 | 144,477 | 1,424,996 | - |
| Investments available for sale | 1.g, 4 and 10 | 90,779 | 113,054 | 115,448 |
| Other non-current assets | 1.g, 1.r, 1.x, 4 and 34 | 283,400 | 507,518 | 922,434 |
| Deferred tax assets | 1.p, 1.s and 11 | 6,098,375 | 6,837,230 | 5,199,886 |
| Total non-current assets | | 773,631,317 | 787,487,980 | 767,283,827 |
| Current assets | | | | |
| Financial assets at fair value through profit or loss | 1.g, 4 and 9 | 79,796,807 | 58,540,576 | 202,442,350 |
| Inventories | 1.i, 12 and 28 | 398,911 | 1,077,458 | 553,525 |
| Trade debtors | 1.g, 1.j, 4, 13, 22 and 34 | 40,114,875 | 40,000,771 | 36,416,353 |
| Other current debtors | 1.g, 1.j, 4, 14, 22 and 34 | 7,249,940 | 9,396,842 | 17,627,543 |
| Other current assets | 1.g, 1.r, 1.x, 4, 15 and 34 | 10,357,955 | 11,912,225 | 9,298,406 |
| Cash and cash equivalents | 1.g, 1.k, 4, 16 and 34 | 181,120,060 | 182,010,595 | 188,014,923 |
| Total current assets | | 319,038,548 | 302,938,467 | 454,353,100 |
| Total assets | | 1,092,669,865 | 1,090,426,447 | 1,221,636,927 |
| Shareholders' funds and liabilities | | | | |
| Shareholders' funds | | | | |
| Share capital | 17 | 230,391,627 | 230,391,627 | 366,246,868 |
| Own shares | 1.u and 18 | (7,686,952) | (7,686,952) | (7,686,952) |
| Reserves | 1.t | 769,609,304 | 768,435,584 | 772,516,569 |
| Consolidated net income/(loss) for the year | | 34,610,042 | 27,958,229 | - |
| | | 1,026,924,021 | 1,019,098,488 | 1,131,076,485 |
| Non-controlling interests | 19 | (1,706,447) | (632,000) | 269,824 |
| Total Shareholders' funds | | 1,025,217,574 | 1,018,466,488 | 1,131,346,309 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Medium and long-term loans – net of short-term portion | 1.i, 1.m, 4 and 20.a | 8,565,175 | 9,058,985 | 24,810,079 |
| Other non-current financial liabilities | 1.h, 4 and 21 | 798,762 | 480,274 | 67,937 |
| Provisions for other liabilities and charges | 1.o, 1.s and 22 | 4,292,553 | 2,579,321 | 3,060,986 |
| Deferred tax liabilities | 1.p, 1.s and 11 | - | - | 89,522 |
| Other non-current liabilities | 1.r, 1.x, 4, 23, 34 and 39 | 1,429,735 | 1,075,209 | 1,277,304 |
| Total non-current liabilities | | 15,086,225 | 13,193,789 | 29,305,828 |
| Current liabilities | | | | |
| Short-term loans and other loans | 1.i, 1.m, 4 and 20.b | 2,169,314 | 1,980,451 | 998,996 |
| Trade creditors | 4, 24 and 34 | 18,992,038 | 21,565,689 | 21,768,279 |
| Other current financial liabilities | 1.h, 4 and 25 | 520,461 | 285,904 | 70,728 |
| Other creditors | 4 and 26 | 4,592,073 | 6,647,364 | 10,439,327 |
| Other current liabilities | 1.r, 1.x, 4, 27, 34 and 39 | 26,092,180 | 28,286,762 | 27,707,460 |
| Total current liabilities | | 52,366,066 | 58,766,170 | 60,984,790 |
| Total Shareholders' funds and liabilities | | 1,092,669,865 | 1,090,426,447 | 1,221,636,927 |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Consolidated profit and loss account by nature

For the years ended at 31 December 2015 and 2014

| (Amounts expressed in Euro) | Notes | December 2015 | September to December 2015 (not audited) | December 2014 | September to December 2014 (not audited) |
|---|-------------------------------|---------------|--|---------------|--|
| Sales | 1.r, 28 and 34 | 39,968,292 | 7,949,043 | 38,375,020 | 9,416,572 |
| Services rendered | 1.r, 28 and 34 | 89,545,612 | 21,888,766 | 83,341,646 | 22,732,110 |
| Other operating revenues | 1.q, 29 and 34 | 2,371,294 | 1,078,853 | 2,761,594 | 595,605 |
| | | 131,885,198 | 30,916,662 | 124,478,260 | 32,744,287 |
| Cost of sales | 1.i, 12 and 28 | (32,184,381) | (5,780,988) | (30,341,304) | (6,568,115) |
| External supplies and services | 1.h, 30 and 34 | (43,939,316) | (10,836,606) | (41,853,327) | (11,279,142) |
| Staff expenses | 1.x, 39, 40 and 42 | (51,294,337) | (14,024,817) | (44,454,793) | (11,942,370) |
| Depreciation and amortisation | 1.c, 1.d, 1.f, 5, 6 and 7 | (10,799,317) | (5,244,132) | (7,142,387) | (2,309,073) |
| Provisions and impairment losses | 1.j, 1.o, 1.w and 22 | (503,233) | (1,032) | (25,972) | (25,972) |
| Other operating costs | 31 | (321,960) | (108,551) | (320,238) | (81,534) |
| | | (139,042,544) | (35,996,126) | (124,138,021) | (32,206,206) |
| Gains and losses in associated companies and companies jointly controlled | 1.b, 8 and 32 | 17,843,497 | 1,497,418 | 15,742,802 | (537,925) |
| Gains and losses on financial assets at fair value through profit or loss | 1.g, 9 and 32 | 23,886,616 | (1,383,701) | (1,975,451) | 4,949,971 |
| Other financial expenses | 1.h, 1.m, 1.v, 1.w, 32 and 34 | (853,224) | 1,499,415 | (2,404,912) | (764,322) |
| Other financial income | 1.v, 32 and 34 | 1,722,969 | (606,068) | 2,959,024 | 394,648 |
| Current income / (loss) | | 35,442,512 | (4,072,400) | 14,661,702 | 4,580,453 |
| Income taxation | 1.p, 11 and 33 | (2,289,494) | (1,762,400) | (689,789) | (304,173) |
| Consolidated net income/(loss) for the year of continued operations | | 33,153,018 | (5,834,800) | 13,971,913 | 4,276,280 |
| Consolidated net income/(loss) for the year of discontinued operations | 37 | - | - | 13,125,666 | - |
| Consolidated net income/(loss) for the year | | 33,153,018 | (5,834,800) | 27,097,579 | 4,276,280 |
| Attributed to: | | | | | |
| Shareholders of parent company | 38 | 34,610,042 | (5,681,487) | 27,958,229 | 4,918,595 |
| Non-controlling interests | 19 | (1,457,024) | (153,313) | (860,650) | (642,315) |
| Earnings per share | 38 | | | | |
| Including discontinued operations: | | | | | |
| Basic | | 0.11 | (0.02) | 0.09 | 0.02 |
| Diluted | | 0.11 | (0.02) | 0.09 | 0.02 |
| Excluding discontinued operations: | | | | | |
| Basic | | 0.11 | (0.02) | 0.05 | 0.02 |
| Diluted | | 0.11 | (0.02) | 0.05 | 0.02 |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Consolidated statements of profit or loss and other comprehensive income

For the years ended at 31 December 2015 and 2014.

| (Amounts expressed in Euro) | Notes | December 2015 | September to December 2015 (not audited) | December 2014 | September to December 2014 (not audited) |
|--|-------|---------------|---|---------------|---|
| Consolidated net income / (loss) for the year | | 33,153,018 | (5,834,800) | 27,097,579 | 4,276,280 |
| Components of other consolidated comprehensive income, net of tax, that will be reclassified subsequently to profit or loss: | | | | | |
| Changes in reserves resulting from the application of equity method | 8 | (12,529,597) | (15,618,579) | 2,687,127 | 15,786,112 |
| Changes in currency translation reserve and other | 1.v | (77,370) | (20,002) | 766,596 | (572,217) |
| Consolidated comprehensive income for the year | | 20,546,051 | (21,473,381) | 30,551,302 | 19,490,175 |
| Attributed to: | | | | | |
| Shareholders of parent company | | 22,003,075 | (21,320,068) | 31,411,952 | 20,132,490 |
| Non-controlling interests | | (1,457,024) | (153,313) | (860,650) | (642,315) |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Consolidated movements in shareholders' funds

For the years ended at 31 December 2015 and 2014 (restated – note 1)

| (Amounts expressed in Euro) | Share capital | Own shares (note 18) | Reserves | | | | | | Non- controlling interests | Net income / (loss) | Total |
|--|---------------|-------------------------|---------------|-------------------|--|---------------------------|------------------------------|----------------|----------------------------------|------------------------|---------------|
| | | | Share premium | Legal reserves | Reserves for Medium Term Incentive Plans (note 39) | Reserves of own shares | Other reserves (restated) | Total reserves | | | |
| 2015 | | | | | | | | | | | |
| Balance at 31 December 2014 (restated - note 1) | 230,391,627 | (7,686,952) | 775,290,377 | 13,152,684 | - | 7,686,952 | (27,694,429) | 768,435,584 | - | 27,958,229 | 1,019,098,488 |
| Appropriation of the consolidated net result of 2014 | | | | | | | | | | | |
| Transfers to other reserves | - | - | - | - | - | - | 27,958,229 | 27,958,229 | - | (27,958,229) | - |
| Dividend Distribution | - | - | - | - | - | - | (13,759,606) | (13,759,606) | - | - | (13,759,606) |
| Percentage change in subsidiaries | - | - | - | - | - | - | (417,936) | (417,936) | - | - | (417,936) |
| Consolidated comprehensive income for the year ended at 31 December 2015 | - | - | - | - | - | - | (12,606,967) | (12,606,967) | - | 34,610,042 | 22,003,075 |
| Balance at 31 December 2015 | 230,391,627 | (7,686,952) | 775,290,377 | 13,152,684 | - | 7,686,952 | (26,520,709) | 769,609,304 | - | 34,610,042 | 1,026,924,021 |
| Non-controlling interests | | | | | | | | | | | |
| Balance at 31 December 2014 (restated - note 1) | - | - | - | - | - | - | - | - | (632,000) | - | (632,000) |
| Non-controlling interests in comprehensive income | - | - | - | - | - | - | - | - | (1,457,024) | - | (1,457,024) |
| Dividend distribution | - | - | - | - | - | - | - | - | (37,350) | - | (37,350) |
| Percentage change in subsidiaries | - | - | - | - | - | - | - | - | 417,936 | - | 417,936 |
| Other changes | - | - | - | - | - | - | - | - | 1,991 | - | 1,991 |
| Balance at 31 December 2015 | - | - | - | - | - | - | - | - | (1,706,447) | - | (1,706,447) |
| Total | 230,391,627 | (7,686,952) | 775,290,377 | 13,152,684 | - | 7,686,952 | (26,520,709) | 769,609,304 | (1,706,447) | 34,610,042 | 1,025,217,574 |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Consolidated movements in shareholders' funds (continued)

For the years ended at 31 December 2015 and 2014 (restated – note 1)

| (Amounts expressed in Euro) | | | Reserves | | | | | | | | |
|--|--------------------|-------------------------|--------------------|-------------------|--|---------------------------|------------------------------|--------------------|----------------------------------|------------------------|----------------------|
| | Share capital | Own shares (note 18) | Share premium | Legal reserves | Reserves for Medium Term Incentive Plans (note 39) | Reserves of own shares | Other reserves (restated) | Total reserves | Non- controlling interests | Net income / (loss) | Total |
| 2014 | | | | | | | | | | | |
| Balance at 31 December 2013 | 366,246,868 | (7,686,952) | 775,290,377 | 13,152,684 | 1,077,258 | 7,686,952 | (123,115,958) | 674,091,313 | - | 103,838,479 | 1,136,489,708 |
| Restatement of the amounts paid voluntarily under "REERD" (note 1) | - | - | - | - | - | - | - | - | - | (5,413,223) | (5,413,223) |
| Balance at 1 January 2014 (restated - note 1) | 366,246,868 | (7,686,952) | 775,290,377 | 13,152,684 | 1,077,258 | 7,686,952 | (123,115,958) | 674,091,313 | - | 98,425,256 | 1,131,076,485 |
| Appropriation of the consolidated net result of 2013 | | | | | | | | | | | |
| Transfers to other reserves | - | - | - | - | - | - | 98,425,256 | 98,425,256 | - | (98,425,256) | - |
| Consolidated comprehensive income for the year ended at 31 December 2014 | - | - | - | - | - | - | 3,453,723 | 3,453,723 | - | 27,958,229 | 31,411,952 |
| Reduction of the share capital following the result of the general and voluntary acquisition of own shares (note 17) | (135,855,241) | - | - | - | - | - | (5,815,229) | (5,815,229) | - | - | (141,670,470) |
| Effect of the recognition of the Medium Term Incentive Plans (notes 1.x and 39) | - | - | - | - | 105,935 | - | - | 105,935 | - | - | 105,935 |
| Effect of the conversion of the Medium Term Incentive Plans (notes 1.x and 39) | - | - | - | - | (1,183,193) | - | (1,134,660) | (2,317,853) | - | - | (2,317,853) |
| Early termination of the derivative on own shares (Notes 34 and 39) | - | - | - | - | - | - | 492,439 | 492,439 | - | - | 492,439 |
| Balance at 31 December 2014 | 230,391,627 | (7,686,952) | 775,290,377 | 13,152,684 | - | 7,686,952 | (27,694,429) | 768,435,584 | - | 27,958,229 | 1,019,098,488 |
| Non-controlling interests | | | | | | | | | | | |
| Balance at 31 December 2013 | - | - | - | - | - | - | - | - | 269,824 | - | 269,824 |
| Non-controlling interests in comprehensive income | - | - | - | - | - | - | - | - | (860,650) | - | (860,650) |
| Dividend distribution | - | - | - | - | - | - | - | - | (19,920) | - | (19,920) |
| Other changes | - | - | - | - | - | - | - | - | (21,254) | - | (21,254) |
| Balance at 31 December 2014 | - | - | - | - | - | - | - | - | (632,000) | - | (632,000) |
| Total | 230,391,627 | (7,686,952) | 775,290,377 | 13,152,684 | - | 7,686,952 | (27,694,429) | 768,435,584 | (632,000) | 27,958,229 | 1,018,466,488 |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Consolidated cash flow statements

For the years ended at 31 December 2015 and 2014

| (Amounts expressed in Euro) | December 2015 | December 2014 |
|---|---------------|---------------------------|
| Operating activities | | |
| Receipts from trade debtors | 131,876,691 | 130,622,335 |
| Payments to trade creditors | (78,094,836) | (77,638,778) |
| Payments to employees | (58,032,326) | (50,409,282) |
| Cash flows generated by operations | (4,250,471) | 2,574,275 |
| Payments / receipts relating to income taxes, net | (2,595,969) | 694,575 |
| Other receipts / payments relating to operating activities, net | 5,201,450 | 350,013 |
| Cash flows from operating activities (1) | (1,644,990) | 3,618,863 |
| Investing activities | | |
| Receipts from: | | |
| Financial investments | - | 15,400,849 |
| Tangible assets | 867 | 25,444 |
| Intangible assets | - | - |
| Dividends | 17,357,254 | 8,642,154 |
| Interest and similar income | 1,580,727 | 4,948,947 |
| Payments for: | | |
| Financial investments | (1,480) | (5,522,188) |
| Tangible assets | (922,378) | (1,123,460) |
| Intangible assets | (1,549,621) | (1,761,424) |
| Cash flows from investing activities (2) | 16,465,369 | 20,610,322 ¹ |
| Financing activities | | |
| Receipts from: | | |
| Loans obtained | - | 1,566,524 |
| Payments for: | | |
| Leasing | (428,456) | (277,766) |
| Interest and similar expenses | (906,032) | (3,832,825) |
| Dividends | (13,796,956) | (19,920) |
| Loans obtained | (233,986) | (26,937,235) |
| Cash flows from financing activities (3) | (15,365,430) | (29,501,222) ¹ |
| Net cash flows (4)=(1)+(2)+(3) | (545,051) | (5,272,037) |
| Effect of the foreign exchanges | (181,485) | 133,113 |
| Effect of the discontinued operations | - | (1,051,278) |
| Cash and cash equivalents at the beginning of the year | 181,814,513 | 188,004,715 |
| Cash and cash equivalents at the end of the year | 181,087,977 | 181,814,513 |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo

Notes to the consolidated cash flow statements

For the years ended at 31 December 2015 and 2014

1. Acquisition or sale of subsidiaries or other businesses

| | Notes | December 2015 | December 2014 |
|---|-------|---------------|---------------|
| a) Amounts received of sales and acquisitions | | | |
| Mainroad | 3.d) | - | 13,354,926 |
| S21 | 3.a) | - | 2,045,923 |
| | | - | 15,400,849 |
| b) Amounts paid of acquisitions | | | |
| Sonae SGPS shares acquisition | 9 | - | 5,522,188 |
| S21 Sec Ciberseguridad | 3.a) | 1,480 | - |
| | | 1,480 | 5,522,188 |
| c) Amounts received of dividends | | | |
| ZOPT | 8 | 15,815,500 | 7,250,000 |
| NOS SGPS | 32 | 1,541,754 | 1,321,504 |
| Unipress | 8 | - | 70,650 |
| | | 17,357,254 | 8,642,154 |

2. Details of cash and cash equivalents

| | Notes | December 2015 | December 2014 |
|---------------------------|-----------|---------------|---------------|
| Cash in hand | 16 | 17,536 | 22,423 |
| Cash at bank | 16 | 24,934,850 | 4,551,280 |
| Treasury applications | 16 | 156,167,674 | 177,436,892 |
| Overdrafts | 16 and 20 | (32,083) | (196,082) |
| Cash and cash equivalents | | 181,087,977 | 181,814,513 |
| Overdrafts | | 32,083 | 196,082 |
| Cash assets | | 181,120,060 | 182,010,595 |

3. Description of non-monetary financing activities

| | Notes | December 2015 | December 2014 |
|--|-------|----------------|----------------|
| a) Bank credit obtained and not used | 20 | 2,561,605 | 1,194,888 |
| b) Purchase of company through the issue of shares | | Not applicable | Not applicable |
| c) Conversion of loans into shares | | Not applicable | Not applicable |

4. Cash flow breakdown by activity

| Activity | Cash flow from operating activities | Cash flow from investing activities | Cash flow from financing activities | Net cash flows |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------|
| 2015 | | | | |
| Multimedia | (3,206,650) | (688,948) | (45,148) | (3,940,746) |
| Information Systems | 9,062,095 | (1,721,570) | (1,170,023) | 6,170,502 |
| Holding | (7,500,435) | 18,875,887 | (14,150,259) | (2,774,807) |
| | (1,644,990) | 16,465,369 | (15,365,430) | (545,051) |

| Activity | Cash flow from operating activities | Cash flow from investing activities | Cash flow from financing activities | Net cash flows |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------|
| 2014 | | | | |
| Multimedia | (2,127,063) | (454,881) | (54,513) | (2,636,457) |
| Information Systems | 2,157,379 | 13,563,515 | (6,551,597) | 9,169,297 |
| Holding | 3,588,547 | 7,501,688 | (22,895,112) | (11,804,877) |
| | 3,618,863 | 20,610,322 | (29,501,222) | (5,272,037) |

The notes are an integral part of the consolidated financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Director

Ângelo Gabriel Ribeirinho Paupério

António Bernardo Aranha da Gama Lobo Xavier

Maria Cláudia Teixeira de Azevedo



5.2. Notes to the consolidated financial statements

SONAECON, SGPS, S.A. (hereinafter referred to as 'the Company' or 'Sonaecom') was established on 6 June 1988, under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal. It is the parent company of the Group of companies listed in notes 2 and 3 ('the Group').

Pargeste, SGPS, S.A.'s subsidiaries in the communications and information technology area were transferred to the Company through a demerger-merger process, executed by public deed dated 30 September 1997.

On 3 November 1999 the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, SGPS, S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to Euro, being represented by one hundred and fifty million shares with a nominal value of 1 Euro each.

On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully subscribed for and paid up by Sonae, SGPS, S.A. (a Shareholder of Sonaecom, hereinafter referred to as 'Sonae'). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 31,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was the same as that fixed for the sale of shares in the aforementioned Combined Share Offer, which was Euro 10.

In addition, in this year, Sonae sold 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro 181,000,000 to Euro 226,250,000 by public subscription reserved for the existing Shareholders, 45,250,000 new shares of 1 euro each having been fully subscribed for and paid up at the price of Euro 2.25 per share.

On 30 April 2003, the Company's name was changed by public deed to SONAECON, SGPS, S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 euro each and with a share premium of Euro 242,455,195, fully subscribed by France Télécom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders General Meeting held on 18 September 2006, Sonaecom's share capital was increased by Euro 69,720,000, from Euro 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 euro each and with a share premium of Euro 275,657,217, subscribed by O93X – Telecomunicações Celulares, S.A. ('EDP') and Parpública – Participações Públicas, SGPS, S.A. ('Parpública'). The corresponding public deed was executed on 18 October 2006.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

During the year ended at 31 December 2013, the merger between Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA (note 8) was closed. Accordingly, the telecommunications segment was classified, for presentation purposes, as a discontinued operation and the Group's business became of, rather than the holding activity:

- Multimedia;
- Information systems consultancy.

Consequently, since the merger mentioned above, the telecommunications segment became jointly controlled (note 8).

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014. On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares (notes 9 and 17).

In 2014 Sonaecom reduced its share capital to Euro 230,391,627.

Euronext Lisbon announced Sonaecom exclusion from the PSI-20 from 24 February 2014 forward.

The Group operates in Portugal and has subsidiaries (from the information systems consultancy segment) operating in about 12 countries.

Since 1 January 2001, all Group companies based in the Euro zone have adopted the Euro as their base currency for processing, systems and accounting.

The consolidated financial statements are also presented in euro, rounded at unit, and the transactions in foreign currencies are included in accordance with the accounting policies detailed below.

1. Basis of presentation

The accompanying financial statements relate to the consolidated financial statements of the Sonaecom Group and have been prepared on a going concern basis, based on the accounting records of the companies included in the consolidation through full consolidation method (note 2) in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). These financial statements were prepared based on the acquisition cost, except for the revaluation of some financial instruments.

Sonaecom adopted IFRS for the first time according to SIC 8 (First-time adoption of IAS) on 1 January 2003.

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union, and have mandatory application to financial years beginning on or after 1 January 2015 and were first adopted in the year ended at 31 December 2015:

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---------------------------|--|
|---------------------------|--|

| | |
|--|-----------|
| IFRIC 21 — Levies | 17-Jun-14 |
| IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. The Interpretation clarifies that 'economic compulsion' and the going concern principle do not create or imply that an obligating event has occurred. | |

| | |
|---|----------|
| Annual Improvements to IFRSs 2011–2013 Cycle | 1-Jan-15 |
| Annual Improvements to IFRSs 2011–2013 Cycle is a collection of amendments to IFRSs in response to four issues addressed during the 2011–2013 cycle for annual improvements to IFRSs. | |

The application of these standards and interpretations had no material effect on the financial statements of the Group.

The following standards, interpretations, amendments and revisions have been at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory only in future periods or financial years:

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---------------------------|--|
|---------------------------|--|

| | |
|--|----------|
| IAS 19 - Amendments (Defined Benefit Plans: Employee Contributions) | 1-Feb-15 |
| The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service. | |

| | |
|--|----------|
| Annual Improvements to IFRSs 2010–2012 Cycle | 1-Feb-15 |
| Annual Improvements to IFRSs 2010–2012 Cycle is a collection of amendments to IFRSs in response to eight issues addressed during the 2010–2012 cycle for annual improvements to IFRSs. | |

| | |
|---|----------|
| IAS 27: Amendments (Equity Method in Separate Financial Statements) | 1-Jan-16 |
| This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. | |

| | |
|--|----------|
| Amendments to IAS 1 - Presentation of Financial Statements (Disclosures) | 1-Jan-16 |
| The amendment introduces a set of directions and guidelines to improve and simplify the disclosures in the context of current IFRS reporting requirements. | |

| | |
|--|----------|
| Annual Improvements to IFRSs 2012–2014 Cycle | 1-Jan-16 |
| Annual Improvements to IFRSs 2012–2014 Cycle is a collection of amendments to IFRSs in response to issues addressed during the 2012–2014 cycle for annual improvements to IFRSs. | |

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---------------------------|--|
|---------------------------|--|

IAS 16 and IAS 38 - Amendments (Clarification of Acceptable Methods of Depreciation and Amortisation)

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects more factors other than the consumption of the economic benefits embodied in the asset.

IFRS 11 - Amendments (Accounting for Acquisitions of Interests in Joint Operations)

The objective was to add new guidance on the accounting for the acquisition of an interest in a joint by controlled operation that constitutes a business. The IASB decided which acquirers of such interests shall apply all the principles applied to business combinations accounting as established in IFRS 3 - "Business Combinations", and other IFRSs, that do not conflict with the guidance provided in IFRS 11.

These standards, although endorsed by the European Union, were not adopted by the Company for the year ended at 31 December 2015, since their application is not yet mandatory.

It is estimated that the application of these standards and interpretations, as applicable to the Group will have no material effect on future statements of the Group.

The following standards, interpretations, amendments and revisions have not yet been approved (endorsed) by the European Union, at the date of approval of these financial statements:

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---------------------------|--|
|---------------------------|--|

IFRS 9 (Financial Instruments) and subsequent amendments

This standard introduces new requirements for classifying and measuring financial assets.

Amendments to IFRS 10 - "Consolidated Financial Statements", IFRS 12 - "Disclosure of Interests in Other Entities" and IAS 28 - "Investments in Associates and Joint Ventures"

The purposed of these amendments is to clarify several issues regarding the application of the requirement for investment entities to measure subsidiaries at fair value instead of consolidating them.

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---------------------------|--|
|---------------------------|--|

IFRS 10 and IAS 28 - Amendments (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those established in IAS 28 (2011), when dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 14 (Regulatory Deferral Accounts)

Permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for 'regulatory deferral account balances', in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

IFRS 15 (Revenue from Contracts with Customers)

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

IFRS 16 - Leases

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases, replacing IAS 17. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17

*The effective date of effectiveness is currently postponed, depending on the publication and decisions made in relation to the future exposure draft of this project.

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Group for the year ended at 31 December 2015. Their application is not yet mandatory.

It is estimated that the application of these standards and interpretations, except of IFRS 9, IFRS 15 and IFRS 16, when applicable to the group, will have no material effect on future consolidated financial statements, lying in analysis process the effects of these standards.

“Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social”

Within the “Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social (Decreto-Lei 248-A de 2002 e Decreto-Lei nº 151-A/2013)”, Sonae SGPS and Sonaecom made payments to the Portuguese State regarding previous years taxes settlements, which by the time of the payments both companies have already initiated judicial oppositions, therefore the processes flow in the competent courthouses.

The evaluation done until the mentioned payments, which has not been changed ever since, inform that the processes are related to contingencies which the probability of becoming real in resources of outcome is low, being the processes motivated by the different interpretations of the fiscal legislation and, as a consequence, resolving into fiscal doubtful postures. As a result of the mentioned evaluation, the amounts involved are expressed on the financial presentations, which don't originate any liabilities.

The amount paid within the mentioned regulations has been considered assets in the “Other current debtors” captions, according to “IAS 12 – Share-based Payment”, in the case of amounts related to IRC. Relatively to payments of other taxes, since it hasn't been forecasted a specific normative treatment, Sonae and Sonaecom have decided, as an analogy, a policy alike the one related to IRC payments.

However, during the verification process of 2012 accounts, 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 and, in accordance Sonaecom, 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.

In the case of Sonaecom only paid amounts related to other taxes than IRC.

Consolidated balance for the year started at 01 January 2014

| (Amounts expressed in Euro) | Before the change | Restatement of “RERD” | After the change |
|--|----------------------|-----------------------|--------------------------|
| Assets | | | |
| Non-current assets | | | |
| Tangible assets | 5,530,098 | - | 5,530,098 ¹ |
| Intangible assets | 16,647,260 | - | 16,647,260 ¹ |
| Goodwill | 28,434,416 | - | 28,434,416 ¹ |
| Investments in associated companies and companies jointly controlled | 710,434,285 | - | 710,434,285 ¹ |
| Financial assets at fair value through profit or loss | - | - | - |
| Investments available for sale | 115,448 | - | 115,448 ¹ |
| Other non-current assets | 922,434 | - | 922,434 ¹ |
| Deferred tax assets | 5,199,886 | - | 5,199,886 ¹ |
| Total non-current assets | 767,283,827 | - | 767,283,827 |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 202,442,350 | - | 202,442,350 ¹ |
| Inventories | 553,525 | - | 553,525 ¹ |
| Trade debtors | 36,416,353 | - | 36,416,353 ¹ |
| Other current debtors | 23,040,766 | 5,413,223 | 17,627,543 ¹ |
| Other current assets | 9,298,406 | - | 9,298,406 ¹ |
| Cash and cash equivalents | 188,014,923 | - | 188,014,923 ¹ |
| Total current assets | 459,766,323 | 5,413,223 | 454,353,100 |
| Total assets | 1,227,050,150 | 5,413,223 | 1,221,636,927 |
| Shareholders' funds and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 366,246,868 | - | 366,246,868 ¹ |
| Own shares | (7,686,952) | - | (7,686,952) ¹ |
| Reserves | 674,091,313 | 5,413,223 | 668,678,090 ¹ |
| Consolidated net income/(loss) for the year | 103,838,479 | - | 103,838,479 ¹ |
| | 1,136,489,708 | 5,413,223 | 1,131,076,485 |
| Non-controlling interests | 269,824 | - | 269,824 ¹ |
| Total Shareholders' funds | 1,136,759,532 | 5,413,223 | 1,131,346,309 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Total non-current liabilities | 29,305,828 | - | 29,305,828 ¹ |
| Current liabilities | | | |
| Total current liabilities | 60,984,790 | - | 60,984,790 ¹ |
| Total Shareholders' funds and liabilities | 1,227,050,150 | 5,413,223 | 1,221,636,927 |

The accounting policies and measurement criteria adopted by the Group on 31 December 2015 are comparable with those used in the preparation of 31 December 2014 financial statements.

Main accounting policies

The main accounting policies used in the preparation of the accompanying consolidated financial statements are as follows:

a) Investments in Group companies

Sonaecom 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 over, variable results from its involvement with the subsidiary; and iii) the ability to use its power to affect its returns. These Investments were fully consolidated in the accompanying consolidated financial statements. Third party participations in the Shareholders' equity and net results of those companies are recorded separately in the consolidated balance sheet and in the consolidated profit and loss statement, respectively, under the caption 'Non-controlling interests'.

Total comprehensive income is attributed to the owners of the Shareholders of parent company and the non-controlling interests even if this results in a deficit balance of non-controlling interests.

In the acquisition of subsidiaries, the purchase method is applied. The results of subsidiaries bought or sold during the year are included in the profit and loss statement as from the date of acquisition (or of control acquisition) or up to the date of sale (or of control cession). Intra-Group transactions, balances and dividends are eliminated.

The expenses incurred with the acquisition of investments in Group companies are recorded as cost when they are incurred. The fully consolidated companies are listed in note 2.

b) Investments in associated companies and companies jointly controlled

Investments in associated companies correspond to investments in which the Group has significant influence (generally investments representing between 20% and 50% of a company's share capital) and are recorded using the equity method.

The investments in companies jointly controlled are also recorded using the equity method. The classification of these investments is determinate based on Shareholders Agreements, which regulate the shared control.

In accordance with the equity method, investments are **adjusted annually by the amount corresponding to the Group's share of the net results of associated companies, against a corresponding entry to gain or loss for the year, and by the amount of dividends received, as well as by other changes in the equity of the associated companies, which are recorded by a corresponding entry under the caption 'Other reserves'.** An assessment of the investments in associated companies and companies jointly controlled is performed annually, with the aim of detecting possible impairment situations.

When the Group's share of accumulated losses of an associated company or a company jointly controlled exceeds the book value of the investment, the investment is recorded at nil value, except when the Group has assumed commitments to the associated company or a company jointly controlled, a situation when a provision is recorded under the caption 'Provisions for other liabilities and charges'.

The difference between the acquisition price of the investments in associated companies and companies jointly controlled and the fair value of identifiable assets and liabilities at the time of their acquisition, when positive, is recorded as Goodwill, included in the investment value and, when negative, after a reassessment, is recorded, directly, in the profit and loss statement under the caption 'Gains and losses in

companies in associated companies and companies jointly controlled'.

The description of the associated companies and companies jointly controlled is disclosed in note 8.

c) Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and less estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis as from the date the assets are available for use in the necessary conditions to operate as intended by the management, by a corresponding charge under the profit and loss statement caption 'Depreciation and amortisation'.

Impairment losses detected in the realisation value of tangible assets are recorded in the year in which they arise, by a corresponding charge under the caption 'Depreciation and amortisation' in the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

| | Years of useful life |
|-----------------------------------|----------------------|
| Buildings and other constructions | 1 - 20 |
| Plant and machinery | 3 - 15 |
| Vehicles | 4 - 5 |
| Fixtures and fittings | 1 - 10 |
| Tools and utensils | 4 |
| Other tangible assets | 4-20 |

Current maintenance and repair expenses of tangible assets are recorded as costs in the year in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the remaining estimated useful life of the corresponding assets.

The estimated costs related with the mandatory dismantling and removal of tangible assets, incurred by the Group, are capitalised and depreciated in accordance with the estimated useful life of the corresponding assets.

Work in progress corresponds to tangible assets still in the construction/development stage which are recorded at their acquisition cost. These assets are depreciated as from the moment they are in condition to be used and when they are ready to start operating as intended by the management.

d) Intangible assets

Intangible assets are recorded at their acquisition cost less accumulated amortisation and less estimated accumulated



impairment losses. Intangible assets are only recognised if it is likely that they will bring future economic benefits to the Group, if the Group controls them and if their cost can be reasonably measured.

Intangible assets comprise, essentially, software, brands, patents, costs incurred with the acquisition of customers' portfolios (value attributed under the purchase price allocation in business combinations) and know-how.

Amortisations of intangible assets are calculated on a straight-line monthly basis, over the estimated useful life of the assets (one to nineteen years, but most of which are amortized between 3 and 5 years), as from the month in which the corresponding expenses are incurred. The amortisation of the customer's portfolios is provided on a straight-line basis over the estimated average retention period of the customers (five years). Expenditures with internally-generated intangible assets, namely research and development expenditures, are recognised in the profit and loss statement when incurred.

Development expenditures can only be recognised as an intangible asset if the Group demonstrates the ability to complete the project and is able to put it in use or available for sale.

Amortisation for the period is recorded in the profit and loss statement under the caption 'Depreciation and amortisation'.

e) Brands and patents

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.

Sonaecom Group does not hold any brands or patents with undetermined useful life, therefore the second half of the above referred paragraph is not applicable.

f) Goodwill

The differences between the price of investments in subsidiaries added the value of non-controlling interests, and the amount attributed to the fair value of the identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption 'Goodwill', and, when negative, after a reappraisal of its calculation, are recorded directly in the profit and loss statement. The Group will choose, on an acquisition-by-acquisition basis, to measure non-controlling interests either at their proportionate interest on the fair value of the assets and liabilities acquired, or at the fair value of the non-controlling interests themselves. Until 1 January 2010, non-controlling interests were always measured at their proportionate interest on the fair value of the acquired assets and liabilities.

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 that existed at the acquisition date, otherwise these changes must be recognised in profit or loss.

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 to generate a loss of control, should be derecognised assets and liabilities of the entity and any interest retained in the entity sold should be remeasured at fair value and any gain or loss calculated on the sale is recorded in results.

Until 1 January 2004, 'Goodwill' was amortised over the estimated period of recovery of the investments, usually 10 years, and the annual amortisation was recorded in the profit and loss statement under the caption 'Depreciation and amortisation'. Since 1 January 2004 and in accordance with the IFRS 3 - 'Business Combinations', the Group has ceased the amortisation of the 'Goodwill', subjecting them to impairment tests (paragraph w). Impairment losses of Goodwill are recorded in the profit and loss statement for the period under the caption 'Depreciation and amortisation'.

g) Financial instruments

The Group classifies its financial instruments in the following categories: 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', and 'available-for-sale financial assets'. The classification depends on the purpose for which the investments were acquired.

The classification of the investments is determined at the initial recognition and re-evaluated every quarter.

(i) 'Financial assets at fair value through profit or loss'

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if it has been acquired mainly with the purpose of selling it in the short term or if the adoption of this method allows reducing or eliminating an accounting mismatch. Derivatives are also registered as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to mature within 12 months of the balance sheet date.

(ii) 'Loans and receivables'

Loans and receivables are non-derivative financial assets with fixed or variable payments that are not quoted in an active market. These financial investments arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are carried at amortised cost using the effective interest method, deducted from any impairment losses.

Loans and receivables are recorded as current assets, except when their maturity is greater than 12 months from the balance sheet date, a situation in which they are classified as non-current assets. Loans and receivables are included in the captions 'Trade debtors' and 'Other current debtors' in the balance sheet.

(iii) 'Held-to-maturity investments'

Held-to-maturity investments are non-derivative financial assets with fixed or variable payments and with fixed maturities that the Group's management has the positive intention and ability to hold until their maturity.

On 31 December 2015 the Group did not hold any 'Held-to-maturity investment'.

(iv) 'Available-for-sale financial assets'

Available-for-sale financial assets are non-derivative investments that are either designated in this category or not classified in any of the other above referred categories. They are included in non-current assets unless management intends to dispose them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The 'Financial assets at fair value through profit or loss' are initially recognised at fair value and the transaction costs are recorded in the profit and loss statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or all substantial risks and rewards of their ownership have been transferred.

'Available-for-sale financial assets' and 'Financial assets at fair value through profit or loss' are subsequently carried at fair value.

'Loans and receivables' and 'Held-to-maturity investments' are carried at amortised cost using the effective interest method.

Realised or unrealised gains and losses arising from changes in the fair value of financial assets classified at fair value through profit or loss are recognised in the profit and loss statement. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss statement as gains or losses from investment securities.


The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using other valuation techniques. These include the use of recent arm's length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. If none of these techniques can be used, the Group values those investments at cost net of any identified impairment losses. The fair value of listed investments is determined based on the closing Euronext share price at the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In case of equity securities classified as available-for-sale, a significant (above 25%) or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit and loss statement.

h) Financial and operational leases

Lease contracts are classified as financial leases, if, in substance, all risks and rewards associated with the detention of the leased asset are transferred by the lease contract or as operational leases, if, in substance, there is no transfer of risks and rewards associated with the detention of the leased assets. The lease contracts are classified as financial or operational in accordance with the substance and not with the form of the respective contracts.

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 corresponding 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 are recognised as expenses in the profit and loss statement for the period to which they relate.

Assets under long-term rental contracts are recorded in accordance with the operational lease method. In accordance with this method, the rents paid are recognised as an expense, over the rental period.

i) Inventories

Inventories are stated at their acquisition cost, net of any impairment losses, which reflects their estimated net realisable value.

Accumulated inventory impairment losses reflect the difference between the acquisition cost and the realisable amount of inventories, as well as the estimated impairment losses due to low turnover, obsolescence and deterioration, and are registered in profit and loss statement, in 'Cost of sales'.

j) Trade and other current debtors

Trade and other current debtors are recorded at their net realisable value and do not include interests, since the discount effect is not significant.

These financial instruments arise when the Group provides money, supplies goods or provides services directly to a debtor with no intention of trading the receivable.

The amounts of these captions are presented net of any impairment losses and are registered in profit and loss statement in heading 'Provisions and impairment losses'. Future reversals of impairment losses are recorded in the profit and loss statement under the caption 'Provisions and impairment losses'.

k) 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 where the risk of change in value is insignificant.

The consolidated cash flow statement has been prepared in accordance with IAS 7, using the direct method. The Group classifies, under the caption 'Cash and cash equivalents', investments that mature in less than three months, for which the risk of change in value is insignificant. The caption 'Cash and cash equivalents' in the cash flow statement also includes bank overdrafts, which are reflected in the balance sheet caption 'Short-term loans and other loans'.

The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections

from customers, payments to suppliers, payments to personnel and other flows related to operating activities. Cash flows from investing activities include the acquisition and sale of investments in associated, subsidiary companies and companies jointly controlled as well as receipts and payments resulting from the purchase and sale of fixed assets. Cash flows from financing activities include payments and receipts relating to loans obtained and finance lease contracts.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

l) Loans

Loans are recorded as liabilities by the 'amortised cost'. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the loan, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption until their payment.

m) Financial expenses relating to loans obtained


Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. 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.

n) Derivatives

The Group only uses derivatives in the management of its financial risks to hedge against such risks. The Group does not use derivatives for trading purposes.

The cash flow hedges used by the Group are related to:

- (i) Interest rate swap operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are similar in all respects to the conditions established for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against a corresponding entry under the caption 'Hedging reserve' in Shareholders' funds;
- (ii) Forward's exchange rate for hedging foreign exchange risk, particularly from receipts from customers of subsidiary Wedo Consulting. The values



and times periods involved are identical to the amounts invoiced and their maturities.

In cases where the hedge instrument is not effective, the amounts that arise from the adjustments to fair value are recorded directly in the profit and loss statement.

On 31 December 2015, the Group had foreign exchange forwards to hedge the foreign currency risk related to account receivables in dollars (note 1.v), in addition to those mentioned in note 1.x.

o) Provisions and contingencies

Provisions are recognised when, and only when, the Group has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated. Provisions are reviewed at the balance sheet date and adjusted to reflect the best estimate at that date.

Provisions for restructurings are only registered if the Group has a detailed plan and if that plan has already been communicated to the parties involved.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes, if the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but are disclosed in the notes when future economic benefits are likely to occur.

p) Income tax

'Income tax' expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in accordance with IAS 12 – 'Income Taxes'.

Sonaecom has adopted, since January 2008, the special regime for the taxation of groups of companies, under which, the provision for income tax is determined on the basis of the estimated taxable income of all the companies covered by that regime, in accordance with such rules, however, for the year ended at 31 December 2015, the Sonaecom Group, no longer has an independent group of companies covered by the special regime for taxation due to of having passed to integrate the special regime for taxation of groups of Sonae SGPS companies.

Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant company since 1 January 2015. Sonaecom records the income tax on their individual accounts and the tax calculated is record under the caption of group companies. The special regime for

the taxation of groups of companies covers all direct or indirect subsidiaries, and even through companies resident in another Member State of the European Union or the European Economic Area, only if, in the last case, there is an obligation of administrative cooperation, on which the Group holds at least 75% of their share capital, where such participation confers more than 50% of voting rights, if meet certain requirements.

Deferred taxes are calculated using the liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.

Deferred tax assets are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are, likely, enabling the recovery of such assets (note 11).

Deferred taxes are calculated with the tax rate that is expected to be in force at the time the asset or liability will be used based on decreed tax rate or substantially decreed tax rate at balance sheet date.

Whenever deferred taxes derive from assets or liabilities **directly registered in Shareholders' funds, its recording is also made under the Shareholders' funds caption.** In all other situations, deferred taxes are always recorded in the profit and loss statement.


q) Government subsidies

Subsidies awarded to finance personnel costs are recognised as less cost during the period in which the Group incurs the associated costs and are included in the profit and loss statement **under the caption 'Staff expenses'.**

Subsidies awarded to finance investments are recorded as deferred income on the Balance Sheet and are included in the profit and loss **statement under the caption 'Other operating revenues'.** Subsidies are recognized during the estimated useful life of the corresponding assets.

For businesses in the digital security area, non-repayable subsidies are recognized in the balance sheet as deferred income and are recognized in the profit and loss statement in 'Other operating income'. The incentive is recognized during the project development period.

The reimbursable subsidies are recognized in the balance sheet as liabilities in 'Medium and long-term loans – net of short-term portion ' and 'Short-term loans and other loans'



and are depreciated in accordance with the established payment plans. These subsidies are recorded at amortized cost in accordance with the method of effective interest rate.

r) Accrual basis and revenue recognition

Expenses and income are recorded in the period to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions of 'Other non-current assets', 'Other current assets', 'Other non-current liabilities' and 'Other current liabilities' include expenses and income relating to the current period, where payment and receipt will occur in future periods, as well as payments and receipts in the current period but which relate to future periods. The latter shall be included by the corresponding amounts in the results of the periods that they relate to.

The costs attributable to current year and whose expenses will only occur in future years are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (paragraph o).

Sales revenues are recognised in the consolidated profit and loss statement when the significant risks and rewards associated with the ownership of the assets are transferred to the buyer and the amount of the corresponding revenue can be reasonably quantified. Sales are recognised before taxes and net of discounts.

The revenues and costs of the consultancy projects developed in the information systems consultancy segment are recognised in each period, according to the percentage of completion method.

Non-current financial assets and liabilities are recorded at fair value and, in each period, the financial actualization of the fair value is recorded in the profit and loss statement under the captions 'Other financial expenses' and 'Other financial income'.

Dividends are recognised when the Shareholders' rights to receive such amounts are appropriately established and communicated.

s) Balance sheet classification

Assets and liabilities due in more than one year from the date of the balance sheet are classified, respectively, as non-current assets and non-current liabilities.

In addition, considering their nature, the 'Deferred taxes' and the 'Provisions for other liabilities and charges', are classified as non-current assets and liabilities (notes 14 and 23).

t) Reserves

Legal reserve

Portuguese commercial legislation requires that at least 5% of the 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 case of liquidation of the Company, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Share premiums

The share premiums relate to premiums generated in the issuance of capital or in capital increases. According to Portuguese Commercial law, share premiums follow the same requirements of 'Legal reserves', i.e., they are not distributable, except in case of liquidation, but they can be used to absorb losses, after all the other reserves are exhausted or to increase share capital.

Medium Term Incentive Plans Reserves

According to IFRS 2 - 'Share-based Payment', the responsibility related with the Medium Term Incentive Plans is registered under the heading of 'Reserves for Medium Term Incentive Plans', which are not distributable and which cannot be used to absorb losses.

Hedging reserve

Hedging reserve reflects the changes in fair value of 'cash-flow' hedges derivatives that are considered effective (note 1.n)) and it is non-distributable nor can it be used to absorb losses.

Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and follows the same requirements of legal reserve.

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Company, presented in accordance with IFRS. Additionally, the increments resulting from the application of fair value through equity components, including its implementation through net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised or when they finish their use, in the case of tangible or intangible assets. Therefore, at 31 December 2015, Sonaecom, SGPS, S.A. have free reserves distributable amounting approximately Euro 17,5 million. To this effect were considered as distributable increments resulting from the application of fair value through equity components already exercised during the year ended 31 December 2015.

u) Own shares

Own shares are recorded as a deduction of Shareholders' funds. Gains or losses arising from the sale of own shares are recorded under the heading 'Other reserves'.

v) Foreign currency

All assets and liabilities expressed in foreign currency were translated into euro using the exchange rates in force at the balance sheet date.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at transaction date and those in force at the date of collection, payment or at the balance sheet date are recorded as income and expenses in the consolidated profit and loss statement of the year, in financial results.

Entities operating abroad with organisational, economic and financial autonomy are treated as foreign entities.

Assets and liabilities of the financial statements of foreign entities are translated into Euro using the exchange rates in force at the balance sheet date, while expenses and income in such financial statements are translated into euro using the average exchange rate for the period. The resulting exchange differences are recorded under the Shareholders' funds caption 'Other reserves'.

Goodwill and adjustments to fair value generated in the acquisitions of foreign entities reporting in a functional currency other than Euro are translated into Euro using the exchange rates prevailing at the balance sheet date.

The following rates were used to translate into Euro the financial statements of foreign subsidiaries and the balances in foreign currency:

| | 2015 | | 2014 | |
|--------------------|----------------|---------|----------------|---------|
| | 31 December | Average | 31 December | Average |
| Pounds Sterling | 1.3625 | 1.3780 | 1.2839 | 1.2407 |
| Brazilian Real | 0.2319 | 0.2745 | 0.3105 | 0.3206 |
| American Dollar | 0.9185 | 0.9018 | 0.8237 | 0.7538 |
| Polish Zloti | 0.2345 | 0.2392 | 0.2340 | 0.2390 |
| Australian Dollar | 0.6713 | 0.6782 | 0.6744 | 0.6796 |
| Mexican Peso | 0.0529 | 0.0569 | 0.0560 | 0.0567 |
| Egyptian Pound | 0.1174 | 0.1167 | 0.1155 | 0.1068 |
| Malaysian Ringgit | 0.2130 | 0.2320 | 0.2354 | 0.2303 |
| Swiss Franc | 0.9229 | 0.9372 | 0.8317 | 0.8233 |
| South African Rand | 0.0590 | 0.0710 | 0.0713 | 0.0695 |
| Colombian Peso | 0.0003 | 0.0003 | 0.0004 | 0.0004 |

On 31 December 2015, the Group had foreign exchange forwards amount to USD 1.884.000 (USD 5.333.000 at 31

December 2014), fixing the exchange rate for EUR, which have an average maturity of 1 months (1 month on 31 December 2014).

w) Assets impairment


Impairment tests are performed at the date of each balance sheet and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable. Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Depreciation and amortisation' in the case of fixed assets and goodwill, under the caption 'Other financial expenses' in the case of financial investments or under the caption 'Provisions and impairment losses', in relation to the other assets. The recoverable amount is the greater of the net selling price and the value in use. Net selling price is the amount obtainable upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value in use is the present value of the estimated future cash flows expected to result from the continued use of the asset and of its sale at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

Evidence of the existence of impairment in accounts receivables appears when:

- The counterparty presents significant financial difficulties;
- There are significant delays in interest payments and in other leading payments from the counterparty;
- It is probable that the debtor goes into liquidation or into a financial restructuring.

For certain categories of financial assets for which it is not possible to determine the impairment for each asset individually, the analysis is made for a group of assets. Evidence of an impairment loss in a portfolio of accounts receivable may include past experience in terms of collections, increasing number of delays in collections, as well as changes in national or local economic conditions that are related with the collections capacity.

For goodwill and financial investments in associated companies, the recoverable amount, calculated in terms of value in use, is determined based on the most recent business plans duly approved by the Group's Board of Directors. For goodwill and financial investments in companies jointly controlled the recoverable amount is determinate taking into account with several information as business plans approved by the Board of Directors and the average ratings of external reviewers (researches).



For Accounts receivables, the Group uses historical and statistical information to estimate the amounts in impairment. For Inventories, the impairment is calculated based on market evidence and several indicators of stock rotation.

x) Medium Term Incentive Plans

The accounting treatment of Medium Term Incentive Plans is based on IFRS 2 – ‘Share-based Payments’.

Under IFRS 2, when the settlement of plans established by the company involves the delivery of Sonaecom’s own shares, the estimated responsibility is recorded, as a credit entry, under the caption ‘Medium Term Incentive Plans Reserve’, within the heading ‘Shareholders’ funds’ and is charged as an expense under the caption ‘Staff expenses’ in the profit and loss statement.

The quantification of this responsibility is based on fair value and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, at any point of time, is calculated based on the proportion of the vesting period that has ‘elapsed’ up to the respective accounting date.

When the responsibilities associated with any plan are covered by a hedging contract, i.e., when those responsibilities are replaced by a fixed amount payable to a third party and when Sonaecom is no longer the party that will deliver the Sonaecom shares, at the settlement date of each plan, the above accounting treatment is subject to the following changes:

- (i) The total gross fixed amount payable to third parties is recorded in the balance sheet as either ‘Other non-current liabilities’ or ‘Other current liabilities’;
- (ii) The part of this responsibility that has not yet been recognised in the profit and loss statement (the ‘unelapsed’ proportion of the cost of each plan) is deferred and is recorded, in the balance sheet as either ‘Other non-current assets’ or ‘Other current assets’;
- (iii) The net effect of the entries in (i) and (ii) above eliminate the original entry to ‘Shareholders’ funds’;
- (iv) In the profit and loss statement, the ‘elapsed’ proportion continues to be charged as an expense under the caption ‘Staff expenses’.

For plans settled in cash, the estimated liability is recorded under the balance sheet captions ‘Other non-current liabilities’ and ‘Other current liabilities’ by a corresponding entry under the profit and loss statement caption ‘Staff expenses’, for the cost relating to the vesting period that has ‘elapsed’ up to the respective accounting date. The liability is quantified based on the fair value of the shares as of each balance sheet date.

When the liability is covered by a hedging contract, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount. One Sonae SGPS share plans covered by a hedging contract.

Equity-settled plans to be liquidated through the delivery of shares of Sonae SGPS are recorded as if they were settled in cash, which means that the estimated liability is recorded under the balance sheet captions ‘Other non-current liabilities’ and ‘Other current liabilities’ by a corresponding entry under the profit and loss statement caption ‘Staff expenses’, for the cost relating to the deferred period elapsed. The liability is quantified based on the fair value of the shares as of each balance sheet date.

For 2011 Sonaecom shares plan, the Company was signed with Sonae-SGPS, S.A., a contract that agrees to the transfer of Sonaecom, SGPS, S.A. shares for employees and board members of the Group as requested by Sonaecom and under the MTIP of Sonaecom and fixed the shares’ acquisition price. This contract ceased during the year of 2014.

For Sonaecom shares plans, the company converted all such plans into shares of Sonae SGPS, during the year ended at 31 December 2014.

The impacts associated to the Medium Term Incentive Plans are registered, in the balance sheet, under the caption ‘Other current liabilities’ and ‘Other non-current liabilities’ (note 27).

On 31 December 2015, the Sonae SGPS shares plans resulting from the conversion and the plan allocated during 2014 and 2015 are not covered by the contract being recorded liability at fair value. The responsibility of all plans is recorded in the captions ‘Other non-current liabilities’ and ‘Other current liabilities’. The cost is recognized on the income statement under the caption ‘Staff expenses’.

y) Subsequent events

Events occurring after the date of the balance sheet which provide additional information about conditions prevailing at the time of the balance sheet (adjusting events) are reflected in the consolidated financial statements. Events occurring after the balance sheet date that provide information on post-balance sheet conditions (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements.

z) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the years ended at 31 December 2015 and 2014 are as follows:

- (i) Useful lives of tangible and intangible assets;
- (ii) Impairment analysis of goodwill and of other tangible and intangible assets; and
- (iii) Recognition of impairment losses on assets (Trade debtors and Inventories) and provisions.

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

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

aa) Financial risk management

Due to its activities, the Group is exposed to a variety of financial risks such as market risk, liquidity risk and credit risk.

These risks arise from the unpredictability of financial markets, which affect the capacity of project cash flows and profits. The Group financial risk management, subject to a long-term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, whenever it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (note 1.n).

The Group is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

Market risk

a) Foreign exchange risk

The Group operates internationally, having subsidiaries that operate in countries with a different currency than Euro namely Brazil, United Kingdom, Poland, United States of America, Mexico, Australia, Egypt, Colombia, Panama, Singapore and Malaysia (branch) and so it is exposed to foreign exchange rate risk.

Foreign exchange risk management seeks to minimise the volatility of investments and transactions made in foreign currencies and contributes to reduce the sensitivity of Group results to changes in foreign exchange rates.

Whenever possible, the Group uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such a procedure is not possible, the Group adopts derivative financial hedging instruments (note 1.n).

The Group's exposure to foreign exchange rate risk, results essentially from the fact that some of its subsidiaries report in a currency different from euro, making the risk of operational activity immaterial.

The amount of assets and liabilities (in Euro) belonging to the Group and recorded in a different currency is as follows:

| | Assets | | Liabilities | |
|--------------------|------------------|------------------|------------------|------------------|
| | 31 December 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 |
| American Dollar | 42,227,726 | 34,275,275 | 24,257,808 | 20,680,010 |
| Australian Dollar | 13,321 | 107,260 | 473,966 | 465,128 |
| Egyptian Pound | 794,885 | 702,303 | - | - |
| Pounds Sterling | 4,828,772 | 4,966,107 | 4,608,585 | 5,413,231 |
| Mexican Peso | 4,987,949 | 6,210,283 | 5,202,705 | 5,802,943 |
| Brazilian Real | 5,394,972 | 5,277,748 | 3,864,476 | 3,832,735 |
| Malaysian Ringgit | 323,125 | 757,351 | 671,483 | 447,262 |
| Polish Zloti | 326 | 155,746 | 6 | 472,026 |
| Swiss Franc | 203,045 | 2,308,337 | - | - |
| Canadian Dollar | 221,970 | 2,902 | - | - |
| South African Rand | - | - | 2,528 | - |
| Pesos Colombianos | 1,599,570 | 35,646 | 434,280 | 269,227 |

The Group's sensitivity to the variations of the exchange rate is as follows (increases/(decreases)):

| | Change in exchange rates | 2015 | | 2014 | |
|--------------------|--------------------------|-----------|---------------------|-----------|---------------------|
| | | Income | Shareholders' funds | Income | Shareholders' funds |
| American Dollar | 5% | 1,009,999 | (111,503) | 749,359 | (69,595) |
| Australian Dollar | 5% | 1,168 | (24,200) | (624) | (17,270) |
| Swiss Franc | 5% | 10,152 | - | 115,417 | - |
| Egyptian Pound | 5% | 39,744 | - | 35,115 | - |
| Pounds Sterling | 5% | 159,887 | (148,877) | 159,578 | (181,934) |
| Mexican Peso | 5% | 54,930 | (65,668) | 61,889 | (41,522) |
| Brazilian Real | 5% | (15,165) | 91,690 | (2,459) | 74,710 |
| Malaysian Ringgit | 5% | (6,313) | (11,105) | 22,120 | (6,616) |
| Polish Zloti | 5% | 16 | - | (14,104) | (1,710) |
| Singapore Dollar | 5% | - | - | - | - |
| Euro | 5% | 1,107,805 | - | (210,088) | - |
| South African Rand | 5% | (126) | - | - | - |
| Canadian Dollar | 5% | 11,098 | - | 145 | - |
| Pesos Colombianos | 5% | 40,282 | 17,983 | 875 | (12,554) |
| | | 2,413,477 | (251,680) | 917,223 | (256,491) |

b) Interest rate risk

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group results or on its Shareholders' funds is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility to use derivative financial instruments that hedge the interest rate risk, as mentioned below; (iii) possible correlation between the level of market interest rates and economic growth having the latter a positive effect in other lines of the Group's



consolidated results (particularly operational), and in this way partially offsetting the increase of financial costs ('natural hedge'); and (iv) the existence of stand alone or consolidated liquidity which is also bearing interest at a variable rate.

The Group only uses derivatives or similar transactions to hedge interest rate risks considered significant. Three main principles are followed in all instruments selected and used to hedge interest rate risk:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates on the loans subject to hedging must equalise the settlement dates defined under the hedging instrument;
- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the facility/transaction which is being hedged;
- As from the start of the transaction, the maximum cost of the debt, resulting from the hedging operation is known and limited, even in scenarios of extreme changes in market interest rates, so that the resulting rates are within the cost of the funds considered in the Group's business plan.

As all Sonaecom's borrowings (note 20) are at variable rates, interest rate are used swaps and other derivatives, when it is deemed necessary, to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Group's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Group uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the balance sheet date.

Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge (in

accordance with the provisions established in IAS 39), are recognised under borrowings captions and changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the year. The fair value of derivatives of cash flow hedge, that are considered effective according to IAS 39, are recognised under borrowing captions and changes in the fair value are recognised in equity.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Group, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed / variable). Under the policy defined above, the Executive Committee is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

On 31 December 2015, are not contracted any derivatives of interest rate hedging.

The analysis of sensibility to interest rate risk is presented in note 20.

Liquidity risk


The existence of liquidity in the Group requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related to that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments within the respective dates of maturity as well as any eventual not forecasted requests for funds, within the deadlines set for this; (ii) Safety, i.e. to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, i.e., to ensure that the Group maximises the value / minimises the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity in the Group should be applied to the alternatives and by the order described below:

- (i) Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;



(ii) Consolidated management of liquidity – the existing liquidity in Group companies, should mainly be applied in Group companies, to reduce the use of bank debt at a consolidated level; and

(iii) Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to ensure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equal the forecasted payments (or the applications should be easily convertible, in the case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The maturity analysis for the loans obtained is presented in note 20.

Credit risk

The Group's exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk associated to financial operations is mitigated by the fact that the Group only negotiates with entities with high credit quality.

The management of this risk seeks to guarantee that the amounts owing are effectively collected within the periods negotiated without affecting the financial health of the Group. The Group uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, as well as credit insurances, which all contribute to the mitigation of credit risk.

The amounts included in the financial statements related to trade debtors and other debtors, net of impairment losses, represent the maximum exposure of the Group to credit risk.

2. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, shareholders and percentage of share capital held at 31 December 2015 and 2014, are as follows:

| Company (Commercial brand) | Head office | Main activity | Shareholder | Percentage of share capital held | | | |
|--|-------------|--|-----------------------------------|----------------------------------|------------|--------|------------|
| | | | | 2015 | | 2014 | |
| | | | | Direct | Effective* | Direct | Effective* |
| Parent company | | | | | | | |
| SONAECON, S.G.P.S., S.A. ('Sonaecom') | Maia | Management of shareholdings. | - | - | - | - | - |
| Subsidiaries | | | | | | | |
| Cape Technologies Limited ('Cape Technologies') | Dublin | Rendering of consultancy services in the area of information systems. | We Do | 100% | 100% | 100% | 100% |
| Digitmarket - Sistemas de Informação, S.A. ('Digitmarket' - using the brand 'Bizdirect') | Maia | Development of management platforms and commercialisation of products, services and information, with the internet as its main support. | Sonae IM | 75.10% | 75.10% | 75.10% | 75.10% |
| Ittrust - Cyber Security Intelligence, S.A. ('Ittrust') (a) | Maia | Commercialization of products and management services, implementation and consulting in information systems and technologies areas. | Sonaecom CSI | 100% | 100% | 100% | 100% |
| Lookwise, S.L.U. ('Lookwise') (b)(h) | Navarra | Development, promotion and commercial exploitation of information systems with solutions in safety and regulatory compliance, including assignment or transfer to third parties. Research, development and innovation, as well as consulting, maintenance and audit for products, systems, facilities and communication and security services. | S21 Sec Gestion | Merged into S21 Sec Gestion | | 100% | 60% |
| PCJ - Público, Comunicação e Jornalismo, S.A. (PCJ) | Maia | Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios. | Sonaecom | 100% | 100% | 100% | 100% |
| Praesidium Services Limited ('Praesidium Services') | Berkshire | Rendering of consultancy services in the area of information systems. | Sonae IM | 100% | 100% | 100% | 100% |
| Público - Comunicação Social, S.A. ('Público') | Oporto | Editing, composition and publication of periodical and non-periodical material. | Sonaecom | 100% | 100% | 100% | 100% |
| S21 Sec Barcelona, S.L. ('S21 Sec Barcelona') (b) and (e) | Barcelona | Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems. Purchase and installation of advanced communications and security systems produced by others. | S21 Sec Gestion | Settled | | 100% | 60% |
| S21 Sec Brasil, Ltda ('S21 Sec Brasil') (b) | São Paulo | Consulting in information technology. Development and licensing of customizable computer programs. Development of custom computer programs. Technical support, maintenance and other services in information technology. | S21 Sec Gestion | 99.99% | 77.80% | 99.99% | 60% |
| S21 Sec Ciber seguridad (b) and (f) | Mexico City | Computer consulting services | S21 Sec Gestion S21 Sec México | 50% | 77.80% | 50% | 30% |
| S21 Sec Fraud Risk Management, S.L. ('S21 Sec FRM') (b)(h) | Navarra | Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems. Purchase and installation of advanced communications and security systems produced by others. | S21 Sec Gestion | Merged into S21 Sec Gestion | | 100% | 60% |
| S21 Sec Gestion, S.A. ('S21 Sec Gestion') (b) | Navarra | Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems. Purchase and installation of advanced communications and security systems produced by others. | Sonaecom CSI | 77.80% | 77.80% | 60% | 60% |
| S21 Sec Inc. ('S21 Sec Inc.') (b)(g) | Texas | Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems. Purchase and installation of advanced communications and security systems produced by others. | S21 Sec Gestion | Settled | | 100% | 60% |
| S21 Sec Information Security Labs, S.L. ('S21 Sec Labs') (b) | Navarra | Research, development and innovation, as well as consulting, maintenance and audit for products, systems, facilities and communication and security services. | S21 Sec Gestion | 100% | 77.80% | 100% | 60% |

| Company (Commercial brand) | Head office | Main activity | Shareholder | Percentage of share capital held | | | |
|---|----------------|---|-------------------|----------------------------------|------------|---------|------------|
| | | | | 2015 | | 2014 | |
| | | | | Direct | Effective* | Direct | Effective* |
| S21 Sec Institute, S.L. ('S21 Sec Institute') (b)(h) | Gipuzcoa | Education, formation, awareness, counseling, technical assistance, certification, research, innovation and development, in all types of methodologies, career plans, safety culture, products and services of digital security and cyber security, facilities, services and systems of advanced communication environments and digital security. | S21 Sec Gestion | Merged into S21 Sec Gestion | | 100% | 60% |
| S21 Sec México, S.A. de CV ('S21 Sec México') (b) | Mexico City | Computer consulting services | S21 Sec Gestion | 99.87% | 77.80% | 99.87% | 60% |
| S21 Sec, S.A. de CV ('S21 Sec, S.A. de CV') (b) | Mexico City | Computer consulting services | S21 Sec Gestion | 99.99% | 77.80% | 99.99% | 60% |
| Saphety Level - Trusted Services, S.A. ('Saphety') | Maia | Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; trade, development and representation of software. | Sonae IM | 86.995% | 86.995% | 86.995% | 86.995% |
| Saphety Brasil Transações Eletrônicas Ltda. ('Saphety Brasil') | São Paulo | Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; electronic identification, storage and availability of databases and electronic payments; trade, development and representation of software related with these services. | Saphety | 99.8% | 86.821% | 99.8% | 86.821% |
| Saphety - Transacciones Electronicas SAS ('Saphety Colombia') | Bogotá | Rendering services, training, consultancy services in the area of communication, process and electronic certification of data; electronic identification, storage and availability of databases and electronic payments; trade, development and representation of software related with these services. | Saphety | 100% | 86.995% | 100% | 86.995% |
| Servicios de Inteligencia Estratégica Global, S.L. ('SIEG') (b)(h) | Navarra | Provision of advice services, guidance, consulting, team building and training in areas of research, testing, processing and delivering relevant information for strategic and operational management of companies, governments, organizations and institutions. Support services and support to business and defense of companies and organizations internationally. Research, development, innovation and marketing methodologies, software, hardware and technologies in general, within the scope of research, analysis and automatic and intelligent processing of information, including sensitivity analysis and indicators prospectively. | S21 Sec Gestion | Merged into S21 Sec Gestion | | 100% | 60% |
| Sonaecom - Cyber Security and Intelligence, SGPS, S.A. ('Sonaecom CSI') (c) | Maia | Management of shareholdings. | Sonae IM | 100% | 100% | 100% | 100% |
| Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP') | Maia | Support, management consulting and administration, particularly in the areas of accounting, taxation, administrative procedures, logistics, human resources and training. | Sonaecom | 100% | 100% | 100% | 100% |
| Sonae Investment Management - Software and Technology, SGPS, S.A. ('SonaeIM') (i) | Maia | Management of shareholdings in the area of corporate ventures and joint ventures. | Sonaecom | 100% | 100% | 100% | 100% |
| Sonaecom - Sistemas de Información Española, S.L. ('SSI Española') | Madrid | Rendering of consultancy services in the area of information systems. | Sonae IM | 100% | 100% | 100% | 100% |
| Sonaecom BV | Amsterdam | Management of shareholdings. | Sonaecom | 100% | 100% | 100% | 100% |
| Sonaetelecom BV | Amsterdam | Management of shareholdings. | Sonaecom | 100% | 100% | 100% | 100% |
| Tecnológica Telecomunicações, LTDA. ('Tecnológica') | Rio de Janeiro | Rendering of consultancy and technical assistance in the area of IT systems and telecommunications. | We Do Brasil | 99.99% | 99.90% | 99.99% | 99.90% |
| We Do Consulting - Sistemas de Informação, S.A. ('We Do') | Maia | Rendering of consultancy services in the area of information systems. | Sonae IM | 100% | 100% | 100% | 100% |
| Wedo do Brasil Soluções Informáticas, Ltda. ('We Do Brasil') | Rio de Janeiro | Commercialisation of software and hardware; rendering of consultancy and technical assistance related to information technology and data processing. | We Do | 99.91% | 99.91% | 99.91% | 99.91% |
| We Do Poland Sp. Z o.o. ('We Do Poland') (d) | Poznan | Rendering of consultancy services in the area of information systems. | Cape Technologies | 100% | 100% | 100% | 100% |
| We Do Technologies Americas, Inc ('We Do USA') | Delaware | Rendering of consultancy services in the area of information systems. | Cape Technologies | 100% | 100% | 100% | 100% |



| Company (Commercial brand) | Head office | Main activity | Shareholder | Percentage of share capital held | | | |
|--|--------------|---|--|----------------------------------|------------|-------------------|------------|
| | | | | 2015 | | 2014 | |
| | | | | Direct | Effective* | Direct | Effective* |
| We Do Technologies Australia PTY Limited ('We Do Asia') | Sydney | Rendering of consultancy services in the area of information systems. | Cape Technologies | 100% | 100% | 100% | 100% |
| We Do Technologies BV ('We Do BV') | Amsterdam | Management of shareholdings. | We Do | 100% | 100% | 100% | 100% |
| We Do Technologies BV - Malaysian Branch ('We Do Malasia') | Kuala Lumpur | Rendering of consultancy services in the area of information systems. | We Do BV | 100% | 100% | 100% | 100% |
| We Do Technologies Egypt LLC ('We Do Egypt') | Cairo | Rendering of consultancy services in the area of information systems. | We Do BV Sonaecom BV Sonaetelecom BV | 90% 5% 5% | 100% | 90% 5% 5% | 100% |
| We Do Technologies (UK) Limited ('We Do UK') | Berkshire | Rendering of consultancy services in the area of information systems. | We Do | 100% | 100% | 100% | 100% |
| We Do Technologies Mexico, S de RL. ('We Do Mexico') | Mexico City | Rendering of consultancy services in the area of information systems. | Sonaecom BV We Do BV | 0.001% 99.999% | 100% | 0.001% 99.999% | 100% |

* Sonaecom effective participation

(a) Company established in July 2014

(b) Company acquired in July 2014. In 2015 Sonaecom Cyber Security and Intelligence purchased additional 17.65% of the capital of the Group S21SEC Gestion, S.A.

(c) Company established in May 2014

(d) Company began its liquidation process at 1 January 2015

(e) Company settled in September 2015

(f) On July 2015 Grupo S21 SEC Gestion acquired the remaining 50% of share capital stake on S21 Sec Ciberseguridad SA de CV. Given this change in percentage of share capital held, S21 Sec Ciberseguridad SA de CV became included in the consolidation through full consolidation method.

(g) Company settled in November 2015

(h) In November 2015 Lookwise, S21 Sec FRM, S21 Sec Institute and SIEG were merged by absorption into S21 Sec Gestion. This operation had retroactive effect at January, 1 2015.

(i) In December 2015 Sonae com - Sistemas de Informação, S.G.P.S., S.A. change its name for Sonae Investment Management - Software and Technology, SGPS, S.A.

All the above companies were included in the consolidation in accordance with the full consolidation method under the terms of IAS 27 - 'Consolidated and Separate Financial Statements' (majority of voting rights, through the ownership of shares in the companies).

3. Changes in the Group

During the years ended at 31 December 2015 and 2014, the following changes occurred in the composition of the Group:

a) Acquisitions

At the years ended at 31 December 2015 the company S21SEC Gestion purchased 50% of the company S21 SEC Ciberseguridad SA de CV, company already owned at 50% by S21 SEC México, by an amount of EUR 1,480. Given that, Sonaecom SGPS became the owner of 77.80% of the company (effective participation), and now is included in the consolidation by full consolidation method (Note 7).

At the year ended at 31 December 2015, the company Sonaecom Cyber Security and Intelligence acquired, in two separated operations, more 17.80% of the capital of the Group S21sec Gestion, SA for the amount of 2 euros (1 euro in each operation).

At 31 December 2014 the detail of the acquisitions is as follows:

| Purchaser | Subsidiary | Date | % Direct Participation | % Effective Participation |
|--------------|-------------------------|--------|------------------------|---------------------------|
| 2014 | | | | |
| Sonaecom CSI | Lookwise | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec Barcelona | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec Brasil | Jul-14 | 99.99% | 59.99% |
| Sonaecom CSI | S21 Sec FRM | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec Gestion | Jul-14 | 60% | 60% |
| Sonaecom CSI | S21 Sec Inc. | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec Labs | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec Institute | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec México | Jul-14 | 99.87% | 60% |
| Sonaecom CSI | S21 Sec, S.A. de CV | Jul-14 | 99.99% | 60% |
| Sonaecom CSI | SIEG | Jul-14 | 100% | 60% |
| Sonaecom CSI | S21 Sec Ciber seguridad | Jul-14 | 50% | 30% |
| Sonaecom CSI | Big Data | Jul-14 | 50% | 30% |

The balance sheet of these companies ('S21 Group') acquired in 31 July 2014 incorporated in the Group consolidations statements could be detailed as follows:

| (Amounts expressed in Euro) | Notes | Values before acquisition | Adjustments to fair value | Fair value |
|--|-------|---------------------------|---------------------------|------------|
| Acquired assets | | | | |
| Tangible assets | 5 | 296,360 | - | 296,360 |
| Intangible assets | 6 | 8,415,602 | - | 8,415,602 |
| Other non current assets | | 373,756 | - | 373,756 |
| Deferred tax assets | 11 | 1,044,217 | - | 1,044,217 |
| Trade debtors | | 2,276,529 | - | 2,276,529 |
| Other current debtors | | 1,983,746 | - | 1,983,746 |
| Other current assets | | 746,850 | - | 746,850 |
| Cash and cash equivalents | | 2,828,615 | - | 2,828,615 |
| | | 17,965,675 | - | 17,965,675 |
| Acquired liabilities | | | | |
| Medium and long-term loans – net of short-term portion | | 10,550,712 | - | 10,550,712 |
| Provisions for other liabilities and charges | 22 | - | 273,266 | 273,266 |
| Other non-current liabilities | | 41,901 | - | 41,901 |
| Short-term loans and other loans | | 2,416,104 | - | 2,416,104 |
| Trade creditors | | 1,679,816 | - | 1,679,816 |
| Other creditors | | 2,686,420 | - | 2,686,420 |
| Other current liabilities | | 242,455 | - | 242,455 |
| | | 17,617,408 | 273,266 | 17,890,674 |
| Net assets and liabilities | | 348,267 | (273,266) | 75,001 |
| Acquisition price | | | | 75,001 |
| Goodwill / (Badwill) | | | | - |

Following this acquisition, is being performed a preliminary assessment of the fair value of assets acquired and assumed liabilities through this operation, having been registered Provisions for other liabilities and charges to cover several contingencies.

Several scenarios were included in the various reviews and sensitivity analysis performed, on which did not result significant variations in the allocation of the fair value of assets and liabilities. For the remaining assets and liabilities no significant differences were identified between the fair value and the respective book value.

The allocation of the acquisition price is still subject to changes until the conclusion of a period of one year from the date of acquisition, in accordance with IFRS 3 - Business Combinations. However, the Group does not expect material changes as a result of the allocation changes made.

The contribution of the S21 Group, to the net income attributed to shareholders of Sonaecom, for the year ended at 31 December 2015, was negative set at the amount of Euro 2.67 million.

The detail of this contribution is as follows:

| (Amounts expressed in Euro) | Contribution at 31 December 2015 |
|---|----------------------------------|
| Total Revenues | 11,976,142 |
| Costs and losses | |
| Cost of sales | (663,337) |
| External supplies and services | (3,747,291) |
| Staff expenses | (8,058,871) |
| Depreciations and amortisations | (2,951,297) |
| Provisions and impairment losses | (65,100) |
| Other operating costs | (34,448) |
| | (3,544,202) |
| Financial Results | (631,988) |
| Income Tax | (102) |
| Net income for the year before non-controlling interests | (4,176,292) |
| Net income attributed to non-controlling interests | (1,509,014) |
| Net income attributed to shareholders of parent company | (2,667,278) |

The contribution of the S21 Group in the consolidated balance sheet of Sonaecom on 31 December 2015 is as follows:

| (Amounts expressed in Euro) | | Contribution at 31 December 2015 |
|--|--|----------------------------------|
| Assets | | |
| Tangible Assets | | 211,656 |
| Intangible Assets | | 5,560,323 |
| Deferred tax assets | | 924,079 |
| Trade debtors | | 4,285,961 |
| Other current debtors | | 892,275 |
| Cash and cash equivalents | | 180,381 |
| Other assets | | 1,850,228 |
| Total assets | | 13,904,903 |
| Liabilities | | |
| Medium and long-term loans – net of short-term portion | | 8,110,164 |
| Other non-current Liabilities | | 421,247 |
| Short-term loans and other loans | | 2,169,307 |
| Trade creditors | | 1,116,890 |
| Other creditors | | 901,635 |
| Current liabilities | | 2,195,018 |
| Total liabilities | | 14,914,261 |
| Net assets | | (1,009,358) |

b) Constitutions

| Shareholder | Subsidiary | Date | Share capital | Current % shareholding |
|--------------|--------------|--------|---------------|------------------------|
| 2014 | | | | |
| Sonae IM* | Sonaecom CSI | May-14 | 50,000 EUR | 100% |
| Sonaecom CSI | Ittrust | Jul-14 | 50,000 EUR | 100% |

*This company changed its name from Sonaecom Sistemas de Informação, SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

c) Dissolutions

| Shareholder | Subsidiary | Date | Share capital |
|-----------------|-------------------|--------|---------------|
| 2015 | | | |
| S21 Sec Gestion | S21 Sec Barcelona | Sep-15 | 78% |
| S21 Sec Gestion | S21 Sec Inc | Nov-15 | 78% |

| Shareholder | Subsidiary | Date | Share capital |
|-------------|------------------|--------|---------------|
| 2014 | | | |
| Miauger | Lugares Virtuais | Feb-14 | 100% |
| Sonaecom | Miauger | May-14 | 100% |
| We Do BV | We Do Panamá | Dec-14 | 100% |
| We Do BV | We Do Singapura | Dec-14 | 100% |

d) Sales

| Shareholder | Subsidiary | Date | % shareholding |
|-------------|------------|--------|----------------|
| 2014 | | | |
| Sonae IM* | Mainroad | Sep-14 | 100% |

*This company changed its name from Sonaecom Sistemas de Informação, SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

In September 2014, Mainroad was sold for the company jointly controlled NOS Communications SA for Euro 14 million, amount based on independent evaluations. The purchase and sale agreement contemplates the possibility of future adjustments to the base price, arising from trends in future revenues. As a result of the sale value and the derecognition of Mainroad, was generated, in the consolidated accounts of Sonaecom, a gain of Euro 12.6 million, as follows:

| (Amounts expressed in Euro) | Notes | 30 September 2014 |
|---|-------|-------------------|
| Assets | | |
| Non-current assets | | |
| Tangible assets | 5 | (2,437,500) |
| Intangible assets | 6 | (169,646) |
| Deferred tax assets | 11 | (169,548) |
| Total non-current assets | | (2,776,694) |
| Current assets | | |
| Trade debtors | | (2,971,079) |
| Other current debtors | | (122,457) |
| Other current assets | | (545,243) |
| Cash and cash equivalents | | (645,074) |
| Total current assets | | (4,283,853) |
| Liabilities | | |
| Non-current liabilities | | |
| Other non-current financial liabilities | | 37,441 |
| Provisions for other liabilities and charges | 22 | 315,990 |
| Other non-current liabilities | | 218,089 |
| Total non-current liabilities | | 571,520 |
| Current liabilities | | |
| Trade creditors | | 2,121,435 |
| Other current financial liabilities | | 19,206 |
| Other creditors | | 666,821 |
| Other current liabilities | | 2,296,831 |
| Total current liabilities | | 5,104,293 |
| Total assets and liabilities derecognized | | (1,384,734) |
| Compensation received | | 14,000,000 |
| Gain/(Loss) resulting from the disposal (note 37) | | 12,615,266 |

e) Mergers

During the year ended at 31 December 2015 becomes effective a merger by absorption process, between the acquiring company S21 Sec Gestion, S.A. and de acquired companies Lookwise, S.L.U., S21 Sec Fraud Risk Management, S.L., S21 Sec Institute, S.L. and Servicios de Inteligencia Estratégica Global, S.L. The acquiring company incorporates, with the accounting effects from 1 January 2015, all the operational activity of these acquired companies to the book value. This merger has no impact on level Sonaecom's consolidated accounts for the year ended at 31 December 2015.

4. Breakdown of financial instruments

At 31 December 2015 and 2014, the breakdown of financial instruments was as follows:

| | | | | | | | 2015 |
|--|-----------------------|--------------------------------|---|------------------------|-------------|------------------------------|-----------------|
| | Loans and receivables | Investments available for sale | Financial assets at fair value through profit or loss | Other financial assets | Subtotal | Others not covered by IFRS 7 | Total |
| Non-current assets | | | | | | | |
| Financial assets at fair value through profit or loss (note 9) | - | - | 144,477 | - | 144,477 | - | 144,477 |
| Investments available for sale (note 10) | - | 90,779 | - | - | 90,779 | - | 90,779 |
| Other non-current assets | 283,400 | - | - | - | 283,400 | - | 283,400 |
| | 283,400 | 90,779 | 144,477 | - | 518,656 | - | 518,656 |
| Current assets | | | | | | | |
| Financial assets at fair value through profit or loss (note 9) | - | - | 79,796,807 | - | 79,796,807 | - | 79,796,807 |
| Trade debtors (note 13) | 40,114,875 | - | - | - | 40,114,875 | - | 40,114,875 |
| Other current debtors (note 14) | 3,614,320 | - | - | - | 3,614,320 | 3,635,620 | 7,249,940 |
| Other current assets (note 15) | - | - | - | 8,407,325 | 8,407,325 | 1,950,630 | 10,357,955 |
| Cash and cash equivalents (note 16) | 181,120,060 | - | - | - | 181,120,060 | - | 181,120,060 |
| | 224,849,255 | - | 79,796,807 | 8,407,325 | 313,053,387 | 5,586,250 | 318,639,637 |
| | Loans and receivables | Investments available for sale | Financial assets at fair value through profit or loss | Other financial assets | Subtotal | Others not covered by IFRS 7 | 2014 (restated) |
| Non-current assets | | | | | | | |
| Financial assets at fair value through profit or loss (note 9) | - | - | 1,424,996 | - | 1,424,996 | - | 1,424,996 |
| Investments available for sale (note 10) | - | 113,054 | - | - | 113,054 | - | 113,054 |
| Other non-current assets | 507,518 | - | - | - | 507,518 | - | 507,518 |
| | 507,518 | 113,054 | 1,424,996 | - | 2,045,568 | 4,993,935 | 7,039,503 |
| Current assets | | | | | | | |
| Financial assets at fair value through profit or loss (note 9) | - | - | 58,540,576 | - | 58,540,576 | - | 58,540,576 |
| Trade debtors (note 13) | 40,000,771 | - | - | - | 40,000,771 | - | 40,000,771 |
| Other current debtors (note 14) | 2,553,869 | - | - | - | 2,553,869 | 6,842,973 | 9,396,842 |
| Other current assets (note 15) | - | - | - | 9,830,558 | 9,830,558 | 2,081,667 | 11,912,225 |
| Cash and cash equivalents (note 16) | 182,010,595 | - | - | - | 182,010,595 | - | 182,010,595 |
| | 224,565,235 | - | 58,540,576 | 9,830,558 | 292,936,369 | 9,343,928 | 301,861,009 |



| | | | | | 2015 |
|--|--|-----------------------------|------------|------------------------------|------------|
| | Liabilities recorded at amortised cost | Other financial liabilities | Subtotal | Others not covered by IFRS 7 | Total |
| Non-current liabilities | | | | | |
| Medium and long-term loans net of short-term portion (note 20) | 8,565,175 | - | 8,565,175 | | 8,565,175 |
| Other non-current financial liabilities (note 21) | - | 798,762 | 798,762 | | 798,762 |
| Other non-current liabilities (note 23) | - | 44,757 | 44,757 | 1,384,978 | 1,429,735 |
| | 8,565,175 | 843,519 | 9,408,694 | 1,384,978 | 10,793,672 |
| Current liabilities | | | | | |
| Short-term loans and other loans (note 20) | 2,169,314 | - | 2,169,314 | - | 2,169,314 |
| Trade creditors (note 24) | - | 18,992,038 | 18,992,038 | - | 18,992,038 |
| Other current financial liabilities (note 25) | - | 520,461 | 520,461 | - | 520,461 |
| Other creditors (note 26) | - | 113,373 | 113,373 | 4,478,700 | 4,592,073 |
| Other current liabilities (note 27) | - | 17,257,658 | 17,257,658 | 8,834,522 | 26,092,180 |
| | 2,169,314 | 36,883,530 | 39,052,844 | 13,313,222 | 52,366,066 |
| | | | | | 2014 |
| | Liabilities recorded at amortised cost | Other financial liabilities | Subtotal | Others not covered by IFRS 7 | Total |
| Non-current liabilities | | | | | |
| Medium and long-term loans net of short-term portion (note 20) | 9,058,985 | - | 9,058,985 | - | 9,058,985 |
| Other non-current financial liabilities (note 21) | - | 480,274 | 480,274 | - | 480,274 |
| Other non-current liabilities (note 23) | - | 203,812 | 203,812 | 871,397 | 1,075,209 |
| | 9,058,985 | 684,086 | 9,743,071 | 871,397 | 10,614,468 |
| Current liabilities | | | | | |
| Short-term loans and other loans (note 20) | 1,980,451 | - | 1,980,451 | - | 1,980,451 |
| Trade creditors (note 24) | - | 21,565,689 | 21,565,689 | - | 21,565,689 |
| Other current financial liabilities (note 25) | - | 285,904 | 285,904 | - | 285,904 |
| Other creditors (note 26) | - | 1,238,426 | 1,238,426 | 5,408,938 | 6,647,364 |
| Other current liabilities (note 27) | - | 18,877,053 | 18,877,053 | 9,409,709 | 28,286,762 |
| | 1,980,451 | 41,967,072 | 43,947,523 | 14,818,647 | 58,766,170 |

Considering the nature of the balances, the amounts to be paid and received to/from 'State and other public entities' as well as specialized costs related to the share based plans were considered outside the scope of IFRS 7. On the other hand, the deferred costs/profits recorded in the captions 'Other current assets', 'Other non-current assets', 'Other current liabilities' and 'Other non-current liabilities' were considered non-financial instruments.

Under the "Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social (Decreto-Lei 248-A de 2002 e Decreto-Lei nº 151-A/2013)", Sonaecom made, voluntarily, tax payments in the amount of circa Euro 5.4 million, having been eliminated the guarantees and keeping the initiated judicial oppositions associated. The maximum contingency amount was reduced through the elimination of fines and accrued interest to date of payment. As provided in the support of the diplomas of those programs, Sonaecom keeps the aimed judicial proceedings what will be given reason to Sonaecom under the particular situations, having been recognized as an asset the amount paid under those plans, according to the adopted policy by Sonaecom. However, CMVM disagrees with the interpretation and has requested to Sonae the retrospective correction of the financial statements of all payments that are not related to the liquidation of the IRC under the argumentation that must be considered as contingent assets. Although Sonae and Sonaecom do not agree with the CMVM's opinion, both companies did the restated of the financial statements in conformity (note 1).

The Board of Directors believes that, the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.

5. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the years ended at 31 December 2015 and 2014 was as follows:

| | | | | | | | 2015 |
|---|---|---------------------|----------|-----------------------|-----------------------|------------------|------------|
| | Land, Buildings and other constructions | Plant and machinery | Vehicles | Fixtures and fittings | Other tangible assets | Work in progress | Total |
| Gross assets | | | | | | | |
| Balance at 31 December 2014 | 3,528,324 | 10,256,267 | 72,116 | 8,375,847 | 424,270 | 29,848 | 22,686,672 |
| Additions | 500 | 442 | - | 748,250 | 3,700 | 332,897 | 1,085,789 |
| Disposals | - | - | - | (172,537) | - | - | (172,537) |
| Transfers and write-offs | (109,914) | (500,698) | - | 51,285 | (5,423) | (344,527) | (909,277) |
| Balance at 31 December 2015 | 3,418,910 | 9,756,011 | 72,116 | 9,002,845 | 422,547 | 18,218 | 22,690,647 |
| Accumulated depreciation and impairment losses | | | | | | | |
| Balance at 31 December 2014 | 2,116,298 | 9,969,925 | 31,159 | 7,552,193 | 320,668 | - | 19,990,243 |
| Depreciation for the exercise | 212,773 | 106,771 | 13,147 | 487,307 | 26,267 | - | 846,265 |
| Disposals | - | - | - | (171,708) | - | - | (171,708) |
| Transfers and write-offs | (154,994) | (569,509) | - | (82,552) | (4,877) | - | (811,932) |
| Balance at 31 December 2015 | 2,174,077 | 9,507,187 | 44,306 | 7,785,240 | 342,058 | - | 19,852,868 |
| Net value | 1,244,833 | 248,824 | 27,810 | 1,217,605 | 80,489 | 18,218 | 2,837,779 |

| | | | | | | | 2014 |
|---|---|---------------------|----------|-----------------------|-----------------------|------------------|-------------|
| | Land, Buildings and other constructions | Plant and machinery | Vehicles | Fixtures and fittings | Other tangible assets | Work in progress | Total |
| Gross assets | | | | | | | |
| Balance at 31 December 2013 | 7,444,000 | 11,448,857 | 36,094 | 7,013,597 | 251,073 | 1,302,572 | 27,496,193 |
| New companies (Note 3. a)) | 928,630 | 631,866 | 39,669 | 2,467,953 | 127,207 | - | 4,195,325 |
| Additions | 58,445 | 97,795 | - | 191,433 | - | 458,631 | 806,304 |
| Disposals | (66) | - | (3,791) | (23,281) | - | - | (27,138) |
| Transfers and write-offs | 805,493 | (212,180) | 144 | 492,885 | 46,759 | (1,643,623) | (510,522) |
| Discontinued operations (Note 3. d)) | (5,708,178) | (1,710,071) | - | (1,766,740) | (769) | (87,732) | (9,273,490) |
| Balance at 31 December 2014 | 3,528,324 | 10,256,267 | 72,116 | 8,375,847 | 424,270 | 29,848 | 22,686,672 |
| Accumulated depreciation and impairment losses | | | | | | | |
| Balance at 31 December 2013 | 4,614,466 | 11,042,578 | 12,625 | 6,061,365 | 235,061 | - | 21,966,095 |
| New companies (Note 3. a)) | 815,248 | 600,391 | 9,654 | 2,404,872 | 68,800 | - | 3,898,965 |
| Depreciation for the exercise | 590,913 | 148,536 | 9,285 | 520,646 | 24,265 | - | 1,293,645 |
| Disposals | (8) | - | (421) | (76,505) | - | - | (76,934) |
| Transfers and write-offs | (12,403) | (321,577) | 16 | 85,115 | (6,689) | - | (255,538) |
| Discontinued operations (Note 3. d)) | (3,891,918) | (1,500,003) | - | (1,443,300) | (769) | - | (6,835,990) |
| Balance at 31 December 2014 | 2,116,298 | 9,969,925 | 31,159 | 7,552,193 | 320,668 | - | 19,990,243 |
| Net value | 1,412,026 | 286,342 | 40,957 | 823,654 | 103,602 | 29,848 | 2,696,429 |

Depreciation and amortization for the year ended at 31 December 2015 and 2014 can be detailed as follows:

| | | 2015 | | 2014 |
|----------------------------|----------------------|------------|----------------------|-----------------------------------|
| | Continued operations | Total | Continued operations | Discontinued operations (note 37) |
| Tangible assets | 846,265 | 846,265 | 826,046 | 467,599 |
| Intangible assets (note 6) | 7,453,053 | 7,453,053 | 6,316,341 | 48,586 |
| Goodwill | 2,500,000 | 2,500,000 | - | - |
| | 10,799,318 | 10,799,318 | 7,142,387 | 516,185 |
| | | | | 7,658,572 |

The acquisition cost of 'Tangible assets' and 'Intangible assets' held by the Group under finance lease contracts, amounted to Euro 2,219,551 and Euro 1,837,373 as of 31 December 2015 and 2014, and their net book value as of those dates amounted to Euro 1,284,393 and Euro 794,358 respectively.

At 31 December 2015 and 2014, the heading 'Tangible assets' does not include any asset pledged or given as a guarantee for loans obtained, except for the assets acquired under financial lease contracts.

'Tangible assets in progress' at 31 December 2015 and 2014 were made up as follows:

| | 2015 | 2014 |
|------------------------------------|--------|--------|
| Information systems / IT equipment | 14,467 | 23,998 |
| Other projects in progress | 3,751 | 5,850 |
| | 18,218 | 29,848 |

During the year ended at 31 December 2015 and 2014, there are no commitments to third parties relating to investments to be made.

6. Intangible assets

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

| | | | | 2015 |
|---|-------------------------------------|------------|-------------------------------|------------|
| | Brands and patents and other rights | Software | Intangible assets in progress | Total |
| Gross assets | | | | |
| Balance at 31 December 2014 | 11,000,702 | 63,292,120 | 5,418,866 | 79,711,688 |
| Additions | 13,956 | 1,780,413 | 5,690,730 | 7,485,099 |
| Transfers and write-offs | 615,564 | 4,408,289 | (4,354,413) | 669,440 |
| Balance at 31 December 2015 | 11,630,222 | 69,480,822 | 6,755,183 | 87,866,227 |
| Accumulated amortisation and impairment losses | | | | |
| Balance at 31 December 2014 | 10,344,118 | 43,785,634 | - | 54,129,752 |
| Amortisation for the exercise | 381,720 | 7,071,333 | - | 7,453,053 |
| Transfers and write-offs | 71,827 | 162,992 | - | 234,819 |
| Balance at 31 December 2015 | 10,797,665 | 51,019,958 | - | 61,817,623 |
| Net value | 832,557 | 18,460,864 | 6,755,183 | 26,048,604 |



| | | | | 2014 |
|---|---|-------------|----------------------------------|-------------|
| | Brands and patents and other rights | Software | Intangible assets in progress | Total |
| Gross assets | | | | |
| Balance at 31 December 2013 | 10,348,140 | 30,539,349 | 4,561,408 | 45,448,897 |
| New companies (Nota 3. a)) | - | 28,405,721 | - | 28,405,721 |
| Additions | 10,020 | 1,054,534 | 4,988,352 | 6,052,906 |
| Transfers and write-offs | 667,872 | 4,930,876 | (4,130,894) | 1,467,854 |
| Discontinued operations (Note 3.d)) | (25,330) | (1,638,360) | - | (1,663,690) |
| Balance at 31 December 2014 | 11,000,702 | 63,292,120 | 5,418,866 | 79,711,688 |
| Accumulated amortisation and impairment losses | | | | |
| Balance at 31 December 2013 | 7,141,359 | 21,660,278 | - | 28,801,637 |
| New companies (Nota 3. a)) | - | 19,990,119 | - | 19,990,119 |
| Amortisation for the exercise | 2,705,465 | 3,659,462 | - | 6,364,927 |
| Transfers and write-offs | 522,106 | (54,993) | - | 467,113 |
| Discontinued operations (Note 3.d)) | (24,812) | (1,469,232) | - | (1,494,044) |
| Balance at 31 December 2014 | 10,344,118 | 43,785,634 | - | 54,129,752 |
| Net value | 656,584 | 19,506,486 | 5,418,866 | 25,581,936 |

At 31 December 2015, the additions related with intangible assets in progress include about Euro 5.8 million of capitalizations of personnel costs related to own work (about Euro 4.9 million on 31 December 2014), mainly related to IT software, RAID, NetClarus and Lookwise development projects.

The assessment of impairment for the main tangible and intangible assets, in the various segments, is carried out as described in note 7 ('Goodwill'), to the extent that such assets are closely related to the overall activity of the segment and consequently cannot be analysed separately.

7. Goodwill

For the years ended at 31 December 2015 and 2014, the movements occurred in Goodwill were as follows:

| | 2015 | 2014 |
|-----------------------------|-------------|------------|
| Opening balance | 28,719,066 | 28,434,416 |
| Other movements of the year | 674,244 | 284,650 |
| Impairment losses (note 5) | (2,500,000) | - |
| Closing balance | 26,893,310 | 28,719,066 |

For the years ended at 31 December 2015 and 2014, the caption 'Other movements of the year' includes the effect of the exchange rate update of the Goodwill.

Additionally, at the year ended at 31 December 2015 the caption 'Other movements of the year' includes also the calculation of the Goodwill resulting from the purchase of 50% of the S21 SEC Ciberseguridad SA de CV share capital in the amount of 369,402 (note 3), that can be detailed as follows:

| (Amounts expressed in thousand Euro) | Fair value |
|--|------------|
| Acquired assets | |
| Tangible assets | 5,852 |
| Accounts receivable and other assets | 187,451 |
| Cash and cash equivalents | 62,419 |
| | 255,722 |
| Acquired liabilities | |
| Accounts payable and other liabilities | 857,147 |
| | 857,147 |
| Net assets and liabilities | (601,425) |
| Acquisition price | 1,480 |
| | (602,905) |
| Equity method recorded at the acquisition date | 233,503 |
| Goodwill | (369,402) |

The purchase price allocation may still be subject to change until the conclusion of the period of one year from the date of the check, as permitted by IFRS 3 - Business Combinations.

Thus, at 31 December 2015 and 2014, Goodwill was made up as follows:

| | Information Systems | Multimedia |
|----------|---------------------|------------|
| 2015 | | |
| Goodwill | 23,363,310 | 3,530,000 |
| 2014 | | |
| Goodwill | 22,689,066 | 6,030,000 |

The evaluation of the existence 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 unless there is evidence of impairment and prepared according to cash flow projections for periods of five years. In the area of information systems, the assumptions used are essentially based on the various businesses of the Group and the growth of the several geographic areas where the Group operates. The average growth rate used to the turnover of 5 years was 12.9%. For the Media sector, the average growth rate used was circa of 2%. The discount rates used were based on the estimated weighted average cost of capital, which depends on the business segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate between 1% and 3% in the area of information systems and 0% in Multimedia area. In situations where the measurement of the existence, or not, of impairment is made based on the net selling price, values of similar transactions and other proposals made are used.

| | Information Systems | Multimedia |
|-----------------------------|---------------------|--------------|
| Assumptions | | |
| Basis of recoverable amount | Value in use | Value in use |
| Discount rate | 10.5% | 9.0% |
| Growth rate in perpetuity | 1.0% | 0.0% |

For the sector of Information Systems, in digital security area (Cybersecurity), a growth rate used was 3%. Additionally, for the Digitmarket company a growth rate used was 2%.

The analyses of the impairment indices and the review of the impairment projections and tests have not lead to clearance losses, during the years ended at 31 December 2015 and 2014, beyond registered in the income statement. For the sensitivity analyses made, required in the IAS 36 - Impairment of Assets, have not lead to material changes of the recoveries, so not result material additional impairments.

8. Investments in associated companies and companies jointly controlled

The associated companies and the companies jointly controlled, their head offices, percentage of ownership and value in profit and loss statement at 31 December 2015 and 2014, are as follows:

| | | Percentage of ownership | | | | Value in profit and loss statement | |
|--|-------------------|---------------------------|-------|------------------|-------|------------------------------------|------------------|
| Head Office | | 31 December 2015 | | 31 December 2014 | | 31 December 2015 | 31 December 2014 |
| | | Direct | Total | Direct | Total | | |
| ZOPT (a) | Oporto | 50% | 50% | 50% | 50% | 17,975,715 | 15,809,426 |
| Unipress – Centro Gráfico, Lda. ('Unipress') | Vila Nova de Gaia | 50% | 50% | 50% | 50% | 25,707 | 31,069 |
| Sociedade Independente de Radiodifusão Sonora, S.A. ('S.I.R.S.' – using the brand name 'Rádio Nova') | Oporto | 45% | 45% | 45% | 45% | (7,663) | (32,738) |
| S21Sec Ciber seguridad SA de CV ('Ciber seguridad') (b) | Mexico City | Full consolidation method | | 50% | 30% | (149,700) | (64,936) |
| Intelligent Big Data, S.L. ('Big Data') (c) | Gipuzcoa | 50% | 39% | 50% | 30% | (562) | (19) |
| Total (note 32) | | | | | | 17,843,497 | 15,742,802 |

(a) Includes the results of the subsidiaries, proportionally to capital held

(b) Company directly owned by S21 Sec México by 50%. On July 2015 Grupo S21 SEC Gestion acquired the remaining 50% of share capital stake on S21 Sec Ciberseguridad SA de CV. Given this change this company came to be owned by 77.80% by Sonaecom, S.G.P.S. S.A. (effective percentage) and became included in the consolidation through full consolidation method (note 2).

(c) Company directly owned by S21 Sec Gestion

The associated companies and companies jointly controlled have been consolidated by the equity method. In accordance with the IFRS 11, the classification of investments in joint ventures is determined based on the existence of an agreement that clearly demonstrate and regulate the joint control. Thus, in accordance with the requirements of this standard, on 31 December 2015 the group only held jointly controlled companies.

During the years ended at 31 December 2015 and 2014, the movement occurred in investments in associated companies and companies jointly controlled, were as follows:

| | 31 December 2015 | | | 31 December 2014 | | |
|--|------------------|------------|------------------|------------------|------------|------------------|
| | Ownership value | Goodwill | Total investment | Ownership value | Goodwill | Total investment |
| Investments in associated companies and companies jointly controlled | | | | | | |
| Balance at 1 January | 633,758,551 | 87,849,200 | 721,607,751 | 622,585,085 | 87,849,200 | 710,434,285 |
| Increases | - | - | - | 1,500 | - | 1,500 |
| Equity method | | | | | | |
| Effect on gains and losses (note 32) | 18,001,454 | - | 18,001,454 | 15,805,489 | - | 15,805,489 |
| Effect on reserves | (12,529,597) | - | (12,529,597) | 2,687,127 | - | 2,687,127 |
| Dividends | (15,845,015) | - | (15,845,015) | (7,320,650) | - | (7,320,650) |
| | 623,385,393 | 87,849,200 | 711,234,593 | 633,758,551 | 87,849,200 | 721,607,751 |
| Registered in Provisions for other liabilities and charges | | | | | | |
| Balance at 1 January | (168,071) | - | (168,071) | (105,384) | - | (105,384) |
| Equity method | | | | | | |
| Effect on gains and losses (note 22) | (8,256) | - | (8,256) | (62,687) | - | (62,687) |
| Utilization | 30,543 | - | 30,543 | - | - | - |
| | (145,784) | - | (145,784) | (168,071) | - | (168,071) |
| Total investment in associated companies and companies jointly controlled net of impairment losses | 623,239,609 | 87,849,200 | 711,088,809 | 633,590,480 | 87,849,200 | 721,439,680 |

The division by company of the amount included on the investments in associated companies and join controlled is as follows:

| | 31 December 2015 | | | 31 December 2014 | | |
|--|------------------|------------|------------------|------------------|------------|------------------|
| | Ownership value | Goodwill | Total investment | Ownership value | Goodwill | Total investment |
| Investments in associated companies and companies jointly controlled | | | | | | |
| Zopt | 622,923,110 | 87,527,500 | 710,450,610 | 633,292,491 | 87,527,500 | 720,819,991 |
| Unipress | 462,251 | 321,700 | 783,951 | 466,060 | 321,700 | 787,760 |
| SIRS | (145,784) | - | (145,784) | (138,122) | - | (138,122) |
| Ciber seguridad | - | - | - | (30,543) | - | (30,543) |
| Big Data | 32 | - | 32 | 594 | - | 594 |
| Total | 623,239,609 | 87,849,200 | 711,088,809 | 633,590,480 | 87,849,200 | 721,439,680 |

The aggregated amounts of the main financial indicators of the entities can be resumed as follows:

| (Amounts expressed in thousand Euro) | | | | | | | 2015 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|---------------------|------------|
| Entity | % holding | Asset | Liability | Equity | Revenue | Operational results | Net result |
| ZOPT* | 50% | 4,505,379 | 2,000,029 | 2,505,350 | 1,444,305 | 131,006 | 71,809 |
| Unipress | 50% | 3,186 | 2,273 | 913 | 3,054 | 796 | 40 |
| SIRS | 45% | 362 | 686 | (325) | 900 | 13 | (18) |
| Big Data | 39% | 2 | 4 | (2) | - | (2) | (2) |

*The consolidated accounts not audited of Group ZOPT, prepared in accordance with the International Financial Report Statements ('IFRS') as adopted by the European Union. The value of the shareholder funds includes non-controlling interests, and at 31 December 2015 the NDS' market capitalization amount to Euro 3,733 million.

During the year ended at 31 December 2015, the company received the amount of Euro 15,815,500 referring to Zopt, S.G.P.S. dividends.

Regarding the area of telecommunications (Zopt), the assessment of whether or not the impairment is determinate taking into account with several information as business plans approved by the Board of Directors, which implied average growth rate of operating margin amounts to 4.7%, and the average ratings of external reviewers (researches).

| | Telecommunications |
|-----------------------------|--------------------|
| Assumptions | |
| Basis of recoverable amount | Value in use |
| Discount rate | 7.2% |
| Growth rate in perpetuity | 1.5% |

For other business sectors, the assessment of whether or not impairment to the goodwill value is determined based on the considerations presented in Note 8.

The analyses of the impairment indices and the review of the impairment projections and tests have not lead to clearance losses, during the years ended at 31 December 2015 and 2014. For the sensitivity analyses made, required in the IAS 36 - Impairment of Assets, have not lead to material changes of the recoveries, so not result material additional impairments.

The consolidated financial statements of Zopt, at 31 December 2015 and 2014 can be resumed as follows:


Condensed consolidated balance sheets

| (Amounts expressed in thousands of Euro) | December 2015 | December 2014 |
|---|------------------|------------------|
| Assets | | |
| Tangible assets | 1,218,762 | 1,198,203 |
| Intangible assets | 2,388,768 | 2,396,111 |
| Deferred tax assets | 134,850 | 155,884 |
| Other non-current assets | 276,039 | 316,168 |
| Non-current assets | 4,018,419 | 4,066,366 |
| Trade debtors | 347,837 | 331,521 |
| Cash and cash equivalents | 21,505 | 29,772 |
| Other current assets | 117,618 | 123,106 |
| Current assets | 486,960 | 484,399 |
| Total assets | 4,505,379 | 4,550,765 |
| Liabilities | | |
| Medium and long-term loans – net of short-term portion | 979,422 | 621,057 |
| Provisions for other liabilities and charges | 184,426 | 180,688 |
| Other non-current liabilities | 73,222 | 95,397 |
| Non-current liabilities | 1,237,070 | 897,142 |
| Short-term loans and other loans | 178,274 | 505,749 |
| Trade creditors | 327,552 | 340,918 |
| Other current liabilities | 257,133 | 260,690 |
| Current liabilities | 762,959 | 1,107,357 |
| Total liabilities | 2,000,029 | 2,004,499 |
| Shareholders' funds excluding non-controlling interests | 1,258,356 | 1,276,520 |
| Non-controlling interests | 1,246,994 | 1,269,746 |
| Total Shareholders' funds | 2,505,350 | 2,546,266 |
| Total Shareholders' funds and liabilities | 4,505,379 | 4,550,765 |

Condensed consolidated statements of income by nature

| (Amounts expressed in thousands of Euro) | December 2015 | December 2014 |
|--|---------------|---------------|
| Total revenue | 1,444,305 | 1,383,930 |
| Costs and losses | | |
| Direct costs and External supplies and services | (620,521) | (594,556) |
| Depreciation and amortisation | (387,505) | (360,381) |
| Other operating costs | (305,273) | (300,839) |
| | (1,313,299) | (1,255,776) |
| Financial results | (32,173) | (51,966) |
| Income taxation | (27,024) | (13,343) |
| Consolidated net income/(loss) for the year | 71,809 | 62,845 |
| Consolidated net income/(loss) for the year attributed to non-controlling interests | 35,858 | 31,573 |
| Attributed to shareholders of parent company | 35,951 | 31,272 |

The value on the income statement related to Zopt results from net income/(loss) of NOS, the net income/(loss) of Zopt and the impact on results of the process of allocating the fair value to the assets and liabilities acquired by Zopt.



In addition to the effects that it is reported in Note 43, the consolidated financial statements of ZOPT have a significant exposure to the African market, particularly through financial investments that Group holds in associated companies operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The book value of these associates in the financial statements of ZOPT on December 31, 2015 amounts to approximately Euro 223 million, included in the caption "Other non-current assets" above. The Group made impairment tests for those assets, which are denominated in the currencies of those countries, Kwanzas and Meticals, respectively, considering the business plans approved for a five years period, which include average growth rates of revenue for that period of 9.7% (Angola) and 5.7% (Mozambique), growth rate in perpetuity of 8% and a discount rate ("WACC") of 16% in both countries. Current economic conditions of uncertainty of those markets, especially in the foreign exchange market and limit currency transfer, particularly in Angola, introduces an additional degree of variability of the assumptions and could significantly impact the estimates considered. These impairment tests resulted in a valuation of those assets is approximately 0.5% above its book value.

a) Zopt Group provision's


The processes described below are provisioned in the consolidated accounts of Zopt, given the level of risk identified.

1. Legal actions with regulators

On 8 July 2009, NOS SA (named ZON TV Cabo), was notified by the Competition Authority (AdC) in connection with infringement proceeding relating to the triple-play offer, requesting NOS SA to comment on the content of the notification, which it did in good time. The case is currently at the fact-finding stage in AdC and various information has been requested, to which NOS has responded. If it is concluded that an infringement has occurred, the AdC may levy a fine not exceeding 10% of the company's turnover in last year of infringement. In July 2015, NOS Group was notified of decision to dismiss the case by Competition Authority, and so that the provision initially recorded in ZOPT group was reversed.

2. Actions by Portugal Telecom against NOS S.A., NOS Madeira and NOS Açores and by NOS S.A. against Portugal Telecom

- Action brought by MEO (PT) against NOS Madeira, claiming the payment of Euro 1.6 million, plus interests, for the alleged use of ducts, supply of the MID service, supply of video and audio channels, operating, maintenance and management costs of the Madeira/Porto Santo undersea cable and the use of two fiber optic circuits. NOS Madeira contested the action, in particular the claimed prices, the services and the legitimacy of MEO in respect of the ducts. A decision was handed down in late July 2013, favourable to NOS Madeira. As a consequence of this decision, MEO appealed to the Lisbon Court of Appeal. In June 2015, the decision was handed down which fully acquitted NOS Madeira relative to MID and confirmed the lower court decision. This decision was appealed by MEO for the "Supremo Tribunal de Justiça" (Supreme Court), where is currently pending.
- In 2011, PT brought an action in Lisbon Judicial Court against NOS SA, claiming payment of Euro 10.3 million, as compensation for alleged undue portability of NOS SA in the period between March 2009 and July 2011. NOS SA lodged a contest and reply and completion of proof is in progress, that the Court came to judge without effect.
- PT made two court notices to NOS SA (April 2013 and July 2015), two to NOS Açores (March and June 2013) and two to NOS Madeira (March and June 2013), in order to stop the prescription of alleged damages resulting from claims of undue portability, absence of response time to requests submitted to them by PT and alleged illegal refusal of electronic requests. PT doesn't indicate, in all notices, the total amounts in which it wants to be financially compensated, realizing only part of these, in the case of NOS SA, in the amount of Euro 26 million (for the period between August 2011 and May 2014), in the case of NOS Açores, in the amount of Euro 195 thousand and NOS Madeira, amounting to Euro 817 thousand.
- In 2011, NOS SA brought an action in Lisbon Judicial Court against PT, claiming payment of Euro 22.4 million, for damages suffered by NOS SA, arising from violations of the Portability Regulation by PT, in particular, the large number of unjustified refusals of portability requests by PT in the period between February 2008 and February 2011. The court declared the compulsory performance of expert evidence, which is currently underway. It is the understanding of the Board of Directors, supported by lawyers who monitor the process, that there is, in substance, a good chance of NOS SA winning the action, due to the fact that PT has already been convicted for the same offense, by ICP – ANACOM. However, it is impossible to determine the outcome of the action.
- In April 2012, following the decision made on 19 July 2011 in which NOS Açores was acquitted, PT brought two new actions against NOS Açores, one relating to the MID service and the other to the supply of video and audio channels, claiming payment of Euro



222 thousand and Euro 316 thousand respectively, plus interest. They are awaiting for trial and decision. A sentence, without impacting interests, reduced the amount payable by NOS Açores to about Euro 97 thousand concerning the first action. Following the appeal filed by PT, which the “Tribunal da Relação” (Court of Appeal) judged unfounded the NOS Açores was ordered to pay Euro 222 thousand. This decision has been appealed to the Supreme Court, in February 2015, which in April 2015 annulled the decision of “Tribunal da Relação” (Court of Appeal) and confirmed of the decision of the first instance, i.e., to pay the amount of payment of Euro 97 thousand plus accrued interests in the amount of Euro 50 thousand. In what concerns the second action, in the third quarter of 2014, NOS Açores was sentenced to pay Euro 316 thousand, plus interest and legal costs. These amounts were paid in 2014.

3. Action against NOS SA

In 2014, NOS SA providers of marketing services has brought a civil lawsuit against NOS, seeking a payment of about Euro 1,243 thousand, by the alleged early termination of contract and for compensation. The Court of first instance absolved NOS SGPS based on passive illegitimacy than the author appealed. The Lisbon Court of Appeal admitted the resource but the the author complained of it by maintaining that its resource should be assessed not by Lisbon Court of Appeal, but the Supreme Court. This complaint is pending. About the fund question, it is belief of the Board that the arguments used are not correct, so the outcome of the proceeding will not result in significant impact on the financial statements of the group.

4. CNPD

Infringement proceedings in the amount of approximately Euro 4.5 million, established by the National Commission for Data Protection (“CNPD”) against NOS SA subsidiary, for alleged violations of rules relating to legal protection of data. During the project phase of decision, NOS SA argued, firstly, a set of procedural irregularities and, secondly, a set of fact and law arguments that the Board understood to impose a final decision to dismiss the case. However, on 16 January 2014, NOS SA received a settlement notice regarding the fine imposed by the CNPD, against which appealed to the courts. On 8 September 2014, the Court for Competition, Regulation and Supervision (“Tribunal da Concorrência, Regulação e Supervisão”) reduced the value of the fine to Euro 600 thousand. NOS SA appealed against this decision. As a consequence of this decision, the provision was reduced by Euro 3.9 million, affecting the net income/(loss) of the year ended in 2014. On 5 February 2015, the Lisbon Court of Appeal set the fine at Euro 100 thousand, a decision which became final and unappealable. NOS reverted the provision in the amount of Euro 500 thousand and paid the fine in April 2015.

5. ANACOM


Infringement proceedings due to an alleged failure, by NOS SA, to apply the resolutions taken by ANACOM on 26 October 2005, concerning termination rates for fixed calls. Following a deliberation of Board of Directors of the regulator, in April 2012, a fine of approximately Euro 6.5 million was applied to NOS SA; NOS SA has appealed for the judicial review of the decision and the court has declared the process's nullity, in January 2014 (violation of NOS, SA's right of defence). In April 2014 ANACOM has notified NOS SA of a new judicial process, based on the same accusations. This process is a repetition of the initial one. In September 2014, ANACOM, based on the same facts, fine on NOS SA in the amount of Euro 6.5 million. This decision was contested by NOS SA. In May 2015, it was acquitted, which revoked the decision by ANACOM and the fine which had been applied. ANACOM appealed the decision and the process is currently on appeal in Lisbon Court of Appeal.

6. Supplementary Capital

The tax authorities are of the opinion that NOS SA has broken the principle of full competition under the terms of (1) of article 58 of the Corporate Tax Code (CIRC), by granting supplementary capital to its subsidiary NOS Towering, without having been remunerated at a market interest rate. In consequence, it has been notified, with regard to the years 2004, 2005, 2006 and 2007, of corrections to the determination of its taxable income in the total amount of Euro 20.5 million. NOS SA contested the decision with regard to all the above mentioned years. As for the year 2007, the Fiscal and Administrative Court of Oporto has already decided unfavourably. The company has contested this decision.

7. Future credits transferred

For the year ended at 31 December 2010, the subsidiary NOS SA was notified of the Report of Tax Inspection, where it is considered that the increase, when calculating the taxable profit for the year 2008, of the amount of Euro 100 million, with respect to initial price of future credits transferred to securitization, is inappropriate. Given the principle of periodisation of taxable income, NOS SA was subsequently notified of the improper deduction of the amount of Euro 20 million in the calculation of taxable income between 2009 and 2012 (tax inspection report received in January 2015). Given that the increase made in 2008 was not accepted due to not complying with Article 18 of the CIRC, also in the years following, the deduction corresponding to credits generated in that year, will



eliminate the calculation of taxable income, to meet the annual amortisation hired as part of the operation (20 million per year during 5 years). NOS SA challenged the decisions regarding 2008, 2009, 2010, 2011 and 2012 fiscal year. Regarding the year 2008, the Administrative and Fiscal Court of Porto has already decided unfavourably, in March 2014. The company has appealed.

8. Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU):

The Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU) is legislated in Articles 17 to 22 of Law nr 35/2012, of 23 August. From 1995 until June 2014, PT Comunicações, SA (PTC) was the sole provider for the universal service of electronic communications, having been designated administratively by the government, i.e without a tender procedure, which constitutes an illegality, as acknowledged by the European Court of Justice who, through its decision taken in June 2014, condemned the Portuguese State to pay a fine of 3M € for illegally designating Portugal Telecom. In accordance with Article 18 of the abovementioned Law 35/2012, the net costs incurred by the operator responsible for providing the universal service, approved by IPC-ANACOM, must be shared between other companies who provide, in national territory public communication networks and publicly accessible electronic communications services. NOS is therefore within the scope of this extraordinary contribution given that PTC has been requesting the payment of CLSU to the compensation fund of the several periods during which it was responsible for providing the services. The compensation fund can be activated to compensate the net costs of the electronic communications universal service, relative to the period before the designation of the provider by tender, whenever, cumulatively (i) there are net costs, considered excessive, the amount of which is approved by ICP-ANACOM, following an audit to their preliminary calculation and support documents, which are provided by the universal service provider, and (ii) the universal service provider requests the Government compensation for the net costs approved under the terms previously mentioned.

In 2013, ANACOM deliberated to approve the final results of the CLSU audit presented by PTC, relative to the period from 2007 to 2009, in a total amount of 66.8 million euro, contested decision by the Company. In January ANACOM issued the settlement notes in the amount of 18.6 million euro related to NOS which a bail was presented by NOS SGPS to avoid Tax Execution Proceedings.

In 2014, ANACOM deliberated to approve the final results of the CLSU audit by PTC, relative to the period from 2010 to 2011, in a total amount of 47 million euro, a decision also contested by NOS. In February 2016 were emitted the settlement notes to the Company in amount of 13 million euro which will be contested by NOS.

In 2015, ANACOM deliberated to approve the final results of the CLSU audit by PTC relative to the period 2012 in the amount of 20 million euro. This decision was also contested by NOS.

In the same year, 2015, ANACOM also deliberated to approve the final results of the CLSU audit by PTC, relative to the period 2013 in the same amount of 20 million euro, which will be contested by NOS.

It is expected that the PTC will submit to ANACOM the CLSU incurred calculations in the period between January and June 2014.

It is the opinion of the Board of Directors of NOS that these extraordinary contributions to CLSU of service providing by PTC (not designated through a tender procedure) violates the Directive of Universal Service. Moreover, considering the existing legal framework since NOS began its activity, the request of payment of the extraordinary contribution violates the principle of the protection of confidence, recognised on a legal and constitutional level in Portuguese domestic law. For these reasons, NOS will continue judicially challenge the liquidation of each extraordinary contribution, once the Board of Directors is convinced it will be successful in all challenges, both future and already undertaken.

Regardless of the belief of the Board of Directors of NOS, was attributed, in 2014, in the Goodwill allocation period provided by IFRS 3, a provision to remedy this situation, with regard to possible liability to the date of the merger.

b) Legal actions and contingent assets and liabilities of Zopt Group

9. Legal actions with regulators

NOS SA, NOS Açores and NOS Madeira brought actions for judicial review of ICP-ANACOM's decisions in respect of the payment of the Annual Fee (for 2009, 2010, 2011, 2012 and 2013) for carrying on the business of Electronic Communications Services Networks Supplier in the amounts, respectively, of (i) 1,861 thousand euros, 3,808 thousand euros, 6,049 thousand euros, 6,283 thousand euros



and 7,270 thousand euros; (ii) 29 thousand euros, 60 thousand euros, 95 thousand euros, 95 thousand euros and 104 thousand euros; (iii) 40 thousand euros, 83 thousand euros, 130 thousand euros, 132 thousand euros and 149 thousand euros, and seeking reimbursement of the amounts meanwhile paid in connection with the enforcement proceedings. This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. The scheme is being introduced gradually: $\frac{1}{3}$ in the first year, $\frac{2}{3}$ in the second year and 100% in the third year. NOS SA, NOS Açores and NOS Madeira claim, in addition to defects of unconstitutionality and illegality, that only revenues from the electronic communications business per se, subject to regulation by ICP - ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded.

On 18 December 2012 a ruling was passed on the proceedings instigated by NOS SA for 2009, for which the appeal was upheld, with no prior hearing, condemning ICP-ANACOM to pay the costs. ICP-ANACOM appealed and by decision of July 2013 was not upheld.

The remaining proceedings are awaiting trial and decision.

10. Tax Authorities

During the course of the 2003 to 2015, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2013 financial years. Following these inspections, NOS, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications is about 21.8 million euro. Note that the Group considered that the corrections were unfounded, and contested the amounts mentioned. The Group provided the bank guarantees demanded by the Tax Authorities in connection with these proceedings.

At end of year 2013 and taking advantage of the extraordinary settlement scheme of tax debts, the Group settled 7.7 million euro. This amount was recorded as 'taxes receivable' non-current net of the provision recorded in the amount of 3.5 million euro.

As belief of the Board of Directors of the NOS group, supported by our lawyers and tax advisors, the risk of loss of these proceedings is not likely and the outcome thereof will not affect materially the consolidated position.

11. Action against Sport TV

- SPORT TV Portugal, S.A. was fined by the Competition Authority to the value of Euro 3,730 thousand for the alleged abuse of its dominant position in the domestic market of subscription channels with premium sport content.

SPORT TV is not in agreement with the decision and has therefore decided to appeal against it to the competent judicial authorities. The Court of Competition, Regulation and Supervision altered the value to Euro 2,700 thousand. Meanwhile, Sport TV has appealed to the "Tribunal da Relação" (Court of Appeal) which has rejected said appeal as unfounded. Sport TV contested that decision.

- Action brought by Cogeco Cable Inc., former shareholder of Cabovisão, against Sport TV, NOS SGPS and a third, requesting, among others: (i) joint condemnation of the three institutions to pay compensation for damages caused by anti-competitive conduct, guilty and illegal, between 3 August 2006 and 30 March 2011, specifically for the excess price paid for Sport TV channels by Cabovisão, in the amount of Euro 9.1 million; (ii) condemnation for damages corresponding to the remuneration of capital unavailable, in the amount Euro 2.4 million; and (iii) condemnation for damages corresponding to the loss of business from anti-competitive practices of Sport TV, in connection with the enforcement proceedings. The NOS Group contested the action, waiting for trial.

It is the understanding of the Board of Directors, supported by lawyers who monitor the process, that, in substance, it is unlikely that NOS SA is responsible in this action.

- Cabovisão brought an action against the SPORT TV, in which it requests compensation from the latter for alleged losses resulting from abuse of a dominant position in amount of 18 million euro, more capital and interest that will win from 31 December 2014 and profits. The Board of Directors of Sport TV and lawyers, who monitor the process, predict a favourable outcome, not estimating impacts in the accounts, in addition to those already registered.

12. Contractual penalties

The general conditions that affect the agreement and termination of this contract between NOS and its clients, establish that if the products and services provided by the client can no longer be used prior to the end of the binding period, the client is obliged to immediately pay damages.

Until 31 December 2014, revenue from penalties, due to inherent uncertainties was recorded only at the moment when it was received, so at 31 December 2014, the receivables by NOS SA, NOS Madeira and NOS Açores amount to a total of Euro 112,759 thousand. During the period ended on 31 December 2015 Euro 4,671 thousand related to 2014 receivables were received and recorded in the income statement.

From 1 January 2015, Revenue from penalties is recognised taking into account an estimated collectability rate taking into account the Group's collection history. The penalties invoiced are recorded as accounts receivable and amounts determined as uncollectible are recorded as impairment by deducting revenue recognized upon invoicing.

13. Interconnection tariffs

At 31 December 2015, accounts receivable and accounts payable include Euro 37,139,253 and Euro 29,913,608, respectively, resulting from a dispute between the subsidiary NOS SA and, essentially, the operator MEO – Serviços de Comunicação e Multimédia, S.A. (previously named TMN – Telecomunicações Móveis Nacionais, S.A.), in relation to the indefiniteness of interconnection tariffs, recorded in the year ended at 31 December 2001. In the lower court, the decision was favourable to NOS SA. The “Tribunal da Relação” (Court of Appeal), on appeal, rejected the intentions of MEO. However, MEO again appealed to the “Supremo Tribunal de Justiça” (Supreme Court), for final and permanent decision, who upheld the decision of the “Tribunal da Relação” (Court of Appeal), thus concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

c) Other commitments Zopt Group

In December 2015, NOS Group signed a contract with Sport Lisboa e Benfica - Futebol SAD and Benfica TV, SA of television rights of home games of the Benfica SAD senior team to the league NOS and transmission and distribution rights of Benfica TV channel. The contract will start in the sports season 2016/2017 and an initial duration of three years and may be renewed by decision of either party to a total of 10 sports seasons, reaching hand global financial amount to 400 million euros, divided into progressive annual amounts.

Also in December 2015, the NOS Group signed a contract with Sporting Clube de Portugal - Futebol SAD and Sporting Comunicação e Plataformas, S.A. for the assignment of the following rights:

- 1) Television and multimedia rights of home games of the Sporting SAD senior team;
- 2) Right to explore the static and virtual advertising of José Alvalade Stadium;
- 3) Right of Transmission and Distribution Sporting TV channel;
- 4) Right to be its main sponsor.

The contract will last 10 seasons as regards the rights indicated in 1) and 2) above, starting in July 2018, 12 seasons in the case of the rights mentioned in 3) starting in July 2017 and 12 and a half seasons in the case of the rights mentioned in 4) beginning in January 2016, amounting to overall financial contribution to the amount of 446 million euro, divided into progressive annual amounts.

Also in December 2015, the NOS Group signed contracts of assignment of television rights credits of Senior home football games with the following sports clubs:

- 1) Associação Académica de Coimbra – Organismo Autónomo de Futebol, SDUQ, Lda
- 2) Os Belenenses Sociedade Desportiva Futebol, SAD
- 3) Clube Desportivo Nacional Futebol, SAD
- 4) Futebol Clube de Arouca – Futebol, SDUQ, Lda
- 5) Futebol Clube de Paços de Ferreira, SDUQ, Lda
- 6) Marítimo da Madeira Futebol, SAD
- 7) Sporting Clube de Braga – Futebol, SAD
- 8) Vitória Futebol Clube, SAD

The contracts are all beginning in 2019/2020 sports season and last up to 7 seasons, with the exception of the contract with Sporting Clube de Braga - Futebol, SAD which lasts 10 seasons.

The Sonaecom Board of Directors believes that the above processes may result in contingencies that affect the NOS group's accounts are properly provisioned, given the degree of risk in the consolidated accounts of Sonaecom.

9. Financial assets at fair value through profit or loss

On August 2013, Sonaecom Group began to hold NOS shares recorded at fair value through profit or loss, as a result of the merger between Optimus SGPS and Zon, since it is the initial classification of an asset held for a sale purpose in a short-time. In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with ZOPT. Some of these shares were used as part of the General Public and Voluntary Offer acquisition of own shares, as described below.

The years ended at 31 December 2014 were acquired Sonae shares in accordance with the movement described below.

The movements occurred in financial assets at fair value through profit or loss, at 31 December 2015 and 2014 were as follows:

| | | | | | | 2015 |
|--|-----------------|-----------|-------------|----------------------------------|---|-----------------|
| Financial assets at fair value through profit or loss | Opening balance | Increases | Decreases | Fair value adjustments (note 20) | Increase and decrease in fair value of shares intended to cover MTIP* | Closing balance |
| NOS | 57,661,618 | - | - | 22,135,189 | - | 79,796,807 |
| Sonae SGPS | 2,303,954 | - | (2,736,246) | 209,672 | 367,097 | 144,477 |
| | 59,965,572 | - | (2,736,246) | 22,344,861 | 367,097 | 79,941,284 |
| Recorded under the caption non current assets (note 4) | | | | | | 144,477 |
| Recorded under the caption current assets (note 4) | | | | | | 79,796,807 |
| *Incentive medium-term plans | | | | | | |

| | | | | | | 2014 |
|--|-----------------|-----------|---------------|----------------------------------|---|-----------------|
| Financial assets at fair value through profit or loss | Opening balance | Increases | Decreases | Fair value adjustments (note 20) | Increase and decrease in fair value of shares intended to cover MTIP* | Closing balance |
| NOS | 202,442,350 | - | (141,650,837) | (3,129,895) | - | 57,661,618 |
| Sonae SGPS | - | 5,522,188 | (2,804,200) | (167,060) | (246,974) | 2,303,954 |
| | 202,442,350 | 5,522,188 | (144,455,037) | (3,296,955) | (246,974) | 59,965,572 |
| Recorded under the caption non current assets (note 4) | | | | | | 1,424,996 |
| Recorded under the caption current assets (note 4) | | | | | | 58,540,576 |
| *Incentive medium-term plans | | | | | | |

The increases and decreases in the fair value adjustments are recorded under the caption 'Gains and losses on Group companies' in Profit and Loss Statement (note 32). With the exception of the increases and decreases in the fair value of shares allocated to cover the medium-term incentive plans whose value is recorded under "Other operating expenses" and "Other financial expenses" in the income statement.

The decreases at 31 December 2015, in the investment in Sonae SGPS shares, correspond essentially to the payment of the medium-term incentive plan that expired in the year ended at 31 December 2015.

The decreases at 31 December 2014 represent the counterpart in NOS shares provided for the terms of trade of the General Public and Voluntary Offer for acquisition of own shares. As a result of this offering Sonaecom reduced its investment in NOS shares in 26,476,792 shares (EUR 141,650,837) (note 17), and now holds 11,012,532 shares representing the share capital of NOS, corresponding to a share of 2.14%.

The amount recorded in non-current assets corresponds to the investment in Sonae SGPS shares, to cover the medium-term incentive plans, which payment will occur in more than one year.

The evaluation of fair value of the investment is detail as follows:

| 2015 | NOS | Sonae SGPS |
|--|------------------------------------|------------|
| Shares | 11,012,532 | 137,859 |
| Level of inputs in the hierarchy of fair value | Level 1 ** | |
| Valuation method | Quoted price on the stock exchange | |
| Quoted price* | 7.246 | 1.048 |
| Fair value | 79,796,807 | 144,476 |

* Used the share price of 31 December 2015 in the determination of the fair value.

**Level 1: Fair value is determined based on active market prices.

| 2014 | NOS | Sonae SGPS |
|--|------------------------------------|------------|
| Shares | 11,012,532 | 2,249,955 |
| Level of inputs in the hierarchy of fair value | Level 1 ** | |
| Valuation method | Quoted price on the stock exchange | |
| Quoted price* | 5.236 | 1.024 |
| Fair value | 57,661,618 | 2,303,954 |

* Used the share price of 31 December 2014 in the determination of the fair value.

**Level 1: Fair value is determined based on active market prices.

10. Investments available for sale

At 31 December 2015 and 2014, this caption included investments classified as available-for-sale and was made up as follows:

| | % | 2015 | 2014 |
|--|--------|-----------|-----------|
| Lusa – Agência de Notícias de Portugal, S.A. | 1.38% | 197,344 | 197,344 |
| VISAPRESS - Gestão de Conteúdos dos Média, CRL | 10.00% | 5,000 | 5,000 |
| Others | | 10,710 | 10,710 |
| Impairment losses | | (122,275) | (100,000) |
| | | 90,779 | 113,054 |

At 31 December 2015, these investments correspond to shareholdings of immaterial amount, in unlisted companies, in which the Group has no significant influence, and in which the acquisition cost of such investments is a reasonable estimation of their fair value, adjusted where applicable, by the respective impairment losses.

The assessment of impairment in the investments described above is performed through comparisons with the value of the percentage of share capital detained by the Group and with multiples of sales and EBITDA of companies of the same sector.

The financial information regarding these investments is detailed below (in thousands of euro):

| | Assets | Shareholders' funds | Gross debt | Turnover | Operational results | Net income |
|---|--------|---------------------|------------|----------|---------------------|------------|
| Lusa – Agência de Notícias de Portugal, S.A. ⁽¹⁾ | 12,350 | 5,440 | 696 | 14,594 | 357 | (802) |
| VISAPRESS - Gestão de Conteúdos dos Média, CRL ⁽¹⁾ | 40 | 2 | - | 45 | (10) | (10) |

⁽¹⁾ Amounts expressed in thousands euro at 31 December 2014.

11. Deferred taxes

Deferred tax assets on 31 December 2015 and 2014, amounted to Euro 6,098,375 and Euro 6,837,230, respectively, and arose, mainly, from tax losses carried forward, from tax benefits, from differences between the accounting and tax amount of some fixed assets and from others temporary differences. The movements in deferred tax assets in the years ended at 31 December 2015 and 2014 were as follows:

| | | | | | | | 2015 |
|--|-----------------------------|--|---------------------------------------|-----------------------------|--|--------------------------------|-----------------------------|
| | Balance at 31 December 2014 | Companies included in the consolidation perimeter (note 3.a) | Movements in deferred tax of the year | Utilization of deferred tax | Record/(reverse) of deferred tax of previous years | Discontinued units (Note 3.d)) | Balance at 31 December 2015 |
| Tax losses | 2,459,918 | - | 1,159,957 | (116,904) | - | - | 3,502,971 |
| Tax provisions not accepted and other temporary differences | 1,658,953 | - | (177,251) | - | 100,528 | - | 1,582,230 |
| Tax benefits (SIFIDE, RFAI and CFEI) | 1,183,946 | - | 63,942 | - | (99,241) | - | 1,148,647 |
| Differences between the tax and accounting amount of certain fixed assets and others | 1,745,300 | - | (1,745,300) | - | - | - | - |
| Effect on results (note 21) | 7,048,117 | - | (698,652) | (116,904) | 1,287 | - | 6,233,848 |
| Discontinued operations (note 3.d)) | (169,548) | - | - | - | - | - | (169,548) |
| Others | (41,339) | - | 75,414 | - | - | - | 34,075 |
| Closing balance | 6,837,230 | - | (623,238) | (116,904) | 1,287 | - | 6,098,375 |

| | | | | | | | 2014 |
|---|-----------------------------|--|---------------------------------------|-----------------------------|--|--------------------------------|-----------------------------|
| | Balance at 31 December 2013 | Companies included in the consolidation perimeter (note 3.a) | Movements in deferred tax of the year | Utilization of deferred tax | Record/(reverse) of deferred tax of previous years | Discontinued units (Note 3.d)) | Balance at 31 December 2014 |
| Tax losses | 848,995 | 1,044,217 | 736,268 | (231,986) | - | - | 2,397,494 |
| Tax provisions not accepted and other temporary differences | 1,510,903 | - | 274,141 | - | (58,532) | (104,181) | 1,622,331 |
| Tax benefits (SIFIDE, RFAI and CFEI) | 946,535 | - | - | - | 232,276 | (65,367) | 1,113,444 |
| Adjustments in the conversion to IAS/IFRS | 227 | - | - | - | (227) | - | - |
| Differences between the tax and accounting amount of certain fixed assets and others | 1,997,545 | - | (252,245) | - | - | - | 1,745,300 |
| Effect on results (note 21) | 5,304,205 | - | 758,164 | (231,986) | 173,517 | (169,548) | 6,878,569 |
| Companies included in the consolidation perimeter (Note 3.a)) and discontinued operations (Note 3.d)) | - | 1,044,217 | - | - | - | - | 1,044,217 |
| Others | (104,319) | - | 62,980 | - | - | - | (41,339) |
| Closing balance | 5,199,886 | 1,044,217 | 821,144 | (231,986) | 173,517 | (169,548) | 6,837,230 |

Deferred taxes related to the IAS / IFRS conversion adjustments correspond to the temporary differences generated in the companies included in consolidation and result from the fact that IAS / IFRS conversion adjustments, recorded in these companies at 31 December 2009, already considered in consolidated financial statements under IAS / IFRS, from previous years, only be considered for tax purposes, linearly, for a period of five years between 2011 and 2015.

At 31 December 2015 and 2014, assessments of the deferred tax assets to be recovered and recognised were made. Potential deferred tax assets were recorded to the extent that future taxable profits were expected to be generated against which the tax losses and deductible tax differences could be used. These assessments were made based on the most recent business plans duly approved by the Board of Directors of the Group companies, which are periodically reviewed and updated. The main criteria used in those business plans are described in note 7.

The rate used at 31 December 2015, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 21% as a consequence of the IRC rate change from 23% to 21% from 2015 onwards. The rate used to calculate the temporary differences in Portuguese companies, including provisions not accepted and impairment losses, was 22.5%. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable. Tax benefits, related to deductions from taxable income, are considered at 100%, and in some cases, their full acceptance is dependent on the approval of the authorities that concede such tax benefits. For foreign companies was used the rate in force in each country.

In accordance with the tax returns and other information prepared by the companies that have registered deferred tax assets, the detail of such deferred tax assets, by nature, at 31 December 2015 was as follows:

| | | | | | | | | | | | 2015 |
|--|-------------------------------------|---------------|--------------|-----------|------------|--------------|----------------|--------------------|--------------|-----------|----------------------|
| Nature | Companies included in the tax group | Digitmarket * | We Do Brasil | We Do USA | SSI España | We Do Mexico | Saphety Brasil | S21 Sec Gestion ** | S21 Sec Labs | Total | Total Sonaecom Group |
| Tax losses: | | | | | | | | | | | |
| To be used until 2021 | - | - | - | - | - | 26,499 | - | - | - | 26,499 | 26,499 |
| To be used until 2022 | - | - | - | - | - | 26,517 | - | - | - | 26,517 | 26,517 |
| To be used until 2023 | - | - | - | - | - | 183,770 | - | - | - | 183,770 | 183,770 |
| To be used until 2025 | - | - | - | - | - | 76,593 | - | - | - | 76,593 | 76,593 |
| To be used until 2027 | - | - | - | - | - | - | - | - | 45,833 | 45,833 | 45,833 |
| To be used until 2028 | - | - | - | - | - | - | - | 612,877 | 12,017 | 624,894 | 624,894 |
| To be used until 2029 | - | - | - | - | - | - | - | 253,352 | - | 253,352 | 253,352 |
| To be used until 2030 | - | - | - | 163,112 | - | - | - | - | - | 163,112 | 163,112 |
| To be used until 2033 | - | - | - | 123,413 | - | - | - | - | - | 123,413 | 123,413 |
| To be used until 2034 | - | - | - | 736,686 | - | - | - | - | - | 736,686 | 736,686 |
| To be used until 2035 | - | - | - | 1,065,764 | - | - | - | - | - | 1,065,764 | 1,065,764 |
| Unlimited | - | - | - | - | 176,538 | - | - | - | - | 176,538 | 176,538 |
| Tax losses | - | - | - | 2,088,975 | 176,538 | 313,379 | - | 866,229 | 57,850 | 3,502,971 | 3,502,971 |
| Provisions not accepted and other temporary differences | 708,395 | 5,463 | 337,796 | 271,986 | - | 144,669 | 9,740 | - | - | 769,654 | 1,478,049 |
| Tax benefits (SIFIDE, RFAI and CFEI) | 998,321 | 63,942 | - | 21,017 | - | - | - | - | - | 84,959 | 1,083,280 |
| Differences between the tax and accounting amount of certain fixed assets and others | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | (74,380) | 123,989 | - | (13,665) | (1,869) | - | - | 34,075 | 34,075 |
| Total | 1,706,716 | 69,405 | 263,416 | 2,505,967 | 176,538 | 444,383 | 7,871 | 866,229 | 57,850 | 4,391,659 | 6,098,375 |

*In 2015 Digitmarket was no longer included in the tax group

** Fusion effect included

Sonaecom has adopted, since January 2008, the special regime for the taxation of groups of companies, under which, the provision for income tax is determined on the basis of the estimated taxable income of all the companies covered by that regime, in accordance with such rules, however, for the year ended at 31 December 2015, the Sonaecom Group, no longer has an independent group of companies covered by the special regime for taxation due to of having passed to integrate the special regime for taxation of groups of Sonae SGPS companies.

In this way, Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant company since 1 January 2015. Sonaecom records the income tax on their individual accounts and the tax calculated is record under the caption of group companies. The special regime for the taxation of groups of companies covers all direct or indirect subsidiaries, and even through companies resident in another Member State of the European Union or the European Economic Area, only if, in the last case, there is an obligation of administrative cooperation, on which the Group holds at least 75% of their share capital, where such participation confers more than 50% of voting rights, if meet certain requirements. Although the subsidiaries Digitmarket and Saphety have integrated the tax group in the year ended at 31 December 2014, not integrated the new tax group. Saphety is not covered by this special regime because the indirect participation of Sonae SGPS in more than 75% had not completed more than a year on the date of implementation of this regime. Digitmarket did not integrate this tax group because the indirect participation of Sonae SGPS in this company is less than 75%.

At 31 December 2015 and 2014, the Group has other situations where potential deferred tax assets could be recognised, but since it is not expected that sufficient taxable profits will be generated in the future to cover those losses, such deferred tax assets were not recorded:

| | 2015 | 2014 |
|--|------------|------------|
| Tax losses | 7,257,283 | 9,097,403 |
| Temporary differences (provisions not accepted for tax purposes and other temporary differences) | 32,012,564 | 30,179,083 |
| Others | 12,909,739 | 12,845,341 |
| | 52,179,586 | 52,121,827 |

At 31 December 2015 and 2014, tax losses for which deferred tax assets were not recognised have the following due dates:

| Due date | 2015 | 2014 |
|-----------|-----------|-----------|
| 2015 | - | 1,218,965 |
| 2016 | 269,298 | 269,298 |
| 2017 | 159,865 | 199,008 |
| 2018 | 292,890 | 254,728 |
| 2019 | 371,485 | 373,957 |
| 2020 | 145,984 | 148,146 |
| 2021 | 92,238 | 168,442 |
| 2022 | 322,068 | 341,225 |
| 2023 | 88,214 | 92,878 |
| 2024 | 83,707 | - |
| 2025 | 374,102 | 123,915 |
| 2026 | 454,918 | 762,523 |
| 2027 | 283,013 | 220,864 |
| 2028 | 39,603 | 183,642 |
| 2029 | 878,680 | 1,166,417 |
| 2030 | 766,054 | 44,295 |
| 2031 | - | 89,045 |
| 2032 | - | 54,390 |
| Unlimited | 2,635,164 | 3,385,665 |
| | 7,257,283 | 9,097,403 |

The years 2028 and following are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than twelve years.

The movement that occurred in deferred tax *liabilities* in the years ended at 31 december 2015 and 2014 were as follows:

| | 2015 | 2014 |
|---|------|----------|
| Opening balance | - | (89,522) |
| Temporary differences between accounting and tax result | - | 88,971 |
| Sub-total effect on results (note 33) | - | 88,971 |
| Others | - | 551 |
| Closing balance | - | - |

The reconciliation between the earnings before taxes and the taxes recorded for the years ended at 31 December 2015 and 2014 is as follows:

| | 2015 | 2014 (restated) |
|---|-------------|--------------------|
| Earnings before taxes | 35,442,512 | 14,661,702 |
| Income taxation | (7,442,928) | (3,372,191) |
| Deferred tax assets not recognised in the individual accounts and / or resulting from consolidation adjustments, autonomous taxation, surcharge and other non-deductible accounting adjustments | 3,070,962 | 2,880,673 |
| Record/(reverse) of deferred tax assets related to previous years and tax benefits | 1,287 | 108,150 |
| Use of tax losses and tax benefits without record of deferred tax asset in previous years | 2,030,314 | 141,116 |
| Temporary differences for the year without record of deferred tax assets | 50,871 | (447,536) |
| Income taxation recorded in the year (note 33) | (2,289,494) | (689,788) |

The tax rate used to reconcile the tax expense and the accounting profit is 21% (23% in 2014) because it is the standard rate of the corporate income tax in Portugal in 2015, country where almost all of the income of Sonaecom group are taxed.

Portuguese Tax Authorities can review the income tax returns of the Company and of its subsidiaries with head office in Portugal for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in course, in which circumstances, the periods are extended or suspended. Consequently, tax

returns of each year, since the year 2012 (inclusive) are still subject to such review. The Board of Directors believes that any correction that may arise as a result of such review would not have a significant impact on the accompanying consolidated financial statements.

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, at 31 December 2015.

12. Inventories

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--|----------|-----------|
| Raw materials | 282.324 | 341.038 |
| Goods | 151.587 | 761.420 |
| | 433.911 | 1.102.458 |
| Accumulated impairment losses on inventories (note 22) | (35.000) | (25.000) |
| | 398.911 | 1.077.458 |

The cost of goods sold in the years ended at 31 December 2015 and 2014 amounted to Euro 32,184,381 and Euro 30,341,304 respectively and was determined as follows:

| | 2015 | 2014 |
|--|-------------|-------------|
| Opening inventories | 1,102,458 | 578,525 |
| Purchases | 33,151,366 | 30,235,375 |
| Increase of accumulated impairment losses on inventories (note 22) | 10,000 | - |
| Inventory adjustments | (1,645,532) | 629,862 |
| Closing inventories | (433,911) | (1,102,458) |
| | 32,184,381 | 30,341,304 |

The accumulated impairment losses on inventories reflect the difference between the acquisition cost and market net realisable value of the inventory, as well as the estimate of impairment losses due to low stock turnover, obsolescence and deterioration. The accumulated impairment losses are registered in the caption 'Cost of sales' (note 1.i).

13. Trade debtors

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--|-------------|-------------|
| Trade debtors: | | |
| Information Systems | 36,083,267 | 35,521,789 |
| Multimedia and others | 4,031,608 | 4,478,982 |
| | 40,114,875 | 40,000,771 |
| Doubtful debtors | 2,625,442 | 3,704,428 |
| | 42,740,317 | 43,705,199 |
| Impairment losses in accounts receivable (note 22) | (2,625,442) | (3,704,428) |
| | 40,114,875 | 40,000,771 |

At 31 December 2015 and 2014, the accumulated impairment losses by segment were made up as follows:

| | 2015 | 2014 |
|---|-----------|-----------|
| Impairment losses in accounts receivable: | | |
| Information Systems | 1,660,732 | 1,919,632 |
| Multimedia and others | 964,710 | 1,784,796 |
| | 2,625,442 | 3,704,428 |

The Group's exposure to credit risk is mainly related to accounts receivable arising from its operational activity. The amounts included in the balance sheet are net of cumulative doubtful debtors impairment losses that were estimated by the Group, taking into consideration its past experience and an assessment of the current macroeconomic environment. The Board of Directors believes that the book value of the accounts receivable does not differ significantly from its fair value.

Trade debtors by age at 31 December 2015 and 2014 were as follows:

| | | Due without impairment | | | | Due with impairment | | | |
|---------------|------------|------------------------|---------------|--------------------|-------------------|---------------------|---------------------|----------------------|--------------------|
| | | Not due | Until 30 days | From 30 to 90 days | More than 90 days | Until 90 days | From 90 to 180 days | From 180 to 360 days | More than 360 days |
| 2015 | Total | | | | | | | | |
| Trade debtors | 42,740,317 | 21,176,821 | 5,545,417 | 2,806,457 | 10,596,053 | 17,997 | - | 141,184 | 2,456,388 |
| 2014 | | | | | | | | | |
| Trade debtors | 43,705,199 | 18,460,254 | 5,152,882 | 4,422,285 | 10,303,734 | 332,333 | 63,824 | 481,021 | 4,488,866 |

At 31 December 2015, where applicable, of the total amount of accounts receivable impaired are net of VAT, that the Group expects and makes efforts to recover.

Credit risk monitoring, which is performed on a continuous basis, can be resumed as follows:

- (i) In the case of regular customers, impairment adjustment is calculated by applying an uncollectibility percentage based on historical data regarding collections, to the accounts receivables overdue.
- (ii) In the case of the remaining accounts receivable, impairment adjustments are determined on a stand-alone basis, based on the age of the receivables, net of the amounts payable and the information of the financial situation of the debtor.

14. Other current debtors

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--|-----------|-----------|
| State and other public entities | 3,635,620 | 6,842,973 |
| Advances to suppliers | 763,833 | 305,618 |
| Other debtors | 2,944,909 | 2,357,876 |
| Accumulated impairment losses in accounts receivable (note 22) | (94,422) | (109,625) |
| | 7,249,940 | 9,396,842 |

Other debtors and advances to suppliers by age at 31 December 2015 and 2014 are as follows:

| | | Due without impairment | | | | Due with impairment | | | |
|-----------------------|-----------|------------------------|---------------|--------------------|-------------------|---------------------|---------------------|----------------------|--------------------|
| | Total | Not due | Until 30 days | From 30 to 90 days | More than 90 days | Until 90 days | From 90 to 180 days | From 180 to 360 days | More than 360 days |
| 2015 | | | | | | | | | |
| Advances to suppliers | 763,833 | - | - | - | 763,582 | 251 | - | - | - |
| Other debtors | 2,944,909 | 32,016 | 500 | 1,089,068 | 1,728,903 | 3,529 | - | - | 90,893 |
| | 3,708,742 | 32,016 | 500 | 1,089,068 | 2,492,485 | 3,780 | - | - | 90,893 |
| 2014 | | | | | | | | | |
| Advances to suppliers | 305,618 | 6,109 | 3,218 | 15,475 | 280,816 | - | - | - | - |
| Other debtors | 2,357,876 | 97,384 | 30,472 | 1,133,713 | 1,007,557 | - | - | 8,108 | 80,642 |
| | 2,663,494 | 103,493 | 33,690 | 1,149,188 | 1,288,373 | - | - | 8,108 | 80,642 |

The amounts due and without impairment correspond, mostly, to Sonae Group companies and other entities, without credit risk.

15. Other current assets

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--|------------|------------|
| Invoices to be issued to clients for services rendered | 7,987,566 | 9,058,592 |
| Specialised work paid in advance | 1,281,027 | 1,478,537 |
| Other accrued income | 412,134 | 760,712 |
| Prepaid rents | 281,815 | 332,985 |
| Rappel discounts (annual quantity discounts) | 7,625 | 11,255 |
| Other costs paid in advance | 387,788 | 270,144 |
| | 10,357,955 | 11,912,225 |

The results of the projects in progress, carried out by the information systems segment, are recognised based on the completion percentage method.

At 31 December 2015 and 2014, projects in progress could be summarised as follows:

| | 2015 | 2014 |
|-----------------------------------|------------|------------|
| Number of projects in progress | 971 | 894 |
| Total costs recognised | 20,227,686 | 18,961,821 |
| Total revenues recognised | 34,425,822 | 34,928,537 |
| Total deferred revenues (note 27) | 7,086,501 | 7,053,922 |
| Total accrued revenues | 4,836,899 | 6,281,550 |

16. Cash and cash equivalents

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|-----------------------------------|-------------|-------------|
| Cash | 17,536 | 22,423 |
| Bank deposits repayable on demand | 24,934,850 | 4,551,280 |
| Treasury applications | 156,167,674 | 177,436,892 |
| Cash and cash equivalents | 181,120,060 | 182,010,595 |
| Bank overdrafts (note 20) | (32,083) | (196,082) |
| | 181,087,977 | 181,814,513 |

At 31 December 2015 and 2014, the caption "Treasury Applications" matched only bank applications.

The above mentioned applications were paid and, during the year ended at 31 December 2015, the interest tax rate in force was 0.59% (1.08% in 2014) being, in the referred date, distributed by seven financial institutions.

17. Share capital

At 31 December 2015 and 2014, the share capital of Sonaecom was comprised by 311,340,037 ordinary registered shares, of Euro 0.74 each.

At those dates, the Shareholder structure was as follows:

| | 2015 | | 2014 | |
|---|------------------|---------|------------------|---------|
| | Number of shares | % | Number of shares | % |
| Sontel BV | 194,063,119 | 62.33% | 194,063,119 | 62.33% |
| Sonae SGPS | 81,022,964 | 26.02% | 81,022,964 | 26.02% |
| Shares traded on the Portuguese Stock Exchange ('Free Float') | 30,682,940 | 9.86% | 30,682,940 | 9.86% |
| Own shares (note 18) | 5,571,014 | 1.79% | 5,571,014 | 1.79% |
| | 311,340,037 | 100.00% | 311,340,037 | 100.00% |

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During the 2014 Sonaecom reduced its share capital by Euro 136 million as a result of the extinction of the own shares acquired (54,906,831 shares) and reduction of the nominal value of the remaining shares of capital of Sonaecom from Euro 1 to Euro 0.74 per share. Following this result, the Euronext Lisbon announced the exclusion of Sonaecom PSI-20 from 24 February 2014.

As a return for the own shares acquired in this General Public Offer and Voluntary process Sonaecom delivered 26,476,792 shares representing the share capital of NOS which were recorded in the balance sheet by Euro 141,650,837 (note 9) and the amount of Euro 19,632 in cash, so as a result of this General Public and Voluntary Offer, assets and equity Sonaecom decreased by Euro 141,670,470.

All shares that comprise the share capital of Sonaecom, are authorized, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

18. Own shares

During the year ended at 31 December 2015, Sonaecom did not acquire, sold or delivered own actions, whereby the amount held to date, is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of Euro 1.380.

19. Non-controlling interests

Non-controlling interests at 31 December 2015 and 2014 are made up as follows:

| | 2015 | 2014 |
|--|-------------|-----------|
| Digitmarket | 447,035 | 422,253 |
| S21 Sec FRM (note 3.a) and 3.c)) | - | 203,201 |
| S21 Sec Barcelona (note 3.a) and 3.c)) | 97,430 | 180,018 |
| Saphety Colômbia | (55,467) | (35,341) |
| Saphety | (5,323) | (37,039) |
| Saphety Brasil | (64,410) | (48,982) |
| S21 Sec Brasil (Nota 3.a)) | (65,308) | (60,983) |
| S21 Sec Labs (Nota 3.a)) | (293,422) | (208,676) |
| Lookwise (note 3.a) and 3.e)) | - | (359,242) |
| S21 Sec Gestion (note 3.a) and 3.e)) | (1,803,512) | (678,123) |
| Others | 36,530 | (9,086) |
| | (1,706,447) | (632,000) |

For the year ended at 31 December 2015, non-controlling interests of the companies merged into S21 Sec Gestion (Note 3.e)) - S21sec FRM, Lookwise, S21sec Institute and SIEG - have no contribution to Sonaecom consolidated because it is reflected in the contribution of S21sec Gestion, under the merger (Note 3e)) in the amount of Euro -1,803,512 .

In the year ended at 31 December 2014, non-controlling interests of companies in the S21 group (S21sec FRM, S21sec Barcelona, S21sec Brazil, S21sec Labs, Lookwise and S21sec Gestion) had only 6 months of contribution to Sonaecom consolidated since the acquisition date, July 2014 until the end of the year, December 2014.

20. Loans

At 31 December 2015 and 2014, the caption Loans had the following breakdown:

a) Medium and long-term loans net of short-term portion

| Company | Issue denomination | Limit | Maturity | Type of reimbursement | Amount outstanding | |
|-----------------|--|-----------|----------|-----------------------|--------------------|-----------|
| | | | | | 2015 | 2014 |
| S21GES | Bank loan | 1,229,223 | Jul-21 | Parcel | 1,229,223 | 1,229,223 |
| S21GES | Bank loan | 600,919 | Jul-21 | Parcel | 600,919 | 600,919 |
| S21GES | Bank loan | 573,839 | Jul-21 | Parcel | 573,839 | 573,839 |
| S21GES | Bank loan | 547,000 | Jul-21 | Parcel | 547,000 | 547,000 |
| S21GES | Bank loan | 309,000 | Jul-21 | Parcel | 309,000 | 309,000 |
| S21GES | Bank loan | 296,000 | Jul-21 | Parcel | 296,000 | 296,000 |
| S21GES | Bank loan | 192,000 | Jul-21 | Parcel | 192,000 | 192,000 |
| S21 Sec Labs | Repayable subsidies | - | Jun-24 | Parcel | 1,874,555 | 2,046,913 |
| S21 Sec Gestion | Repayable subsidies | - | Jun-25 | Parcel | 2,525,634 | 1,701,292 |
| Lookwise | Repayable subsidies | - | Dec-25 | Parcel | - | 1,215,946 |
| Saphety | Minority Shareholder loans | - | - | - | 451,322 | 451,322 |
| | Costs associated with financing set-up | - | - | - | (80,144) | (152,924) |
| | Interests incurred but not yet due | - | - | - | 45,827 | 48,455 |
| | | | | | 8,565,175 | 9,058,985 |
| | | | | | 8,565,175 | 9,058,985 |

b) Short-term loans and other loans

| Company | Issue denomination | Limit | Maturity | Type of reimbursement | Amount outstanding | |
|-----------------|------------------------------------|-----------|-----------|-----------------------|--------------------|-----------|
| | | | | | 2015 | 2014 |
| S21 Sec Gestion | Overdraft facilities | 200,000 | Jul/16 | - | 199,912 | 199,912 |
| S21 Sec Gestion | Overdraft facilities | 150,000 | Jul/16 | - | 150,000 | 150,057 |
| S21 Sec Gestion | Overdraft facilities | 150,000 | Jul/16 | - | 139,847 | 111,033 |
| S21 Sec Gestion | Overdraft facilities | 100,000 | Jul/16 | - | 46,226 | 99,815 |
| S21 Sec Gestion | Overdraft facilities | 500,000 | Jul/16 | - | 488,000 | - |
| S21 Sec Gestion | Factoring | 500,000 | Undefined | - | - | 111,431 |
| S21 Sec Gestion | Factoring | 1,135,000 | Jul/16 | - | 305,058 | 261,674 |
| S21 Sec Labs | Reimbursable grants | - | Jun-16 | - | 239,086 | 223,880 |
| Lookwise | Reimbursable grants | - | Jun-16 | - | - | 179,164 |
| S21 Sec Gestion | Reimbursable grants | - | Jun-16 | - | 569,102 | 431,228 |
| Several | Bank overdrafts (note 16) | - | - | - | 32,083 | 196,082 |
| Several | Interests incurred but not yet due | - | - | - | - | 16,175 |
| | | | | | 2,169,314 | 1,980,451 |
| | | | | | 2,169,314 | 1,980,451 |

Bank credit lines of short-term portion

Sonaecom has also a short term bank credit line, in the form of current or overdraft account commitment, in the amount of Euro 1 million and S21GES in the amount of Euro 1,255 thousand, in what was using about Euro 1,023 million at 31 December 2015.

All these bank credit lines of short-term portion bear interest at market rates, indexed to the Euribor for the respective term, and were all contracted in Euro.

Grants

At 31 December 2015 the Group had grants obtained from dependent entities of the Government of Navarra, CDTI and 'Ministerio de Ciencia y Tecnología'. These subsidies are recorded at amortized cost in accordance with the method of effective interest rate and have the following repayment plan:

| | 2015 |
|------------------|-----------|
| 2016 | 808,188 |
| 2017 | 1,159,612 |
| 2018 | 1,150,405 |
| 2019 | 757,004 |
| 2020 and follows | 1,333,168 |
| | 5,208,377 |

These subsidies bear interest at rates between 0% and 4%.

Others

The S21 Sec Gestion loans could be detailed as follow:

| | | | 2015 |
|--------------------|-----------|-----------|----------|
| Issue denomination | Bank | Limit | Maturity |
| Bank loan | Popular | 1,229,223 | Jul-21 |
| Bank loan | Santander | 600,919 | Jul-21 |
| Bank loan | BBVA | 573,839 | Jul-21 |
| Bank loan | Bankinter | 547,000 | Jul-21 |
| Bank loan | Sabadell | 309,000 | Jul-21 |
| Bank loan | Popular | 296,000 | Jul-21 |
| Bank loan | La Caixa | 192,000 | Jul-21 |

The average interest rate of these loans, at 31 December 2015, was 3%.

At 31 December 2015, the main financial constraints (covenants) included in debt contracts are related with pledge clauses, which impose certain restrictions, namely, on the mortgaging or pledging of real guarantees in property, on elements or assets of subsidiaries' heritage, on the modification in the main companies' activities, on the issue of new shares or change in shareholder rights. The penalties applicable in the event of default in these covenants are generally the early payment of the loans obtained.

At 31 December 2015 and at present date, Sonaecom was fully compliant with all the financial constraints above mentioned.

At 31 December 2015 and 2014, the obligations to credit institutions (nominal values) related with medium and long-term loans and its interests are repayable as follows (values based on the latest interest rate established for each type of loan):

| | Within 12 months | Between 12 and 24 months | Between 24 and 36 months | Between 36 and 48 months | Between 48 and 60 months | Between 60 and 72 months |
|---------------------|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 2015 | | | | | | |
| Other loans S21GES: | | | | | | |
| Reimbursements | - | 175,552 | 875,236 | 891,473 | 904,925 | 900,795 |
| Interests | 120,977 | 130,024 | 146,439 | 107,927 | 68,842 | 29,249 |
| | 120,977 | 305,576 | 1,021,675 | 999,400 | 973,767 | 930,044 |
| 2014 | | | | | | |
| Interests | 103,750 | 92,853 | 66,737 | 40,907 | 15,041 | - |
| | 103,750 | 92,853 | 66,737 | 40,907 | 15,041 | - |

Minority Shareholder loans have no maturity defined.

At 31 December 2015 and 2014, the available bank credit lines of the Group were as follows:

| | | | | | | Maturity |
|-----------------|-----------------------|------------------|--------------------|------------------|-----------------|---------------------|
| Company | Credit | Limit | Amount outstanding | Amount available | Until 12 months | More than 12 months |
| 2015 | | | | | | |
| Sonaecom | Authorised overdrafts | 1,000,000 | - | 1,000,000 | x | |
| S21 Sec Gestion | Overdraft facilities | 200,000 | 199,912 | 88 | x | |
| S21 Sec Gestion | Overdraft facilities | 150,000 | 150,000 | - | x | |
| S21 Sec Gestion | Overdraft facilities | 150,000 | 139,847 | 10,153 | x | |
| S21 Sec Gestion | Overdraft facilities | 125,457 | - | 125,457 | | x |
| S21 Sec Gestion | Overdraft facilities | 100,000 | 46,226 | 53,774 | x | |
| S21 Sec Gestion | Overdraft facilities | 30,191 | - | 30,191 | | x |
| S21 Sec Gestion | Overdraft facilities | 500,000 | 488,000 | 12,000 | x | |
| S21 Sec Gestion | Bank loan | 1,229,223 | 1,229,223 | - | | x |
| S21 Sec Gestion | Bank loan | 600,919 | 600,919 | - | | x |
| S21 Sec Gestion | Bank loan | 573,839 | 573,839 | - | | x |
| S21 Sec Gestion | Bank loan | 547,000 | 547,000 | - | | x |
| S21 Sec Gestion | Bank loan | 309,000 | 309,000 | - | | x |
| S21 Sec Gestion | Bank loan | 296,000 | 296,000 | - | | x |
| S21 Sec Gestion | Bank loan | 192,000 | 192,000 | - | | x |
| S21 Sec Gestion | Factoring | 500,000 | - | 500,000 | | x |
| S21 Sec Gestion | Factoring | 1,135,000 | 305,058 | 829,942 | x | |
| Others | Several | - | 32,083 | - | x | |
| | | 7,638,629 | 5,109,107 | 2,561,605 | | |
| 2014 | | | | | | |
| Sonaecom | Authorised overdrafts | 1,000,000 | - | 1,000,000 | x | |
| S21GES | Authorised overdrafts | 200,000 | 199,912 | 88 | x | |
| S21GES | Authorised overdrafts | 150,000 | 111,033 | 38,967 | x | |
| S21GES | Authorised overdrafts | 150,000 | 150,057 | - | x | |
| S21GES | Authorised overdrafts | 125,457 | - | 125,457 | | x |
| S21GES | Authorised overdrafts | 100,000 | 99,815 | 185 | x | |
| S21GES | Authorised overdrafts | 30,191 | - | 30,191 | | x |
| S21GES | Bank loan | 1,229,223 | 1,229,223 | - | | x |
| S21GES | Bank loan | 600,919 | 600,919 | - | | x |
| S21GES | Bank loan | 573,839 | 573,839 | - | | x |
| S21GES | Bank loan | 547,000 | 547,000 | - | | x |
| S21GES | Bank loan | 309,000 | 309,000 | - | | x |
| S21GES | Bank loan | 296,000 | 296,000 | - | | x |
| S21GES | Bank loan | 192,000 | 192,000 | - | | x |
| Others | Several | - | 196,082 | - | x | |
| | | 5,503,629 | 4,504,880 | 1,194,888 | | |

At 31 December 2015 and 2014, there is no interest rate hedging instruments therefore the total gross debit is exposed to changes in market interest rates.

Based on the debt exposed to variable rates at the end of 2015, including the debt on finance lease, and considering the applications and bank balances at the same date, if market interest rates has risen (fallen), in average, 75bp during the year 2015, the interest paid that year would be decreased (increased) in an amount of approximately Euro 1,080,000 (Euro 1,200,000 in 2014).

21. Other non-current financial liabilities

At 31 December 2015 and 2014, this caption was made up of accounts payable to tangible and intangible assets suppliers related to lease contracts which are due in more than one year in the amount of Euro 798,762 and Euro 480,274, respectively.

At 31 December 2015 and 2014, the payment of these amounts was due as follows:

| | 2015 | | 2014 | |
|--------------------------------|----------------|---------------------------------|----------------|---------------------------------|
| | Lease payments | Present value of lease payments | Lease payments | Present value of lease payments |
| 2015 | - | - | 322,845 | 285,904 |
| 2016 | 576,362 | 520,461 | 269,054 | 249,949 |
| 2017 | 478,416 | 454,123 | 228,987 | 221,858 |
| 2018 | 245,069 | 236,607 | 8,549 | 8,467 |
| 2019 onwards | 109,946 | 108,032 | - | - |
| | 1,409,793 | 1,319,223 | 829,435 | 766,178 |
| Interests | (90,570) | - | (63,258) | - |
| | 1,319,223 | 1,319,223 | 766,177 | 766,178 |
| Short-term liability (note 25) | - | (520,461) | - | (285,904) |
| | 1,319,223 | 798,762 | 766,177 | 480,274 |

22. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended at 31 December 2015 and 2014 were as follows:

| | Opening balance | Companies included in the consolidation perimeter (Note 3.a)) | Increases | Decreases | Utilisations and Transfers | Discontinued units (Notes 3.d) | Closing balance |
|--|-----------------|---|-----------|-------------|----------------------------|--------------------------------|-----------------|
| 2015 | | | | | | | |
| Accumulated impairment losses on accounts receivables (note 13 and 14) | 3,814,053 | - | 431,584 | (284,141) | (1,241,632) | - | 2,719,864 |
| Accumulated impairment losses on inventories (note 12) | 25,000 | - | 10,000 | - | - | - | 35,000 |
| Provisions for other liabilities and charges | 2,579,321 | - | 3,293,392 | (1,421,916) | (158,244) | - | 4,292,553 |
| | 6,418,374 | - | 3,734,976 | (1,706,057) | (1,399,876) | - | 7,047,417 |
| 2014 | | | | | | | |
| Accumulated impairment losses on accounts receivables (note 13 and 14) | 3,999,525 | 500,020 | 68,383 | (209,538) | (407,060) | (137,277) | 3,814,053 |
| Accumulated impairment losses on inventories (note 12) | 25,000 | - | - | - | - | - | 25,000 |
| Provisions for other liabilities and charges | 3,060,986 | 273,266 | 530,090 | (229,160) | (739,871) | (315,990) | 2,579,321 |
| | 7,085,511 | 773,286 | 598,473 | (438,698) | (1,146,931) | (453,267) | 6,418,374 |

Reinforcements and reductions values of the accumulated impairment losses on receivable accounts and provisions for liabilities and charges, at 31 December 2015 and 2014, are detailed as follows:

| | 2015 | | 2014 | |
|---|------------------|--------------------|------------------|------------------|
| | Increases | Decreases | Increases | Decreases |
| Accumulated impairment losses on accounts receivables | | | | |
| Registered in the line 'Provisions and accumulated impairment losses' (increases) and in 'Other operating costs' (decreases) | 431,584 | (284,141) | 25,972 | (209,538) |
| Discontinued units (note 37) | - | - | 42,411 | - |
| Total increases/(decreases) of accumulated impairment losses on accounts receivables | 431,584 | (284,141) | 68,383 | (209,538) |
| Provisions for other liabilities and charges | Increases | Decreases | Increases | Decreases |
| Recorded in the income statement, under the caption 'Income Tax' (note 33) | 1,119,299 | (1,232,881) | 395,159 | (166,673) |
| Recorded in 'Fixed Assets' regard to the provision for dismantling and abandonment of offices net value recorded in 'Other financial expenses' related to the financial actualization of the provision for dismantling as foreseen in IAS 16 - 'Fixed Assets' (note 1.c)) | 1,694 | - | 67,291 | (4,573) |
| Recorded in the income statement in 'Gains and losses of associates and jointly controlled entities' related to the registration of the provision resulting from the application of the equity method (note 8) | 11,447 | (3,191) | 97,693 | - |
| Recorded in reserves related to the registration of the provision resulting from the application of the equity method | - | - | (35,005) | - |
| Recorded in the income statement 'Staff expenses' related to the provisions for redundancy payments | 2,089,303 | (56,000) | - | - |
| Other increases and decreases - recorded in 'Provisions and impairment losses' | 71,649 | (129,845) | - | (57,914) |
| Total continuing operations | 3,293,392 | (1,421,916) | 525,138 | (229,160) |
| Discontinued operations | - | - | 4,952 | - |
| Total increases/(decreases) of provisions for other liabilities and charges | 3,293,392 | (1,421,916) | 530,090 | (229,160) |
| Total recorded in the income statement in 'Provisions and impairment losses' (increases) and in 'Other operating revenue' (decreases) | 503,233 | (413,986) | 25,972 | (267,452) |

At 31 December 2015 and 2014, the breakdown of the provisions for other liabilities and charges is as follows:

| | 2015 | 2014 |
|-----------------------------|------------------|------------------|
| Several contingencies | 1,660,398 | 1,803,847 |
| Legal processes in progress | 117,095 | 131,761 |
| Dismantling | 50,191 | 48,497 |
| Other responsibilities | 2,464,869 | 595,216 |
| | 4,292,553 | 2,579,321 |

At 31 December 2015 and 2014, the value of provisions for the dismantling is recorded at its present value, accordingly with the dates of its utilization (in accordance with IAS 37 - 'Provisions, Contingent Liabilities and Contingent Assets').

The heading 'Several contingencies' relates to contingent liabilities arising from transactions carried out in previous years and for which an outflow of funds is probable.

In relation to the provisions recorded for legal processes in progress and other responsibilities, given the uncertainty of such proceedings, the Board of Directors is unable to estimate, with reliability, the moment when such provisions will be used and therefore no financial actualisation was carried out.

In the heading "Other liabilities" are included provisions for restructuring an amount of Euro 2,033,303 associated with severance payment to occur during 2016.

23. Other non-current liabilities

At 31 December 2015 and 2014, the caption 'Other non-current liabilities' is as follows:

| | 2015 | 2014 |
|--------------------------------------|-----------|-----------|
| Medium Term Incentive Plan (note 39) | 1,384,978 | 871,397 |
| Others | 44,757 | 203,812 |
| | 1,429,735 | 1,075,209 |

24. Trade creditors

At 31 December 2015 and 2014, this caption had the following composition and maturity plans:

| | Total | Till 90 days | From 90 to 180 days | More than 180 days |
|--|------------|--------------|---------------------|--------------------|
| 2015 | | | | |
| Suppliers – current account | 16,566,682 | 16,566,682 | - | - |
| Intangible and tangible assets suppliers | 253,661 | 253,661 | - | - |
| Suppliers – invoices pending approval | 2,171,695 | 2,171,695 | - | - |
| | 18,992,038 | 18,992,038 | - | - |
| 2014 | | | | |
| Suppliers – current account | 18,735,676 | 18,735,676 | - | - |
| Intangible and tangible assets suppliers | 421,218 | 421,218 | - | - |
| Suppliers – invoices pending approval | 2,408,795 | 2,408,795 | - | - |
| | 21,565,689 | 21,565,689 | - | - |

At 31 December 2015 and 2014, this caption included balances payable to suppliers resulting from the Group's operations and the acquisition of intangible and tangible assets. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

25. Other financial liabilities

At 31 December 2015, this heading "Other financial liabilities" includes the amount of Euro 520,461 (2014: Euro 285,904) related to the short term portion of lease contracts (note 21).

26. Other creditors

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|---------------------------------|-----------|-----------|
| State and other public entities | 4,478,700 | 5,408,938 |
| Other creditors | 113,373 | 1,238,426 |
| | 4,592,073 | 6,647,364 |

The liability to other creditors matures as follows:

| | Total | Till 90 days | From 90 to 180 days | More than 180 days |
|-----------------|-----------|--------------|---------------------|--------------------|
| 2015 | | | | |
| Other creditors | 113,373 | 113,373 | - | - |
| 2014 | | | | |
| Other creditors | 1,238,426 | 1,238,426 | - | - |

The liability to other creditors does not incorporate any interest. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

At 31 December 2015 and 2014, the caption 'State and other public entities' related essentially to taxes payable (Value Added Tax, Corporate Income Tax, Social Security contributions and withholdings of Personal Income Tax) from the following subsidiaries:

| | 2015 | 2014 |
|-----------------|-----------|-----------|
| WeDo | 724,922 | 769,925 |
| WeDo Brasil | 690,991 | 569,907 |
| S21 Sec Gestion | 665,149 | 499,937 |
| Digitmarket | 651,129 | 63,564 |
| Sonaecom | 517,316 | 2,261,864 |
| Público | 320,898 | 402,604 |
| Saphety | 224,181 | 176,185 |
| Sonaecom SP | 138,673 | 74,718 |
| Others | 545,441 | 590,234 |
| | 4,478,700 | 5,408,938 |

27. Other current liabilities

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--|------------|------------|
| Costs: | | |
| Personnel costs | 11,247,361 | 11,961,118 |
| Advertising and promotion | 435,419 | 780,904 |
| Medium Term Incentive Plans (note 39) | 743,792 | 1,263,646 |
| Rappel discounts (annual quantity discounts) | 56,778 | 60,459 |
| Specialised works | 869,696 | 571,071 |
| Rents | 78,131 | 190,711 |
| Tangible and intangible assets | 64,510 | 106,877 |
| Stocks | 52,479 | 1,375,723 |
| Other costs | 1,094,057 | 1,694,198 |
| Other external suppliers and services | 2,615,435 | 2,135,992 |
| | 17,257,658 | 20,140,698 |
| Deferred income: | | |
| Customer advance payments (note 15) | 7,680,716 | 7,442,073 |
| Other deferred income | 1,153,806 | 703,990 |
| | 8,834,522 | 8,146,063 |
| | 26,092,180 | 28,286,761 |

28. Sales and services rendered

At 31 December 2015 and 2014, the caption 'Sales and services rendered' was made up as follows:

| | 2015 | 2014 |
|-----------------------|-------------|-------------|
| Information Systems | 114,837,453 | 105,902,042 |
| Multimedia and others | 14,676,451 | 15,814,624 |
| | 129,513,904 | 121,716,666 |

29. Other operating revenues

At 31 December 2015 and 2014, the caption 'Other operating revenues' was made up as follows:

| | 2015 | 2014 |
|----------------------------------|-----------|-----------|
| Supplementary income | 614,945 | 676,992 |
| Reversal of provisions (note 22) | 413,986 | 267,452 |
| Others | 1,342,363 | 1,817,150 |
| | 2,371,294 | 2,761,594 |

30. External supplies and services

'External supplies and services' for the years ended at 31 December 2015 and 2014 had the following composition:

| | 2015 | 2014 |
|---------------------------|------------|------------|
| Subcontracts | 19,334,262 | 19,393,642 |
| Specialised works | 5,764,370 | 5,482,365 |
| Travelling costs | 5,037,441 | 4,583,883 |
| Rents | 4,995,378 | 4,396,333 |
| Advertising and promotion | 3,130,879 | 2,860,738 |
| Fees | 1,492,747 | 1,239,156 |
| Communications | 1,266,272 | 1,196,748 |
| Commissions | 462,539 | 591,979 |
| Fuel | 411,696 | 417,090 |
| Energy | 361,022 | 288,275 |
| Maintenance and repairs | 242,852 | 182,381 |
| Security | 120,331 | 120,181 |
| Others | 1,319,527 | 1,100,556 |
| | 43,939,316 | 41,853,327 |

The commitments assumed by the Group at 31 December 2015 and 2014 related to operational leases are as follows:

| | 2015 | 2014 |
|---|-----------|------------|
| Minimum payments of operational leases: | | |
| 2015 | - | 3,350,003 |
| 2016 | 2,999,162 | 2,645,460 |
| 2017 | 2,530,522 | 2,233,519 |
| 2018 | 1,745,844 | 1,482,594 |
| 2019 onwards | 549,351 | 154,742 |
| Renewable by periods of one year | 1,130,817 | 896,394 |
| | 8,955,696 | 10,762,712 |

During the years ended at 31 December 2015, an amount of Euro 4,584,901 (Euro 4,156,750 at 31 December 2014) was recorded in the heading 'External supplies and services' related with operational leasing rents, recorded in 'Rents'.

31. Other operating costs

At 31 December 2015 and 2014, the caption 'Other operating costs' was made up as follows:

| | 2015 | 2014 |
|--------|---------|---------|
| Taxes | 143,049 | 132,951 |
| Others | 178,911 | 187,287 |
| | 321,960 | 320,238 |

32. Financial results

Net financial results for the years ended at 31 December 2015 and 2014 were made up as follows ((costs) / gains):

| | 2015 | 2014 |
|---|------------|-------------|
| Financial results of associates and jointly controlled companies: | | |
| Gains and losses related with the application of the equity method (note 8) | 17,843,497 | 15,742,802 |
| | 17,843,497 | 15,742,802 |
| Gains and losses on financial assets at fair value through profit or loss | | |
| Gains on financial assets at fair value through profit or loss (note 9) | 22,344,861 | (3,296,955) |
| Dividends obtained | 1,541,754 | 1,321,504 |
| | 23,886,616 | (1,975,451) |
| Financial expenses: | | |
| Interest expenses: | (531,724) | (1,051,727) |
| Bank loans | (324,857) | (752,901) |
| Leasing | (43,609) | (32,631) |
| Other interests | (163,258) | (266,195) |
| Foreign exchange losses | - | (820,005) |
| Other financial expenses | (321,500) | (533,180) |
| | (853,224) | (2,404,912) |
| Financial income: | | |
| Interest income | 1,136,395 | 1,958,554 |
| Foreign exchange gains | 211,601 | 837,162 |
| Others financial gains | 374,973 | 163,308 |
| | 1,722,969 | 2,959,024 |

During the years ended at 31 December 2015 and 2014, the caption 'Financial income: Interest income' includes, mainly, interests earned on treasury applications (note 16).

33. Income taxation

Income taxes recognised during the years ended at 31 December 2015 and 2014 were made up as follows ((costs) / gains):

| | 2015 | 2014 |
|--|-------------|-------------|
| Current tax | (1,588,807) | (1,249,969) |
| Tax provision net of reduction (note 22) | 113,582 | (228,486) |
| Deferred tax assets (note 11) | (814,269) | 699,695 |
| Deferred tax liabilities (note 11) | - | 88,971 |
| | (2,289,494) | (689,789) |

34. Related parties

During the years ended at 31 December 2015 and 2014, the balances and transactions maintained with related parties were mainly associated with the normal operational activity of the Group and to the concession and obtainment of loans.

The most significant balances and transactions with related parties, which are listed in the appendix to this report, during the years ended at 31 December 2015 and 2014 were as follows:

| | Balances at 31 December 2015 | | |
|---------------------------------------|--|-------------------------------|--|
| | Accounts receivable (notes 13 and 14) | Accounts payable (note 24) | Other assets / (liabilities) (notes 15, 23 and 27) |
| Holding company | | | |
| Sonae SGPS | 1 | 990,196 | (130,048) |
| Other related companies | | | |
| NOS SGPS | - | - | 452,604 |
| NOS Comunicações | 443,882 | 68,543 | 902,816 |
| NOS Technology * | 1,249,483 | (122) | (3,566,678) |
| NOS Sistemas S.A. ** | 210,788 | 192,889 | 30,268 |
| MDS | 901 | 1,847 | (52,415) |
| Modelo Continente Hipermercados, S.A. | 586,048 | 451,296 | 8,955 |
| Raso Viagens | 814 | 156,519 | 21,058 |
| SC-Sociedade de Consultadoria | 105,567 | - | (154,008) |
| Sierra Portugal | 158,363 | - | 138,303 |
| Sonae Indústria PCDM | 163,028 | - | - |
| Sonaecenter II | 1,676,391 | 48,821 | (1,743,724) |
| Unipress | - | 476,770 | (25,269) |
| Worten | 34,241 | - | - |
| | 4,629,507 | 2,386,759 | (4,118,138) |

* This company changed its corporate name from Be Artis to NOS Technology in 2015.

**This company changed its name from Mainroad to NOS Sistemas S.A. in 2015.

| | Balances at 31 December 2014 | | |
|---------------------------------------|--|-------------------------------|--|
| | Accounts receivable (notes 13 and 14) | Accounts payable (note 24) | Other assets / (liabilities) (notes 15, 23 and 27) |
| Holding company | | | |
| Sonae SGPS | (181,442) | 49,132 | 183,592 |
| Other related companies | | | |
| NOS Technology * | 722,921 | 46,385 | (2,749,104) |
| Modelo Continente Hipermercados, S.A. | 398,309 | 119,292 | (588,978) |
| NOS Comunicações | 1,613,720 | 244,376 | 221,358 |
| Nos SGPS | 45,651 | - | - |
| Raso Viagens | 7,648 | 288,641 | (10,894) |
| SC-Sociedade de Consultadoria | 376,031 | - | (213,731) |
| Sierra Portugal | 380,961 | 928 | 275,419 |
| Sonae Indústria PCDM | 9,709 | - | - |
| Sonaecenter II | 1,206,884 | 506,906 | (907,181) |
| NOS Sistemas S.A. ** | 224,098 | 217,844 | (782) |
| Worten | 55,166 | (1,485) | - |
| | 4,859,656 | 1,472,019 | (3,790,301) |

* This company changed its corporate name from Be Artis to NOS Technology in 2015.

**This company changed its name from Mainroad to NOS Sistemas S.A. in 2015.



| | Transactions at 31 December 2015 | | | |
|---------------------------------------|---------------------------------------|--|---|--------------------------------|
| | Sales and services rendered (note 28) | Supplies and services received (note 30) | Interest and similar income / (expense) (note 32) | Supplementary income (note 29) |
| Holding company | | | | |
| Sonae SGPS | 70 | 50,000 | 851,073 | 26 |
| Other related companies | | | | |
| NOS SGPS | - | (556) | - | - |
| NOS Comunicações | 3,082,719 | 590,381 | (5) | 71,294 |
| NOS Technology * | 8,492,634 | 15,339 | - | - |
| NOS Sistemas S.A. ** | 274,051 | 565,259 | - | 210,930 |
| MDS | - | 9,202 | - | - |
| Modelo Continente Hipermercados, S.A. | 729,598 | (211,588) | - | 124,668 |
| Raso Viagens | 118,113 | 1,620,412 | - | - |
| SC-Sociedade de Consultadoria | 793,789 | - | - | - |
| Sierra Portugal | 1,742,791 | 9,793 | - | - |
| Sonae Indústria PCDM | 393,176 | - | - | - |
| Sonaecenter II | 13,665,300 | 332,284 | - | - |
| Unipress | - | 504,662 | - | 180,000 |
| Worten | 203,770 | 3,366 | - | - |
| | 29,496,011 | 3,488,554 | 851,068 | 586,918 |

* This company changed its corporate name from Be Artis to NOS Technology in 2015.

**This company changed its name from Mainroad to NOS Sistemas S.A. in 2015.

| | Transactions at 31 December 2014 | | | |
|---------------------------------------|---------------------------------------|--|---|--------------------------------|
| | Sales and services rendered (note 28) | Supplies and services received (note 30) | Interest and similar income / (expense) (note 32) | Supplementary income (note 29) |
| Holding company | | | | |
| Sonae SGPS | 1,810 | 49,229 | 1,563,161 | - |
| Other related companies | | | | |
| NOS Technology * | 7,769,762 | 1,341 | - | (41) |
| MDS | 395,689 | 30,018 | - | - |
| Modelo Continente Hipermercados, S.A. | 916,072 | 305,255 | - | 19,418 |
| NOS SGPS | 170 | (7,936) | 1,329 | - |
| Raso Viagens | 179,150 | 1,430,082 | - | - |
| SC-Sociedade de Consultadoria | 1,646,715 | - | - | - |
| Sierra Portugal | 4,262,300 | 10,363 | - | - |
| Sonae Indústria PCDM | 709,750 | - | - | - |
| Sonaecenter II | 13,845,628 | 427,603 | - | - |
| Unipress | 80,435 | 546,417 | - | 135,000 |
| Worten | 246,972 | 710 | - | - |
| | 30,054,453 | 2,793,082 | 1,564,490 | 154,377 |

* This company changed its corporate name from Be Artis to NOS Technology in 2015.

During the years ended at 31 December 2015, the company distributed as dividends the amount of 3,646,033 euros, to its parent company.

During 2012, the Group signed an agreement with Sonae SGPS, under which Sonae compromise to transfer to employees and board members of Sonaecom, Sonaecom SGPS shares, at the price of Euro 1.184, until 2016, as requested by Sonaecom and under the MTIP of Sonaecom. Under this contract, Sonaecom paid in advance to Sonae SGPS, SA the amount of Euro 3,291,520. During the period ended 31 March 2013, Sonaecom partially anticipated the maturity of the contract, receiving the amount of Euro 4,444,207. On 11 July 2014 the company terminated this contract so, Sonae SGPS, SA repaid the remaining amount in debt.

The transactions between Group companies were eliminated in consolidation, and therefore are not disclosed in this note.

All the above transactions were made at market prices.

Both income and outcome will be paid in cash and have no guaranties attached. During the years ended at 31 December 2015 and 2014, no imparity losses have been recognized on the income to be made by other entities.

The Sonaecom's related parties integral list will be presented attached to this report.

35. Guarantees provided to third parties

Guarantees provided to third parties at 31 December 2015 and 2014 were as follows:

| Company | Beneficiary | Description | 2015 | 2014 |
|--|--|--|-----------|-----------|
| Sonaecom | Direção de Contribuições e Impostos (Portuguese tax authorities) | VAT Reimbursements | - | 1,435,379 |
| We Do, WeDo Egypt, S21 Sec Gestion, S21 Sec Labs and Saphety | Administrador de Infraestructuras Ferroviarias; Comunidade Intermunicipal do Médio Tejo; Emirates Telecom. Corp.; Empresa de Telemunicaciones; Etihad Etisalat Company; ETISALAT; ETISALAT UAE; Omani Qatari Telecommunic; Packet One Networks; Tunisie Telecom; Viva Bahrain; Sociedad Estatal de Correos y Telegrafos; TT dotCom Snd Bhd and Zain Jordan | Completion of work to be done | 1,127,902 | 1,346,265 |
| S21 Sec Gestion, S21 Sec Labs and Lookwise | Centro para Desarrollo Tecnolo, EBN Banco de Negocios and Ministerio de Indústria | Grants | 1,007,887 | 1,264,330 |
| Sonaecom and Público | Direção de Contribuições e Impostos and Autoridade Tributária e Aduaneira (Portuguese tax authorities) | IRC, IS, IVA – Tax assessment | 240,622 | 240,622 |
| We Do and Saphety | IAPMEI | HERMES' project and 'Value4cuopons' project - OREN | 42,501 | 334,299 |
| Several | Others | | 634,917 | 439,548 |
| | | | 3,053,829 | 5,060,443 |

In addition to these guarantees were set up sureties for the current fiscal processes. The Sonaecom SGPS consisted of Sonaecom SGPS surety to the amount of Euro 23,319,289 and Sonaecom SGPS consisted of Público for the amount of Euro 565,026.

At 31 December 2015, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.



36. Information by business segment

Following the classification of the Telecommunications segment as a discontinued operation (note 8), were identified for the years ended at 31 December 2015 and 2014 the following business segments:

- Multimedia;
- Information systems; and
- Holding activities.

These segments were identified taking into consideration the following criteria/conditions: the fact of being group units that develop activities where we can separately identify revenues and expenses, for which financial information is separately developed and their operating results are regularly reviewed by management and over which decisions are made. For example, decisions about allocation of resources, for having similar products/services and also taking into consideration the quantitative threshold (in accordance with IFRS 7).

The segment 'Holding activities' includes the operations of the Group companies that have as their main activity the management of shareholdings.

Excluding the ones mentioned above, the remaining activities of the Group have been classified as unallocated.

Inter-segment transactions during the years ended at 31 December 2015 and 2014 were eliminated in the consolidation process. All these transactions were made at market prices.

Inter-segment transfers or transactions were entered under the normal commercial terms and conditions that would also be available to unrelated third parties and were mainly related to interest on treasury applications and management fees.

In the year ended at 31 December 2014, in result of the Mainroad sold (note 3.d)), this was classified, for presentations effects, as a discontinued operation. As set forth by IFRS 5, changes were made in the consolidated profit and loss statements for the year ended at 31 December 2014, in order to disclose a single amount in profit and loss statements related to net income/(loss) of discontinued operations (note 37).

Overall information by business segment at 31 December 2015 and 2014, prepared in accordance with the same accounting policies and measurement criteria adopted in the preparation of the consolidated financial statements, can be summarised as follows:

| | Multimedia | | Information Systems | | Holding Activities | | Subtotal | | Eliminations and others | | Total | |
|---|---------------|---------------|---------------------|---------------|--------------------|---------------|---------------|---------------|-------------------------|---------------|---------------|---------------|
| | December 2015 | December 2014 | December 2015 | December 2014 | December 2015 | December 2014 | December 2015 | December 2014 | December 2015 | December 2014 | December 2015 | December 2014 |
| Revenues: | | | | | | | | | | | | |
| Sales and services rendered | 14,998,146 | 15,895,582 | 114,837,453 | 105,902,042 | 338,240 | 303,482 | 130,173,839 | 122,101,106 | (659,935) | (384,440) | 129,513,904 | 121,716,666 |
| Reversal of provisions | 3,845 | 176,714 | 347,141 | 63,601 | 63,000 | 27,137 | 413,986 | 267,452 | - | - | 413,986 | 267,452 |
| Other operating revenues | 320,817 | 637,133 | 1,529,209 | 1,782,820 | 178,089 | 153,203 | 2,028,115 | 2,573,156 | (70,807) | (79,014) | 1,957,308 | 2,494,142 |
| Total revenues | 15,322,808 | 16,709,429 | 116,713,803 | 107,748,463 | 579,329 | 483,822 | 132,615,940 | 124,941,714 | (730,742) | (463,454) | 131,885,198 | 124,478,260 |
| Depreciation and amortisation | (675,007) | (512,093) | (7,463,505) | (6,584,033) | (15,084) | (15,779) | (8,153,596) | (7,111,905) | (2,645,721) | (30,482) | (10,799,317) | (7,142,387) |
| Provisions and impairment losses | (387,238) | (19,388) | (115,995) | (6,584) | - | - | (503,233) | (25,972) | - | - | (503,233) | (25,972) |
| Net operating income / (loss) for the segment | (5,778,764) | (2,686,383) | 2,417,005 | 5,080,280 | (1,464,528) | (2,101,049) | (4,826,287) | 292,848 | (2,331,059) | 47,391 | (7,157,346) | 340,239 |
| Interest income | 59 | 4,009 | 111,289 | 141,604 | 1,765,353 | 3,206,328 | 1,876,701 | 3,351,941 | (740,306) | (1,393,387) | 1,136,395 | 1,958,554 |
| Interest expenses | (318,520) | (540,130) | (843,906) | (1,315,473) | (64,583) | (562,201) | (1,227,009) | (2,417,804) | 695,285 | 1,366,076 | (531,724) | (1,051,728) |
| Gains and losses on financial assets at fair value through profit or loss | - | - | - | - | 23,886,616 | (1,975,451) | 23,886,616 | (1,975,451) | - | - | 23,886,616 | (1,975,451) |
| Gains and losses in associated companies | (4,231) | (1,698) | (150,262) | (64,955) | 17,997,990 | 15,809,455 | 17,843,497 | 15,742,802 | - | - | 17,843,497 | 15,742,802 |
| Other financial results | (5,397) | (470) | 19,500 | (226,780) | (6,313,123) | 1,450,287 | (6,299,020) | 1,223,037 | 6,564,094 | (1,575,751) | 265,074 | (352,714) |
| Income taxation | 536,796 | 919,868 | (3,233,872) | (2,041,404) | 451,581 | 438,714 | (2,245,495) | (682,821) | (43,999) | (6,968) | (2,289,494) | (689,789) |
| Consolidated net income/(loss) for the year excluding discontinued operations | (5,570,057) | (2,304,804) | (1,680,246) | 1,573,272 | 36,259,306 | 16,266,083 | 29,009,003 | 15,534,552 | 4,144,015 | (1,562,639) | 33,153,018 | 13,971,913 |
| Consolidated net income/(loss) for the year of discontinued operations | - | - | - | 6,074,196 | - | - | - | 6,074,196 | - | 7,051,470 | - | 13,125,666 |
| Attributable to: | | | | | | | | | | | | |
| Shareholders of parent company | (5,570,057) | (2,304,804) | (257,269) | 8,485,626 | 36,259,306 | 16,266,083 | 30,431,980 | 22,446,906 | 4,178,062 | 5,511,323 | 34,610,042 | 27,958,229 |
| Non-controlling interests | - | - | (1,422,977) | (838,158) | - | - | (1,422,977) | (838,158) | (34,047) | (22,492) | (1,457,024) | (860,650) |
| Assets: | | | | | | | | | | | | |
| Tangible and intangible assets and goodwill | 4,950,731 | 7,001,400 | 78,036,472 | 76,946,687 | 28,885 | 44,757 | 83,016,088 | 77,962,844 | (27,236,395) | (20,965,413) | 55,779,693 | 56,997,431 |
| Inventories | 247,324 | 316,038 | 151,587 | 761,420 | - | - | 398,911 | 1,077,458 | - | - | 398,911 | 1,077,458 |
| Financial investments | 821,687 | 914,645 | 7,878 | 10,320 | 644,408,493 | 659,753,394 | 645,238,058 | 660,678,359 | 66,231,791 | 62,467,442 | 711,469,849 | 723,145,801 |
| Other non-current assets | 3,570 | 3,570 | 6,363,647 | 7,317,197 | 171,211,642 | 175,757,576 | 177,578,859 | 183,078,343 | (171,197,084) | (175,733,595) | 6,381,775 | 7,344,748 |
| Other current assets of the segment | 5,388,085 | 6,417,451 | 53,668,966 | 56,315,833 | 263,291,420 | 242,404,457 | 322,348,471 | 305,137,741 | (3,708,834) | (3,276,732) | 318,639,637 | 301,861,009 |
| Liabilities: | | | | | | | | | | | | |
| Liabilities of the segment | 13,910,539 | 13,175,550 | 76,292,229 | 74,665,129 | 2,174,739 | 5,751,364 | 92,377,507 | 93,592,043 | (24,925,216) | (21,632,084) | 67,452,291 | 71,959,959 |
| CAPEX | 592,334 | 582,710 | 7,542,598 | 6,007,870 | (789) | 12,923,078 | 8,134,143 | 19,513,658 | 436,745 | (7,057,560) | 8,570,888 | 12,456,098 |

During the years ended at 31 December 2015 and 2014, the inter-segments sales and services were as follows:

| | Multimedia | Information Systems | Holding Activities |
|---------------------------------|------------|---------------------|--------------------|
| 2015 | | | |
| Multimedia | - | 144,986 | - |
| Information Systems | 5,622 | - | 322,374 |
| Holding Activities | 488 | 65,734 | - |
| External trade debtors | 14,992,036 | 114,626,733 | 15,866 |
| | 14,998,146 | 114,837,453 | 338,240 |
| 2014 (restated - note 1) | | | |
| Multimedia | - | 134,310 | - |
| Information Systems | 294 | - | - |
| Holding Activities | - | 40,797 | 303,482 |
| External trade debtors | 15,895,288 | 105,726,935 | - |
| | 15,895,582 | 105,902,042 | 303,482 |

During the years ended at 31 December 2015 and 2014, sales and services rendered of the segments of Multimedia and Activities Holding were obtained predominantly in the Portuguese market, this market represents more than 90% of revenue.

During the years ended at 31 December 2015, for the Information Systems segment, also the Portuguese market is dominant, accounting for 47.5% of revenue (50.4% in 2014) followed by the Spanish and Brazilian markets, representing 10.3% and 8.2% of revenue (14.4% and 7.6% in 2014), respectively.

The consolidated financial statements of NOS at 31 December 2015 and 2014 incorporated in the consolidated financial statements of Sonaecom through ZOPT by the equity method (note 8), can be summarized as follows:

Condensed consolidated balance sheets

| (Amounts expressed in thousands of Euro) | December 2015 | December 2014 (restated) |
|---|------------------|-----------------------------|
| Assets | | |
| Tangible assets | 1,167,538 | 1,141,770 |
| Intangible assets | 1,178,559 | 1,164,207 |
| Deferred tax assets | 122,539 | 141,115 |
| Other non-current assets | 41,496 | 40,872 |
| Non-current assets | 2,510,132 | 2,487,964 |
| Trade debtors | 347,837 | 331,527 |
| Cash and cash equivalents | 9,948 | 21,070 |
| Other current assets | 108,577 | 115,371 |
| Current assets | 466,362 | 467,968 |
| Total assets | 2,976,494 | 2,955,931 |
| Liabilities | | |
| Medium and long-term loans – net of short-term portion | 979,422 | 616,526 |
| Provisions for other liabilities and charges | 139,484 | 127,221 |
| Other non-current liabilities | 31,837 | 50,074 |
| Non-current liabilities | 1,150,743 | 793,821 |
| Short-term loans and other loans | 178,022 | 503,508 |
| Trade creditors | 356,191 | 317,036 |
| Other current liabilities | 228,016 | 281,436 |
| Current liabilities | 762,229 | 1,101,980 |
| Total liabilities | 1,912,972 | 1,895,801 |
| Shareholders' funds excluding non-controlling interests | 1,054,092 | 1,050,311 |
| Non-controlling interests | 9,430 | 9,818 |
| Total Shareholders' funds | 1,063,522 | 1,060,129 |
| Total Shareholders' funds and liabilities | 2,976,494 | 2,955,931 |

Condensed consolidated statements of income by nature

| (Amounts expressed in thousands of Euro) | December 2015 | December 2014 (restated) |
|--|--------------------|-----------------------------|
| Total revenue | 1,444,305 | 1,383,934 |
| Costs and losses | | |
| Direct costs and External supplies and services | (620,424) | (595,558) |
| Depreciation and amortisation | (366,406) | (339,294) |
| Other operating costs | (307,116) | (301,681) |
| | (1,293,946) | (1,236,533) |
| Financial results | (35,729) | (55,142) |
| Income taxation | (32,138) | (17,179) |
| Consolidated net income/(loss) for the year | 82,492 | 75,080 |
| Consolidated net income/(loss) for the year attributed to non-controlling interests | (228) | 369 |
| Attributed to shareholders of parent company | 82,720 | 74,711 |

37. Discontinued operations

The net income/(loss) for the year of discontinued operations is detailed as follows:

| | 31 December 2014 |
|---|------------------|
| Sales | - |
| Services rendered | 11,100,105 |
| Other operating revenues | 136,924 |
| | 11,237,029 |
| Cost of sales | - |
| External supplies and services | (6,432,024) |
| Staff expenses | (3,604,114) |
| Depreciation and amortisation | (516,185) |
| Provisions and impairment losses | (42,411) |
| Other operating costs | (4,436) |
| | (10,599,170) |
| Other financial expenses | (10,649) |
| Other financial income | 1,391 |
| Current income / (loss) | 628,601 |
| Income taxation | (118,201) |
| Net income/(loss) for the year of discontinued operations | 510,400 |
| Gain/(Loss) resulting from the disposal (note 3.d) | 12,615,266 |
| | 13,125,666 |

At 31 December 2014, the net income/(loss) relates to the net income generated by Mainroad in the amount of Euro 510,400 and the gain from its sale in the amount of Euro 12,615,266 (Notes 1 and 3.d).

38. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the consolidated net income attributable to the Group (Euro 36,097,247 in 2015 and Euro 27,958,229 in 2014) by the average number of shares outstanding during the year ended 31 December 2015 and 2014, net of own shares (305,769,023 in 2015 and 314,920,162 in 2014).

39. Medium Term Incentive Plans

In June 2000, Sonaecom Group created a discretionary Medium Term Incentive Plan, for more senior employees, based on Sonaecom options and shares and Sonae-SGPS, S.A. shares. The vesting occurs three years after the award of each plan, assuming that the employees are still employed in the Group, during that period.

On 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. This conversion was based on the terms set out in Tender offer for the general and voluntary acquisition of own shares at 20 February 2014, referred to in note 17 to determine the fair value of Sonaecom plans, and based on the price of shares Sonae SGPS.

The conversion of the plans was based Sonaecom / Sonae SGPS implied ratio arising from the tender offer (1 Sonaecom Share – approximately 2.05 Sonae SGPS shares).

After conversion, on 10 March 2014, the converted plans can be detailed as follows:

| | Vesting period | | | 10 March 2014 | |
|---|----------------------------|------------|--------------|------------------------------------|------------------|
| | Share price at 20.02.2014* | Award date | Vesting date | Aggregate number of participations | Number of shares |
| Sonae SGPS shares (Arising from the conversion of Sonaecom plans) | | | | | |
| 2010 Plan | 1.258 | 10-Mar-11 | 10-Mar-14 | 46 | 1,003,507 |
| 2011 Plan | 1.258 | 09-Mar-12 | 10-Mar-15 | 48 | 1,132,008 |
| 2012 Plan | 1.258 | 08-Mar-13 | 10-Mar-16 | 50 | 863,405 |

*Share price of the day of publication of the results of the Tender Offer

By decision of the Board of Nominations and Remunerations, the 2010 plan was delivered on May 2014.

The 2011 plan was delivered on March 2015 for all companies except for Sonaecom SGPS, SA, employees, whose delivery was in May 2015. Accordingly, the outstanding plans on 31 December 2015 are as follows:

| | Vesting period | | | 31 December 2015 | |
|---|--------------------------------|------------|--------------|------------------------------------|------------------|
| | Share price 31.12.2015 / Award | Award date | Vesting date | Aggregate number of participations | Number of shares |
| Sonae SGPS shares (Arising from the conversion of Sonaecom plans) | | | | | |
| 2012 Plan | 1.048 | 08-Mar-13 | 10-Mar-16 | 24 | 592,524 |
| Sonae SGPS shares | | | | | |
| 2012 Plan | 0.701 | 08-Mar-13 | 10-Mar-16 | 2 | 179,963 |
| 2013 Plan | 1.048 | 10-Mar-14 | 10-Mar-17 | 182 | 1,677,941 |
| 2014 Plan | 1.048 | 10-Apr-15 | 10-Apr-18 | 194 | 1,592,275 |

The 2013 and 2014 Plans includes employees of WeDo Group following the adoption by these companies of the same medium term incentives plans that the rest of the group.

During the year ended at 31 December 2015, the movements that occurred in the plans can be summarised as follows:

| | | Sonae SGPS shares | |
|--|--|------------------------------------|------------------|
| | | Aggregate number of participations | Number of shares |
| Outstanding at 31 December 2014: | | | |
| Unvested | | 240 | 3,563,810 |
| Total | | 240 | 3,563,810 |
| Movements in the year: | | | |
| Award | | 200 | 1,539,680 |
| Vested | | (24) | (1,269,651) |
| Cancelled / elapsed / corrected / transfers ⁽¹⁾ | | (14) | 208,864 |
| Outstanding at 31 December 2015: | | | |
| Unvested | | 402 | 4,042,703 |
| Total | | 402 | 4,042,703 |

(1) Corrections are made for dividends paid and changes to capital and other adjustments including those resulting from changes in the maturity of the MTIP, which may now be made through shares at a discount.

The responsibility of the plans was recognized under the caption 'Other current liabilities' and 'Other non-current liabilities'. Sonae SGPS shares plans (excluding the Sonaecom shares plans converted into Sonae SGPS shares plans), the group entered into hedging contracts with external entities, and the liabilities are calculated based on the agreed price. The contracts mentioned above can be summarized as follows:

| | Sonae SGPS shares |
|--|--------------------------|
| | 2012 Plan |
| Notional value | 268,451 |
| Maturity | Mar-16 |
| Level of inputs in the hierarchy of fair value | Level 2* |
| Valuation method | Current replacement cost |
| Fair value* | 170,276 |

* Level 2: Fair value is determined based on other data than market prices identified at Level 1, but can be observed on the market

Share plans costs are recognised in the accounts over the year between the award and the vesting date of those shares. The costs recognised in previous years and in the year ended at 31 December 2015, were as follows:

| | Sonae SGPS shares | NOS SGPS shares | Total |
|--|-------------------|-----------------|-------------|
| Costs recognised in previous years | 4,952,818 | 409,556 | 5,362,374 |
| Costs recognised in the year | 1,615,600 | - | 1,615,600 |
| Exit of companies from the consolidation perimeter | (300,629) | - | (300,629) |
| Impact of conversion | 2,386,427 | - | 2,386,427 |
| Costs of plans vested in previous years | (5,550,707) | - | (5,550,707) |
| Costs of plans vested in the year | (1,169,268) | (452,604) | (1,621,872) |
| Total cost of the plans | 1,934,241 | (43,048) | 1,891,193 |
| Responsibility of plans | 2,104,517 | (43,048) | 2,061,469 |
| Fair value of hedging contracts ⁽¹⁾ | (170,276) | - | (170,276) |
| Recorded in 'Cash and cash equivalents' ⁽²⁾ | (194,529) | (43,048) | (237,577) |
| Recorded in 'Other current liabilities (note 27) | 743,792 | - | 743,792 |
| Recorded in 'Other non-current liabilities (note 23) | 1,384,978 | - | 1,384,978 |

(1) Sonaecom has signed hedging contracts to cover its responsibilities related with the medium and long-term group incentive plans, later transferring, through contracts, the responsibility for each company of the group. The fair value of the hedging contracts, considered in the table above, corresponds to the amount that covers Sonaecom employees' responsibility.

(2) Sonaecom partially anticipated the maturity of the hedging contract with Sonae SGPS, receiving an amount equivalent to the present market value of Sonaecom shares.

On 27 August 2013, part of the Sonaecom and Sonae SGPS plans outstanding were converted to NOS plans. The conversion of the Sonaecom plans was made according to the merger ratio, but the conversion of Sonae SGPS plans was made according to the fair value of the shares. This decision was duly approved by the Board Nominations and Remunerations Committee. The cost of NOS plans was recognized until 30 September 2013, date on which NOS started to take responsibility for them. The responsibility of these plans was calculated based on share price of 30 September 2013 and was recorded under the headings of 'Other current liabilities' and 'Other non-current liabilities'.

40. Remuneration attributed to the key management personnel

During 2015 and 2014, the remunerations paid to Directors and other members of key management in functions at the years ended at 31 December 2015 and 2014 (8 managers in 2015 and 14 managers in 2014) were as follows:

| | 2015 | 2014 |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 1.638.990 | 1.586.101 |
| Share-based payments | 364.735 | 366.317 |
| | <u>2.003.725</u> | <u>1.952.418</u> |

The short-term employee benefits, which include the salary and performance bonus, were calculated on an accruals basis. The share-based payments for 2015 and 2014 correspond to the value of the Medium Term Incentive Plan and will be awarded in 2016, in respect of performance during 2015 (and the Medium Term Incentive Plan awarded in 2015 in respect of performance during 2014, for the 2014 amounts), whose shares, or the cash equivalent, will be delivered in March 2019 and March 2018, respectively. Full details on the Group remuneration policy are disclosed in the Corporate Governance Report.

41. Fees of Statutory Auditor

In 2015 and 2014, the Group paid, in respect of fees, to the Statutory Auditor of the Group, Deloitte, and its network of companies, the following amounts:

| | 2015 | 2014 |
|--|----------------|----------------|
| Statutory audit | 115,338 | 115,663 |
| Other guarantee and reliability services | 750 | - |
| Tax Advice | 15,750 | - |
| Other consulting | - | 4,738 |
| Total | <u>131,838</u> | <u>120,401</u> |

42. Average number of employees

During the years ended at 31 December 2015 and 2014, the companies included in the consolidation employed an average number of 1,173 and 1,139, respectively (excluding the companies included in discontinued operations). At 31 December 2015, the number of employees was 1,196.

43. Subsequent events

Between the end January and early February, the subsidiary S21 SEC Gestion proceeded to the early redemption of all medium and long term loans in the amount of Euro 3,75 million with maturity would occur in July 2021 (note 20 a)). In addition, the subsidiary proceeds on the same dates the repayment and cancellation of overdrafts and factoring, whose available limits was EUR 1.3 million and EUR 1.64 million respectively (Note 20). At the repayment date the amounts used for overdrafts were 1.1 million and there were no amounts used in factoring.

The adjustment of assets and liabilities in foreign currency in Angola associates (detained by ZOPT) and the conversion of financial statements of these companies for Euro was made using the exchange rate published by the National Bank of Angola on December 31, 2015 . On January 4, 2016 (the first working day of 2016), the kwanza depreciated approximately 14% against the Euro. Arising from that devaluation and based the position of assets and liabilities denominated in foreign currency in these companies and the value of your net assets, Sonaecom will register under "Gains and losses in associated companies and jcompanies jointly controlled" a loss of 1 million Euros, and the caption of equity "exchange rate conversion reserves" included under "Reserves" will be reduced by approximately 7 million euros ..



These financial consolidated presentations have been approved by the Executive Board and authorized to be issued on 08 March 2016.

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IAS / IFRS) as adopted by the European Union and the format and disclosures required by those Standards, some of which may not conform to or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

Appendix

| Key management personnel - Sonaecom | |
|--|-----------------------------------|
| Ângelo Gabriel Ribeirinho dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier | Maria Cláudia Teixeira de Azevedo |

| Key management personnel - Sonae SGPS | |
|--|--|
| Ângelo Gabriel Ribeirinho dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier Marcelo Faria de Lima Christine Cross | Duarte Paulo Teixeira de Azevedo José Manuel Neves Adelino Tsega Gebreyes Andrew Eustace Clavering Campbell |


| Sonae/Efanor/NOS Group Companies | |
|---|---|
| Cape Technologies Limited Digitmarket-Sistemas de Informação,SA ITRUST - Cyber Security and Intellig.,SA Lookwise, S.L. PCJ-Público, Comunicação e Jornalismo,SA Praesidium Services Limited Público - Comunicação Social, SA S21 Sec Brasil, Ltda S21 Sec Ciber Seguridad, S.A. de CV S21 SEC Gestion, S.A. S21 Sec Information Security Labs, S.L. S21 Sec México, S.A. de CV S21 Sec, S.A. de CV Saphety - Transacciones Electronicas SAS Saphety Brasil Transações Eletrônicas Ld Saphety Level - Trusted Services, SA Sonaecom - Serviços Partilhados, S.A 3shoppings - Holding, SGPS, SA ACCIVE Insurance Cons. e Franchising,Lda Accive Insurance-Corretor de Seguros, SA ADD Avaliações Eng.Aval.e Pericias, Ltda Adlands BV Aegean Park, SA Agepan Eiweiler Management GmbH Agloma Investimentos, Sgps, S.A. ALEXA Administration GmbH ALEXA Holding GmbH ALEXA Shopping Centre GmbH Algarveshopping- Centro Comercial, SA Aqualuz - Turismo e Lazer, Lda | Arat Inmuebles, S.A. ARP Alverca Retail Park, SA Arrábidasshopping - Centro Comercial, SA Aserraderos de Cuellar,SA Atelgen-Produção Energia, ACE Atlantic Ferries-Tráf.Loc,Flu.e Marít,SA Avenida M-40 BV Azulino Imobiliária, S.A. BA Business Angels, SGPS, SA BA Capital, SGPS BB Food Service, SA Beeskow Holzwerkstoffe Beralands BV Bertimóvel - Sociedade Imobiliária, S.A. BIG Picture 2 Films Bloco Q-Sociedade Imobiliária,SA Bom Momento - Restauração, S.A. Canal 20 TV, SA Canasta-Empreendimentos Imobiliários,SA Capwatt ACE, S.A. Capwatt Colombo - Heat Power, S.A. Capwatt Engenho Novo - Heat Power, S.A. Capwatt Hectare - Heat Power, ACE Capwatt II - Heat Power, S.A. Capwatt III - Heat Power, S.A. Capwatt Maia - Heat Power, S.A. Capwatt Martim Longo - Solar Power, S.A. Capwatt Vale do Caima - Heat Power, S.A. Capwatt Vale do Tejo - Heat Power, S.A. CAPWATT, SGPS, S.A. |

Carvemagere-Manut.e Energias Renov., Lda
 Casa da Ribeira-Sociedade Imobiliária,SA
 Cascaishopping Centro Comercial, SA
 Cascaishopping Holding I, SGPS, SA
 CCCB Caldas da Rainha-Centro Comerc., SA
 Centro Colombo Centro Comercial, SA
 Centro Residencial da Maia,Urbán.,SA
 Glunz AG
 Glunz Service GmbH
 Glunz UK Holdings Ltd
 Glunz Uka GmbH
 Golf Time-Golfe e Invest. Turísticos, SA
 Guimarãesshopping Centro Comercial, SA
 Harvey Dos Iberica, SL
 Herco Consult.Risco Corret.Seguros, Ltda
 Herco Consultoria de Risco, S.A.
 HighDome PCC Limited
 HighDome PCC Limited (Cell Europe)
 Iberian Assets, SA
 Igimo - Sociedade Imobiliária, SA
 Iginha - Sociedade Imobiliária, SA
 Imoarea - Invest. Turísticos, SGPS, SA
 Imobeauty, SA
 Imoclub-Serviços Imobiliários, SA
 Imoconti - Sociedade Imobiliária, SA
 Imodivor - Sociedade Imobiliária, SA
 Imoestrutura - Sociedade Imobiliária, SA
 Imohotel-Emp.Turísticos Imobiliários,SA
 Imomuro - Sociedade Imobiliária, SA
 Imopeninsula - Sociedade Imobiliária, SA
 Imoplamac Gestão de Imóveis, SA
 Imoponte - Sociedade Imobiliária, SA
 Imoresort - Sociedade Imobiliária, SA
 Imoresultado - Sociedade Imobiliária, SA
 Imosedas - Imobiliária e Serviços, SA
 Imosistema - Sociedade Imobiliária, SA
 Impaper Europe GmbH
 Implantação - Imobiliária, S.A.
 Infofield - Informática, SA
 Inparvi SGPS, SA
 Interlog-SGPS, SA
 Ioannina Develop.of Shopping Centres, SA
 Isoroy SAS
 ITRUST - Cyber Security and Intellig.,SA
 Land Retail BV
 Larim Corretora de Resseguros, Ltda
 Larissa Develop. of Shopping Centers, SA
 Lazam MDS Corretora e Adm. Seguros, SA
 Le Terrazze - Shopping Centre 1, Srl
 Libra Serviços, Lda


Loop 5 Shopping Centre GmbH
 Lusomundo España, SL
 Lusomundo Imobiliária 2, SA
 Lusomundo Moçambique, Lda
 Lusomundo Soc. Inv. Imob. SA
 Luz del Tajo BV
 Luz del Tajo Centro Comercial, SA
 Pantheon Plaza BV
 Paracentro - Gestão de Galerias Com., SA
 Pareuro BV
 Park Avenue Develop.of Shop. Centers, SA
 Parklake Shopping, SA
 Parque Atlântico Shopping-C.Comerc., SA
 Parque D. Pedro 1 BV
 Parque de Famalicão - Empreend.Imob., SA
 Pátio Boavista Shopping, Ltda
 Pátio Campinas Shopping, Ltda
 Pátio Goiânia Shopping, Ltda
 Pátio Londrina Empreend.e Particip.,Ltda
 Pátio São Bernardo Shopping Ltda
 Pátio Sertório Shopping Ltda
 Pátio Uberlândia Shopping Ltda
 Pharmaconcept - Actividades em Saúde, SA
 Pharmacontinente - Saúde e Higiene, SA
 Plaza Eboli - Centro Comercial, SA
 Plaza Mayor Parque de Ócio BV
 Plaza Mayor Parque de Ocio, SA
 Plaza Mayor Shopping BV
 Plaza Mayor Shopping, SA
 Poliface North America
 Ponto de Chegada - Soc. Imobiliária, SA
 Porturbe-Edifícios e Urbanizações,SA
 Praedium - Serviços, SA
 Praedium II - Imobiliária, SA
 Praedium SGPS, SA
 Predicomercial - Promoção Imobiliária,SA
 Predilugar - Sociedade Imobiliária, SA
 Prédios Privados Imobiliária, SA
 Predisedas - Predial das Sedas, SA
 Project SC 1 BV
 Project Sierra 10 BV
 Project Sierra 11 BV
 Project Sierra 12 BV
 Project Sierra 2 BV
 Project Sierra 8 BV
 Project Sierra Cúcuta BV
 Project Sierra Four Srl
 Project Sierra Germany 2 (two)-Sh.C.GmbH
 Project Sierra Germany 4 (four)-S.C.GmbH
 Project Sierra Spain 1 BV

Project Sierra Spain 2 - C.Comercial, SA
 Project Sierra Two Srl
 Promessa Sociedade Imobiliária, S.A.
 QCE-Desenv. e Fabrico de Equipamentos,SA
 Racionaliz. y Manufact.Florestales,SA
 Raso - Viagens e Turismo, SA
 RASO II-Viagens e Turismo,Unipessoal Lda
 SISTAVAC, SGPS, S.A.
 SISTAVAC-Sistemas HVAC-R do Brasil, Ltda
 Soc.Inic.Aproveit.Florest.-Energias,SA
 Société de Tranchage Isoroy SAS.
 Socijofra - Sociedade Imobiliária, SA
 Sociloures - Sociedade Imobiliária, SA
 Soconstrução BV
 Soflorin BV
 Soira-Soc.Imobiliária de Ramalde,SA
 Solinca - Health & Fitness, SA
 Solinca-Investimentos Turísticos,SA
 Solinfitness - Club Malaga, S.L.
 Solingen Shopping Center GmbH
 Soltroia-Imob.de Urb.Turismo de Tróia,SA
 Somit Imobiliária, SA
 Sonae Capital Brasil, Lda
 Sonae Capital, SGPS, SA
 Sonae Center Serviços II, SA
 Sonae Financial Services, S.A.
 Sonae Ind., Prod. e Com.Deriv.Madeira,SA
 Sonae Indústria - Management Services,SA
 Sonae Industria (UK),Ltd
 Sonae Industria de Revestimentos,SA
 Sonae Indústria-SGPS,SA
 Sonae Investimentos, SGPS, SA
 Sonae Investments BV
 Sonae MC - Modelo Continente, SGPS, SA
 Sonae Novobord (PTY) Ltd
 Sonae RE, S.A.
 Sonae Retalho España-Serv.Generales,SA
 Sonae SGPS, SA
 Sonae Sierra Brasil, SA
 Sonae Sierra Brazil, BV / SARL
 Sonae Sierra, SGPS, SA
 Sonae Specialized Retail, SGPS, SA
 Sonae SR Malta Holding Limited
 Sonae Tfibra Benelux, BV
 Sonae Turismo, SGPS, S.A.
 Sonaecenter Serviços, SA
 Sonaegest-Soc.Gest.Fundos Investimentos
 Sonaerp - Retail Properties, SA
 SONAESR - Serviços e logística, SA
 Sondis Imobiliária, SA

Sontel BV
 Sontur BV
 Sonvecap BV
 Sopair, S.A.
 Sótaqua - Soc. de Empreendimentos Turist
 Soternix-Produção de Energia, ACE
 Spanboard Products,Ltd
 SPF - Sierra Portugal
 Spinarq Moçambique, Lda
 Spinarq-Engenharia,Energia e Ambiente,SA
 Spinveste - Promoção Imobiliária, SA
 Sonaecom BV
 Sonaecom, SGPS, SA
 Sonaecom-Cyber Security and Int.,SGPS,SA
 Sonae Investment Management, SGPS
 Sonaecom-Sistemas Información España SL
 Sonaetelecom BV
 Tecnológica Telecomunicações, Ltda
 We Do Consulting-Sist. de Informação, SA
 We Do Poland Sp.Z.o.o.
 We Do Technologies (UK) Limited
 We Do Technologies Americas, Inc
 We Do Technologies Australia PTY Limited
 We Do Technologies BV
 We Do Technologies BV - Sucursal Malaysia
 We Do Technologies Egypt LLC
 We Do Technologies Mexico, S. de RL
 Wedo Brasil-Soluções Informáticas,Ltda
 Centro Vasco da Gama Centro Comercial,SA
 Chão Verde-Soc. de Gestão Imobiliária,SA
 Cinclus Imobiliária,SA
 Citic Capital Sierra Limited
 Citic Capital Sierra Prop. Man. Limited
 Citorres - Sociedade Imobiliária, SA
 Coimbrashopping Centro Comercial, SA
 Colombo Towers Holding BV
 Companhia Térmica do Serrado, ACE
 Companhia Térmica Tagol, Lda.
 Contacto Concessões, SGPS, S.A.
 Contibomba-Comérc.Distr.Combustíveis,SA
 Contimobe - Imobiliária Castelo Paiva,SA
 Continente Hipermercados, SA
 Country Club da Maia-Imobiliaria,SA
 Craiova Mall BV
 CTE-Central Termoeléc. do Estuário, Lda
 CUCUTA - Proyecto Cúcuta S.A.S.
 Cumulativa - Sociedade Imobiliária, S.A.
 Darbo SAS
 Discovery Sports, SA
 Distodo Distribui e Logist,Lda



| | |
|---|--|
| Dortmund Tower GmbH | Modelo Continente Hipermercados, SA |
| Dos Mares Shopping Centre BV | Modelo Continente International Trade, SA |
| Dos Mares Shopping Centre, SA | Modelo Hiper Imobiliária, SA |
| Dreamia, B.V | Modelo.com-Vendas por Correspondência, SA |
| Dreamia, Serv de Televisão, SA | Movelpartes-Comp.para Ind.Mobiliária, SA |
| Ecociclo - Energia e Ambiente, SA | Movimento Viagens-Viag.e Turismo S.U.Lda |
| Efanor Investimentos, SGPS, S.A. | MSTAR, SA |
| Efanor Serviços de Apoio à Gestão, S.A. | Münster Arkaden BV |
| Empracine-E.Pro.Act. Cinem,Lda | Norte Shop. Retail and Leisure Centre BV |
| Empreend.Imob.Quinta da Azenha, SA | Norteshopping Centro Comercial, SA |
| Enerlousado-Recursos Energéticos, Lda. | NOS Açores Comunicações, S.A. |
| Equador & Mendes-Ag. Viagens e Tur.,Lda | NOS Communications S.a.r.l. |
| Estação Viana Centro Comercial, SA | NOS Comunicações, S.A. |
| Euroresinas-Indústrias Químicas, SA | NOS Inovação S.A. |
| Farmácia Selecção, SA | NOS Lusomundo Audiovisuais, S.A. |
| Fashion Division Canárias, SA | NOS Lusomundo Cinemas, S.A. |
| Fashion Division, S.A. | NOS Lusomundo TV Lda |
| Fozimo - Sociedade Imobiliária, SA | NOS Madeira Comunicações, S.A. |
| Freccia Rossa - Shopping Centre, Srl | NOS SISTEMAS ESPAÑA, S.L. |
| Fundo de Invest.Imobiliário Fec. Imosede | NOS Sistemas, S.A. |
| Fundo Esp.Inv.Imo.Fec. WTC | NOS Technology - Concepção, Const. e Gestão Redes Com., S.A. |
| Fundo I.I. Parque Dom Pedro Shop. Center | NOS TOWERING - Gestão de Torres de Telecomunicações, S.A. |
| Fundo Invest. Imobiliário Imosonae Dois | NOS, SGPS, S.A. |
| Fundo Invest.Imob.Shopp. Parque D. Pedro | NOSPUB Publicidade e Conteúdos, S.A. |
| GaiaShopping I Centro Comercial, SA | Nova Equador Internacional, Ag. Viag. T, Lda |
| GaiaShopping II Centro Comercial, SA | Nova Equador P.C.O. e Eventos, S.U., Lda |
| GHP GmbH | Novodecor (PTY), LTD |
| Gli Orsi Shopping Centre 1, Srl | OSB Deustchland GmbH |
| Madeirashopping Centro Comercial, SA | Raso, SGPS, SA |
| MaiaShopping Centro Comercial, SA | River Plaza BV |
| Maiequipa - Gestão Florestal, SA | River Plaza Mall, Srl |
| Marcas MC, zRT | Ronfegen-Recursos Energéticos, Lda. |
| Marina de Tróia S.A. | RSI Corretora de Seguros, Ltda |
| Marmagno-Expl.Hoteleira Imob.,SA | S.C. Microcom Doi Srl |
| Martimope-Empreendimentos Turísticos, SA | SC Aegean BV |
| Marvero-Expl.Hoteleira Imob.,SA | SC Finance BV |
| MDS - Corretor de Seguros, SA | SC For-Serv.Form.e Desenv.R.H.,Unip.,Lda |
| MDS Affinity-Sociedade de Mediação Lda | SC Hospitality, SGPS, S.A. |
| MDS Africa SGPS, SA | SC, SGPS, SA |
| MDS Auto - Mediação de Seguros, SA | SC-Consultadoria, SA |
| Mds Knowledge Centre, Unipessoal, Lda | SC-Eng. e promoção imobiliária, SGPS, S.A. |
| MDS Malta Holding Limited | SDSR - Sports Division SR, S.A. |
| MDS RE - Mediador de resseguros | Selifa-Soc. de Empreend. Imobiliários, SA |
| MDS, SGPS, SA | Sempre à Mão - Sociedade Imobiliária, SA |
| Megantic BV | Sesagest - Proj. Gestão Imobiliária, SA |
| MJB-Design, Lda | Sete e Meio - Invest. Consultadoria, SA |
| MJLF - Empreendimentos Imobiliários, SA | Shopping Centre Colombo Holding BV |
| Modalfa - Comércio e Serviços, SA | Shopping Centre Parque Principado BV |
| Modalloop - Vestuário e Calçado, SA | SIAL Participações, Lda |
| Modelo - Dist.de Mat. de Construção, S.A. | Sierra Asia Limited |



| | |
|--|--|
| Sierra Berlin Holding BV | Tafisa France, SA |
| Sierra Brazil 1 BV | Tafisa UK,Ltd |
| Sierra Cevital Shopping Center, Spa | Tafisa-Tableros de Fibras, SA |
| Sierra Corporate Services Holland BV | Taiber,Tableros Aglomerados Ibéricos,SL |
| Sierra Developments Holding BV | Teconologias del Medio Ambiente,SA |
| Sierra Developments, SGPS, SA | Teliz Holding B.V. |
| Sierra European R.R.E. Assets Hold. BV | Têxtil do Marco, SA |
| Sierra Germany GmbH | The Artist Porto Hot.&Bistrô-Act.Hot.,SA |
| Sierra GP, Limited | Tlantic BV |
| Sierra Greece, SA | Tlantic Portugal - Sist.de Informação,SA |
| Sierra Investimentos Brasil Ltda | Tlantic Sistemas de Informação, Ltda |
| Sierra Investments (Holland) 1 BV | Tool GmbH |
| Sierra Investments (Holland) 2 BV | Torre Ocidente Imobiliária, SA |
| Sierra Investments Holding BV | Torre São Gabriel Imobiliária, SA |
| Sierra Investments SGPS, SA | Troia Market-Supermercados, S.A. |
| Sierra Italy, Srl | Troia Natura, S.A. |
| Sierra Management, SGPS, SA | Troiareort-Investimentos Turísticos, SA |
| Sierra Portugal, SA | Tulipamar-Expl.Hoteleira Imob.,SA |
| Sierra Project Nürnberg BV | Unishopping Consultoria Imobiliária,Ltda |
| Sierra Real Estate Greece BV | UPK-Gestão de Facilities e Manutenção,SA |
| Sierra Romania Sh. Centers Services Srl | Upstar Comunicações SA |
| Sierra Services Holland 2 BV | Urbisedas-Imobiliária das Sedas,SA |
| Sierra Solingen Holding GmbH | Valor N, SA |
| Sierra Spain Shop. Centers Serv., S.A.U. | Via Catarina Centro Comercial, SA |
| Sierra Turkey Gayrim.Yön.P.Dan.An.Sirket | Viajens y Turismo de Geotur España, S.L. |
| Sierra Zenata Project BV | Vistas do Freixo-Emp.Tur.Imobiliários,SA |
| SII - Soberana Invest. Imobiliários, SA | Vuelta Omega, S.L. |
| SISTAVAC, S.A. | Weierstadt Shopping BV |
| Spinveste-Gestão Imobiliária SGII,SA | Worten - Equipamento para o Lar, SA |
| Sport TV Portugal, SA | Worten Canárias, SL |
| Sport Zone Canárias, SL | Worten España Distribución, SL |
| Sport Zone España-Com.Art.de Deporte,SA | ZAP Cinemas, S.A. |
| Sport Zone spor malz.per.satis ith.ve ti | ZAP Media S.A. |
| Spred, SGPS, SA | ZAP Publishing, S.A. |
| SSI Angola, S.A. | Zenata Commercial Project S.A. |
| Tableros Tradema,S.L. | Zippy - Comércio e Distribuição, SA |
| Taiber,Tableros de Fibras Ibéricas,SL | Zippy - Comercio y Distribución, SA |
| Tafibra South Africa (PTY) Ltd. | Zippy cocuk malz.dag.ith.ve tic.ltd.sti |
| Tafibra Suisse, SA | ZON Finance BV |
| Tafisa Canadá Societé en Commandite | Zubiarte Inversiones Inmobiliarias, SA |
| Tafisa Développement | ZYEvolution-Invest.Desenv.,SA |

5.3. Sonaecom individual financial statements

Balance sheets

For the years ended at 31 December 2015 and 2014 (restated – note 1).

| (Amounts expressed in Euro) | Notes | December 2015 | December 2014 (restated) | January 2014 (restated) |
|--|-----------------------------|----------------------|-----------------------------|----------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Tangible assets | 1.a, 1.f and 2 | 24,977 | 38,672 | 52,710 |
| Intangible assets | 1.b and 3 | 3,907 | 6,085 | 7,092 |
| Investments in Group companies | 1.c and 5 | 49,147,142 | 52,792,142 | 66,580,286 |
| Investments in joint ventures | 1.d and 6 | 597,666,944 | 597,666,944 | 597,666,944 |
| Financial assets at fair value through profit or loss | 1.e, 4 and 7 | 144,477 | 1,424,996 | - |
| Other non-current assets | 1.d, 1.n, 4, 8 and 25 | 166,049,237 | 165,651,236 | 175,735,246 |
| Total non-current assets | | 813,036,684 | 817,580,075 | 840,042,278 |
| Current assets | | | | |
| Financial assets at fair value through profit or loss | 1.e, 4 and 7 | 79,796,807 | 58,540,576 | 202,442,350 |
| Other current debtors | 1.e, 1.g, 4, 10 and 25 | 3,005,261 | 3,313,610 | 14,350,107 |
| Other current assets | 1.e, 1.n, 4, 11 and 25 | 378,552 | 517,881 | 515,229 |
| Cash and cash equivalents | 1.e, 1.h, 4, 12 and 25 | 179,448,314 | 176,887,883 | 185,918,581 |
| Total current assets | | 262,628,934 | 239,259,950 | 403,226,267 |
| Total assets | | 1,075,665,618 | 1,056,840,025 | 1,243,268,545 |
| Shareholder funds and liabilities | | | | |
| Shareholders' funds | | | | |
| Share capital | 13 | 230,391,627 | 230,391,627 | 366,246,868 |
| Own shares | 1.q and 14 | (8,441,804) | (8,441,804) | (8,441,804) |
| Reserves | 1.p | 817,581,760 | 825,520,566 | 923,310,545 |
| Net income / (loss) for the year | | 34,389,062 | 5,820,800 | (90,569,383) |
| Total Shareholders' funds | | 1,073,920,645 | 1,053,291,189 | 1,190,546,226 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Medium and long-term loans – net of short-term portion | | - | - | 20,003,496 |
| Provisions for other liabilities and charges | 1.l, 1.o and 16 | 241,811 | 304,811 | 332,469 |
| Other non-current liabilities | 1.n, 1.t, 4 and 17 | 222,526 | 399,254 | 370,948 |
| Total non-current liabilities | | 464,337 | 704,065 | 20,706,913 |
| Current liabilities | | | | |
| Short-term loans and other loans | 1.h, 1.i, 1.j, 4, 15 and 25 | - | 87,859 | 21,660,813 |
| Other creditors | 4, 18 and 25 | 200,693 | 1,065,550 | 7,308,273 |
| Other current liabilities | 1.n, 1.t, 4, 19 and 25 | 1,079,943 | 1,691,362 | 3,046,320 |
| Total current liabilities | | 1,280,636 | 2,844,771 | 32,015,406 |
| Total Shareholders' funds and liabilities | | 1,075,665,618 | 1,056,840,025 | 1,243,268,545 |

The notes are an integral part of the financial statements at 31 December 2015 and 2014 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Profit and Loss account by nature

For the years ended at 31 December 2015 and 2014

| (Amounts expressed in Euro) | Notes | December 2015 | September to December 2015 (not audited) | December 2014 | September to December 2014 (not audited) |
|--|------------------------------------|---------------|--|---------------|--|
| Services rendered | 20 and 25 | 338,240 | 80,595 | 303,482 | 258,761 |
| Other operating revenues | 21 and 25 | 241,085 | 65,066 | 153,199 | 89,238 |
| | | 579,325 | 145,661 | 456,681 | 347,999 |
| External supplies and services | 1.f, 22 and 25 | (723,241) | (166,891) | (1,018,283) | (682,707) |
| Staff expenses | 1.t, 28 and 30 | (1,155,774) | (313,131) | (1,313,559) | (1,028,437) |
| Depreciation and amortisation | 1.a, 1.b, 2 and 3 | (15,084) | (3,866) | (15,779) | (12,180) |
| Provisions and impairment losses | 1.l and 16 | - | 46,490 | - | - |
| Other operating costs | | (63,231) | 17,028 | (135,696) | (100,847) |
| | | (1,957,330) | (420,370) | (2,483,317) | (1,824,171) |
| Gains and losses on Group companies | 5 and 23 | 9,450,500 | (3,635,000) | 7,032,750 | 6,767,750 |
| Gains and losses on financial assets at fair value through profit or loss | 5, 7 and 23 | 23,886,615 | (1,383,702) | (1,975,451) | (6,925,422) |
| Other financial expenses | 1.c, 1.i, 1.j, 1.r, 1.s, 15 and 23 | (135,054) | (38,571) | (1,018,096) | (988,884) |
| Other financial income | 1.r, 5 and 23 | 2,113,424 | 153,851 | 3,369,520 | 2,741,673 |
| Current income / (loss) | | 33,937,480 | (5,178,131) | 5,382,087 | 118,945 |
| Income taxation | 1.m, 9 and 24 | 451,582 | 470,728 | 438,713 | 244,419 |
| Net income / (loss) for the year | | 34,389,062 | (4,707,403) | 5,820,800 | 363,364 |
| Earnings per share | 27 | | | | |
| Including discontinued operations: | | | | | |
| Basic | | 0.11 | 0.00 | 0.02 | 0.00 |
| Diluted | | 0.11 | 0.00 | 0.02 | 0.00 |
| Excluding discontinued operations: | | | | | |
| Basic | | 0.11 | 0.00 | 0.02 | 0.00 |
| Diluted | | 0.11 | 0.00 | 0.02 | 0.00 |

The notes are an integral part of the financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Statement of profit and loss and other comprehensive income

For the years ended at 31 December 2015 and 2014

| (Amounts expressed in Euro) | December 2015 | September to December 2015 (not audited) | December 2014 | September to December 2014 (not audited) |
|---|---------------|--|---------------|--|
| Net income / (loss) for the year | 34,389,062 | (4,707,403) | 5,820,800 | 363,364 |
| Components of other comprehensive income, net of tax | - | - | - | - |
| Comprehensive income for the year | 34,389,062 | (4,707,403) | 5,820,800 | 363,364 |

The notes are an integral part of the financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Movements in Shareholders' funds

For the years ended at 31 December 2015 and 2014 (restated – note 1)

| (Amounts expressed in Euro) | | | Reserves | | | | | | | |
|--|---------------|-------------------------|---------------|----------------|---|------------------------|----------------|----------------|------------------------|---------------|
| | Share capital | Own shares (note 14) | Share premium | Legal reserves | Medium Term Incentive Plans reserves (note 28) | Own shares reserves | Other reserves | Total reserves | Net income / (loss) | Total |
| 2015 | | | | | | | | | | |
| Balance at 31 December 2014 | 230,391,627 | (8,441,804) | 775,290,377 | 13,152,684 | - | 8,441,804 | 28,635,701 | 825,520,566 | 5,820,800 | 1,053,291,189 |
| Appropriation of result of 2014 | - | - | - | 291,040 | - | - | 5,529,760 | 5,820,800 | (5,820,800) | - |
| Transfer to legal reserves and other reserves | - | - | - | - | - | - | (13,759,606) | (13,759,606) | - | (13,759,606) |
| Dividend Distribution | - | - | - | - | - | - | - | - | - | - |
| Comprehensive income for the year ended at 31 December 2015 | - | - | - | - | - | - | - | - | 34,389,062 | 34,389,062 |
| Balance at 31 December 2015 | 230,391,627 | (8,441,804) | 775,290,377 | 13,443,724 | - | 8,441,804 | 20,405,855 | 817,581,760 | 34,389,062 | 1,073,920,645 |
| 2014 | | | | | | | | | | |
| Balance at 31 December 2013 | 366,246,868 | (8,441,804) | 775,290,377 | 13,152,684 | 473,962 | 8,441,804 | 131,364,941 | 928,723,768 | (95,982,606) | 1,190,546,226 |
| Appropriation of result of 2013 | - | - | - | - | - | - | (95,982,606) | (95,982,606) | 95,982,606 | - |
| Transfer to legal reserves and other reserves | - | - | - | - | - | - | - | - | 5,820,800 | 5,820,800 |
| Comprehensive income for the year ended at 31 December 2014 | - | - | - | - | - | - | - | - | - | - |
| Reduction of the share capital following the result of the general and voluntary acquisition of own shares (Note 13) | (135,855,241) | - | - | - | - | - | (5,815,229) | (5,815,229) | - | (141,670,470) |
| Effect of the recognition of the Medium Term Incentive Plans (Note 28) | - | - | - | - | (57,543) | - | - | (57,543) | - | (57,543) |
| Effect of the conversion of the Medium Term Incentive Plans (Note 28) | - | - | - | - | (416,419) | - | (931,405) | (1,347,824) | - | (1,347,824) |
| Balance at 31 December 2014 | 230,391,627 | (8,441,804) | 775,290,377 | 13,152,684 | - | 8,441,804 | 28,635,701 | 825,520,566 | 5,820,800 | 1,053,291,189 |

The notes are an integral part of the financial statements at 31 December 2015 and 2014 (restated – note 1).

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Cash Flow statements

For the years ended at 31 December 2015 and 2014

| (Amounts expressed in Euro) | December 2015 | | December 2014 | |
|---|---------------|--------------|---------------|--------------|
| Operating activities | | | | |
| Payments to employees | (2,008,996) | | (310,368) | |
| Cash flows from operating activities | (2,008,996) | | (310,368) | |
| Payments / receipts relating to income taxes, net | 2,331,540 | | 805,887 | |
| Other payments / receipts relating to operating activities, net | (3,811,486) | | 2,079,550 | |
| Cash flows from operating activities (1) | | (3,488,942) | | 2,575,069 |
| Investing activities | | | | |
| Receipts from: | | | | |
| Financial Investments | 3,157,000 | | 28,127,148 | |
| Tangible assets | - | | - | |
| Interest and similar income | 3,427,938 | | 3,727,224 | |
| Loans granted | - | | - | |
| Dividends | 17,357,254 | 23,942,192 | 8,571,504 | 40,425,876 |
| Payments for: | | | | |
| Financial Investments | (3,550,000) | | (10,203,078) | |
| Tangible assets | - | | (1,102) | |
| Intangible assets | - | | (498) | |
| Loans granted | 90,000 | (3,460,000) | 2,625,000 | (7,579,678) |
| Cash flows from investing activities (2) | | 20,482,192 | | 32,846,198 |
| Financing activities | | | | |
| Payments for: | | | | |
| Interest and similar expenses | (585,366) | | (2,905,244) | |
| Loans obtained | - | | (41,634,568) | |
| Dividends | (13,759,606) | (14,344,972) | - | (44,539,812) |
| Cash flows from financing activities (3) | | (14,344,972) | | (44,539,812) |
| Net cash flows (4)=(1)+(2)+(3) | | 2,648,278 | | (9,118,545) |
| Cash and cash equivalents at the beginning of the year | | 176,800,036 | | 185,918,581 |
| Cash and cash equivalents at year end | | 179,448,314 | | 176,800,036 |

The notes are an integral part of the financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

Notes to the cash flow statements

For the years ended at 31 December 2015 and 2014.

| | December 2015 | December 2014 |
|--|-------------------|-------------------|
| 1. Acquisition or sale of subsidiaries or other businesses | | |
| a) Other business activities | | |
| Reimburse of investments from Sonaecom BV | - | 14,720,000 |
| Reimburse of investments from Sonae IM * | 2,957,000 | 10,195,000 |
| Reimburse of investments from Sonaetelecom BV | - | 1,549,284 |
| Reimburse of supplementary capital from Miauger - Organização e Gestão de Leilões Electrónicos, S.A. | 200,000 | 988,854 |
| Reimburse of supplementary capital from PCJ - Público, Comunicação e Jornalismo, S.A. | - | 674,010 |
| | 3,157,000 | 28,127,148 |
| b) Other business activities | | |
| Purchase of shares Sonae SGPS | - | 5,522,188 |
| Cash outflow to coverage losses Público - Comunicação Social, S.A. | 3,550,000 | 3,180,000 |
| Cash outflow to coverage losses Miauger - Organização e Gestão de Leilões Electrónicos, S.A. | - | 826,880 |
| Cash outflow to coverage losses PCJ - Público, Comunicação e Jornalismo, S.A. | - | 674,010 |
| | 3,550,000 | 10,203,078 |
| c) Dividends received | | |
| ZOPT SGPS, S.A. | 15,815,500 | 7,250,000 |
| NOS, SGPS, S.A. | 1,541,754 | 1,321,504 |
| | 17,357,254 | 8,571,504 |

*This company changed its name from Sonaecom Sistemas de Informação, SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

| | December 2015 | December 2014 |
|--|--------------------|--------------------|
| 2. Details of cash and cash equivalents | | |
| Cash in hand | 475 | 1,260 |
| Cash at bank | 22,762,839 | 201,623 |
| Treasury applications | 156,685,000 | 176,685,000 |
| Overdrafts | - | (87,847) |
| Cash and cash equivalents | 179,448,314 | 176,800,036 |
| Overdrafts | - | 87,847 |
| Cash assets | 179,448,314 | 176,887,883 |
| 3. Description of non-monetary financing activities | | |
| a) Bank credit obtained and not used | 1,000,000 | 1,000,000 |
| b) Purchase of company through the issue of shares | Not applicable | Not applicable |
| c) Conversion of loans into shares | Not applicable | Not applicable |

The notes are an integral part of the financial statements at 31 December 2015 and 2014.

The Chief Accountant

Ricardo André Fraga Costa

The Board of Directors

Ângelo Gabriel Ribeirinho Paupério

Maria Cláudia Teixeira de Azevedo

António Bernardo Aranha da Gama Lobo Xavier

5.4. Notes to the individual financial statements

SONAECON, SGPS, S.A., (hereinafter referred to as 'the Company' or 'Sonaecom') was established on 6 June 1988, under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal.

Pargeste, SGPS, S.A.'s subsidiaries in the communications and information technology area were transferred to the Company through a demerger - merger process, executed by public deed dated 31 December 1997.

On 3 November 1999, the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, SGPS, S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to euro, being represented by one hundred and fifty million shares with a nominal value of 1 Euro each.

On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully subscribed for and paid up by Sonae-, SGPS, S.A. (a Shareholder of Sonaecom, hereinafter referred to as 'Sonae'). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 31,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was the same as that fixed for the sale of shares in the aforementioned Combined Share Offer, which was Euro 10.

In addition, Sonae sold, in that year, 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro

181,000,000 to Euro 226,250,000 by public subscription reserved for the existing Shareholders, 45,250,000 new shares of 1 Euro each having been fully subscribed for and paid up at the price of Euro 2.25 per share.

On 30 April 2003, the company's name was changed by public deed to Sonaecom, SGPS, S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 Euro each and with a share premium of Euro 242,455,195, fully subscribed by France Telecom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders' General Meeting held on 18 September 2006, Sonaecom's share capital was increased by Euro 69,720,000, to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 Euro each and with a share premium of Euro 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. (EDP) and Parpública – Participações Públicas, SGPS, S.A. (Parpública). The corresponding public deed was executed on 18 October 2006.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom. The offer was general and voluntary, with the offeror obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014. On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares (notes 7 and 12).

In 2014 Sonaecom reduced its share capital to Euro 230,391,627.

Euronext announced Sonaecom exclusion from the PSI-20 from 24 February 2014.

The financial statements are presented in euro, rounded at unit.

1. Basis of presentation

The accompanying financial statements have been prepared on a going concern basis, based on the Company's accounting records in accordance with International Financial Reporting Standards (IFRS).

The adoption of the International Financial Reporting Standards (IFRS) as adopted by the European Union occurred for the first time in 2007 and as defined by IFRS 1 – 'First time adoption of International Financial Reporting Standards', 1 January 2006 was the date of transition from generally accepted accounting principles in Portugal to those standards.

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union, and have mandatory application to financial years beginning on or after 1 January 2015 and were first adopted in the year ended at 31 December 2015:

| Norm/Interpretation | Effective date (annual periods beginning on or after) |
|--|---|
| IFRIC 21- Payments to State | 17-jun-14 |
| Establishes the conditions regarding the timing of recognition of a liability related to the payment to the State of a contribution by an entity as a result of a specific event (eg, participation in a given market) without payment has by counterpart goods or specified services. | |
| Improvements of some IFRS (2011-2013) | 1-jan-15 |
| These improvements represent a set of changes to IFRS in response to four questions addressed during the 2011-2013 cycle of annual improvements to IFRSs. | |

The application of these standards and interpretations had no material effect on the financial statements of the Group.

The following standards, interpretations, amendments and revisions have been at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory only in future periods or financial years:

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---|---|
| IAS 19 - Amendments (Defined Benefit Plans: Employee Contributions) | 1-Fev-15 |
| The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service. | |
| Annual Improvements to IFRSs 2010-2012 Cycle | 1-Fev-15 |
| Annual Improvements to IFRSs 2010-2012 Cycle is a collection of amendments to IFRSs in response to eight issues addressed during the 2010-2012 cycle for annual improvements to IFRSs. | |
| IAS 27: Amendments (Equity Method in Separate Financial Statements) | 1-Jan-16 |
| This amendment will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. | |
| Amendments to IAS 1 - Presentation of Financial Statements (Disclosures) | 1-Jan-16 |
| The amendment introduces a set of directions and guidelines to improve and simplify the disclosures in the context of current IFRS reporting requirements. | |
| Annual Improvements to IFRSs 2012-2014 Cycle | 1-Jan-16 |
| Annual Improvements to IFRSs 2012-2014 Cycle is a collection of amendments to IFRSs in response to issues addressed during the 2012-2014 cycle for annual improvements to IFRSs. | |
| IAS 16 and IAS 38 - Amendments (Clarification of Acceptable Methods of Depreciation and Amortisation) | 1-Jan-16 |
| The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects more factors other than the consumption of the economic benefits embodied in the asset. | |
| IFRS 11 - Amendments (Accounting for Acquisitions of Interests in Joint Operations) | 1-Jan-16 |
| The objective was to add new guidance on the accounting for the acquisition of an interest in a joint by controlled operation that constitutes a business. The IASB decided which acquirers of such interests shall apply all the principles applied to business combinations accounting as established in IFRS 3 - "Business Combinations", and other IFRSs, that do not conflict with the guidance provided in IFRS 11. | |

These standards, although endorsed by the European Union, were not adopted by the Company for the year ended at 31 December 2015, since their application is not yet mandatory.

It is estimated that the application of these standards and interpretations, as applicable to the Group will have no material effect on future statements of the Group.

The following standards, interpretations, amendments and revisions have not yet been approved (endorsed) by the European Union, at the date of approval of these financial statements:

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---|--|
| IFRS 9 (Financial Instruments) and subsequent amendments This standard introduces new requirements for classifying and measuring financial assets. | 1-Jan-18 |
| Amendments to IFRS 10 - "Consolidated Financial Statements", IFRS 12 - "Disclosure of Interests in Other Entities" and IAS 28 - "Investments in Associates and Joint Ventures" The purpose of these amendments is to clarify several issues regarding the application of the requirement for investment entities to measure subsidiaries at fair value instead of consolidating them. | 1-Jan-16 |
| IFRS 10 and IAS 28 - Amendments (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture) The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those established in IAS 28 (2011), when dealing with the sale or contribution of assets between an investor and associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. | undefined* |
| IFRS 14 (Regulatory Deferral Accounts) Permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for 'regulatory deferral account balances', in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. | 1-Jan-16 |
| IFRS 15 (Revenue from Contracts with Customers) IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. | 1-Jan-18 |

| Standard / Interpretation | Effective date (annual periods beginning on or after) |
|---------------------------|--|
|---------------------------|--|

IFRS 16 – Leases 1-Jan-19
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases, replacing IAS 17. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17

* The effective date of effectiveness is currently postponed, depending on the publication and decisions made in relation to the future exposure draft of this project.

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Group for the year ended at 31 December 2015. Their application is not yet mandatory.

It is estimated that the application of these standards and interpretations, except of IFRS 9, IFRS 15 and IFRS 16, when applicable to the group, will have no material effect on future consolidated financial statements, lying in analysis process the effects of these standards.

The accounting policies and measurement criteria adopted by the company at 31 December 2015 are comparable with those used in the preparation of the financial statements at 31 December 2014.

"Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social"

Within the "Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social (Decreto-Lei 248-A de 2002 e Decreto-Lei nº 151-A/2013)", Sonae SGPS and Sonae com made payments to the Portuguese State regarding previous years taxes settlements, which by the time of the payments both companies have already initiated judicial oppositions, therefore the processes flow in the competent courthouses.

The evaluation done until the mentioned payments, which has not been changed ever since, inform that the processes are related to contingencies which the probability of becoming real in resources of outcome is low, being the processes motivated by the different interpretations of the fiscal legislation and, as a consequence, resolving into fiscal doubtful postures. As a result of the mentioned evaluation, the amounts involved are expressed on the financial presentations, which don't originate any liabilities.

The amount paid within the mentioned regulations has been considered assets in the "Other current debtors" captions, according to "IAS 12 – Share-based Payment", in the case of amounts related to IRC. Relatively to payments of other taxes, since it hasn't been forecasted a specific normative treatment,

Sonae and Sonaecom have decided, as an analogy, a policy alike the one related to IRC payments.

However, during the verification process of 2012 accounts, 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 and, in accordance with Sonaecom, 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.

In the case of Sonaecom only paid amounts related to other taxes than IRC

Individual balance for the year started at 01 January 2014

| (Amounts expressed in Euro) | Before the change | Restatement of "RERD" | After the change |
|---|-------------------|-----------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Total non-current assets | 840,042,278 | - | 840,042,278 |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 202,442,350 | - | 202,442,350 |
| Other current debtors | 19,763,330 | 5,413,223 | 14,350,107 |
| Other current assets | 515,229 | - | 515,229 |
| Cash and cash equivalents | 185,918,581 | - | 185,918,581 |
| Total current assets | 408,639,490 | 5,413,223 | 403,226,267 |
| Total assets | 1,248,681,768 | 5,413,223 | 1,243,268,545 |
| Shareholders' funds and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 366,246,868 | - | 366,246,868 |
| Own shares | (8,441,804) | - | (8,441,804) |
| Reserves | 928,723,768 | 5,413,223 | 923,310,545 |
| Net income / (loss) for the year | (90,569,383) | - | (90,569,383) |
| Total Shareholders' funds | 1,195,959,449 | 5,413,223 | 1,190,546,226 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Total non-current liabilities | 20,706,913 | - | 20,706,913 |
| Current liabilities | | | |
| Total current liabilities | 32,015,406 | - | 32,015,406 |
| Total Shareholders' funds and liabilities | 1,248,681,768 | 5,413,223 | 1,243,268,545 |

The accounting policies and measurement criteria adopted by the Company at 31 December 2015 are comparable with those used in the preparation of the individual financial statements at 31 December 2014.

Main accounting policies

The main accounting policies used in the preparation of the accompanying financial statements are as follows:

a) Tangible assets

Tangible assets are recorded at their acquisition cost less accumulated depreciation and less estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis as from the date the assets are available for use in the necessary conditions to operate as intended by the management, by a corresponding charge to the profit and loss statement caption 'Depreciation and amortisation'.

Impairment losses detected in the realisation value of tangible assets are recorded in the period in which they arise, by a corresponding charge to the caption 'Depreciation and amortisation' of the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

| | Years of useful life |
|---|----------------------|
| Buildings and others constructions - improvements in buildings owned by third parties | 10-20 |
| Plant and machinery | 5 |
| Vehicles | 4 |
| Fixtures and fittings | 4-8 |

Current maintenance and repair costs of tangible assets are recorded as costs in the period in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the estimated useful life of the corresponding assets.

b) Intangible assets

Intangible assets are recorded at their acquisition cost less accumulated amortisation and less estimated accumulated impairment losses. Intangible assets are only recognised, if it is likely that they will bring future economic benefits to the Company, if the Company controls them and if their cost can be reliably measured.

Intangible assets correspond, essentially, to software and industrial property.

Amortisations are calculated on a straight-line monthly basis, over the estimated useful life of the assets (three to five years) as from the month in which the corresponding expenses are incurred.

Amortisation for the period is recorded in the profit and loss statement under the caption 'Depreciation and amortisation'.

c) Investments in Group companies and other non-current assets

Sonaecom has control of subsidiaries in situations that cumulatively fulfill the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights to, variable results via its relationship with the subsidiary; and iii) is able to use its power over the investee to affect the amount of your results. Financial investments in equity investments in group companies, are recorded under "Investments in group companies", at cost of acquisition.

The acquisition cost is the amount of cash and cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of acquisition or establishment or, where applicable, the amount attributed to that asset when



initially recognized in accordance with the specific requirements of IFRS 2.

The consideration transferred may include assets or liabilities of the acquirer that have carrying amounts that differ from their fair value at the acquisition date (for example, non-monetary assets or a business of the acquirer). If so, the acquirer must re-measure the assets and liabilities transferred at their fair value at the acquisition date and recognize the resulting gains or losses, if any, in the income statement.

However, sometimes the transferred assets or liabilities remain in the entity acquired after the completion of the business and therefore the buyer retains control over them. In this situation, the acquirer shall measure those assets and liabilities at their carrying amounts immediately before the acquisition date and shall not recognize any gain or loss in the income statement for assets or liabilities it controls both before and after the completion of the deal.

Loans and supplementary capital granted to affiliated companies with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, under the caption 'Other non-current assets'.

Investments and loans granted to Group companies are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to Group companies are recorded, in the period that they are estimated, under the caption 'Other financial expenses' in the profit and loss statement.

The expenses incurred with the acquisition of investments in Group companies are recorded as cost when they are incurred.

d) Investments in Joint Ventures

Investments in Joint Ventures (companies in which the Company has, direct or indirect, 50% of the voting rights in the **Shareholders' General Meeting** or in which it has the control over the financial and operating policies), are recorded under the caption 'Investments in joint ventures', at acquisition cost in accordance with IAS 27, as such, Sonaecom presents, separately, consolidated financial statements in accordance with IAS / IFRS.

Loans and supplementary capital granted to companies jointly controlled, with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, under the caption 'Other non-current assets'.

Investments and loans granted to joint ventures are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to joint ventures are recorded, in the period that they are estimated, under the caption 'Other financial expenses' in the profit and loss statement.

The expenses incurred with the acquisition of investments in joint ventures are recorded as cost when they are incurred.

e) Financial instruments

The Company classifies its financial instruments in the following categories: 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', and 'available-for-sale financial assets'.

The classification depends on the purpose for which the investments were acquired.

The classification of the investments is determined at the initial recognition and re-evaluated every quarter.

(i) 'Financial assets at fair value through profit or loss'

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term or if the adoption of this method allows reducing or eliminating an accounting mismatch. Derivatives are also registered as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to mature within 12 months of the balance sheet date.

(ii) 'Loans and receivables'

Loans and receivables are non-derivative financial assets with fixed or variable payments that are not quoted in an active market. These financial investments arise when the Company provides money or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are carried at amortised cost using the effective interest method, deducted from any impairment losses.


Loans and receivables are recorded as current assets, except when its maturity is greater than 12 months from the balance sheet date, a situation in which they are classified as non-current assets.

(iii) 'Held-to-maturity investments'

Held-to-maturity investments are non-derivative financial assets with fixed or variable payments and with fixed maturities that the Company's management has the positive intention and ability to hold until their maturity.

(iv) 'Available-for-sale financial assets'

Available-for-sale financial assets are non-derivative investments that are either designated in this category or not classified in any of the other above referred categories. They



are included in non-current assets unless management intends to dispose them within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The 'Financial assets at fair value through profit or loss' are initially recognised at fair value and the transaction costs are recorded in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or transferred, and consequently all substantial risks and rewards of their ownership have been transferred.

'Available-for-sale financial assets' and 'Financial assets at fair value through profit or loss' are subsequently carried at fair value.

'Loans and receivables' and 'Held-to-maturity investments' are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets classified at fair value through profit or loss are recognised in the income statement. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss statement as gains or losses from investment securities.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to similar instruments, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. If none of these valuation techniques can be used, the Company values these investments at acquisition cost net of any identified impairment losses. The fair value of listed investments is determined based on the closing Euronext share price at the balance sheet date.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In case of equity securities classified as available-for-sale, a significant decline (above 25%) or prolonged decline (during two consecutive quarters) in the fair value of the security below its cost is considered in determining whether the securities are impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment

losses on that financial asset previously recognised in the profit or loss statement – is removed from equity and recognised in the profit and loss statement. Impairment losses recognised in the profit and loss statement on equity securities are not reversed through the profit and loss statement.

f) Financial and operational leases

Lease contracts are classified as financial leases, if, in substance, all risks and rewards associated with the detention of the leased asset are transferred by the lease contract or as operational leases, if, in substance, there is no transfer of risks and rewards associated with the detention of the leased assets.

The lease contracts are classified as financial or operational in accordance with the substance and not with the form of the respective contracts.

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 corresponding 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, interest included in lease payments and depreciation of the tangible assets are recognised as expenses in the profit and loss statement for the period to which they relate.

Assets under long-term rental contracts are recorded in accordance with the operational lease method. In accordance with this method, the rents paid are recognised as an expense, over the rental period.

g) Other current debtors

Other current debtors are recorded at their net realisable value, and do not include interest, because the financial updated effect is not significant.

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

The amount relating to this caption is presented net of any impairment losses, which are recorded in the profit and loss statement under the caption 'Provisions and impairment losses'. Future reversals of impairment losses are recorded in the profit and loss statement under the caption 'Provisions and impairment losses'.

h) 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 where the risk of any change in value is insignificant.



The cash flow statement has been prepared in accordance with IAS 7 –‘Statement of Cash Flow’, using the direct method. The Company classifies, under the caption ‘Cash and cash equivalents’, investments that mature in less than three months, for which the risk of change in value is insignificant. The caption ‘Cash and cash equivalents’ in the cash flow statement also includes bank overdrafts, which are reflected in the balance sheet caption ‘Short-term loans and other loans’. The cash flow statement is classified by operating, financing and investing activities. Operating activities include payments to personnel and other captions relating to operating activities.

Cash flows from investing activities include the acquisition and sale of investments in associated and subsidiary companies and receipts and payments resulting from the purchase and sale of tangible assets.

Cash flows from financing activities include payments and receipts relating to loans obtained and finance lease contracts.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

i) Loans

Loans are recorded as liabilities by the ‘amortised cost’. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the financing, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption until their payment.

j) Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. 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.

k) Derivatives

The Company only uses derivatives in the management of its financial risks to hedge against such risks. The Company does not use derivatives for trading purposes.

The cash flow hedges used by the Company are related to:

(i) Interest rate swaps operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are similar in all respects to the conditions established

for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against a corresponding entry under the caption ‘Hedging reserves’ in Shareholders’ funds.

(ii) Forward’s exchange rate for hedging foreign exchange risk. The values and times periods involved are identical to the amounts invoiced and their maturities.

In cases where the hedge instrument is not effective, the amounts that arise from the adjustments to fair value are recorded directly in the profit and loss statement.

At 31 of December 2015 and 2014, the Company did not have any derivative, beyond those mentioned in note 1.t).

l) Provisions and contingencies

Provisions are recognised when, and only when, the Company has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated.

Provisions are reviewed at the balance sheet date and adjusted to reflect the best estimate at that date.

Provisions for restructurings are only registered if the Company has a detailed plan and if that plan has already been communicated to the parties involved.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes, except if the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the financial statements but are disclosed in the notes when future economic benefits are likely to occur.

m) Income Tax

‘Income tax’ expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in accordance with IAS 12 – ‘Income Tax’.

Sonaecom has adopted, since January 2008, the special regime for the taxation of groups of companies, under which, the provision for income tax is determined on the basis of the estimated taxable income of all the companies covered by that regime, in accordance with such rules, however, for the year ended at 31 December 2015, the Sonaecom Group, stopped having an independent group of companies covered by the special regime for taxation due to of having passed to integrate the special regime for taxation of groups of Sonae SGPS companies.

Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant



company since 1 January 2015. Sonaecom records the income tax on their individual accounts and the tax calculated is recorded under the caption of group companies. The special regime for the taxation of groups of companies covers all direct or indirect subsidiaries, and even through companies resident in another Member State of the European Union or the European Economic Area, only if, in the last case, there is an obligation of administrative cooperation, on which the Group holds at least 75% of their share capital, where such participation confers more than 50% of voting rights, if meet certain requirements.

Deferred taxes are calculated using the liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.

For the year ended at 2015, Sonaecom Group is no longer an independent group of companies covered by the special tax regime by virtue of having gone to join the special taxation regime for groups of companies of Sonae SGPS.

Deferred tax assets are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each period, the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are likely enabling the recovery of such assets (note 19).

Deferred taxes are calculated with the tax rate that is expected to be in effect at the time the asset or liability is realized, based on the rates that have been enacted or substantially enacted at the balance sheet date.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made under the Shareholders' funds caption. In all other situations, deferred taxes are always registered in the profit and loss statement.

n) Accrual basis and revenue recognition

Expenses and income are recorded in the period to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions 'Other non-current assets', 'Other current assets', 'Other non-current liabilities' and 'Other current liabilities' include expenses and income relating to the current period, where payment and receipt will occur in future periods, as well as payments and receipts in the current period but which relate to future periods. The latter shall be included by the corresponding amount in the results of the periods to which they relate to.

The costs attributable to current period and whose expenses will only occur in future periods are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.I).

Non-current financial assets and liabilities are recorded at fair value and, in each period, the financial actualisation of the fair value is recorded in the profit and loss statement under the captions 'Other financial expenses' and 'Other financial income'.

Dividends are recognised when the Shareholders' rights to receive such amounts are appropriately established and communicated.

o) Balance sheet classification

Assets and liabilities due in more than one year from the date of the balance sheet are classified, respectively, as non-current assets and non-current liabilities.

In addition, considering their nature, the deferred taxes and the provisions for other liabilities and charges, are classified as non-current assets and liabilities (notes 9 and 16).

p) Reserves

Legal reserve

Portuguese commercial legislation requires that at least 5% of the 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 case of liquidation of the Company, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Share premiums

The share premiums relate to premiums generated in the issuance of capital or in capital increases. According to Portuguese law, share premiums follow the same requirements of 'Legal reserves', i.e., they are not distributable, except in case of liquidation, but they can be used to absorb losses, after all the other reserves are exhausted or to increase share capital.

Medium-term incentive plans reserves

According to IFRS 2 - 'Share based payment', the responsibility related with the equity settled plans is registered, as a credit, under the caption of Medium Term Incentive Plan Reserves, which are not distributable and which cannot be used to absorb losses. During the year ended at 31 December 2014, due to the conversion of the existing Sonaecom share plans on Sonae SGPS shares and the attribution of the new Sonae SGPS shares plan, don't exist any amount registered in the caption 'Medium-term incentives plans reserves'.

Hedging reserve

Hedging reserve reflects the changes in fair value of 'cash flow' hedges derivatives that are considered effective (note 1.k) and it is non-distributable nor can it be used to absorb losses.

Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and follows the same requirements of legal reserves.

Additionally, the increments resulting from the application of fair value through equity components, including its implementation through the net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised when they finish their use, in the case of tangible or intangible assets. Therefore, at 31 December 2015, Sonaecom, SGPS, S.A., had free distributable reserves amounting to approximately EUR 17.5 million. To this effect were considered distributable increments resulting from the application of fair value through equity components already exercised during the year ended at 31 December 2015.

q) Own shares

Own shares are recorded as a deduction of Shareholders' funds. Gains or losses related to the sale of own shares are recorded under the caption 'Other reserves'.

r) Foreign currency

All assets and liabilities expressed in foreign currency were translated into Euro using the exchange rates in force at the balance sheet.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at transaction date and those in force at the date of collection, payment or at the balance sheet date are recorded as income and expenses in the profit and loss statement of the period, in financial results.

The following rates were used for the translation into Euro:

| | 2015 | | 2014 | |
|-----------------|-------------|---------|-------------|---------|
| | 31 December | Average | 31 December | Average |
| Pounds Sterling | 1.3625 | 1.3780 | 1.2839 | 0.1241 |
| American Dollar | 0.9185 | 0.9018 | 0.8237 | 0.7538 |

s) Assets impairment

Impairment tests are performed at the date of each balance sheet and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable.

Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Depreciation and amortisation' in the case of fixed assets,

under the caption 'Other financial expenses' in the case of financial investments or under the caption 'Provisions and impairment losses', in relation to the other assets. The amount recoverable is the greater of the net selling price and the value of use. Net selling price is the amount obtained upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value of use is the present amount of the estimated future cash flows expected to result from the continued use of the asset and of its sale at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

For financial investments in Group companies, the recoverable amount, calculated in terms of value in use, is determined based on last business plans duly approved by the Board of Directors of the Company.

For financial investments in joint ventures, the recoverable amount is determinate taking into account with several information as business plans approved by the Board of Directors and the average ratings of external reviewers (researches).

Evidence of the existence of impairment in accounts receivables appears when:

- the counterparty presents significant financial difficulties;
- there are significant delays in interest payments and in other leading payments from the counterparty;
- it is possible that the debtor goes into liquidation or into a financial restructuring.

t) Medium-term incentive plans

The accounting treatment of Medium Term Incentive Plans is based on IFRS 2 – 'Share-based Payments'.

Under IFRS 2, when the settlement of plans established by the Company involves the delivery of Sonaecom's own shares, the estimated responsibility is recorded, as a credit entry, under the caption 'Reserves – Medium Term Incentive Plans', within the caption 'Shareholders' funds' and is charged as an expense under the caption 'Staff expenses' in the profit and loss statement.

The quantification of this responsibility is based on its fair value at the attribution date and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, at any point in time, is calculated based on the proportion of the vesting period that has 'elapsed' up to the respective accounting date.

When the responsibilities associated with any plan are covered by a hedging contract, i.e., when those responsibilities are

replaced by a fixed amount payable to a third party and when Sonaecom is no longer the party that will deliver the Sonaecom shares, at the settlement date of each plan, the above accounting treatment is subject to the following changes:

- (i) The total gross fixed amount payable to third parties is recorded in the balance sheet as either 'Other non-current liabilities' or 'Other current liabilities';
- (ii) The part of this responsibility that has not yet been recognised in the profit and loss statement (the 'unelapsed' proportion of the cost of each plan) is deferred and is recorded, in the balance sheet as either 'Other non-current assets' or 'Other current assets';
- (iii) The net effect of the entries in (i) and (ii) above eliminate the original entry to 'Shareholders' funds';
- (iv) In the profit and loss statement, the 'elapsed' proportion continues to be charged as an expense under the caption 'Staff expenses'.

For plans settled in cash, the estimated liability is recorded under the balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the profit and loss statement caption 'Staff expenses', for the cost relating to the vesting period that has 'elapsed' up to the respective accounting date. The liability is quantified based on the fair value of the shares as of each balance sheet date.

When the liability is covered by a hedging contract, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount. One Sonae SGPS share plan is covered by a hedging contract.

Equity-settled plans to be liquidated through the delivery of shares of Sonae SGPS are recorded as if they were settled in cash, which means that the estimated liability is recorded under the balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry to the income statement caption 'Staff expenses', for the cost relating to the deferred period elapsed. The liability is quantified based on the fair value of the shares as of each balance sheet date.

For Sonaecom shares plans, the company converted all such plans into shares of Sonae SGPS, during the year ended at 31 December 2014. The impacts associated to the Medium Term Incentive Plans are registered, in the balance sheet, under the caption 'Other current liabilities' and 'Other non-current liabilities' (note 17 and 19).

On 31 December 2015, the Sonae SGPS shares plans resulting from the conversion and the plan allocated during 2014 and 2015 are not covered by the contract being recorded liability

at fair value. The responsibility of all plans is recorded in the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognized on the income statement under the caption 'Staff expenses'.

u) Subsequent events

Events occurring after the date of the balance sheet which provide additional information about conditions prevailing at the time of the balance sheet (adjusting events) are reflected in the financial statements. Events occurring after the balance sheet date that provide information on post-balance sheet conditions (non-adjusting events), when material, are disclosed in the notes to the financial statements.

v) Judgements and estimates

The most significant accounting estimates reflected in the financial statements of the years ended at 31 December 2015 and 2014 include mainly impairment analysis of assets, particularly financial investments in Group companies.

Estimates used are based on the best information available during the preparation of financial statements and are based on the best knowledge of past and present events. Although future events are not controlled by the Company neither foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the approval date of these financial statements, will be recognised in net income, in accordance with IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors', using a prospective methodology.

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

w) Financial risk management

The Company's activities expose it to a variety of financial risks such as market risk, liquidity risk and credit risk.

These risks arise from the unpredictability of financial markets, which affect the capacity to project cash flows and profits. The Company's financial risk management, subject to a long-term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, every time it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (note 1.k).

The Company is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

Market risk

a) Foreign exchange risk

Foreign exchange risk management seeks to minimise the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of results to changes in foreign exchange rates.

Whenever possible, the Company uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, the Company adopts derivative financial hedging instruments (note 1. k).

Considering the reduced values of assets and liabilities in foreign currency, the impact of a change in exchange rate will not have significant impacts on the financial statements.

b) Interest rate risk

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility in the Company results or in its Shareholders' funds is mitigated by the effect of the following factors: (i) relatively low level of financial leverage; (ii) possibility to use derivative instruments that hedge the interest rate risk, as mentioned below; (iii) possible correlation between the level of market interest rates and economic growth the latter having a positive effect in other lines of the Company's results, and in this way partially offsetting the increase of financial costs ('natural hedge'); and (iv) the existence of stand alone or consolidated liquidity which is also bearing interest at a variable rate.

The Company only uses derivatives or similar transactions to hedge interest rate risks considered significant. Three main principles are followed in all instruments selected and used to hedge interest rate risk:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates on the loans subject to hedging must equalise the settlement dates defined under the hedging instrument;
- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the facility / transaction which is being hedged;
- As from the start of the transaction, the maximum cost of the debt, resulting from the hedging operation is known and limited, even in scenarios of extreme changes in market interest rates, so that the resulting rates are within the cost of the funds considered in the Company's business plan.

As all Sonaecom's borrowings (note 15) are at variable rates, interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments,

when it is considered necessary. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Company's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions.

In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Company uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the balance sheet date. Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge (in accordance with the provisions established in IAS 39 - 'Financial Instruments'), are recognised under borrowings captions and changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the period. The fair value of derivatives of cash flow hedge, that are considered effective according to IAS 39 - 'Financial Instruments', are recognised under borrowing captions and changes in the fair value are recognised in equity.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Company, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed / variable). Under the policy defined above, the Executive Committee is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

On 31 December 2015, are not contracted any derivatives instruments of hedging of the interest rate changes.

Liquidity risk

The existence of liquidity in the Company requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related with that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments in the respective dates of maturity as well as any eventual not forecasted requests for funds, in the deadlines set for this; (ii) Safety, i.e., to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial efficiency, i.e., to ensure that the Company maximises the value / minimise the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity should be applied to the alternatives and by the order described below:

- (i) Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- (ii) Consolidated management of liquidity – the existing liquidity in Group companies, should mainly be applied in Group companies, to reduce the use of bank debt at a consolidated level;
- (iii) Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to assure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equalise the forecasted payments (or the applications should be easily convertible, in case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the treasury estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The maturity of each class of financial liabilities is presented in note 15.

Credit risk

The Company's exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk associated to financial operations is mitigated by the fact that the Company only negotiates with entities with high credit quality.

The management of this risk seeks to guarantee that the amounts owing are effectively collected within the periods negotiated without affecting the financial health of the Company.

The amounts included in the financial statements related to other current debtors, net of impairment losses, represent the maximum exposure of the Company to credit risk.

2. Tangible assets

The movement in tangible assets and in the corresponding accumulated depreciation and impairment losses in the years ended at 31 December 2015 and 2014 was as follows:

| | | | | | | | | 2015 |
|---|-----------------------------------|---------------------|----------|-------|-----------------------|-----------------------|------------------|---------|
| | Buildings and other constructions | Plant and machinery | Vehicles | Tools | Fixtures and fittings | Other tangible assets | Work in progress | Total |
| Gross assets | | | | | | | | |
| Balance at 31 December 2014 | 347,208 | 43,858 | 22,060 | 171 | 242,718 | 104 | 1,600 | 657,719 |
| Additions | - | - | - | - | 978 | - | - | 978 |
| Disposals | - | - | - | - | - | - | (1,600) | (1,600) |
| Balance at 31 December 2015 | 347,208 | 43,858 | 22,060 | 171 | 243,696 | 104 | - | 657,097 |
| Accumulated depreciation and impairment losses | | | | | | | | |
| Balance at 31 December 2014 | 329,809 | 43,715 | 7,813 | 171 | 237,435 | 104 | - | 619,047 |
| Depreciation for the period | 4,213 | 72 | 5,515 | - | 3,273 | - | - | 13,073 |
| Balance at 31 December 2015 | 334,022 | 43,787 | 13,328 | 171 | 240,708 | 104 | - | 632,120 |
| Net value | 13,186 | 71 | 8,732 | - | 2,988 | - | - | 24,977 |

| | | | | | | | | 2014 |
|---|-----------------------------------|---------------------|----------|-------|-----------------------|-----------------------|------------------|---------|
| | Buildings and other constructions | Plant and machinery | Vehicles | Tools | Fixtures and fittings | Other tangible assets | Work in progress | Total |
| Gross assets | | | | | | | | |
| Balance at 31 December 2013 | 348,914 | 43,858 | 22,060 | 171 | 242,718 | 104 | - | 657,825 |
| Additions | - | - | - | - | - | - | 1,600 | 1,600 |
| Disposals | - | - | - | - | - | - | - | - |
| Transfers and write-offs | (1,706) | - | - | - | - | - | - | (1,706) |
| Balance at 31 December 2014 | 347,208 | 43,858 | 22,060 | 171 | 242,718 | 104 | 1,600 | 657,719 |
| Accumulated depreciation and impairment losses | | | | | | | | |
| Balance at 31 December 2013 | 325,938 | 43,643 | 2,298 | 171 | 232,961 | 104 | - | 605,115 |
| Depreciation for the period | 4,213 | 72 | 5,515 | - | 4,474 | - | - | 14,274 |
| Transfers and write-offs | (342) | - | - | - | - | - | - | (342) |
| Balance at 31 December 2014 | 329,809 | 43,715 | 7,813 | 171 | 237,435 | 104 | - | 619,047 |
| Net value | 17,399 | 143 | 14,247 | - | 5,283 | - | 1,600 | 38,672 |

3. Intangible assets

The movement in intangible assets and in the corresponding accumulated amortisation and impairment losses in the years ended at 31 December 2015 and 2014 was as follows:

| | | | | 2015 |
|---|---------------------------------|----------|-------------------------------|---------|
| | Brands patents and other rights | Software | Intangible assets in progress | Total |
| Gross assets | | | | |
| Balance at 31 December 2014 | 9,719 | 192,404 | 498 | 202,621 |
| Adictions | - | - | (167) | (167) |
| Transfers | - | 148 | (148) | - |
| Balance at 31 December 2015 | 9,719 | 192,552 | 183 | 202,454 |
| Accumulated amortisation and impairment losses | | | | |
| Balance at 31 December 2014 | 9,719 | 186,817 | - | 196,536 |
| Amortisation for the exercise | - | 2,011 | - | 2,011 |
| Balance at 31 December 2015 | 9,719 | 188,828 | - | 198,547 |
| Net value | - | 3,724 | 183 | 3,907 |

| | | | | 2014 |
|---|---------------------------------|----------|-------------------------------|---------|
| | Brands patents and other rights | Software | Intangible assets in progress | Total |
| Gross assets | | | | |
| Balance at 31 December 2013 | 9,719 | 192,404 | - | 202,123 |
| Adictions | - | - | 498 | 498 |
| Balance at 31 December 2014 | 9,719 | 192,404 | 498 | 202,621 |
| Accumulated amortisation and impairment losses | | | | |
| Balance at 31 December 2013 | 9,719 | 185,312 | - | 195,031 |
| Amortisation for the exercise | - | 1,505 | - | 1,505 |
| Balance at 31 December 2014 | 9,719 | 186,817 | - | 196,536 |
| Net value | - | 5,587 | 498 | 6,085 |

4. Breakdown of financial instruments

At 31 December 2015 and 2014, the breakdown of financial instruments was as follows:

| | | | | | | 2015 |
|--|-----------------------|---|------------------------|-------------|------------------------------|-------------|
| | Loans and receivables | Financial assets at fair value through profit or loss | Other financial assets | Subtotal | Others not covered by IFRS 7 | Total |
| Non-current assets | | | | | | |
| Financial assets at fair value through profit or loss (note 7) | - | 144,477 | - | 144,477 | - | 144,477 |
| Other non-current assets (note 8) | 166,049,237 | - | - | 166,049,237 | - | 166,049,237 |
| | 166,049,237 | 144,477 | - | 166,193,714 | - | 166,193,714 |
| Current assets | | | | | | |
| Financial assets at fair value through profit or loss (note 7) | - | 79,796,807 | - | 79,796,807 | - | 79,796,807 |
| Other trade debtors (note 10) | 2,405,350 | - | - | 2,405,350 | 599,911 | 3,005,261 |
| Other current assets (note 11) | - | - | 321,428 | 321,428 | 57,124 | 378,552 |
| Cash and cash equivalents (note 12) | 179,448,314 | - | - | 179,448,314 | - | 179,448,314 |
| | 181,853,664 | 79,796,807 | 321,428 | 261,971,899 | 657,035 | 262,628,934 |

| | | | | | | 2014 (restated) |
|--|-----------------------|---|------------------------|-------------|------------------------------|--------------------|
| | Loans and receivables | Financial assets at fair value through profit or loss | Other financial assets | Subtotal | Others not covered by IFRS 7 | Total |
| Non-current assets | | | | | | |
| Financial assets at fair value through profit or loss (note 7) | - | 1,424,996 | - | 1,424,996 | - | 1,424,996 |
| Other non-current assets (note 8) | 165,651,236 | - | - | 165,651,236 | - | 165,651,236 |
| | 165,651,236 | 1,424,996 | - | 167,076,232 | - | 167,076,232 |
| Current assets | | | | | | |
| Financial assets at fair value through profit or loss (note 7) | - | 58,540,576 | - | 58,540,576 | - | 58,540,576 |
| Other trade debtors (note 10) | 1,891,356 | - | - | 1,891,356 | 1,422,254 | 3,313,610 |
| Other current assets (note 11) | - | - | 428,812 | 428,812 | 89,069 | 517,881 |
| Cash and cash equivalents (note 12) | 176,887,883 | - | - | 176,887,883 | - | 176,887,883 |
| | 178,779,239 | 58,540,576 | 428,812 | 237,748,627 | 1,511,323 | 239,259,950 |

| | | | | | | 2015 |
|---|--|-----------------------------|----------|------------------------------|-----------|------|
| | Liabilities recorded at amortised cost | Other financial liabilities | Subtotal | Others not covered by IFRS 7 | Total | |
| Non-current liabilities | | | | | | |
| Other non-current liabilities (note 17) | - | - | - | 222,526 | 222,526 | |
| | - | - | - | 222,526 | 222,526 | |
| Current liabilities | | | | | | |
| Other creditors (note 18) | - | 187,429 | 187,429 | 13,264 | 200,693 | |
| Other current liabilities (note 19) | - | 582,763 | 582,763 | 497,180 | 1,079,943 | |
| | - | 770,192 | 770,192 | 510,444 | 1,280,636 | |

| | | | | | | 2014 |
|--|--|-----------------------------|-----------|------------------------------|-----------|------|
| | Liabilities recorded at amortised cost | Other financial liabilities | Subtotal | Others not covered by IFRS 7 | Total | |
| Non-current liabilities | | | | | | |
| Other non-current liabilities (note 17) | - | - | - | 399,254 | 399,254 | |
| | - | - | - | 399,254 | 399,254 | |
| Current liabilities | | | | | | |
| Short-term loans and other loans (note 15) | 87,859 | - | 87,859 | - | 87,859 | |
| Other creditors (note 18) | - | 1,040,710 | 1,040,710 | 24,840 | 1,065,550 | |
| Other current liabilities (note 19) | - | 575,899 | 575,899 | 1,115,463 | 1,691,362 | |
| | 87,859 | 1,616,609 | 1,704,468 | 1,140,303 | 2,844,771 | |

Considering the nature of the balances, the amounts to be paid and received to / from 'State and other public entities', as well as the specialized costs with share plans were considered outside the scope of IFRS 7. Also, the deferred income and deferred costs under the captions 'Other current assets', 'Other current liabilities', 'Other non-current assets' and 'Other non-current liabilities' were considered as non-financial instrument.

Under the "Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social (Decreto-Lei 248-A de 2002 e Decreto-Lei nº 151-A/2013)", Sonaecom made, voluntarily, tax payments in the amount of circa Euro 5.4 million, having been eliminated the guarantees and keeping the initiated judicial oppositions associated. The maximum contingency amount was reduced through the elimination of fines and accrued interest to date of payment. As provided in the support diplomas of those programs, Sonaecom keeps the aimed judicial proceedings hoping it will win the mentioned judicial processes under the particular situations, having been recognized as an asset the amount paid under the mentioned plans, according to the adopted policy by Sonaecom. However, CMVM disagrees with the interpretation and has requested to Sonae the retrospective correction of the financial statements of all payments that are not related to the liquidation of the IRC under the argumentation that must be considered as contingent assets. Although Sonae and Sonaecom do not agree with the CMVM's opinion, both companies did the restated of the financial statements in conformity (note 1).

The Sonaecom's Board of Directors believes that, the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.

5. Investments in Group companies

At 31 December 2015 and 2014, this caption included the following investments in Group companies was as follows:

| Company | 2015 | 2014 |
|--|---------------|---------------|
| Sonaetelecom BV | 73,460,618 | 73,460,618 |
| Sonae IM* | 52,241,587 | 52,241,587 |
| PCJ - Público Comunicação e Jornalismo S.A. (PCJ) | 11,850,557 | 11,850,557 |
| Sonaecom BV | 10,100,000 | 10,300,000 |
| Público - Comunicação Social S.A. (Público) | 10,227,595 | 10,227,595 |
| Sonaecom - Serviços Partilhados S.A. (Sonaecom SP) | 50,000 | 50,000 |
| | 157,930,357 | 158,130,357 |
| Impairment losses (note 16) | (108,583,215) | (105,338,215) |
| Total investments in Group companies | 49,347,142 | 52,792,142 |

*This company changed its name from Sonae Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

The movements that occurred in investments in this caption during the years ended at 31 December 2015 and 2014 were as follows:

| Company | Balance at 31 December 2014 | Additions | Disposals | Transfers and write-offs | Balance at 31 December 2015 |
|--------------------------------------|-----------------------------|-------------|-----------|--------------------------|-----------------------------|
| Sonaetelecom BV | 73,460,618 | - | - | - | 73,460,618 |
| Sonae IM* | 52,241,587 | - | - | - | 52,241,587 |
| PCJ | 11,850,557 | - | - | - | 11,850,557 |
| Sonaecom BV | 10,300,000 | - | (200,000) | - | 10,100,000 |
| Miauger** | - | - | - | - | - |
| Público | 10,227,595 | - | - | - | 10,227,595 |
| Sonaecom Sp | 50,000 | - | - | - | 50,000 |
| | 158,130,357 | - | (200,000) | - | 157,930,357 |
| Impairment losses (note 16) | (105,338,215) | (3,445,000) | 200,000 | - | (108,583,215) |
| Total investments in Group companies | 52,792,142 | (3,445,000) | - | - | 49,347,142 |

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

| Company | Balance at 31 December 2013 | Additions | Disposals | Transfers and write-offs | Balance at 31 December 2014 |
|--------------------------------------|--------------------------------|-----------|--------------|-----------------------------|--------------------------------|
| Sonaatelecom BV | 75,009,902 | - | (1,549,284) | - | 73,460,618 |
| Sonae IM* | 52,241,587 | - | - | - | 52,241,587 |
| PCJ | 11,176,547 | 674,010 | - | - | 11,850,557 |
| Sonaecom BV | 25,020,000 | - | (14,720,000) | - | 10,300,000 |
| Público | 10,227,595 | - | - | - | 10,227,595 |
| Miauger** | 5,714,245 | 826,880 | - | (6,541,125) | - |
| Sonaecom Sp | 50,000 | - | - | - | 50,000 |
| | 179,439,876 | 1,500,890 | (16,269,284) | (6,541,125) | 158,130,357 |
| Impairment losses (note 16) | (112,859,590) | (17,154) | 1,986,256 | 5,552,273 | (105,338,215) |
| Total investments in Group companies | 66,580,286 | 1,483,736 | (14,283,028) | (988,852) | 52,792,142 |

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

** Company liquidated in May 2014.

In the year ended at 31 December 2015, the decreases in the amount of 200,000 euros in Sonaecom BV corresponds to the reimbursement of share premium

In the year ended at 31 December 2014, the amounts of Euro 826,880 and Euro 674,010, under the caption increases 'Additions' in Miauger and PCJ, respectively, correspond to increases in capital to cover losses.

In the year ended at 31 December 2014, the amounts of Euro 1,549,284 and Euro 14,720,000 decreases in Sonaatelecom BV and Sonaecom BV, correspond to discards from shares. 'Transfers and uses' correspond to derecognition of the investment in Miauger, dissolved on May 2014.

The Company presents separate consolidated financial statements at 31 December 2015, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which presents total consolidated assets of Euro 1,111,948,980 total consolidated liabilities of Euro 68,722,580 consolidated operational revenues of Euro 131,819,576 and consolidated Shareholders' funds of Euro 1,04,226,401 including a consolidated net profit (attributable to the Shareholders of the parent company – Sonaecom, SGPS, S.A.) for the year ended at 31 December 2015 of Euro 35,543,266.

At 31 December 2015 and 2014, the main financial information regarding the subsidiaries and joint ventures directly owned by the company is as follows (values in accordance with IFRS):

| Company | Head office | 2015 | | | 2014 | | |
|-------------------|-------------|-----------|---------------------|---------------------|-----------|---------------------|---------------------|
| | | % holding | Shareholders' funds | Net profit / (loss) | % holding | Shareholders' funds | Net profit / (loss) |
| ZOPT (a) (note 6) | Matosinhos | 50% | 1,270,698,167 | 35,919,581 | 50% | 1,266,405,517 | 30,971,725 |
| Sonae IM* | Maia | 100% | 80,933,910 | 148,764 | 100% | 83,742,146 | 5,215,847 |
| PCJ | Maia | 100% | 26,593 | (2,127,415) | 100% | 1,504,008 | 264,562 |
| Sonaecom BV | Amsterdam | 100% | 109,229 | (48,050) | 100% | 357,278 | 115,877 |
| Sonaatelecom BV | Amsterdam | 100% | 4,595 | (41,922) | 100% | 46,517 | (21,629) |
| Sonaecom SP | Maia | 100% | 123,668 | 39,676 | 100% | 83,993 | 677 |
| Público | Maia | 100% | 34,880 | (5,948,383) | 100% | 268,264 | (2,588,364) |

(a) Individual Financial Statements

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

The evaluation of the existence 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 unless there is evidence of impairment and prepared according to cash flow projections for periods of five years. In the area of information systems, the assumptions used are essentially based on the various businesses of the Group and the growth of the several geographic areas where the Group operates. The average growth rate used to the turnover of 5 years was 12.9%. For the Media sector, the average growth rate used was circa of 2%. The discount rates used were based on the estimated weighted average cost of capital, which depends on the business segment of each subsidiary, as indicated in the table below. In perpetuity, the Group considered a growth rate between 1% and 3% in the area of information systems and 0% in Multimedia area. In situations where the measurement of the existence, or not, of impairment is made based on the net selling price, values of similar transactions and other proposals made are

used. Regarding the area of telecommunications (Zopt), the assessment of whether or not the impairment is determinate taking into account with several information as business plans approved by the Board of Directors, which implied average growth rate of operating margin amounts to 2.7%, and the average ratings of external reviewers (researches).

| | Information Systems | Multimedia |
|-----------------------------|---------------------|--------------|
| Assumptions | | |
| Basis of recoverable amount | Value in use | Value in use |
| Discount rate | 10.50% | 9.0% |
| Growth rate in perpetuity | 1.0% | 0.0% |

For the sector of Information Systems, in digital security area (Cybersecurity), a growth rate used was 3%.

Additionally, for the company Digitmarket a growth rate of 2% was used.

The analyses of the impairment indices and the review of the impairment projections and tests 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 lead to material changes of the recoveries, so not result material additional impairments.

6. Investments in joint ventures

At 31 December 2015 and 2014, this caption included the following investments in joint ventures:

| Company | 2015 | 2014 |
|-------------------------|-------------|-------------|
| ZOPT SGPS S.A. ('ZOPT') | 597,666,944 | 597,666,944 |

The movements that occurred in this caption during the years ended at 31 December 2015 and 2014 were as follows:

| Company | Balance at 31 December 2014 | Additions | Disposals | Transfers | Balance at 31 December 2015 |
|---------|-----------------------------|-----------|-----------|-----------|-----------------------------|
| ZOPT | 597,666,944 | - | - | - | 597,666,944 |

| Company | Balance at 31 December 2013 | Additions | Disposals | Transfers | Balance at 31 December 2014 |
|---------|-----------------------------|-----------|-----------|-----------|-----------------------------|
| ZOPT | 597,666,944 | - | - | - | 597,666,944 |

A ZOPT is a joint venture of Sonaecom, Kento Holding Limited and Unitel International Holdings BV, created for detention of the participation in society NOS SGPS, SA ("NOS") At the end of the years ended at 31 December 2015 and 2014 the ZOPT held 50.01% stake in the NOS.

Gauging the existence or not of impairment in the value of this contribution is determined in consideration of various information such as the business plan approved by the Board of the NOS, SGPS, SA, which implied an average growth rate of operating margin amounts to 4, 7%, and the average assessments conducted by external reviewers (researches).

| | Telecommunications |
|-----------------------------|--------------------|
| Assumptions | |
| Basis of recoverable amount | Value in use |
| Discount rate | 7.2% |
| Growth rate in perpetuity | 1.5% |

The performed sensitivity analysis required by IAS 36 - Impairment of Assets, did not lead to material changes in recoverable amounts and therefore not result impairments additional materials.

7. Financial assets at fair value through profit or loss

Sonaecom Group began to hold NOS shares recorded at fair value through profit or loss, as a result of the merger between Optimus SGPS and Zon, since it is the initial classification of an asset held for a sale purpose in a short-time. In accordance with the 'Shareholders Agreement', these shares neither concedes any additional vote right or affect the shared control situation with NOS.

The movements occurred in this caption during the year ended at 31 December 2015 and 2014 were as follows:

| | | | | | | 2015 |
|---|-----------------|-----------|-------------|----------------------------------|--|-----------------|
| Financial assets at fair value through profit or loss | Opening balance | Increases | Decreases | Fair value adjustments (note 23) | Increase and decrease in fair value of shares intended to cover MTIP | Closing balance |
| NOS | 57,661,618 | - | - | 22,135,189 | - | 79,796,807 |
| Sonae SGPS | 2,303,954 | - | (2,736,246) | 209,672 | 367,097 | 144,477 |
| | 59,965,572 | - | (2,736,246) | 22,344,861 | 367,097 | 79,941,284 |
| Recorded under the caption non current assets | | | | | | 144,477 |
| Recorded under the caption current assets | | | | | | 79,796,807 |

| | | | | | | 2014 |
|---|-----------------|-----------|---------------|----------------------------------|--|-----------------|
| Financial assets at fair value through profit or loss | Opening balance | Increases | Decreases | Fair value adjustments (note 23) | Increase and decrease in fair value of shares intended to cover MTIP | Closing balance |
| NOS | 202,442,350 | - | (141,650,837) | (3,129,895) | - | 57,661,618 |
| Sonae SGPS | - | 5,522,188 | (2,804,200) | (167,060) | (246,974) | 2,303,954 |
| | 202,442,350 | 5,522,188 | (144,455,037) | (3,296,955) | (246,974) | 59,965,572 |
| Recorded under the caption non current assets | | | | | | 1,424,996 |
| Recorded under the caption current assets | | | | | | 58,540,576 |

The fair value adjustments are recorded under the caption 'Gains and losses on Group companies' in Profit and Loss Statement (note 23). With the exception of the increases and decreases in the fair value of shares allocated to cover the medium-term incentive plans whose value is recorded under "Other operating expenses" and "Other financial expenses" in the income statement.

The decreases at 31 December 2015 and 2014, in the investment in Sonae SGPS shares, correspond essentially to the payment of the medium-term incentive plan, which expired in the year ended at 31 December 2015 and 2014.

The decreases in 31 December 2014 in the NOS investment corresponds to the counterpart in NOS shares provided for the terms of trade of the General Public and Voluntary Offer for acquisition of own shares. As a result of this offering Sonaecom reduced its investment in NOS shares in 26,476,792 shares (EUR 141,650,837) (note 13) and now holds 11,012,532 shares representing the share capital of NOS, corresponding to a share of 2.14%

The evaluation of fair value of the investment is detail as follows:

| 2015 | NOS | Sonae SGPS |
|--|------------------------------------|------------|
| Shares | 11,012,532 | 137,860 |
| Level of inputs in the hierarchy of fair value | Level 1** | |
| Valuation method | Quoted price on the stock exchange | |
| Quoted price* | 7.246 | 1.048 |
| Fair value | 79,796,807 | 144,477 |

* Used the share price of 31 December 2015 in the determination of the fair value.

** Level 1: The Fair value is determined based on active market prices

| 2014 | NOS | Sonae SGPS |
|--|------------------------------------|------------|
| Shares | 11,012,532 | 2,249,955 |
| Level of inputs in the hierarchy of fair value | Level 1** | |
| Valuation method | Quoted price on the stock exchange | |
| Quoted price* | 5.236 | 1.024 |
| Fair value | 57,661,618 | 2,303,954 |

* Used the share price of 31 December 2014 in the determination of the fair value.

** Level 1: The Fair value is determined based on active market prices

8. Other non-current assets

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|---|--------------|-------------|
| Financial assets | | |
| Medium and long-term loans granted to group companies and joint-ventures: | | |
| Sonae IM* | 15,315,000 | 12,220,000 |
| PCJ | 3,690,000 | 4,345,000 |
| Público | 165,000 | 2,435,000 |
| Sonaecom SP | 160,000 | 420,000 |
| | 19,330,000 | 19,420,000 |
| Supplementary capital: | | |
| Zopt | 115,000,000 | 115,000,000 |
| Sonae IM* | 29,519,792 | 32,476,791 |
| Público | 11,077,405 | 5,362,405 |
| PCJ | 1,839,445 | 1,189,445 |
| | 157,436,642 | 154,028,641 |
| | 176,766,642 | 173,448,641 |
| Accumulated impairment losses (note 16) | (10,917,405) | (7,797,405) |
| Others | - | - |
| | 165,849,237 | 165,651,236 |

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

During the years ended at 31 December 2015 and 2014, the movements that occurred in 'Medium and long-term loans granted' to Group companies and joint ventures were as follows:

| | | | | | 2015 |
|-------------|-----------------|-----------|-------------|-----------|-----------------|
| Company | Opening balance | Increases | Decreases | Transfers | Closing balance |
| Sonae IM* | 12,220,000 | 3,095,000 | - | - | 15,315,000 |
| PCJ | 4,345,000 | - | (655,000) | - | 3,690,000 |
| Público | 2,435,000 | - | (2,270,000) | - | 165,000 |
| Sonaecom SP | 420,000 | - | (260,000) | - | 160,000 |
| | 19,420,000 | 3,095,000 | (3,185,000) | - | 19,330,000 |

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

| | | | | | 2014 |
|-------------|-----------------|------------|--------------|-----------|-----------------|
| Company | Opening balance | Increases | Decreases | Transfers | Closing balance |
| Sonae IM* | 15,655,000 | 9,155,000 | (12,590,000) | - | 12,220,000 |
| PCJ | 4,610,000 | 40,000 | (305,000) | - | 4,345,000 |
| Público | 1,780,000 | 655,000 | - | - | 2,435,000 |
| Sonaecom SP | - | 420,000 | - | - | 420,000 |
| | 22,045,000 | 10,270,000 | (12,895,000) | - | 19,420,000 |

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

During the years ended at 31 December 2015 and 2014, the movements in 'Supplementary capital' were as follows:

| | | | | | 2015 |
|-----------|-----------------|-----------|-------------|--|-----------------|
| Company | Opening balance | Increases | Decreases | | Closing balance |
| ZOPT | 115,000,000 | - | - | | 115,000,000 |
| Sonae IM* | 32,476,791 | - | (2,956,999) | | 29,519,792 |
| Público | 5,362,405 | 5,715,000 | - | | 11,077,405 |
| PCJ | 1,189,445 | 650,000 | - | | 1,839,445 |
| | 154,028,641 | 6,365,000 | (2,956,999) | | 157,436,642 |

| | | | | | 2014 |
|-----------|-----------------|-----------|-------------|--|-----------------|
| Company | Opening balance | Increases | Decreases | | Closing balance |
| ZOPT | 115,000,000 | - | - | | 115,000,000 |
| Sonae IM* | 39,951,791 | - | (7,475,000) | | 32,476,791 |
| Público | 2,182,405 | 3,180,000 | - | | 5,362,405 |
| PCJ | 1,863,455 | - | (674,010) | | 1,189,445 |
| Miauger | 988,853 | - | (988,853) | | - |
| | 159,986,504 | 3,180,000 | (9,137,863) | | 154,028,641 |

*This company changed its name from Sonaecom Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

Loans and supplementary capital does not have a reimbursement term defined, so it is no information about its maturity.

During the year ended at 31 December 2015 and 2014, the loans granted to Group companies and joint ventures earned interest at market rates with an average interest rate of 3,06% and 5,62%, respectively. Supplementary capital is non-interest bearing.

During the year ended at 31 December 2015 the group proceeded to the revaluation of the terms and conditions prevailing in the market, in a perspective to renegotiate in agreement, the terms and conditions attached to the financing agreed with subsidiaries. In this sense, it proceeded to update the interest rates for all loans between group companies.

The evaluation of the existence of impairment losses for the loans made to Group companies was based on the most up-to-date business plans duly approved by the Group's Board of Directors, which include projected cash flows for periods of five years. The discount rates used and the perpetuity growth considered are presented in the note 5 and 6.

9. Deferred taxes

At 31 December 2015 and 2014 the value of deferred tax assets not recorded where it is not expected that sufficient taxable profits will be generated in the future to cover those losses, have the following detail:

| | 2015 | 2014 |
|--|-------------|-------------|
| Tax losses | 2,168,062 | 3,239,108 |
| Temporary differences (Provisions and Impairment losses not acceptable for tax purposes and other temporary differences) | 120,683,314 | 115,185,229 |
| CFEI | 151 | 151 |
| Total | 122,851,527 | 118,424,488 |
| Deferred tax assets | 27,609,190 | 26,597,040 |

At 31 December 2015 and 2014, the deferred tax assets relating to unregistered tax losses have the following origin dates:

| Year of origin | 2015 | 2014 |
|----------------|---------|---------|
| 2014 | 455,293 | 680,213 |
| | 455,293 | 680,213 |

For the year ended at 31 December 2015 the tax rate used to calculate the deferred tax assets/liabilities was of 21% relating to tax losses carried forward, and of 22.5% for remaining deferred tax assets and liabilities. For the year ended at 31 December 2014, the rate used to calculate the deferred tax assets/liabilities was of 23% relating to tax losses carried forward, and of 24.5% for remaining deferred tax assets and liabilities. Tax benefits, related to deductions from taxable income, are considered at 100%, and in some cases, their full acceptance is dependent on the approval of the authorities that concede such tax benefits.

It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

The reconciliation between the earnings before tax and the tax recorded for the years ended at 31 December 2015 and 2014 is as follows:

| | 2015 | 2014 |
|--|-------------|-------------|
| Earnings before tax | 33,937,480 | 5,382,087 |
| Income tax rate (21% in 2015 and 23% in 2014) | (7,126,871) | (1,237,880) |
| Autonomous taxation surcharge and correction of the tax of the previous year | 451,582 | (13,180) |
| Tax provision (Notes 16 and 24) | - | 12,167 |
| Temporary differences from the exercise without record deferred tax assets | (1,154,598) | 1,221,227 |
| Adjustments of results not tax deductible | 8,280,219 | 1,197,869 |
| Deferred taxes assets not record | - | (741,490) |
| Use of losses carried forward which deferred taxes were not recorded | 876 | 0 |
| Income taxation recorded in the year (note 24) | 451,208 | 438,713 |

The tax rate used to reconcile the tax expense and the accounting profit was 21% in the year of 2015 and 23% in 2014 because it are the standards rates of the corporate income tax in Portugal in 2015 and 2014.

The adjustments to the taxable income in 2015 and 2014 relates, mainly, to losses and gains in financial investments and dividends received (note 23), which do not contribute to the calculation of the taxable profit for the year.

Tax administration can review the income tax returns of the Company for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in progress, in which circumstances, the periods are extended or suspended. Consequently, tax returns of each year, since the year 2012 (inclusive) are still subject to such review. The Board of Directors believes that any correction that may arise as a result of such review would not produce a significant impact in the accompanying financial statements.

Supported by the Company's lawyers and tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the financial statements, associated to probable tax contingencies that should have been recorded or disclosed in the accompanying financial statements, at 31 December 2015.

10. Other current debtors

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 (restated) |
|---------------------------------|-----------|--------------------|
| State and other public entities | 599,911 | 1,422,254 |
| Trade debtors | 2,405,350 | 1,891,356 |
| | 3,005,261 | 3,313,610 |

At 31 December 2015 and 2014, the caption 'Trade debtors' included amounts to be received from Group companies related to interests receivable from subsidiaries on Shareholders' loans, interest on treasury applications and services rendered (notes 23 and 25).

The caption 'State and other public entities', at 31 December 2015 and 2014, includes the special advanced payment, retentions and taxes to be recovered.

Other debtors and advances to suppliers by age at 31 December 2015 and 2014 are as follows:

| | Due without impairment | | | | | Due and with impairment | | | |
|---------------|------------------------|---------|---------------|--------------------|-------------------|-------------------------|---------------------|----------------------|--------------------|
| | Total | Not due | Until 30 days | From 30 to 90 days | More than 90 days | Until 90 days | From 90 to 180 days | From 180 to 360 days | More than 360 days |
| 2015 | | | | | | | | | |
| Other debtors | 2,405,350 | 50,246 | 259,936 | 1,377,569 | 717,599 | - | - | - | - |
| 2014 | | | | | | | | | |
| Other debtors | 1,891,356 | 176,493 | 54,544 | 909 | 1,659,410 | - | - | - | - |

At the year ended at 31 December 2015, the amounts due without impairment to more than 90 days correspond, mostly, to amounts receiving from Group companies.

The debts of the state and other public entities were not subject detail above, for not being financial assets.

11. Other current assets

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--------------------------|---------|---------|
| Accrued income | | |
| Interest receivable | 169,051 | 415,350 |
| Invoices to be issued | 145,608 | 7,636 |
| Other accrued income | 6,769 | 5,827 |
| | 321,428 | 428,813 |
| Pluriannual costs | | |
| Insurance | 28,693 | 29,571 |
| Rents | 7,133 | 7,133 |
| Other pluriannual costs | 21,298 | 52,364 |
| | 57,124 | 89,068 |
| | 378,552 | 517,881 |

12. Cash and cash equivalents

At 31 December 2015 and 2014, the breakdown of cash and cash equivalents was as follows:

| | 2015 | 2014 |
|-----------------------------------|-------------|-------------|
| Cash | 475 | 1,260 |
| Bank deposits repayable on demand | 22,762,839 | 201,623 |
| Treasury applications | 156,685,000 | 176,685,000 |
| | 179,448,314 | 176,887,883 |
| Bank overdrafts (note 15) | - | (87,847) |
| | 179,448,314 | 176,800,036 |

At 31 December 2015 and 2014, the caption 'Treasury applications' had the following breakdown:

| | 2015 | 2014 |
|-------------------|-------------|-------------|
| Bank applications | 155,400,000 | 176,665,000 |
| Público | 610,000 | - |
| Sonaecom SP | 665,000 | - |
| Sonaecom BV | - | 20,000 |
| PCJ | 10,000 | - |
| | 156,685,000 | 176,685,000 |

During the year ended at 31 December 2015, the above mentioned treasury applications bear interests at an average rate of 0,64% (1,18% in 2014)

13. Share capital

At 31 December 2015 and 2014, the share capital of Sonaecom was comprised by 311,340,037 ordinary shares registered of Euro 0.74 each. At those dates, the Shareholder structure was as follows:

| | 2015 | | 2014 | |
|---|------------------|---------|------------------|---------|
| | Number of shares | % | Number of shares | % |
| Sontel BV | 194,063,119 | 62.33% | 194,063,119 | 62.33% |
| Sonae SGPS | 81,022,964 | 26.02% | 81,022,964 | 26.02% |
| Shares traded on the Portuguese Stock Exchange ('Free Float') | 30,682,940 | 9.86% | 30,682,940 | 9.86% |
| Own shares (note 14) | 5,571,014 | 1.79% | 5,571,014 | 1.79% |
| Atlas Service Belgium** | - | 0.00% | - | 0.00% |
| Efanor Investimentos S.G.P.S. S.A.* | - | 0.00% | - | 0.00% |
| | 311,340,037 | 100.00% | 311,340,037 | 100.00% |

* In the year ended at 31 December 2015 following the completion of Public Offer of own shares Efanor has no longer a direct participation in the capital of Sonaecom

**At 15 February 2013 Sonae and France Télécom ('FT-Orange') have concluded an agreement which consisted in the assignment of a call and a put option respectively of the 20% stake in Sonaecom held at that date by a subsidiary of FT-Orange. At 9 September 2013 the abovementioned option was exercised by Sonae and FT-Orange respectively.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014.

On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During the year 2014 Sonaecom reduced its capital by Euro 136 million as a result of the extinction of the own shares acquired (54,906,831 shares) and reduction of the nominal value of the remaining shares of capital stock of the Sonaecom Euro 1 to Euro 0.74 per share. Following this result, the Euronext announced the exclusion of Sonaecom PSI-20 from 24 February 2014.

As a return for the own shares acquired in this General Public Offer and Voluntary process Sonaecom delivered 26,476,792 shares representing the share capital of NOS which were recorded in the balance sheet by EUR 141,650,837 (note 7) and the amount of Euro 19,632 in cash, so as a result of this General Public and Voluntary Offer, assets and equity Sonaecom decreased by EUR 141,670,470.

All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

14. Own shares

During the year ended at 31 December 2015, Sonaecom did not acquire, sold or delivered own shares, whereby the amount held to date, is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of Euro 1.515.

15. Loans

Short-term loans and other loans

At December 31, 2015, Sonaecom does not have any short-term loans.

At December 31, 2014, Sonaecom had bank overdrafts amounting to 87,847 euros (Note 12) and EUR 12 of interest not due.

Bank credit lines of short-term portion

Sonaecom has also short term bank credit lines, in the form of current or overdraft account commitments, in the amount of Euro 1 million. These credit lines have maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

All these loans and bank credit lines bear interest at market rates, indexed to the EURIBOR for the respective term, and were all contracted in euro.

At 31 December 2015 and 2014, the available credit lines of the Company are as follows:

| | | | | | Maturity |
|-----------------------|-----------|--------------------|------------------|-----------------|---------------------|
| Credit | Limit | Amount outstanding | Amount available | Until 12 months | More than 12 months |
| 2015 | | | | | |
| Authorised overdrafts | 1,000,000 | - | 1,000,000 | x | |
| | 1,000,000 | - | 1,000,000 | | |
| 2014 | | | | | |
| Authorised overdrafts | 1,000,000 | - | 1,000,000 | x | |
| | 1,000,000 | - | 1,000,000 | | |

At 31 December 2015 and 2014, there are no financial instruments of interest rate hedging.

Based on the debt exposed to variable rates at the end of 2015, and considering the applications and bank balances at the same date, if market interest rates rise (fall), in average, 75bp during the year 2015, the interest paid that year would be decreased (increased) in an amount of approximately Euro 1,200,000 ((1,300,000 euros em 2014).

16. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended at 31 December 2015 and 2014 were as follows:

| | Opening balance | Increases | Reductions | Transfers and utilizations | Closing balance |
|--|-----------------|-----------|-------------|----------------------------|-----------------|
| 2015 | | | | | |
| Accumulated impairment losses on investments in Group companies (notes 5 and 23) | 105,338,215 | 3,425,000 | (200,000) | 20,000 | 108,583,215 |
| Accumulated impairment losses on other non-current assets (notes 8 and 23) | 7,797,405 | 3,140,000 | | (20,000) | 10,917,405 |
| Provisions for other liabilities and charges | 304,811 | 46,490 | (109,490) | - | 241,811 |
| | 113,440,431 | 6,611,490 | (309,490) | - | 119,742,431 |
| 2014 | | | | | |
| Accumulated impairment losses on investments in Group companies (notes 5 and 25) | 112,859,590 | 17,154 | (1,986,256) | (5,552,273) | 105,338,215 |
| Accumulated impairment losses on other non-current assets (notes 8 and 23) | 6,296,259 | 2,490,000 | - | (988,854) | 7,797,405 |
| Provisions for other liabilities and charges | 332,469 | 51 | (41,115) | 13,406 | 304,811 |
| | 119,488,318 | 2,507,205 | (2,027,371) | (6,527,721) | 113,440,431 |

The increases in provisions and impairment losses are recorded under the caption 'Provisions and impairment losses' in the profit and loss statement with the exception of the impairment losses in investments in Group companies and other non-current assets, which, due to their nature, are recorded as a financial expense under the caption 'Gains and losses on Group companies' (note 23).

At 31 December 2015, the change in the rubric "Provisions for other liabilities and charges" in the amount of 63,000 euros is recorded in the income statement under "Other operating income".

At 31 December 2015, the increase of 'Provisions for other liabilities and charges' includes, mainly, amounts to cover various contingencies related to probable liabilities arising from several transactions and which cash outflow is possible.

At 31 December 2014 the amount of Euro 51 recorded in the income statement in 'Other financial expenses', and related to the update of the provision for decommissioning as required in IAS 16 – 'Property, Plant and Equipment' (note 1.a).

Additionally, in 31 December 2014, the decrease of 'Provisions for other liabilities and charges' include the amount of Euro 12,167, registered, in the profit and loss statement, in 'Income taxation', due to its nature (note 24).

At 31 December 2014, the decreases of 'Provisions for other liabilities and charges' include the amount of Euro 1,810, recorded, in the profit and loss statement, in 'Other financial expenses' and 'Other operating costs', are related with the annulation of the provision for decommissioning - as required in the IAS 16 – 'Property, Plant and Equipment' (Note 1a)).

17. Other non-current liabilities

This caption, in the amounts of Euro 222.526 and Euro 399.254 at 31 December 2015 and 2014, respectively, corresponds to the medium and long-term amounts associated with the Medium Term Incentive Plans (note 28).

18. Other creditors

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|---------------------------------|---------|-----------|
| Other creditors (Note 25) | 187,429 | 1,040,710 |
| State and other public entities | 13,264 | 24,840 |
| | 200,693 | 1,065,550 |

The liability to other creditors matures as follows:

| | Total | Until 90 days | From 90 to 180 days | More than 180 days |
|-----------------|-----------|---------------|---------------------|--------------------|
| 2015 | | | | |
| Other creditors | 187,429 | 187,429 | - | - |
| | 187,429 | 187,429 | - | - |
| 2014 | | | | |
| Other creditors | 1,040,710 | 1,040,710 | - | - |
| | 1,040,710 | 1,040,710 | - | - |

19. Other current liabilities

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|---------------------------------------|-----------|-----------|
| Accrued costs | | |
| Staff expenses | 382,998 | 434,009 |
| Medium Term Incentive Plans (note 28) | 497,180 | 1,115,463 |
| Consultancy | 113,179 | 22,402 |
| Other accrued costs | 86,586 | 119,488 |
| | 1,079,943 | 1,691,362 |

20. Services rendered

At 31 December 2015 and 2014, the caption 'Services rendered' was comprised by the charge of management fees to subsidiaries (note 25).

21. Other operating revenues

At 31 December 2015 and 2014, the caption 'Other operating revenues' was made up as follows:

| | 2015 | 2014 |
|----------------------|---------|---------|
| Supplementary income | 74,496 | 125,665 |
| Others | 166,589 | 27,534 |
| | 241,085 | 153,199 |

At 31 December 2015 and 2014, the heading 'Supplementary income' is, mostly, composed of income associated with guarantees that Sonaecom secured on behalf of its subsidiaries.

22. External supplies and services

At 31 December 2015 and 2014, this caption was made up as follows:

| | 2015 | 2014 |
|--------------------------------------|---------|-----------|
| Specialised work | 525,856 | 705,588 |
| Travel and accommodation | 48,137 | 77,348 |
| Insurance | 49,467 | 48,482 |
| Communications | 21,131 | 38,836 |
| Rents | 15,194 | 31,101 |
| Honorários | 500 | 4,930 |
| Other external supplies and services | 62,956 | 111,998 |
| | 723,241 | 1,018,283 |

The commitments assumed by the company at 31 December 2014 and 2013 related to operational leases are as follows:

| | 2015 | 2014 |
|---|-------|--------|
| Minimum payments of operational leases: | | |
| 2015 | - | 16,692 |
| 2016 | 7,473 | 6,955 |
| 2017 | 518 | - |
| 2018 | 518 | - |
| 2019 | 518 | - |
| 2020 | 518 | - |
| Renewable by periods of one year | - | - |
| | 9,545 | 23,647 |

23. Financial results

Net financial results for the years ended at 31 December 2015 and 2014 are made up as follows ((costs)/gains):

| | 2015 | 2014 |
|--|-------------|-------------|
| Gains and losses on investments in Group companies | | |
| Losses related to Group companies (notes 5 8 and 16) | (6,565,000) | (2,507,154) |
| Gains related to Group companies | 200,000 | 2,289,904 |
| Dividends obtained (Note 25) | 15,815,500 | 7,250,000 |
| | 9,450,500 | 7,032,750 |
| Gains and losses on financial assets at fair value through profit or loss | | |
| Gains and losses on financial assets at fair value through profit or loss (note 7) | 22,344,861 | (3,296,955) |
| Dividends obtained | 1,541,754 | 1,321,504 |
| | 23,886,615 | (1,975,451) |
| Other financial expenses | | |
| Interest expenses: | | |
| Bank loans | - | (487,353) |
| Other loans (Note 25) | (6,340) | (246,513) |
| Others | (25,250) | - |
| | (31,590) | (733,866) |
| Other financial expenses | (103,464) | (284,230) |
| | (135,054) | (1,018,096) |
| Other financial income | | |
| Interest income (Note 25) | 1,765,463 | 3,207,046 |
| Foreign currency exchange gains | 702 | 829 |
| Other financial income | 347,259 | 161,645 |
| | 2,113,424 | 3,369,520 |

At 31 December 2015, losses on the Group companies include the reinforcement of impairment losses on other non-current assets (notes 8 and 16), in the amount of Euro 3,140,000 (euro 2,490,000 in 2014) and the reinforcement of impairment losses on investments in companies group in the amount of Euro 3,425,000 (Euro 17,154 in 2014) (Notas 5 e 16).

At 31 December 2015, gains on the group's businesses include the reversal of impairment losses on other non-current assets in the amount of 200,000 euros and at 31 December 2014 include the reversal of impairment losses on investments in companies group, in the amount of 1,986,256 euros (Note 16) and the gain arising from the settlement of Miauger subsidiary in the amount of 303,649 euros.

At 31 December 2014 and 2015, gains related to dividends received from investments in Group companies and in joint ventures are associated with dividends received from Zopt SGPS, S.A.. Gains related to dividends received from investments at fair value through profit or loss are associated with dividends received from NOS SGPS, S.A..

24. Income Taxation

Income taxes recognized during the years ended at 31 December 2015 and 2014 were made up as follows ((costs) / gains):

| | 2015 | 2014 |
|--------------------------------|---------|---------|
| Current tax (note 9) | 451,582 | 426,546 |
| Tax provision (notes 9 and 16) | - | 12,167 |
| Closing balance | 451,582 | 438,713 |

25. Related parties

The most significant balances and transactions with related parties (which are detailed in the appendix) at 31 December 2015 and 2014 were as follows:

| | | | | | Balances at 31 December 2015 |
|-------------------------------|----------------------------------|-------------------------------|------------------------------------|---|--|
| | Accounts receivable (note 10) | Accounts payable (note 18) | Treasury applications (note 12) | Other assets / (liabilities) (Note 11 and 19) | Loans granted / (obtained) (note 8 and 15) |
| Parent Company | | | | | |
| Sonae SGPS | 324,168 | - | - | (130,048) | - |
| Subsidiaries | | | | | |
| PCJ | 45,047 | 2,693 | 10,000 | 14,820 | 3,690,000 |
| Público | 10,504 | 109,971 | 610,000 | 18,467 | 165,000 |
| Sonae IM* | - | 211,528 | - | 23,243 | 15,315,000 |
| Sonaeacom SP | 101,618 | 1,843 | 665,000 | (72,819) | 160,000 |
| Others related parties | | | | | |
| NOS Technology ** | 35,000 | - | - | - | - |
| NOS SGPS | - | - | - | 452,604 | - |
| NOS Comunicações | 115,344 | 355,159 | - | (3,854) | - |
| Digitmarket | 1,362 | 44,029 | - | (10,043) | - |
| NOS Sistemas *** | 19,742 | 107,511 | - | - | - |
| Saphety | 107,198 | 12,592 | - | (248,032) | - |
| Sonaecenter II | 12,998 | - | - | - | - |
| Wedo | 2,279,755 | 219,341 | - | - | - |
| Others | 4,105 | - | - | (8,435) | - |
| | 3,056,841 | 1,064,667 | 1,285,000 | 35,903 | 19,330,000 |

*This company changed its name from Sonae Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

**This company changed its name from Be Artis to NOS Technology in 2015.

***This company changed its name from Mainroad to NOS Sistemas S.A. in 2015.

| | | | | | Balances at 31 December 2014 |
|-----------------------------------|----------------------------------|-------------------------------|------------------------------------|---|--|
| | Accounts receivable (note 10) | Accounts payable (note 18) | Treasury applications (note 12) | Other assets / (liabilities) (Note 11 and 19) | Loans granted / (obtained) (note 8 and 15) |
| Parent Companies | | | | | |
| Sonae SGPS | - | 230,575 | - | 183,592 | - |
| Subsidiaries | | | | | |
| PCJ | 218,774 | - | - | 20,879 | 4,345,000 |
| Público | 78,347 | 972,916 | - | 19,104 | 2,435,000 |
| Sonae IM* | 533,324 | 79,073 | - | 70,072 | 12,220,000 |
| Sonaeacom BV | 436 | 357,408 | 20,000 | 282 | - |
| Sonae telecom BV | - | 61 | - | - | (11) |
| Sonaeacom SP | 34,845 | 84,040 | - | 3,910 | 420,000 |
| Others related parties | | | | | |
| NOS Technology ** | (1,963) | 58,460 | - | - | - |
| NOS SGPS | - | 20,474 | - | - | - |
| NOS Towering-Gestão de Torres *** | - | 4,753 | - | - | - |
| Digitmarket | 51,158 | 3,473 | - | (18,231) | - |
| NOS Sistemas **** | 19,742 | 107,511 | - | - | - |
| NOS Comunicações | 115,344 | 307,259 | - | (3,854) | - |
| Saphety | 116,343 | 5,436 | - | (61,130) | - |
| Wedo | 2,054,971 | 185,986 | - | - | - |
| Sonae Center Serviços II | - | 149,305 | - | - | - |
| Others | 160 | 28,485 | - | (23,296) | - |
| | 3,221,481 | 2,595,215 | 20,000 | 191,328 | 19,419,989 |

*This company changed its name from Sonae Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

**This company changed its name from Be Artis to NOS Technology in 2015.

***This company changed its name from Be Towering to NOS Towering - Gestão de Torres in 2015.

****This company changed its name from Mainroad to NOS Sistemas S.A. in 2015.

| | | | | Transactions at 31 December 2015 |
|-------------------------------|---|--|---|-------------------------------------|
| | Sales and services rendered (Note 20) | Supplies and services received (note 22) | Interest and similar income / (expense) (note 23) | Supplementary income (Note 21) |
| Parent Company | | | | |
| Sonae SGPS | - | 50.000 | 851.073 | 56.806 |
| Subsidiaries | | | | |
| PCJ | - | - | 166.303 | - |
| Público | - | (84) | 149.010 | 3.177 |
| Sonae IM* | - | 55.447 | 394.785 | - |
| Sonaecom BV | - | - | 110 | - |
| Sonaecom SP | - | 234.694 | 30.219 | - |
| Others related parties | | | | |
| Sonaecenter II | 15.867 | 61.456 | - | - |
| NOS Comunicações | - | 2.156 | (46.831) | 71.294 |
| NOS Technology ** | - | - | - | - |
| Digitmarket | 61.654 | - | - | - |
| Saphety | 61.653 | 2.049 | - | - |
| Wedo | 199.066 | (800) | - | - |
| NOS SGPS | - | (556) | - | - |
| Others | - | 69.625 | (11) | - |
| | 338.240 | 473.987 | 1.544.658 | 131.277 |

*This company changed its name from Sonae Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

**This company changed its name from Be Artis to NOS Technology in 2015.

| | | | | Transactions at 31 December 2014 |
|-------------------------------|---|--|---|-------------------------------------|
| | Sales and services rendered (Note 20) | Supplies and services received (note 22) | Interest and similar income / (expense) (note 23) | Supplementary income (Note 21) |
| Parent Company | | | | |
| Sonae SGPS | - | 49.229 | 1.563.161 | - |
| Subsidiaries | | | | |
| Miauger | - | - | (1.573) | - |
| PCJ | - | - | 255.319 | - |
| Público | - | 360 | 278.611 | 5.827 |
| Sonae IM* | - | (24.721) | 781.415 | - |
| Sonaecom BV | - | - | (154.210) | - |
| Sonaecom SP | - | 302.633 | 13.387 | - |
| Others related parties | | | | |
| Sonaecenter II | - | 111.965 | - | - |
| NOS Comunicações | - | 282.501 | - | 119.838 |
| NOS Technology ** | - | 1.180 | - | - |
| Digitmarket | 48.435 | 1.322 | (18.361) | - |
| NOS Sistemas *** | 35.736 | (473) | 6.137 | - |
| Saphety | 48.436 | 2.459 | 6.482 | - |
| Wedo | 170.875 | 132 | 24.646 | - |
| NOS SGPS | - | (7.936) | (5.280) | - |
| Others | - | 92.942 | (16.737) | - |
| | 303.482 | 811.593 | 2.732.997 | 125.665 |

*This company changed its name from Sonae Sistemas de Informação SGPS, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A. in 2015.

**This company changed its name from Be Artis to NOS Technology in 2015.

***This company changed its name from Mainroad to NOS Sistemas S.A. in 2015.

During the year ended at 31 December 2015, Sonaecom distributed dividends, in the amount of Euro 3,646,033 to its parent company.

During the year ended at 31 December 2015 and 2014, Sonaecom recognized in the amount of Euro 15,815,500 and 7,250,000, respectively, related to dividends subsidiaries (Note 23).

During 2012, the Group signed an agreement with Sonae SGPS, under which Sonae compromise to transfer to employees and board members of Sonaecom, Sonaecom shares, at the price of 1.184 euros, until 2016, as requested by Sonaecom and under the MTIP of Sonaecom. Under this contract, Sonaecom paid to Sonae SGPS, SA the amount of Euro 3,291,520.

During the year ended at 31 December 2013, Sonaecom partially anticipated the maturity of the contract, receiving the amount of Euro 4,444,207. At 11 July 2014 the company terminated this contract so, Sonae SGPS, SA will repay the remaining amount in debt.

All the above transactions were made at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees.

A complete list of the Sonaecom Group's related parties is presented in the appendix to this report.

26. Guarantees provided to third parties

Guarantees provided to third parties at 31 December 2015 and 2014 were as follows:

| Beneficiary | Description | 2015 | 2014 |
|--|---|---------|-----------|
| Direção de Contribuições e Impostos (Portuguese tax authorities) | VAT reimbursements | - | 1,435,379 |
| Direção de Contribuições e Impostos (Portuguese tax authorities) | Additional tax assessments (VAT Stamp and Income tax) | 222,622 | 222,622 |
| | | 222,622 | 1,658,001 |

In addition to these guarantees were set up sureties for the current fiscal processes. The Sonae SGPS consisted of Sonaecom SGPS surety to the amount of Euro 23,319,289 and Sonaecom SGPS of Público surety for the amount of Euro 565,026.

At 31 December 2015, the Board of Directors of the Company believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the financial statements.

27. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the year (Euro 34,389,062 in 2015 and Euro 5,820,800 in 2014) by the average number of shares outstanding during the years ended at 31 December 2015 and 2014, net of own shares (305,769,023 in 2015 and 317,970,541 in 2014).

28. Medium Term Incentive Plans

In June 2000, the Company created a discretionary Medium Term Incentive Plan for more senior employees, based on Sonaecom options and shares and Sonae-SGPS, S.A. shares. The vesting occurs three years after the award of each plan, assuming that the employees are still employed in the Company.

At 10 March 2014, Sonaecom shares plans were converted in full for shares Sonae SGPS. This conversion was based on the terms set out in exchange takeover bid at 20 February 2014, referred to in note 13 to determine the fair value of Sonaecom plans, and based on the price of shares Sonae SGPS.

Therefore, the conversion of the plans was based Sonaecom / Sonae SGPS implied ratio under fixed the takeover bid (1 Sonaecom Action - Sonae SGPS shares approximately 2.05).

After conversion at 10 March 2014, the converted plans can be detailed as follows:

| | | Vesting period | | 10 March 2014 | |
|--|-------------------------------------|----------------|--------------|---------------------------------------|---------------------|
| | Share price at 20 Februaru 2014* | Award date | Vesting date | Aggregate number of participations | Number of shares |
| Sonae SGPS shares (Arising from the conversion of Sonaecom plans) | | | | | |
| 2010 Plan | 1,258 | 10/mar/11 | 10/mar/14 | 2 | 422.647 |
| 2011 Plan | 1,258 | 09/mar/12 | 10/mar/15 | 2 | 454.317 |
| 2012 Plan | 1,258 | 8/mar/13 | 10/mar/16 | 2 | 266.008 |

*Quotation of the day of publication of the results of the Tender Offer

For the plan of Sonaecom shares S.G.P.S., SA 2012, the liability is calculated based on the price set in the plans of the hedging contract on the date of conversion 1,258 euros. The impact of the conversion is assumed by Sonaecom, S.G.P.S., S.A

By the Board Nomination and Remuneration Decision, the delivery of the 2010 Plan was prosecute in May 2014.

By the Board Nomination and Remuneration Decision, the delivery of the 2011 Plan was prosecute in May 2015.

Therefore, the outstanding plans at 31 December 2015 are as follows:

| | | Vesting period | | 31 December 2015 | |
|---|--|----------------|--------------|---------------------------------------|---------------------|
| | Share price at 301 December 2015/ Award date | Award date | Vesting date | Aggregate number of participations | Number of shares |
| Sonae SGPS shares (Arising from the conversion of Sonaecom plans) | | | | | |
| 2012 Plan | 1.048 | 8/mar/13 | 10/mar/16 | 2 | 291,960 |
| Sonae SGPS shares | | | | | |
| 2012 Plan | 0.701 | 8/mar/13 | 10/mar/16 | 2 | 179,963 |
| 2013 Plan | 1.048 | 10/mar/14 | 10/mar/17 | 2 | 303,888 |
| 2014 Plan | 1.048 | 10/abr/15 | 10/abr/18 | 2 | 167,408 |

During the year ended at 31 December 2015, the movements that occurred in the plans can be summarized as follows:

| | Sonae SGPS shares | |
|----------------------------------|------------------------------------|------------------|
| | Aggregate number of participations | Number of shares |
| Outstanding at 31 December 2014: | | |
| Unvested | 10 | 1,624,176 |
| Total | 10 | 1,624,176 |
| Movements in year: | | |
| Awarded | 2 | 156,885 |
| Vested | (4) | (946,612) |
| Cancelled / lapsed / corrected* | - | 108,770 |
| Outstanding at 31 December 2015: | | |
| Unvested | 8 | 943,219 |
| Total | 8 | 943,219 |

* The adjustments are made for dividends paid and for share capital changes and others adjustments, namely, resulting from a change in the vesting of the MTIP, which may now be made through the purchase of shares with a discount.

The detail of the hedging contracts is as follows:

| | Sonae SGPS shares |
|--|--------------------------|
| | 2012 Plan |
| Notional value | 268,451 |
| Maturity | Mar-16 |
| Level of inputs in the hierarchy of fair value | Level 2 |
| Valuation method | Current replacement cost |
| Fair value* | 170,276 |

* Used the share price of 31 December 2015 in the determination of the fair value.

Share plan costs are recognised in the accounts over the period between the award and the vesting date of those plans. The costs recognised in previous years and in the year ended at 31 December 2015, were as follows:

| | Sonae SGPS shares | NOS shares | Total |
|---|-------------------|------------|-------------|
| Costs recognised in previous years | 3,531,043 | 409,556 | 3,940,599 |
| Costs recognised in the year | 692,826 | - | 692,826 |
| Impact of conversion of Sonaecom Plans | 1,666,165 | - | 1,666,165 |
| Costs of plans vested in previous years | (4,329,624) | - | (4,329,624) |
| Costs of plans vested in the year | (1,035,235) | (452,604) | (1,487,839) |
| | 525,176 | (43,048) | 482,129 |
| Responsibility of plans | 354,900 | (43,048) | 311,852 |
| Fair value of hedging contracts (1) | 170,276 | - | 170,276 |
| Recorded in cash and cash equivalents (12) | (194,530) | (43,048) | (237,578) |
| Recorded in other current liabilities (note 19) | 497,180 | - | 497,180 |
| Recorded in other non current liabilities (note 17) | 222,526 | - | 222,526 |
| Recorded in reserves | - | - | - |

(1) Sonaecom has signed hedging contracts to cover its responsibilities related with the medium and long-term group' incentive plans, later transferring, through contracts, the responsibility for each company of the group. The fair value of the hedging contracts, considered in the table above, corresponds to the amount that covers Sonaecom employees' responsibility.

(2) Sonaecom partially anticipated the maturity of the hedging contract with Sonae SGPS, receiving an amount equivalent to the present market value of Sonaecom shares.

At 10 March 2014, Sonaecom shares plans were fully converted into shares Sonae SGPS. This conversion was based on the terms of trade set out in the Tender Offer at 20 February 2014, referred to in note 12, to determine the fair value of the plans and, based on the share prices Sonae SGPS. Therefore, it was determined the number of shares to be delivered to Sonae SGPS employees. The liability relating to the period of each plan on the date of conversion (EUR 1,582,389) was recognized under 'Other current liabilities' and 'Other non-current liabilities' by hand 'equity in accordance with the provisions of IFRS 2.

In 27 August 2013, part of the Sonaecom and Sonae SGPS plans outstanding were converted to NOS plans. The conversion of the Sonaecom plans was made according to the merger ratio, but the conversion of Sonae SGPS plans was made according to the fair value of the shares. This decision was duly approved by the Board Nominations and Remunerations Committee. The cost NOS plans were recognized until 31 December 2013, date on which NOS started to take responsibility for them. The responsibility of these plans was calculated based on share price of 31 December 2013 and was recorded under the headings of 'Other current liabilities' and 'Other non-current liabilities'.

29. Remuneration attributed to the key management personnel

During 2015 and 2014, the remunerations paid to Directors and other members of key management in functions were as follows:

| | 2015 | 2014 |
|------------------------------|---------|---------|
| Short-term employee benefits | 705.252 | 766.574 |
| Share-based payments | 220.700 | 196.124 |
| | 925.952 | 962.698 |

The short-term employee benefits, which include the salary and performance bonus, were calculated on an accruals basis. The share-based payments for 2015 and 2014 correspond to the value of the Medium Term Incentive Plan and will be awarded in 2016, in respect of performance during 2015 (and the Medium Term Incentive Plan awarded in 2015 in respect of performance during 2014, for the 2014 amounts), whose shares, or the cash equivalent, will be delivered in March 2019 and March 2018, respectively.

30. Average number of employees

During the years ended at 31 December 2015 and 2014, the company employed an average number of 3 and 4, respectively. At 31 December 2015, the number of employees was 3.

31. Fees of Statutory Auditor

In 2015 and 2014, the Company paid, in respect of fees, to the Statutory Auditor, Deloitte, and its network of companies, the following amounts:

| | 2015 | 2014 |
|-----------------|--------|--------|
| Statutory audit | 17,416 | 19,156 |
| Tax advice | - | 4,738 |
| Total | 17,416 | 23,894 |

These consolidated financial statements were approved by the Board of Directors on 8 March 2016.

Appendix

At 31 December 2015, the related parties of Sonaecom, SGPS, S.A. are as follows:

| Key management personnel - Sonaecom | |
|---|-----------------------------------|
| Ângelo Gabriel Ribeiro dos Santos Paupério António Bernardo Aranha da Gama Lobo Xavier | Maria Cláudia Teixeira de Azevedo |

| Key management personnel - Sona SGPS | |
|--|---|
| Marcelo Faria de Lima Christine Cross Duarte Paulo Teixeira de Azevedo | 0 José Manuel Neves Adelino Tsega Gebreyes Andrew Eustace Claverling Campbell |

| Sonaecom Group Companies | |
|---|--|
| Cape Technologies Limited Digitmarket-Sistemas de InformaçãoSA ITRUST - Cyber Security and Intellig.SA Lookwise S.L. PCJ-Público Comunicação e JornalismoSA Praesidium Services Limited Público - Comunicação Social SA S21 Sec Brasil Ltda S21 Sec Ciber Seguridad S.A. de CV S21 SEC Gestion S.A. S21 Sec Information Security Labs S.L. S21 Sec México S.A. de CV S21 Sec S.A. de CV Saphety - Transacciones Electronicas SAS Saphety Brasil Transações Eletrônicas Ld Saphety Level - Trusted Services SA Sonaecom - Serviços Partilhados S.A | Sonaecom BV Sonaecom SGPS SA Sonaecom-Cyber Security and Int.SGPSSA Sona Investment ManagementSGPSSA Sonaecom-Sistemas Información España SL Sonaetelecom BV Tecnológica Telecomunicações Ltda We Do Consulting-Sist. de Informação SA We Do Poland Sp.Z.o.o. We Do Technologies (UK) Limited We Do Technologies Americas Inc We Do Technologies Australia PTY Limited We Do Technologies BV We Do Technologies BV - Sucursal Malaysia We Do Technologies Egypt LLC We Do Technologies Mexico S. de RL Wedo Brasil-Soluções InformáticasLtda |



| Sonae/Efanor/NOS Group Companies | |
|---|--|
| 3shoppings - Holding SGPS SA | Centro Vasco da Gama Centro ComercialSA |
| ACCIVE Insurance Cons. e FranchisingLda | Chão Verde-Soc. de Gestão ImobiliáriaSA |
| Accive Insurance-Corretor de Seguros SA | Cinclus ImobiliáriaSA |
| ADD Avaliações Eng.Avale Perícias Ltda | Citic Capital Sierra Limited |
| Adlands BV | Citic Capital Sierra Prop. Man. Limited |
| Aegean Park SA | Citorres - Sociedade Imobiliária SA |
| Agepan Eiweiler Management GmbH | Coimbrashopping Centro Comercial SA |
| Agloma Investimentos Sggs S.A. | Colombo Towers Holding BV |
| ALEXA Administration GmbH | Companhia Térmica do Serrado ACE |
| ALEXA Holding GmbH | Companhia Térmica Tagol Lda. |
| ALEXA Shopping Centre GmbH | Contacto Concessões SGPS S.A. |
| Algarveshopping- Centro Comercial SA | Contibomba-Comérc.Distr.CombustíveisSA |
| Aqualuz - Turismo e Lazer Lda | Contimobe - Imobiliária Castelo PaivaSA |
| Arat Inmuebles S.A. | Continente Hipermercados SA |
| ARP Alverca Retail Park SA | Country Club da Maia-ImobiliáriaSA |
| Arrábidasshopping - Centro Comercial SA | Craiova Mall BV |
| Aserraderos de CuellarSA | CTE-Central Termoeléct. do Estuário Lda |
| Atelgen-Produção Energia ACE | CUCUTA - Proyecto Cúcuta S.A.S. |
| Atlantic Ferries-Tráf.LocFlu.e MaritSA | Cumulativa - Sociedade Imobiliária S.A. |
| Avenida M-40 BV | Darbo SAS |
| Azulino Imobiliária S.A. | Discovery Sports SA |
| BA Business Angels SGPS SA | Distodo Distribui e LogistLda |
| BA Capital SGPS | Dortmund Tower GmbH |
| BB Food Service SA | Dos Mares Shopping Centre BV |
| Beeskow Holzwerkstoffe | Dos Mares Shopping Centre SA |
| Beralands BV | Dreamia B.V |
| Bertimóvel - Sociedade Imobiliária S.A. | Dreamia Serv de Televisão SA |
| BIG Picture 2 Films | Ecociclo - Energia e Ambiente SA |
| Bloco Q-Sociedade ImobiliáriaSA | Efanor Investimentos SGPS S.A. |
| Bom Momento - Restauração S.A. | Efanor Serviços de Apoio à Gestão S.A. |
| Canal 20 TV SA | Empracine-E.Pro.Act. CinemLda |
| Canasta-Empreendimentos ImobiliáriosSA | Empreend.Imob.Quinta da AzenhaSA |
| Capwatt ACE S.A. | Enerlousado-Recursos Energéticos Lda. |
| Capwatt Colombo - Heat Power S.A. | Equador & Mendes-Ag. Viagens e Tur.Lda |
| Capwatt Engenho Novo - Heat Power S.A. | Estação Viana Centro Comercial SA |
| Capwatt Hectare - Heat Power ACE | Euroresinas-Indústrias QuímicasSA |
| Capwatt II - Heat Power S.A. | Farmácia Selecção SA |
| Capwatt III - Heat Power S.A. | Fashion Division Canárias SA |
| Capwatt Maia - Heat Power S.A. | Fashion Division S.A. |
| Capwatt Martim Longo - Solar Power S.A. | Fozimo - Sociedade Imobiliária SA |
| Capwatt Vale do Caima - Heat Power S.A. | Freccia Rossa - Shopping Centre Srl |
| Capwatt Vale do Tejo - Heat Power S.A. | Fundo de Invest.Imobiliário Fec. Imosede |
| CAPWATT SGPS S.A. | Fundo Esp.Inv.Imo.Fec. WTC |
| Carvemagere-Manut.e Energias Renov. Lda | Fundo I.I. Parque Dom Pedro Shop. Center |
| Casa da Ribeira-Sociedade ImobiliáriaSA | Fundo Invest. Imobiliário Imosonae Dois |
| Cascaishopping Centro Comercial SA | Fundo Invest.Imob.Shopp. Parque D. Pedro |
| Cascaishopping Holding I SGPS SA | Gaiashopping I Centro Comercial SA |
| CCCB Caldas da Rainha-Centro Comerc. SA | Gaiashopping II Centro Comercial SA |
| Centro Colombo Centro Comercial SA | GHP GmbH |
| Centro Residencial da MaiaUrban.SA | Gli Orsi Shopping Centre 1 Srl |



| Sonae/Efanor/NOS Group Companies | |
|---|--|
| Glunz AG | Madeirashopping Centro Comercial SA |
| Glunz Service GmbH | Maiashopping Centro Comercial SA |
| Glunz UK Holdings Ltd | Maiequipa - Gestão Florestal SA |
| Glunz Uka GmbH | Marcas MC zRT |
| Golf Time-Golfe e Invest. Turísticos SA | Marina de Tróia S.A. |
| Guimarãesshopping Centro Comercial SA | Marmagno-Expl.Hoteleira Imob.SA |
| Harvey Dos Iberica SL | Martimope-Empreendimentos Turísticos SA |
| Herco Consult.Risco Corret.Seguros Ltda | Marvero-Expl.Hoteleira Imob.SA |
| Herco Consultoria de Risco S.A. | MDS - Corretor de Seguros SA |
| HighDome PCC Limited | MDS Affinity-Sociedade de Mediação Lda |
| HighDome PCC Limited (Cell Europe) | MDS Africa SGPS SA |
| Iberian Assets SA | MDS Auto - Mediação de Seguros SA |
| Igimo - Sociedade Imobiliária SA | Mds Knowledge Centre Unipessoal Lda |
| Iginha - Sociedade Imobiliária SA | MDS Malta Holding Limited |
| Imoareia - Invest. Turísticos SGPS SA | MDS RE - Mediador de resseguros |
| Imobeauty SA | MDS SGPS SA |
| Imoclub-Serviços Imobiliários SA | Megantic BV |
| Imoconti - Sociedade Imobiliária SA | MJB-Design Lda |
| Imodivor - Sociedade Imobiliária SA | MJLF - Empreendimentos Imobiliários SA |
| Imoestrutura - Sociedade Imobiliária SA | Modalfa - Comércio e Serviços SA |
| Imohotel-Emp.Turísticos ImobiliáriosSA | Modalloop - Vestuário e Calçado SA |
| Imomuro - Sociedade Imobiliária SA | Modelo - Dist.de Mat. de ConstruçãoS.A. |
| Imopenínsula - Sociedade Imobiliária SA | Modelo Continente Hipermercados SA |
| Imoplamac Gestão de Imóveis SA | Modelo Continente International TradeSA |
| Imoponte - Sociedade Imobiliária SA | Modelo Hiper Imobiliária SA |
| Imoresort - Sociedade Imobiliária SA | Modelo.com-Vendas por CorrespondênciaSA |
| Imoresultado - Sociedade Imobiliária SA | Movelpartes-Comp.para Ind.MobiliáriaSA |
| Imosedas - Imobiliária e Serviços SA | Movimento Viagens-Viag.e Turismo S.U.Lda |
| Imosistema - Sociedade Imobiliária SA | MSTAR SA |
| Impaper Europe GmbH | Münster Arkaden BV |
| Implantação - Imobiliária S.A. | Norte Shop. Retail and Leisure Centre BV |
| Infocfield - Informática SA | Norteshopping Centro Comercial SA |
| Inparvi SGPS SA | NOS Açores Comunicações S.A. |
| Interlog-SGPS SA | NOS Communications S.à.r.l. |
| Ioannina Develop.of Shopping Centres SA | NOS Comunicações S.A. |
| Isoroy SAS | NOS Inovação S.A. |
| ITRUST - Cyber Security and Intellig.SA | NOS Lusomundo Audiovisuais S.A. |
| Land Retail BV | NOS Lusomundo Cinemas S.A. |
| Larim Corretora de Resseguros Ltda | NOS Lusomundo TV Lda |
| Larissa Develop. of Shopping Centers SA | NOS Madeira Comunicações S.A. |
| Lazam MDS Corretora e Adm. Seguros SA | NOS SISTEMAS ESPAÑA S.L. |
| Le Terrazze - Shopping Centre 1 Srl | NOS Sistemas S.A. |
| Libra Serviços Lda | NOS Technology - Conceção Const. e Gestão Redes Com.S.A. |
| Loop 5 Shopping Centre GmbH | NOS TOWERING - Gestão de Torres de Telecomunicações S.A. |
| Lusomundo España SL | NOS SGPS S.A. |
| Lusomundo Imobiliária 2 SA | NOSPUB Publicidade e Conteúdos S.A. |
| Lusomundo Moçambique Lda | Nova Equador InternacionalAg.Viag.TLda |
| Lusomundo Soc. Inv. Imob. SA | Nova Equador P.C.O. e Eventos S.U. Lda |
| Luz del Tajo BV | Novodecor (PTY) LTD |
| Luz del Tajo Centro Comercial SA | OSB Deustchland GmbH |



| Sonae/Efanor/NOS Group Companies | |
|--|--|
| Pantheon Plaza BV | Raso SGPS SA |
| Paracentro - Gestão de Galerias Com. SA | River Plaza BV |
| Pareuro BV | River Plaza Mall Srl |
| Park Avenue Develop.of Shop. Centers SA | Ronfegen-Recursos Energéticos Lda. |
| Parklake Shopping SA | RSI Corretora de Seguros Ltda |
| Parque Atlântico Shopping-C.Comerc. SA | S.C. Microcom Doi Srl |
| Parque D. Pedro 1 BV | SC Aegean BV |
| Parque de Famalicão - Empreend.Imob. SA | SC Finance BV |
| Pátio Boavista Shopping Ltda | SC For-Serv.Form.e Desenv.R.H.Unip.Lda |
| Pátio Campinas Shopping Ltda | SC Hospitality SGPS S.A. |
| Pátio Goiânia Shopping Ltda | SC SGPS SA |
| Pátio Londrina Empreend.e Particip.Ltda | SC-ConsultadoriaSA |
| Pátio São Bernardo Shopping Ltda | SC-Eng. e promoção imobiliáriaSGPSS.A |
| Pátio Sertório Shopping Ltda | SDSR - Sports Division SR S.A. |
| Pátio Uberlândia Shopping Ltda | Sellfa-Soc. de Empreend. ImobiliáriosSA |
| Pharmaconcept - Actividades em Saúde SA | Sempre à Mão - Sociedade Imobiliária SA |
| Pharmacontinente - Saúde e Higiene SA | Sesagest - Proj. Gestão Imobiliária SA |
| Plaza Eboli - Centro Comercial SA | Sete e Meio - Invest. Consultadoria SA |
| Plaza Mayor Parque de Ócio BV | Shopping Centre Colombo Holding BV |
| Plaza Mayor Parque de Ocio SA | Shopping Centre Parque Principado BV |
| Plaza Mayor Shopping BV | SIAL Participações Lda |
| Plaza Mayor Shopping SA | Sierra Asia Limited |
| Poliface North America | Sierra Berlin Holding BV |
| Ponto de Chegada - Soc. Imobiliária SA | Sierra Brazil 1 BV |
| Porturbe-Edifícios e UrbanizaçõesSA | Sierra Cevital Shopping Center Spa |
| Praedium - Serviços SA | Sierra Corporate Services Holland BV |
| Praedium II - Imobiliária SA | Sierra Developments Holding BV |
| Praedium SGPS SA | Sierra Developments SGPS SA |
| Predicomercial - Promoção ImobiliáriaSA | Sierra European R.R.E. Assets Hold. BV |
| Predilugar - Sociedade Imobiliária SA | Sierra Germany GmbH |
| Prédios Privados Imobiliária SA | Sierra GP Limited |
| Predisedas - Predial das Sedas SA | Sierra Greece SA |
| Project SC 1 BV | Sierra Investimentos Brasil Ltda |
| Project Sierra 10 BV | Sierra Investments (Holland) 1 BV |
| Project Sierra 11 BV | Sierra Investments (Holland) 2 BV |
| Project Sierra 12 BV | Sierra Investments Holding BV |
| Project Sierra 2 BV | Sierra Investments SGPS SA |
| Project Sierra 8 BV | Sierra Italy Srl |
| Project Sierra Cúcuta BV | Sierra Management SGPS SA |
| Project Sierra Four Srl | Sierra Portugal SA |
| Project Sierra Germany 2 (two)-Sh.C.GmbH | Sierra Project Nürnberg BV |
| Project Sierra Germany 4 (four)-S.C.GmbH | Sierra Real Estate Greece BV |
| Project Sierra Spain 1 BV | Sierra Romania Sh. Centers Services Srl |
| Project Sierra Spain 2 - C.Comercial SA | Sierra Services Holland 2 BV |
| Project Sierra Two Srl | Sierra Solingen Holding GmbH |
| Promessa Sociedade Imobiliária S.A. | Sierra Spain Shop. Centers Serv. S.A.U. |
| OCE-Desenv. e Fabrico de EquipamentosSA | Sierra Turkey Gayrim.Yön.P.Dan.An.Sirket |
| Racionaliz. y Manufact.FlorestalesSA | Sierra Zenata Project BV |
| Raso - Viagens e Turismo SA | SII - Soberana Invest. Imobiliários SA |
| RASO II-Viagens e TurismoUnipessoal Lda | SISTAVAC S.A. |



| Sonae/Efanor/NOS Group Companies | |
|--|--|
| SISTAVAC SGPS S.A. | Spinveste-Gestão Imobiliária SGIISA |
| SISTAVAC-Sistemas HVAC-R do Brasil Ltda | Sport TV Portugal SA |
| Soc.Inic.Aproveit.Florest.-EnergiasSA | Sport Zone Canárias SL |
| Société de Tranchage Isoroy SAS. | Sport Zone España-Com.Art.de DeporteSA |
| Socijofra - Sociedade Imobiliária SA | Sport Zone spor malz.per.satis ith.ve ti |
| Sociloures - Sociedade Imobiliária SA | Spred SGPS SA |
| Soconstrução BV | SSI Angola S.A. |
| Soflorin BV | Tableros TrademaS.L. |
| Soira-Soc.Imobiliária de RamaldeSA | Tafiber Tableros de Fibras IbéricasSL |
| Solinca - Health & Fitness SA | Tafibra South Africa (PTY) Ltd. |
| Solinca-Investimentos TurísticosSA | Tafibra Suisse SA |
| Solinfitness - Club Malaga S.L. | Tafisa Canadá Société en Commandite |
| Solingen Shopping Center GmbH | Tafisa Développement |
| Soltroia-Imob.de Urb.Turismo de TróiaSA | Tafisa France SA |
| Somit Imobiliária SA | Tafisa UKLtd |
| Sonae Capital Brasil Lda | Tafisa- Tableros de Fibras SA |
| Sonae Capital SGPS SA | Taiber Tableros Aglomerados IbéricosSL |
| Sonae Center Serviços II SA | Teconologias del Medio AmbienteSA |
| Sonae Financial Services S.A. | Teliz Holding B.V. |
| Sonae Ind. Prod. e Com.Deriv.MadeiraSA | Têxtil do Marco SA |
| Sonae Indústria - Management ServicesSA | The Artist Porto Hot.&Bistrô-Act.Hot.SA |
| Sonae Industria (UK)Ltd | Tlantic BV |
| Sonae Industria de RevestimentosSA | Tlantic Portugal - Sist.de InformaçãoSA |
| Sonae Indústria-SGPSSA | Tlantic Sistemas de Informação Ltda |
| Sonae Investimentos SGPS SA | Tool GmbH |
| Sonae Investments BV | Torre Ocidente Imobiliária SA |
| Sonae MC - Modelo Continente SGPS SA | Torre São Gabriel Imobiliária SA |
| Sonae Novobord (PTY) Ltd | Troia Market-Supermercados S.A. |
| Sonae RE S.A. | Troia Natura S.A. |
| Sonae Retalho España-Serv.Generales SA | Troiaresort-Investimentos Turísticos SA |
| Sonae SGPS SA | Tulipamar-Expl.Hoteleira Imob.SA |
| Sonae Sierra Brasil SA | Unishopping Consultoria ImobiliáriaLtda |
| Sonae Sierra Brazil BV / SARL | UPK-Gestão de Facilities e ManutençãoSA |
| Sonae Sierra SGPS SA | Upstar Comunicações SA |
| Sonae Specialized Retail SGPS SA | Urbisedas-Imobiliária das SedasSA |
| Sonae SR Malta Holding Limited | Valor N SA |
| Sonae Tafibra Benelux BV | Via Catarina Centro Comercial SA |
| Sonae Turismo SGPS S.A. | Viajens y Turismo de Geotur España S.L. |
| Sonaecenter Serviços SA | Vistas do Freixo-Emp.Tur.ImobiliáriosSA |
| Sonae gest-Soc.Gest.Fundos Investimentos | Vuelta Omega S.L. |
| Sonaerp - Retail Properties SA | Weierstadt Shopping BV |
| SONAESR - Serviços e logística SA | Worten - Equipamento para o Lar SA |
| Sondis Imobiliária SA | Worten Canárias SL |
| Sontel BV | Worten España Distribución SL |
| Sontur BV | ZAP Cinemas S.A. |
| Sonvecap BV | ZAP Media S.A. |
| Sopair S.A. | ZAP Publishing S.A. |
| Sótaqua - Soc. de Empreendimentos Turist | Zenata Commercial Project S.A. |
| Soternix-Produção de Energia ACE | Zippy - Comércio e Distribuição SA |
| Spanboard ProductsLtd | Zippy - Comercio y Distribución SA |
| SPF - Sierra Portugal | Zippy cocuk malz.dag.ith.ve tic.ltd.sti |
| Spinarq Moçambique Lda | ZON Finance BV |
| Spinarq-EngenhariaEnergia e AmbienteSA | Zubiarte Inversiones Inmobiliarias SA |
| Spinveste - Promoção Imobiliária SA | ZYEvolution-Invest.Desenv.SA |

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STATEMENT OF THE BOARD OF DIRECTORS

6. Statement of the Board of Directors

Statement under the terms of Article 245

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

The Board of Directors

Ângelo Gabriel Ribeiro Paupério

Maria Cláudia Teixeira de Azevedo

Antonio Bernardo Aranha da Gama Lobo Xavier

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LEGAL CERTIFICATION OF ACCOUNTS AND AUDIT REPORT

STATUTORY AUDIT AND AUDITOR'S REPORT

*(This is a translation of a report originally issued in Portuguese
in the event of discrepancies, the Portuguese language version prevails)*

Introduction

1. In compliance with the applicable legislation we hereby present our Statutory Audit and Auditor's Report on the consolidated and individual financial information contained in the Board of Directors' Report, and on the accompanying consolidated and individual financial statements of SONAECOM, S.G.P.S., S.A. ("Company") for the year ended 31 December 2015 which comprise the Consolidated and Individual Balance Sheets as of 31 December 2015 (that present a total net assets of 1,092,669,865 Euro and 1,075,665,618 Euro, respectively, and consolidated and individual equity of 1,025,217,574 Euros and 1,073,920,645 Euro, respectively, including a consolidated net profit attributable to the Company's shareholders of 34,610,042 Euro and an individual net profit of 34,389,062 Euro), the Consolidated and Individual Statements of profit and loss, comprehensive income, changes in equity and cash-flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for: (i) the preparation of consolidated and individual financial statements that present a true and fair view of the financial position of the Company and of the group of companies included in the consolidation, the consolidated and individual results of their operations, comprehensive income, changes in equity and their consolidated and individual cash-flows; (ii) the preparation of historical financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and that is complete, true, up-to-date, 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 system of internal control; and (iv) informing on any significant facts that have influenced the operations of the Company and of the group of companies included in the consolidation, their financial position or their results and comprehensive income.
3. Our responsibility is to examine the consolidated and individual financial information contained in the documents referred to above, including verifying that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

Scope

4. Our examination was performed in accordance with the Technical/Audit Standards ("*Normas Técnicas e as Directrizes de Revisão/Auditoria*") issued by the Portuguese Institute of Statutory Auditors ("*Ordem dos Revisores Oficiais de Contas*"), 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. Such an examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the consolidated and individual financial statements and assessing the estimates, based on judgments and criteria defined by the Board of Directors, used in their preparation. Such an examination also includes verifying the consolidation procedures, 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 principles used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept, verifying the adequacy of the overall presentation of the consolidated and individual financial statements and assessing that, in all material respects, the consolidated and individual financial information is complete, true, up-to-date, clear, objective and licit. Our examination also comprises verifying that the financial information contained in the Board of Directors' Report is in accordance with the consolidated and individual financial statements, as well to perform the verifications established in the numbers 4 and 5 of the article 451º of the Portuguese Company Law ("*Código das Sociedades Comerciais*"). 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 SONAECOM, S.G.P.S., S.A. as of 31 December 2015, the consolidated and individual results of their operations, consolidated and individual comprehensive income, changes in consolidated and individual equity and their consolidated and individual cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union and the information contained therein is, in terms of the definitions included in the technical and audit standards referred to in paragraph 4 above, complete, true, up-to-date, clear, objective and licit.

Report on other legal requirements

6. It is also our opinion that the financial information included in the Board of Directors' Report is in accordance with the consolidated and individual financial statements of the year and that the Corporate Governance Report includes the information required to the Company, as established by the article 245º- A of the Securities Market Code.

Porto, 28 March 2016

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral

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**REPORT AND
OPINION OF THE
STATUTORY
AUDIT BOARD**

Report and opinion of the Statutory Audit Board of Sonaecom, SGPS,SA

To the Shareholders

1 – Report

1.1 - Introduction

In compliance with the applicable legislation and according with the terms of the mandate given to the Statutory Audit Board, we hereby issues our Report and Opinion of the audit performed, as well the documentation concerning the individual and consolidated accounts, for the year ended at 31 December 2015, which are of the responsibility of the Company's Board of Directors.

1.2 – Supervisory activities

The Statutory Audit Board, during the year under review, accompanied under its competence, the management of the company and its subsidiaries, examined the evolution of the company, the validity of accounting records, the quality of the preparation and financial information disclosure process and the compliance with legal regulations and laws, having held meetings on a quarterly frequency, which, were attended by the Board and personnel responsible for financial operations, accounting, planning and control, treasury and finance and for internal audit. The Statutory Audit Board also met with the Society of Statutory Auditor and the External Auditor in order to obtain all the information and explanations about the planning process as well in relation with the nature and the conclusions of the reports on the audits performed. Additionally, the Statutory Audit Board attended the meeting of the Board of Directors which approved the management report and accounts for the year.

During the year, the Statutory Audit Board accompanied, with special care, the accounting treatment of transactions that had material impact on the evolution of the financial statements and exercised them competence regards the qualifications and independence of the Society of Statutory Auditor and the External Auditor and, in this terms, analyzed, on favorable terms, the additional services rendered to audit and the assurance of reliability.

As part of its responsibilities, the Statutory Audit Board examined the individual and consolidated balance sheets, the individual and consolidated profit and loss accounts by nature, cash flow statements, statements of comprehensive income, movements in shareholders' funds and related annexes for the year ended at 31 December 2015

Furthermore, the Statutory Audit Board appreciated the Corporate Governance Report which is attached to the company's Management Report, regarding the consolidated financial accounts, under the terms and for the purpose of No. 5 of Art. 420 of the Portuguese Commercial Code (Código das Sociedades Comerciais), having concluded that the report includes the elements referred to in Art. 245 – A of the Securities Market Code (Código dos Valores Mobiliários).

Additionally, the Statutory Audit Board examined the management report and other documentation concerning the individual and consolidated accounts, prepared by the Board of Directors, considering that the information disclosed satisfies the legal standards and is appropriate for understanding the financial position and results of the company and its consolidation universe, and analyzed the legal certification of accounts and audit report, issued by the society of the statutory auditor, to which it has given consent.

The Regulation of the Statutory Audit Board refers the appreciation of the process developed for the selection of the External Auditor for the next year, the analysis of transactions between related parties, and also the evaluation of the functioning conditions of the risk management system and the internal control system.

2 – Opinion

In the light of the above mentioned, the Statutory Audit Board is of the opinion that there are the conditions for the Shareholders' General Meeting to approve:

- a) The management report, the individual and consolidated balance sheets, the individual and consolidated profit and loss accounts by nature, statements of comprehensive income, movements in shareholders' funds and cash flow statements and related annexes for the year ended at 31 December 2015.
- b) The proposal for the application of results presented by the Board of Directors.

3 – Statement of Responsibility

In accordance with paragraph 1, point a) of Art. 8 of Regulation n° 5/2008 of CMVM and point c) of paragraph 1 of Art. 245 of the Portuguese Securities Market Code, we declare that, to the best of our knowledge, the consolidated and individual financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of Sonaecom, SGPS, S.A. and the main companies included in the consolidation perimeter, and that the Management Report faithfully describes the business performance and position of the issuer and of the companies included in the consolidation perimeter containing a description of the major risks and uncertainties that they face. Further, we inform that the Corporate Governance report issued complies with the Art. 245-A of the Portuguese Securities Code.

Maia, 25 March 2016

The Statutory Audit Board

Arlindo Dias Duarte Silva

Óscar José Alçada da Quinta

Armando Luís Vieira de Magalhães

Sonaecom SGPS is listed on the Euronext Stock Exchange. Information is available on Reuters under the symbol SNC.LS and on Bloomberg under the symbol SNC:PL.

SAFE HARBOUR

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

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

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

Report available on Sonaecom's corporate website

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