

ANNOUNCEMENT/

Maia, 9th March 2017

Sonae – SGPS, SA (Sonae) hereby announces that through one of its subsidiaries, it has agreed with JD Sports Fashion Plc (JD Group), the leading retailer of sports, fashion and outdoor brands in the UK and JD Sprinter Holdings (JD Sprinter), a Memorandum of Understanding (MoU) which would see the combination of the JD Group's existing businesses in Iberia and JD Sprinter, with Sport Zone's business.

This MoU establishes the key parameters for the creation of an Iberian Sports Retail Group that will have as shareholders the JD Group, Sonae and the family shareholder of JD Sprinter, with shareholdings of approximately 50%, 30% and 20%, respectively. Both Sonae and JD Sprinter, have a deep knowledge of sports retail in Iberia and both will play a key role in the future strategic and operational management of the combined Group.

With a combined turnover over €450 million (estimated for FY 2016) and a store network of 287 stores (191 of which are in Spain and 96 are in Portugal), the combined Group: (i) will become the second largest Iberian Sports Retailer; (ii) is expected to generate further scale, momentum and resources to continue JD's, Sport Zone's and Sprinter's current growth momentum; (iii) is expected to increasingly achieve economies of scale, reaching attractive profitability levels; and iv) will benefit from all shareholder's geographic and sector know-how.

This operation fits Sonae's strategic pillars, namely: (i) strengthen and leverage the key assets and competencies; (ii) drive international expansion; and (iii) diversify business and investment approach.

On behalf of the Board of Directors,



Head Office

Lugar do Espido, Via Norte, Maia
Share Capital: € 2.000.000.000,00
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