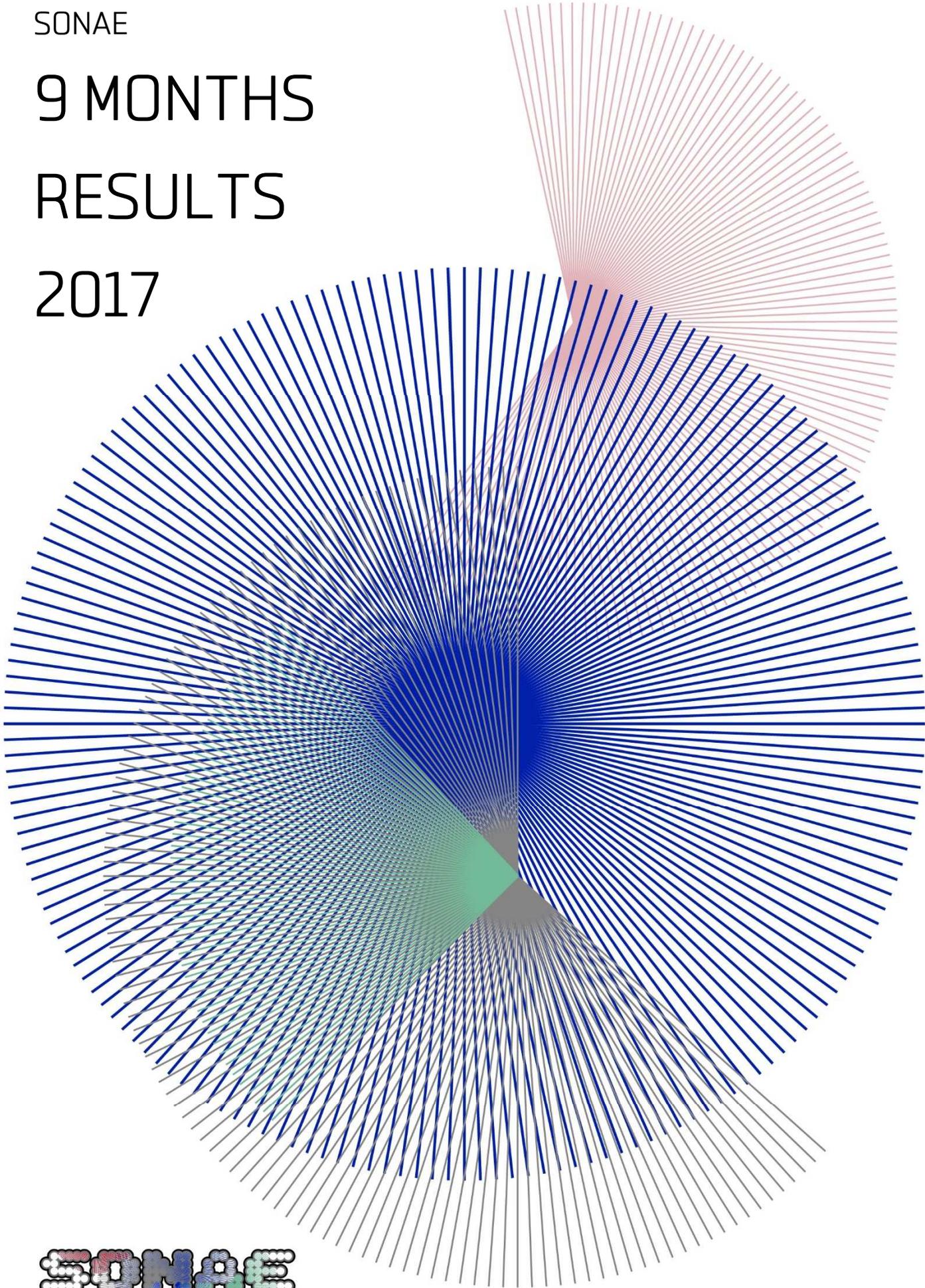


SONAE

9 MONTHS

RESULTS

2017



# 1 HIGHLIGHTS AND CEO'S MESSAGE

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- Sonae turnover continued to grow, reaching €4,115 M in 9M17, +6.9% y.o.y.
- Sonae underlying EBITDA grew by €19 M y.o.y., reaching €221 M in 9M17
- Sonae net debt decreased €30 M versus 9M16, to €1,217 M in 9M17

*“During this 3rd quarter, in which the business portfolio is now comparable to the same period of last year, we continued to grow at a healthy trend (4.8%) in aggregated terms, thanks to the positive contribution from all our main activities, particularly from our various retail businesses, which grew by 5.1%.*

*This performance was equally positive in terms of profitability, with aggregated EBITDA growing by 10% when compared with the same period of 2016, and at the same time strengthening competitive positions without compromising the quality of our value proposals as once again highlighted by the recognition in another DECO study showing we are the retailer offering the lowest prices in the Portuguese market.*

*In a quarter in which investment was kept at high levels, we continued to reinforce capital structure through lowered debt, increased maturity and improved financing conditions.”*

Ângelo Paupério, Sonae Co-CEO

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

### Sonae businesses overview

Million euros	9M16	9M17	y.o.y.	3Q16	3Q17	y.o.y.
<b>Turnover</b>						
Sonae Retail	3,815	4,067	6.6%	1,429	1,503	5.1%
Sonae Sierra <sup>(1)</sup>	150	162	8.0%	51	55	7.8%
NOS <sup>(1)</sup>	1,124	1,162	3.4%	381	393	3.2%
Sonae IM	88	95	7.7%	27	25	-7.3%
Sonae FS	12	17	40.0%	4	6	41.0%
<b>Underlying EBITDA</b>						
Sonae Retail	219	237	8.4%	103	109	6.1%
Sonae Sierra <sup>(1)</sup>	71	77	7.1%	24	26	9.8%
NOS <sup>(1)</sup>	432	452	4.6%	145	151	4.1%
Sonae IM	3.1	2.5	-19.0%	1.2	0.1	-92.9%
Sonae FS	-0.6	2.1	-	0.5	0.8	71.5%

(1) Consolidated in statutory accounts using the equity method.

### Sonae consolidated results

Million euros	9M16	9M17	y.o.y.	3Q16	3Q17	y.o.y.
<b>Turnover</b>	<b>3,849</b>	<b>4,115</b>	<b>6.9%</b>	<b>1,439</b>	<b>1,513</b>	<b>5.1%</b>
<b>Underlying EBITDA</b>	<b>202</b>	<b>221</b>	<b>9.6%</b>	<b>96</b>	<b>105</b>	<b>10.0%</b>
Underlying EBITDA margin	5.2%	5.4%	0.1 p.p.	6.7%	7.0%	0.3 p.p.
Equity method results <sup>(1)</sup>	39	48	21.2%	14	16	15.1%
o.w. S. Sierra (direct results)	20	23	12.5%	7	8	12.6%
o.w. NOS	16	24	49.1%	6	7	31.1%
Non-recurrent items	56	4	-93.2%	0	9	-
<b>EBITDA</b>	<b>297</b>	<b>273</b>	<b>-8.1%</b>	<b>110</b>	<b>130</b>	<b>18.9%</b>
EBITDA margin	7.7%	6.6%	-1.1 p.p.	7.6%	8.6%	1.0 p.p.
D&A <sup>(2)</sup>	-145	-152	-4.8%	-49	-53	-7.8%
<b>EBIT</b>	<b>152</b>	<b>121</b>	<b>-20.4%</b>	<b>61</b>	<b>78</b>	<b>27.9%</b>
Net financial activity	-36	-28	22.2%	-11	-10	8.0%
<b>EBT</b>	<b>116</b>	<b>93</b>	<b>-19.8%</b>	<b>49</b>	<b>67</b>	<b>36.1%</b>
Taxes	3	9	-	3	-8	-
<b>Direct results</b> <sup>(3)</sup>	<b>119</b>	<b>102</b>	<b>-14.4%</b>	<b>53</b>	<b>59</b>	<b>12.0%</b>
<b>Indirect results</b>	<b>21</b>	<b>37</b>	<b>75.2%</b>	<b>10</b>	<b>4</b>	<b>-56.4%</b>
<b>Net income</b>	<b>140</b>	<b>139</b>	<b>-0.9%</b>	<b>63</b>	<b>64</b>	<b>1.0%</b>
Non-controlling interests	-3	-6	-95.7%	-2	-3	64.5%
<b>Net income group share</b>	<b>137</b>	<b>133</b>	<b>-2.9%</b>	<b>61</b>	<b>60</b>	<b>-1.0%</b>

(1) Equity method results: includes direct income related to investments consolidated by the equity method (mainly Sonae Sierra and NOS);

(2) Depreciations & amortisations including provisions & impairments;

(3) Direct results before non-controlling interests.

### Sonae net invested capital

Million euros	9M16	9M17	y.o.y.
<b>Net invested capital</b>	<b>3,215</b>	<b>3,321</b>	<b>3.3%</b>
<b>Sonae shareholders funds</b>	<b>1,968</b>	<b>2,104</b>	<b>6.9%</b>
<b>Sonae net debt</b> <sup>(1)</sup>	<b>1,248</b>	<b>1,217</b>	<b>-2.4%</b>
Net debt / Invested capital	38.8%	36.7%	-2.1 p.p.

(1) Financial net debt + net shareholder loans.

### Sonae businesses highlights

- Turnover kept the positive trend of the previous quarters, increasing in all businesses in the first nine months of 2017;
- Underlying EBITDA increased in all businesses, apart from Sonae IM.

From a statutory perspective, **Sonae consolidated turnover** totalled €4,115 M, growing 6.9% in comparison to 9M16, fuelled by the performance of all businesses: Sonae Retail, Sonae FS and Sonae IM.

**Sonae underlying EBITDA** reached €221 M, more €19 M when compared with 9M16. All businesses contributed positively except Sonae IM, which decreased y.o.y.. **Sonae underlying EBITDA margin** increased 10 bps y.o.y., to 5.4%.

**Sonae EBITDA** amounted to €273 M in 9M17, -8.1% versus 9M16. Despite the higher underlying EBITDA and the equity method results, the y.o.y. performance was impacted by the non-recurrent items registered last year (benefiting mostly from the capital gains arising from the sale and leaseback transactions completed by Sonae RP in 2016). On a quarterly basis, EBITDA increased €21 M when compared to 3Q16, to €130 M, corresponding to an **EBITDA margin** of 8.6%.

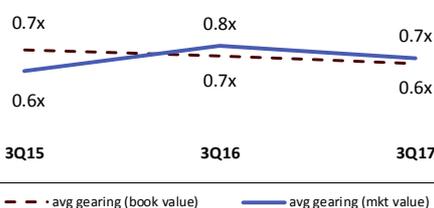
**Sonae net financial activity** improved by €8 M, registering a negative €28 M in 9M17, reflecting the reduction in the cost of outstanding debt. The average interest rate of outstanding debt was 1.3% in 3Q17, a value that compares with 1.4% in 3Q16. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

**Sonae direct results** amounted to €102 M, reducing 14.4% when compared to the same period of last year, mainly explained by non-recurrent items and marginally by D&A, that were partially compensated by the higher underlying EBITDA, equity method results and the less negative net financial activity. **Sonae indirect results** stood at €37 M, increasing by €16 M y.o.y. as result of the positive effect of the valuation of Sierra's assets, as well as from a capital gain driven by the deconsolidation of MDS (already reported in 1H17).

**Financial leverage ratio** decreased 210 bps in comparison with 9M16, to 36.7%. **Sonae net debt** decreased €30 M y.o.y., amounting to €1,217 M in 9M17.

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

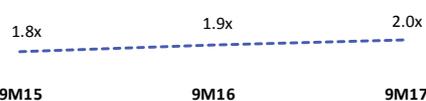
### Gearing



Million euros	9M16	9M17	y.o.y.
<b>Net financial debt</b>	<b>1,244</b>	<b>1,217</b>	<b>-2.2%</b>
Retail	713	701	-1.6%
Sonae IM	1	1	31.8%
Holding & other	530	514	-3.1%
<b>Sonae net debt</b>	<b>1,248</b>	<b>1,217</b>	<b>-2.4%</b>

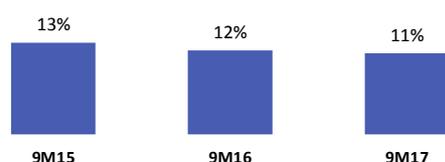
### Capital Structure

Net debt to EBITDA - Retail



### Capital Structure

Loan-to-value (%) - Holding



### Sonae Capex

Million euros	9M16	9M17	% of Turnover
<b>Capex</b>	<b>293</b>	<b>202</b>	<b>4.9%</b>
<b>Sonae Retail</b>	<b>276</b>	<b>190</b>	<b>4.7%</b>
Sonae MC	114	109	3.9%
Worten	20	26	3.7%
Sonae Sports & Fashion	99	27	6.1%
Sonae RP	42	28	40.4%
Maxmat	0.6	0.7	1.2%
<b>Sonae IM</b>	<b>12</b>	<b>9</b>	<b>9.2%</b>
<b>Sonae FS</b>	<b>0.1</b>	<b>1.0</b>	<b>6.2%</b>

**Average gearing at book value** reached 0.6x, staying 0.1x below 3Q16. **Average gearing at market value** stood at 0.7x, 0.1x below 3Q16, explained by an increase in equity and on shareholders' funds, coupled with a decrease in net debt level.

Sonae remains focused on presenting a **robust capital structure**, optimising funding costs whilst maintaining sufficient back up liquidity and a long maturity profile. Sonae continued to fulfil its practice of being fully financed for the coming 18 months and at the same time improving its general funding conditions. As of 9M17, the average maturity profile remained close to 4 years.

**Retail net financial debt** totalled €701 M in 9M17, -1.6% versus the same period of last year. **Retail net debt to EBITDA** stood at 2.0x, growing by 0.1x y.o.y. motivated by a lower EBITDA over the last 12 months, due to the already mentioned non-recurrent items.

**Holding & other net debt** stood at €514 M, a reduction of 3.1% in comparison with the same period of 2016, despite the payment of dividends, this year in 2Q17. **Loan-to-value** ratio of the Holding stood at 11%, decreasing when compared to 12% reached in 9M16, backed by a lower Holding & other net financial debt and a higher Net Asset Value.

**Sonae Capex** totalled €202 M, less 31.2% in comparison with 9M16, mainly explained by the lower Capex in Sonae Sports & Fashion, impacted by the acquisition of Salsa in 2Q16, together with a lower Capex at Sonae MC and Sonae RP.

### 3 SONAE RETAIL RESULTS

#### Sonae Retail businesses performance

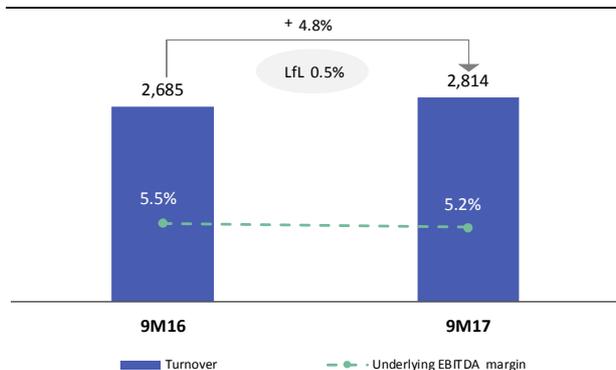
Million euros	9M16	9M17	y.o.y	3Q16	3Q17	y.o.y
<b>Turnover</b>	<b>3,815</b>	<b>4,067</b>	<b>6.6%</b>	<b>1,429</b>	<b>1,503</b>	<b>5.1%</b>
Sonae MC	2,685	2,814	4.8%	993	1,037	4.4%
Worten	634	689	8.8%	229	254	10.8%
Sonae Sports & Fashion	374	437	16.8%	164	167	1.5%
Sonae RP	69	69	-0.8%	22	23	2.3%
Maxmat	53	58	8.1%	20	22	7.4%
<b>Underlying EBITDA</b>	<b>219</b>	<b>237</b>	<b>8.4%</b>	<b>103</b>	<b>109</b>	<b>6.1%</b>
Sonae MC	147	146	-0.7%	66	65	-1.8%
Worten	9	14	54.1%	6	8	33.3%
Sonae Sports & Fashion	-1	12	-	9	13	41.2%
Sonae RP	60	60	0.0%	19	20	6.7%
Maxmat	4	5	20.2%	2	2	16.9%
<b>Underlying EBITDA margin (%)</b>	<b>5.7%</b>	<b>5.8%</b>	<b>0.1 p.p.</b>	<b>7.2%</b>	<b>7.2%</b>	<b>0.1 p.p.</b>

**Sonae Retail turnover** reached €4,067 M, increasing 6.6% when compared to the same period of last year, with all businesses adding a positive contribution with the exception of Sonae RP that remained almost flat y.o.y..

**Retail underlying EBITDA** improved by almost €18 M y.o.y., amounting to €237 M in 9M17. This improvement was mainly driven by Worten and Sonae Sports & Fashion, which largely offset the slightly smaller contribution of Sonae MC and Sonae RP.

#### SONAE MC

##### Turnover and underlying EBITDA evolution



In 9M17, **Sonae MC turnover** increased 4.8%, reaching €2,814 M. This performance benefited from a LfL sales growth of 0.5% and from the contribution of the expansion (of which 10 Continente Bom Dia stores opened in 9M17). In 9M17, turnover growth was higher than the market which allowed MC to further strengthen its market leadership.

This quarter was particularly positive for Sonae MC as the **LfL sales stood** at +0.1% regardless the challenging comparable of +4.1% in 3Q16 and despite being negatively impacted by the low inflation, specially by the deflation on fruits and vegetables, and by the total market sales area expansion. This evolution proves the success of Sonae MC value proposition improvement. We continued to work in order to maintain our price leadership in the market and to improve our price perception. In this context, Sonae MC reached, again, the top of the pricing index in the latest study of the Portuguese consumer's association.

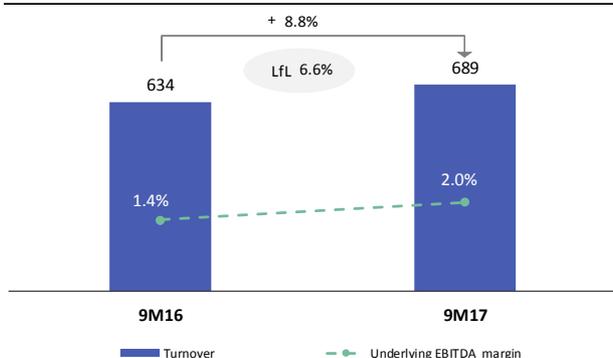
Despite the relentless competitive environment and our continued investment in price and in the expansion of the store network in proximity stores, **Sonae MC underlying EBITDA margin** stood at 5.2% in 9M17 (30 bps below 9M16) and 6.3% in the 3Q17 (40 bps below 3Q16). In absolute terms, underlying EBITDA achieved €146 M, which compares with €147 M in 9M16.

Following the success of the 1<sup>st</sup> Dr. Well's opened in May 2017, a clinic specialised in dental and aesthetic medicine, Sonae MC opened the 2<sup>nd</sup> in October 2017. The openings of Dr Well's is aimed at democratising the access to quality, customised health care services and is aligned with Sonae MC strategy of strengthening its position in the *Health and Wellness* segment.

### 3 SONAE RETAIL RESULTS (continued)

#### WORTEN

Turnover and underlying EBITDA evolution



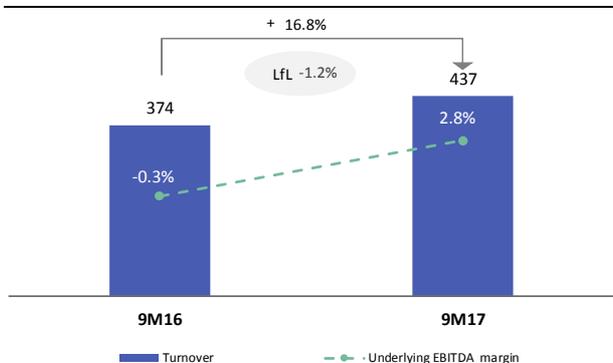
**Worten turnover** stood at €689 M in 9M17, growing 8.8% when compared to 9M16, supported by a **LfL sales growth** of 6.6% in Iberia.

Pursuing its **omni-channel strategy**, Worten continued investing in its web platform while improving its store network, with further store refurbishments in Portugal, and with some sqm reduction in Spain. The ecommerce operation kept showing a strong momentum, registering a sales increase in all geographies, especially in Spain, where since the beginning of 2017 online sales grew more than 50%.

The **underlying EBITDA** reached €14 M in 9M17, +54.1% y.o.y, already reflecting the initial impact of our integrated Iberian management approach as well as the strong turnover improvement in all geographies and the store network optimization in Spain, corresponding to an **underlying EBITDA margin** of 2.0%.

#### SONAE SPORTS & FASHION

Turnover and underlying EBITDA evolution



**Sonae Sports & Fashion turnover** amounted to €437 M, growing 16.8% when compared with the 9M16. This performance benefited from Salsa consolidation (1Q17 and 2Q17), and from the growth of the original portfolio. The 9M17 turnover performance also confirms the success of the recent readjustment of the value proposition of original fashion formats, which reached strong **LfL sales growth**. The only LfL negative contribution came from Sport Zone.

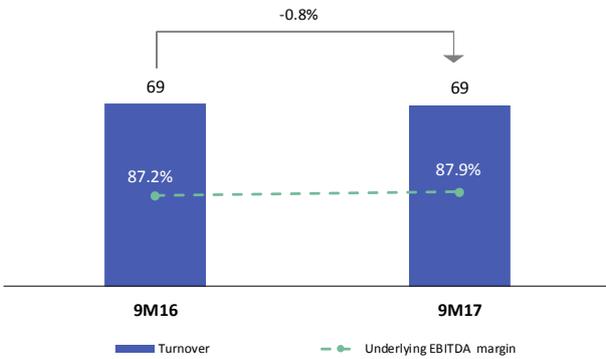
The **underlying EBITDA** reached €12 M in 9M17, an improvement of almost €14 M when compared to the same period of 2016, not only positively impacted by Salsa, but also by the positive contribution of original portfolio brands. In the 3Q17, the **underlying EBITDA** improved additional €4 M, mostly driven by improvements of original portfolio brands.

In September 2017, it was formalized the **agreement with JD Sports** Fashion Plc, Balaiko Firaja Invest S.L. and JD Sprinter Holdings 2010, S.L., in relation to the combination of JD Sprinter and Sport Zone. The completion of this transaction is still subject to the fulfilment of conditions precedent dependent on 3rd parties.

### 3 SONAE RETAIL RESULTS (continued)

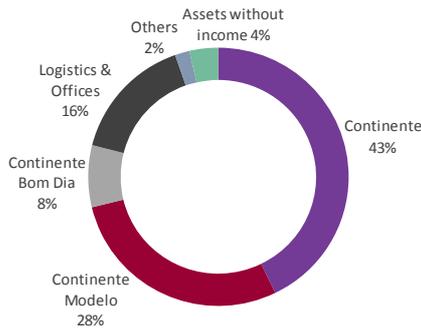
#### SONAE RP

Turnover and underlying EBITDA evolution



#### RP Portfolio

as % of Gross Book Value



**Sonae RP** is responsible for the management of Sonae’s retail real estate portfolio. The portfolio of Sonae RP comprised at September 30<sup>th</sup> 2017 20 Continente stores, 59 Continente Modelo stores and 30 Continente Bom Dia stores, representing a **gross book value** of €1,255 M and to a **net book value** of €886 M.

In 9M17, the **freehold of the specialised retail** (Worten and Sonae Sports & Fashion) stood at 21%, while **MC’s freehold** reached 48% following the sale and leaseback transaction on 25<sup>th</sup> July 2017 of 4 sale food retail assets, that generated a cash in of €35 M and a capital gain of circa €10 M. Despite the freehold reduction when compared to 9M16, from 51% in MC and 22% in specialised retail, **Sonae RP turnover** remained almost flat y.o.y, totalling €69 M in 9M17.

The **underlying EBITDA** reached €60 M, corresponding to an underlying EBITDA margin of 87.9%.

## 4 SONAE SIERRA RESULTS

### Operational Indicators

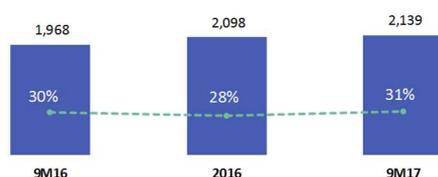
	9M16	9M17	y.o.y.
<b>Footfall (million visitors)</b>	<b>313</b>	<b>318</b>	<b>1.7%</b>
Europe & New Markets	242	249	2.7%
Brazil	71	70	-1.4%
<b>Occupancy rate (%)</b>	<b>96.4%</b>	<b>95.6%</b>	<b>-0.9 p.p.</b>
Europe	97.1%	97.2%	0.1 p.p.
Brazil	94.5%	90.3%	-4.2 p.p.
<b>Like-for-Like (Lfl) tenant sales</b>			
Europe	3.3%	3.8%	-
Brazil (local currency)	0.4%	7.7%	-
<b>Tenant sales (million euros)</b>	<b>3,107</b>	<b>3,428</b>	<b>10.3%</b>
Europe (million euros)	2,286	2,456	7.4%
Brazil (million euros)	821	972	18.3%
Brazil (million reais)	3,236	3,422	5.8%
<b>Nº of shopping centres owned and/or managed (EOP)</b>	<b>66</b>	<b>68</b>	<b>2</b>
Europe	56	58	2
Brazil	10	10	0
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>45</b>	<b>47</b>	<b>2</b>
Europe	36	38	2
Brazil	9	9	0
<b>GLA under Management ('000 sqm)</b>	<b>2,288</b>	<b>2,374</b>	<b>3.8%</b>
Europe & New Markets	1,888	1,497	-20.7%
Brazil	481	452	-6.2%

### Financial Indicators

Million euros	9M16	9M17	y.o.y.	3Q16	3Q17	y.o.y.
<b>Turnover</b>	<b>150</b>	<b>162</b>	<b>8.0%</b>	<b>51</b>	<b>55</b>	<b>7.8%</b>
<b>EBIT</b>	<b>71</b>	<b>76</b>	<b>7.4%</b>	<b>23</b>	<b>26</b>	<b>10.2%</b>
<b>EBIT margin</b>	<b>46.9%</b>	<b>46.6%</b>	<b>-0.3 p.p.</b>	<b>46.3%</b>	<b>47.3%</b>	<b>1.0 p.p.</b>
Direct results	40	45	12.4%	13	15	12.3%
Indirect results	52	33	-37.8%	20	-1	-107.2%
<b>Net results</b>	<b>93</b>	<b>78</b>	<b>-16.0%</b>	<b>34</b>	<b>14</b>	<b>-59.5%</b>
... attributable to Sonae	46	39	-16.0%	17	7	-59.5%

### Open Market Value (OMV) <sup>(1)</sup> and leverage

million euros



<sup>(1)</sup> Includes investment properties at open market value and development properties at cost.

■ OMV attributable to Sonae Sierra    - - - - Loan-to-value

Sonae Sierra has been continuously looking for new development opportunities as well as strengthening professional services. Presently, Sonae Sierra has in pipeline the following **development projects**: Nuremberg (Germany), Málaga McArthurGlen Designer Outlet (Spain), NorteShopping and Colombo Expansion (Portugal), Jardín Plaza Cucuta (Colombia) and Zenata (Morocco). In Málaga McArthurGlen Designer Outlet the construction work has already started in the beginning of this year and the opening is scheduled for 2018. The project will comprise 30,000 sqm of retail space and represents an investment of €115 M. Also scheduled for 2018, is the Norteshopping expansion which likewise started construction work this year. The additional projects are evolving as planned.

During the 3Q17, Sonae Sierra further strengthen its **service provision**, with 56 new contracts signed, ending the 9M17 with 145 new services contracts, in the amount of €12 M.

Within the scope of Sonae Sierra and Bankinter partnership, **ORES Socimi** continued to look for assets in Iberia, having acquired 6 assets in the 3Q17, in the amount of €74 M. Already in October 2017, 5 assets were acquired, thus having currently in portfolio 9 assets in Spain and 7 assets in Portugal.

In operational terms, Sonae Sierra, preserved a strong performance with high occupancies rates, having registered in the 9M17 a **total occupancy rate** of 95.6%. In Brazil, the occupancy rate decreased by 420 bps when compared to 9M16, as result of regular tenancy rotation movements. **Tenant sales** grew by 7.4% in 9M17 in Europe and 5.8% in Brazil (local currency), corresponding to a **Lfl tenant sales** of 3.8% and 7.7%, respectively.

**Sonae Sierra turnover** reached €162 M, increasing 8.0% y.o.y.. **EBIT** improved by 7.4% y.o.y., to €76 M in 9M17, benefiting from the positive impact of ParkLake opening. **Direct results** increased by €5 M, totalling €45 M in the 9M17. **Indirect results** reached €33 M in the 9M17, less €20 M versus 9M16 mainly explained by last year's positive impact of Parlake opening registered in the 3Q16.

**NAV** stood at €1,407 M at 30<sup>th</sup> September 2017, almost €11 M below the value booked in 2016 year-end, mainly due to the dividend payment and the adverse exchange rate effect of Brazilian real (30 Sept. 2017 vs. 31 Dec. 2016), which was partially compensated by the net results of the period. **Loan-to-value** stood at 31%, which compares with 28% in 2016.

## 5 NOS RESULTS

### Financial Indicators

Million euros	9M16	9M17	y.o.y.	3Q16	3Q17	y.o.y.
Operating revenues	1,124	1,162	3.4%	381	393	3.2%
EBITDA	432	452	4.6%	145	151	4.1%
EBITDA margin	38.4%	38.8%	0.4 p.p	38.1%	38.5%	0.3 p.p
Net results	78	105	34.5%	27	34	22.4%
Capex	293	264	-9.9%	97	91	-6.0%

### Operational Indicators

('000)	9M16	9M17	y.o.y.	3Q16	3Q17	y.o.y.
Total RGUs (Net adds)	477	289	-	195	111	-
Convergent RGUs (Net adds)	419	244	-	117	46	-
Mobile (Net adds)	273	188	-	125	95	-
Pay TV (Net adds)	42	15	-	12	2	-
Total RGUs	8,941	9,366	4.7%	8,941	9,366	4.7%
Convergent RGUs	3,273	3,631	11.0%	3,273	3,631	11.0%
Convergent customers	661	719	8.7%	661	719	8.7%
ARPU/Unique subscriber with fixed access (euros)	43	45	3.0%	43	45	4.1%

NOS published its results on November 8<sup>th</sup> 2017, which are available at [www.nos.pt](http://www.nos.pt).

NOS maintained the growth trend in all key operating metrics and kept a robust financial performance.

Operating revenues reached €1,162 M in 9M17, growing 3.4% when compared to the same period of 2016, with all segments posting a positive performance: telco, audiovisuals and cinema.

EBITDA totalled €452 M, a value that compares with €432 M registered in 9M16, and corresponding to an EBITDA margin of 38.8%.

Net results improved by 34.5% versus 9M16, to €105 M.

In the 9M17, capex stood at €264 M, decreasing 9.9% y.o.y..

Regarding the operational indicators, the number of RGUs in the 9M17 reached 9,366 thousand, +4.7% y.o.y., and the convergent RGUs increased 11.0%, to 3,631 thousand.

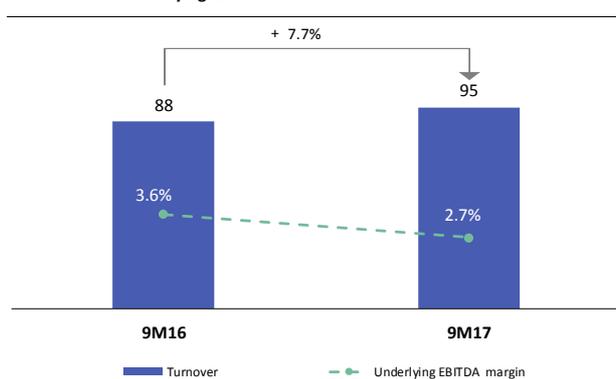
NOS FCF (before dividends, financial investments and acquisition of own shares) grew from €48 M registered in 9M16 to €136 M in 9M17. Due to the dividend payment made in 2Q17, in the amount of €103 M, FCF stood at €33 M.

## 6 SONAE IM RESULTS

### Portfolio

Controlling stakes	Minority stakes
WeDo Technologies S21Sec Saphety Bizdirect InovRetail Bright Pixel	AVP Funds Stylesage Movvo Probe.ly Ometria

### Turnover and underlying EBITDA evolution



**Sonae IM** has been implementing an active portfolio strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail and telecommunications, leveraging the strong Group's expertise in these two verticals and aiming to develop innovative solutions, with an international focus.

**Sonae IM's** core areas of interest include, in retail, data analytics, omni-channel and e-commerce enabling technologies, and in telecoms, customer value enablers, efficiency, data monetisation and risk management. Moreover, transversal to both retail and telecoms, Sonae IM invests in the cybersecurity space.

**Sonae IM turnover** totalled €95 M, increasing 7.7% when compared to the same period of last year. The **underlying EBITDA** stood at €3 M and corresponding to an **underlying EBITDA margin** of 2.7%.

In the 3Q17, Sonae IM registered **indirect results** in the amount of €4 M driven by an upside in the valuation of the AVP funds, managed by Armilar Venture Partners, which include stakes in Feedzai, a specialist in fraud prevention, and Outsystems, a leading player in low-code platforms market.

## 7 SONAE FS RESULTS

### Financial Indicators

Million euros	9M16	9M17	y.o.y.	3Q16	3Q17	y.o.y.
Production	462	572	23.6%	160	204	26.9%
Turnover	12	17	40.0%	4	6	41.0%
Underlying EBITDA	-0.6	2.1	-	0.5	0.8	71.5%
Underlying EBITDA margin	-5.0%	12.7%	17.7 p.p.	11.2%	13.6%	2.4 p.p.

**Sonae FS** was created at the end of 2015 and its mission is offering inclusive and personalised financial solutions to an enlarged number of people and families. **Sonae FS** offer includes: Credit, mostly through the Universo credit card, with special payment options at Sonae stores while having global acceptance across the Mastercard network. Additionally, Universo grants access to the several loyalty cards of Sonae retail banners. Credit offer also includes personal loans, store credit to customers and products sale at Universo online store; pre-paid cards (Cartão Dá), with B2B and B2C offers; Continente Money Transfer, a reliable service for money transfers across the globe; and insurance, presently focused on credit insurance. **Sonae FS** also includes MDS, a global insurance & reinsurance brokerage and associated risk consulting services with direct operations in Iberia, Brazil and Portuguese speaking countries in Africa. MDS is the largest broker in Portugal and the largest independent broker in Brazil.

**Sonae FS turnover** amounted to €17 M, in 9M17, +40.0% versus 9M16. The **underlying EBITDA** increased by almost €3 M, reaching €2 M and representing an **underlying EBITDA margin** of 12.7%.

Regarding the **Universo Card operation**, the 9M17 was very positive, having surpassed the 500 thousand subscribers. As for **Universo total production**, it stood at €404 M, increasing by 45.7% in comparison to 9M16.

## 8 CORPORATE INFORMATION

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### Main corporate events in the 3Q17

#### July 25<sup>th</sup> 2017

Sonae announced that Sonae RP concluded the sale and leaseback transaction of 4 food retail assets located in Portugal. This transaction, which totalled €35 M and has generated an estimated capital gain of €10 M, is aligned with Sonae's disclosed strategy concerning the monetisation of its real estate assets, while also maintaining adequate operational flexibility.

#### September 14<sup>th</sup> 2017

Sonae announced that following the closing of a Memorandum of Understanding, announced in March 2017, it has, through one of its subsidiaries reached an agreement with JD Sports Fashion Plc, Balaiko Firaja Invest S.L. and JD Sprinter Holdings 2010, S.L. (JD Sprinter), in relation to the combination of JD Sprinter and Sport Zone.

### Subsequent events

#### November 3<sup>rd</sup> 2017

Sonae informed about the automatic extension of its cash settled equity swap, originally entered on 15<sup>th</sup> November 2007, for an additional 12-month period, up until November 2018.

## 9 ADDITIONAL INFORMATION

### Methodological notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not subject to audit procedures.

### Glossary

<b>Capex</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct results</b>	Results before non-controlling interests excluding contributions to indirect results.
<b>(Direct) EBIT</b>	Direct EBT - financial results.
<b>EBITDA</b>	Underlying EBITDA + equity method results + non-recurrent items.
<b>(Direct) EBT</b>	Direct results before non-controlling interests and taxes.
<b>EBITDA margin</b>	EBITDA / turnover.
<b>EoP</b>	End of period.
<b>Financial net debt</b>	Total net debt excluding shareholders' loans.
<b>Gearing (book value)</b>	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
<b>Gearing (market value)</b>	Average of the last four quarters considering, for each quarter, total net debt (EoP) / equity value considering the closing price of Sonae shares on the last day of each quarter.
<b>GLA</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
<b>Indirect results</b>	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
<b>Investment properties</b>	Shopping centres in operation owned and co-owned by Sonae Sierra.
<b>Liquidity</b>	Cash & equivalents + current investments.
<b>Like for Like sales (Lfl)</b>	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
<b>Loan to value (LTV) - Holding</b>	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
<b>Loan to value (LTV) - Shopping Centres</b>	Net debt / (investment properties + properties under development).
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.

<b>Net debt</b>	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
<b>Net invested capital</b>	Total net debt + total shareholders' funds.
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by independent international entities.
<b>Other income</b>	Dividends.
<b>Others + E&amp;A (Eliminations &amp; adjustments)</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
<b>Other loans</b>	Bonds, leasing and derivatives.
<b>RGU</b>	Revenue generating unit.
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
<b>Underlying EBITDA</b>	EBITDA from the businesses consolidated using the full consolidation method.

Note: Sonae implemented the following changes in its reporting structure:

(i) from 1Q17, Maxmat is reported under "Sonae Retail", together with Sonae MC, Worten, Sonae Sports & Fashion and Sonae RP; and, (ii) from 1Q17, Media and Tlantic are reported under consolidated adjustments. In order to assure comparability, the 'Profit and Loss Statement' figures for 2016 were restated accordingly.

In 3Q17, MDS started to be consolidated through the Equity Method and included in Sonae FS after the sale of 1,773 shares from MDS SGPS to IPLF Holding, which occurred in June 2017. From 1Q16 to 2Q17, MDS was registered as a discontinued operation.

**Sonae statement of financial position**

Million euros	9M16	9M17	y.o.y.
<b>TOTAL ASSETS</b>	<b>5,414</b>	<b>5,523</b>	<b>2.0%</b>
<b>Non current assets</b>	<b>3,994</b>	<b>4,119</b>	<b>3.1%</b>
Tangible and intangible assets	1,962	1,980	0.9%
Goodwill	655	633	-3.3%
Investment properties	1	0	-100.0%
Other investments	1,272	1,413	11.1%
Deferred tax assets	69	72	4.1%
Others	36	22	-38.8%
<b>Current assets</b>	<b>1,420</b>	<b>1,404</b>	<b>-1.1%</b>
Stocks	671	688	2.6%
Trade debtors	117	128	9.4%
Liquidity	346	308	-10.8%
Others	286	280	-2.3%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,968</b>	<b>2,104</b>	<b>6.9%</b>
Equity holders	1,806	1,940	7.4%
Attributable to minority interests	162	164	1.2%
<b>LIABILITIES</b>	<b>3,447</b>	<b>3,420</b>	<b>-0.8%</b>
<b>Non-current liabilities</b>	<b>1,379</b>	<b>1,401</b>	<b>1.6%</b>
Bank loans	531	601	13.1%
Other loans	671	646	-3.8%
Deferred tax liabilities	91	114	24.4%
Provisions	46	20	-57.0%
Others	40	21	-46.5%
<b>Current liabilities</b>	<b>2,068</b>	<b>2,019</b>	<b>-2.4%</b>
Bank loans	368	226	-38.6%
Other loans	31	64	107.9%
Trade creditors	1,121	1,161	3.6%
Others	548	568	3.6%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5,414</b>	<b>5,523</b>	<b>2.0%</b>

## Condensed consolidated financial statements

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2017 AND 2016 AND 31 DECEMBER 2016

(Amounts expressed in euro)

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

ASSETS	Notes	30 Sep 2017	30 Sep 2016 Restated Note 3	31 Dec 2016 Restated Note 3
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	6	1,613,693,116	1,598,843,269	1,608,085,478
Intangible assets	7	365,919,450	363,140,839	373,509,488
Investment properties		-	885,133	879,263
Goodwill	8	632,868,800	654,788,277	655,484,348
Investments in joint ventures and associates	9	1,398,995,219	1,244,338,412	1,362,270,890
Other investments	10	13,915,081	27,537,601	20,784,450
Deferred tax assets	13	71,814,571	68,990,698	61,360,744
Other non-current assets	11	21,946,333	35,832,750	19,226,166
<b>Total Non-Current Assets</b>		<b>4,119,152,570</b>	<b>3,994,356,979</b>	<b>4,101,600,827</b>
<b>CURRENT ASSETS:</b>				
Inventories		688,234,217	671,082,915	696,297,968
Trade account receivables and other debtors	12	407,689,195	402,986,423	347,402,443
Investments	10	533,056	1,018,735	4,369,022
Cash and cash equivalents	14	307,801,528	344,975,386	340,920,458
<b>Total Current Assets</b>		<b>1,404,257,996</b>	<b>1,420,063,459</b>	<b>1,388,989,891</b>
Assets available for sale	15	-	-	19,522,549
<b>TOTAL ASSETS</b>		<b>5,523,410,566</b>	<b>5,414,420,438</b>	<b>5,510,113,267</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	16	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	16	(108,604,165)	(114,798,078)	(114,738,086)
Reserves and retained earnings		(84,712,386)	(216,387,289)	(206,669,555)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		133,213,873	137,196,638	215,073,949
Equity attributable to the equity holders of the Parent Company		1,939,897,322	1,806,011,271	1,893,666,308
Equity attributable to non-controlling interests	17	163,730,062	161,781,156	169,040,186
<b>TOTAL EQUITY</b>		<b>2,103,627,384</b>	<b>1,967,792,427</b>	<b>2,062,706,494</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	18	1,246,678,556	1,202,273,680	1,209,827,633
Other non-current liabilities	20	21,160,284	39,566,933	21,557,388
Deferred tax liabilities	13	113,552,343	91,312,257	113,450,277
Provisions	23	19,600,000	45,614,922	25,848,118
<b>Total Non-Current Liabilities</b>		<b>1,400,991,183</b>	<b>1,378,767,792</b>	<b>1,370,683,416</b>
<b>CURRENT LIABILITIES:</b>				
Loans	18	289,646,463	399,019,142	361,212,410
Trade creditors and other liabilities	22	1,725,306,689	1,665,739,597	1,700,225,496
Provisions	23	3,838,847	3,101,480	3,558,708
<b>Total Current Liabilities</b>		<b>2,018,791,999</b>	<b>2,067,860,219</b>	<b>2,064,996,614</b>
Liabilities available for sale	15	-	-	11,726,743
<b>TOTAL LIABILITIES</b>		<b>3,419,783,182</b>	<b>3,446,628,011</b>	<b>3,447,406,773</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,523,410,566</b>	<b>5,414,420,438</b>	<b>5,510,113,267</b>

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017 AND 2016

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

(Amounts expressed in euro)	Notes	3 <sup>rd</sup> Quarter 2017	3 <sup>rd</sup> Quarter 2016 Restated Note 3	30 Sep 2017	30 Sep 2016 Restated Note 3
Sales	5	1,463,929,519	1,399,247,719	3,976,309,436	3,726,319,680
Services rendered	5	48,843,101	40,144,505	138,992,347	123,061,773
Gains and losses on investments		(1,725,545)	67,159	(1,602,451)	1,853,356
Investment income investments recorded at fair value through profit	10	-	-	-	(6,318,903)
Financial income	26	518,285	2,824,224	3,699,907	4,841,598
Other income	27	217,509,838	168,898,547	585,766,449	578,068,786
Cost of goods sold and materials consumed		(1,218,157,451)	(1,139,123,576)	(3,322,751,644)	(3,090,634,968)
Changes in stocks of finished goods and work in progress		(1,511,277)	1,062,558	(147,480)	1,502,495
External supplies and services		(184,577,820)	(181,762,215)	(530,659,192)	(509,161,783)
Staff costs		(187,256,789)	(179,834,768)	(567,208,760)	(529,086,422)
Depreciation and amortisation	6 and 7	(49,358,139)	(46,007,416)	(145,992,523)	(131,560,629)
Provisions and impairment losses		(2,443,481)	(941,453)	(4,025,420)	(9,142,073)
Financial expense		(10,902,357)	(14,117,732)	(31,866,928)	(41,048,124)
Other expenses		(25,730,568)	(15,028,018)	(57,541,297)	(47,034,920)
Share of results of joint ventures and associated companies	9.3	24,533,363	22,308,515	71,054,802	61,628,273
<b>Profit/(Loss) before taxation from continuing operations</b>		<b>73,670,679</b>	<b>57,738,049</b>	<b>114,027,246</b>	<b>133,288,139</b>
Taxation	28	(10,139,983)	3,352,650	6,637,202	2,745,851
<b>Profit/(Loss) after taxation from continuing operations</b>		<b>63,530,696</b>	<b>61,090,699</b>	<b>120,664,448</b>	<b>136,033,990</b>
Profit/(Loss) from discontinued operations after taxation	4.1	-	1,780,540	18,110,829	4,005,108
<b>Consolidated profit/(Loss) for the period</b>		<b>63,530,696</b>	<b>62,871,239</b>	<b>138,775,277</b>	<b>140,039,098</b>
Attributable to equity holders of the Parent Company:					
Continuing operations		60,321,287	60,030,050	124,140,348	135,193,683
Discontinued operations		-	890,449	9,073,525	2,002,955
		60,321,287	60,920,499	133,213,873	137,196,638
Attributable to non-controlling interests					
Continuing operations		3,209,409	1,060,649	(3,475,900)	840,307
Discontinued operations		-	890,091	9,037,304	2,002,153
	17	3,209,409	1,950,740	5,561,404	2,842,460
Profit/(Loss) per share					
From continuing operations					
Basic	29	0.032855	0.031842	0.068723	0.073755
Diluted	29	0.030662	0.029754	0.064188	0.068918
From discontinued operations					
Basic	29	(0.000009)	0.000472	0.004793	0.001062
Diluted	29	(0.000012)	0.000441	0.004476	0.000993

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016

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

(Amounts expressed in euro)	3 <sup>rd</sup> Quarter 2017	3 <sup>rd</sup> Quarter 2016 Restated	30 Sep 2017	30 Sep 2016 Restated
Net Profit / (Loss) for the period	63,530,696	62,871,239	138,775,277	140,039,098
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(150,350)	(218,195)	1,726,266	2,877,284
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 9.3)	(293,366)	3,045,621	(9,998,180)	(8,331,814)
Changes in hedge and fair value reserves	3,468,246	(176,831)	(2,368,476)	380,949
Deferred taxes related with other components of comprehensive income	(618,403)	112,315	597,488	(23,475)
Others	(154,848)	9,578,784	(6,669)	9,524,762
Items that were reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations related to discontinued operations	-	-	(4,214,202)	-
Other comprehensive income for the period	2,251,279	12,341,694	(14,263,773)	4,427,706
Total comprehensive income for the period	65,781,975	75,212,933	124,511,504	144,466,804
Attributable to:				
Equity holders of parent company	62,575,275	73,476,916	116,613,613	142,208,269
Non controlling interests	3,206,700	1,736,017	7,897,891	2,258,535

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

# SONAE - 9M17 RESULTS

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016

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

	Reserves and Retained Earnings							Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 17)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings					
(Amounts expressed in euro)	Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2016	2,000,000,000	(123,493,932)	244,211,592	1,135,801	272,950	22,313,000	(661,255,246)	(393,321,903)	175,306,228	1,658,490,393	136,303,721	1,794,794,114
Total comprehensive income for the period	-	-	-	1,079,554	307,223	-	3,624,854	5,011,631	137,196,638	142,208,269	2,258,535	144,466,804
Appropriation of consolidated net profit of 2015												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	175,306,228	175,306,228	(175,306,228)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(2,120,481)	(2,120,481)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(492,503)	(492,503)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(2,880,703)	(2,880,703)	-	(2,880,703)	(53,862)	(2,934,565)
Cash Settled Equity Swap early partial termination (Note 16)	-	8,695,854	-	-	-	-	(404,740)	(404,740)	-	8,291,114	-	8,291,114
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(97,802)	(97,802)	-	(97,802)	(2,078)	(99,880)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	25,887,824	25,887,824
Balance as at 30 September 2016 Restated	2,000,000,000	(114,798,078)	244,211,592	2,215,355	580,173	22,313,000	(485,707,409)	(216,387,289)	137,196,638	1,806,011,271	161,781,156	1,967,792,427
Balance as at 1 January 2017 restated	2,000,000,000	(114,738,086)	244,211,592	3,845,889	1,948,405	22,313,000	(478,988,441)	(206,669,555)	215,073,949	1,893,666,308	169,040,186	2,062,706,494
Total comprehensive income for the period	-	-	-	(565,686)	(1,888,692)	-	(14,145,882)	(16,600,260)	133,213,873	116,613,613	7,897,891	124,511,504
Appropriation of consolidated net profit of 2016												
Transfer to legal reserves and retained earnings	-	-	3,065,011	-	-	-	212,008,938	215,073,949	(215,073,949)	-	-	-
Dividends distributed	-	-	-	-	-	-	(75,796,304)	(75,796,304)	-	(75,796,304)	(3,693,914)	(79,490,218)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(100,718)	(100,718)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(69,363)	(69,363)	-	(69,363)	(4,017)	(73,380)
Partial cancellation of Cash Settled Equity Swap (Note 16)	-	6,133,921	-	-	-	-	(618,289)	(618,289)	-	5,515,632	-	5,515,632
Percentage change in subsidiaries	-	-	-	-	-	-	(32,564)	(32,564)	-	(32,564)	(110,865)	(143,429)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	3,198,590	3,198,590
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	(13,138,363)	(13,138,363)
Incorporated of subsidiaries	-	-	-	-	-	-	-	-	-	-	400,000	400,000
Balance as at 30 September 2017	2,000,000,000	(108,604,165)	247,276,603	3,280,203	59,713	22,313,000	(357,641,905)	(84,712,386)	133,213,873	1,939,897,322	163,730,062	2,103,627,384

The accompanying notes are part of these condensed consolidated financial statements.

The Board of Directors

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017 AND 2016

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

(Amounts expressed in euro)	Notes	3 <sup>rd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016 Restated	30 Sep 2017	30 Sep 2016 Restated
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		229,021,197	230,025,160	180,749,887	65,868,477
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments	29	-	-	21,009,032	83,186,984
Tangible and Intangible assets	7	35,160,194	724,145	37,377,443	230,889,517
Interests and similar income		239,065	518,494	740,597	1,594,733
Loans granted		-	-	1,500	1,535
Dividends		7,500,000	10,311,947	54,033,243	45,077,135
Others		6,004,345	6,544,311	35,775,630	13,480,008
		48,903,604	18,098,897	148,937,445	374,229,912
Cash Payments arising from:					
Investments	29	(2,013,026)	(1,205,891)	(4,207,851)	(66,844,822)
Tangible and Intangible assets		(65,261,115)	(63,182,207)	(204,046,203)	(202,616,828)
Loans granted		(502)	-	(1,982,966)	-
Others		(3,639,413)	(26,461,941)	(16,026,779)	(26,844,749)
		(70,914,056)	(90,850,039)	(226,263,799)	(296,306,399)
Net cash used in investment activities (2)		(22,010,452)	(72,751,142)	(77,326,354)	77,923,513
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Investments		40,000	-	624,007	3,641,405
Loans obtained		1,792,288,351	2,781,555,787	5,678,356,445	6,722,518,314
Capital increases, additional paid in capital and share premiums		400,000	-	400,000	-
Others		-	-	-	296,059
		1,792,728,351	2,781,555,787	5,679,380,452	6,726,455,778
Cash Payments arising from:					
Investments		(1,559,526)	(3,914,602)	(5,706,932)	(6,717,039)
Loans obtained		(1,942,475,435)	(2,886,373,784)	(5,681,036,190)	(6,771,825,606)
Interests and similar charges		(5,887,556)	(10,754,002)	(18,791,033)	(32,862,641)
Dividends		(28,417)	(358,455)	(83,659,748)	(2,687,953)
Others		(110,898)	(607,611)	(414,032)	(1,322,780)
		(1,950,061,832)	(2,902,008,454)	(5,789,607,935)	(6,815,416,019)
Net cash used in financing activities (3)		(157,333,481)	(120,452,667)	(110,227,483)	(88,960,241)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		49,677,264	36,821,351	(6,803,950)	54,831,749
Effect of foreign exchange rate		97,181	(616,490)	342,663	(1,044,559)
Effect of discontinued operations	4.1	-	-	(11,088,316)	-
Cash and cash equivalents at the beginning of the period	14	255,375,215	288,578,930	323,190,227	270,140,463
Cash and cash equivalents at the end of the period	14	304,955,298	326,016,771	304,955,298	326,016,771

The accompanying notes are part of these condensed financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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

*(Amounts expressed in euro)*

## 1 INTRODUCTION

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SONAE, SGPS, SA (“Sonae Holding”) has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 33 and 34 as Sonae Group (“Sonae”). Sonae’s operations and operating segments are described in Note 5.

## 2 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2016.

### 2.1 Basis of preparations

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the IFRS Interpretations Committee (“IFRIC”) or by the previous Standing Interpretations Committee (“SIC”), as adopted by the European Union as from the consolidated financial statements issuance date.

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and properties investments which are stated at fair value.

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

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2017:

	Effective date (for financial years beginning on or after)
With mandatory application during 2017:	

IAS 7 (amendment) - Statement of cash flows (introducing additional disclosures related to cash flows from financing activities)	01 Jan 2017
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IAS 12 (amendment) - Income taxes (clarify the conditions for recognition and measurement of tax assets resulting from unrealized losses)	01 Jan 2017
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These standards were applied by the Group in 2017, however there were no significant impacts on these financial statements.

The following standards, interpretations, amendments and revisions were endorsed by the European Union and have mandatory application in future economic exercises:

	Effective date (for financial years beginning on or after)
With mandatory application after 2017:	

IFRS 9 - Financial instruments (establishes the new requirements regarding the classification and measurement of financial assets and liabilities, the methodology for calculating impairment and for the application of hedge accounting rules)	01 Jan 2018
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IFRS 15 - Revenue from contracts with customers (introduces a principles-based revenue recognition framework based on a template to be applied to all contracts with customers)	01 Jan 2018
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IFRS 16 – Leases - (recognition and measurement principles)	01 Jan 2019
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IFRS 15 (amendment) - Revenue from contracts with customers (various clarifications are introduced in the standard to eliminate the possibility of divergent interpretations of various topics)	01 Jan 2018
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IFRS 4 (amendment) - Insurance contracts (provides guidance on the application of IFRS 4 in together with IFRS 9)	01 Jan 2018
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The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 September 2017, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group.

The following standards, interpretations, amendments and revisions haven't been, until the date of approval of these financial statements, endorsed by the European Union:

With mandatory application after 2017:	Effective Date (for financial years beginning on or after)
IFRS 17 – Insurance contracts	01 Jan 2021
IFRIC 22 - Transactions in foreign currency and advances (establish the date of the initial recognition of the advance or deferred income as the date of the transaction for determining the exchange rate of the recognition of the revenue)	01 Jan 2018
IFRIC 23 – Uncertainty over income tax treatments (clarifies the accounting for uncertainties in income taxes)	01 Jan 2019
IFRS 2 (amendment) - Share-based payments (various clarifications are included in the standard relating to the recording of cash-settled share-based payment transactions, (ii) recording changes to share-based payment transactions (Of net settled to equity settlement), (iii) the classification of transactions with net settlement characteristics)	01 Jan 2018
IFRS 40 (amendment) - Investment properties (clarify that the change in classification from or to investment property should only be made when there is evidence of a change in the use of the asset)	01 Jan 2018
IFRS 9 (amendment) – Prepayment features with negative compensation	01 Jan 2019
IAs 28 (amendment) – Long-term interests in associates and joint ventures	01 Jan 2019
Annual Improvements to IFRS (cycle 2014-2016)	01 Jan 2017 and 01 Jan 2018

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 September 2017, since their application is not mandatory, lying in the process of analyzing expected effects of those standards that, are not expected to reflect significant impacts.

### 3 RESTATEMENT OF FINANCIAL STATEMENT

During the period ended on 30 June 2017, Sonae sold 1,773 shares of MDS, SGPS, SA, passing the holding percentage to 50%, and altered the shareholder agreement, losing control of that subsidiary and becoming a joint venture. Due to this fact, the income statement for the period ended on 30 September 2016 was restated, with all the activity of this subsidiary and its subsidiaries going under the heading “Discontinued operations”, see impact in Note 4.1.

The Losan Group is a multinational group with its the parent company based in Spain, it specializes in the wholesale business of children's wear. This acquisition was aimed to improve skills in the supply chain and to strengthen international capacity expansion of Sonae through wholesale channels. These companies were incorporated in the consolidated financial statements as at 31 December 2015, date from which Sonae began to exercise control over its activities.

IVN – Serviços Partilhados, SA holds the brand Salsa which is a Portuguese brand of jeanswear of international renown, recognized for its entrepreneurial spirit and the development of innovative products. Being a truly international company, its products can be found in about 2,000 points of sale in 32 countries.

Following the acquisition of these companies, a preliminary assessment was made regarding the fair value of the assets acquired and the liabilities assumed. The fair value was determined through various valuation methodologies for each type of asset or liability, based on the best information available. The main adjustments to fair value made under this process were:

- (i) Wholesale customer portfolio (13.1 million euro in Losan and 35.5 million euro in Salsa), valued based on the discounted cash-flow methodology, using discount rates based on the weighted average cost of the segment's capital (11%), where Companies are included and considering an average retention rate of customers of 84% based on historical data, for Losan and 9.4% for wholesale Salsa's customers. These portfolios will be amortized on a straight-line basis based on the estimated average retention period of customers (10 years);
- (ii) Losan brand (11.6 million euro), valued based on the released royalty methodology and for which no defined life was identified;
- (iii) Salsa brand (51 million euro) was valued based on the methodology of the released royalties, using for this purpose the discount rates based on weighted average cost of capital of the segment where the companies fall (11%) and a royalty rate of 4%, and for which was not estimated a defined useful life;
- (iv) Real estate assets in Salsa (15.8 million euro) were valued based on a preliminary external valuation of the mentioned assets, which had been obtained prior to the acquisition, the new evaluation process was completed in 31 May 2017; and
- (v) contingent liabilities in Salsa relating to present obligations in the amount of 6 million euro, over which there were also recognized indemnifying assets as contractually supported;
- (vi) Contingent liabilities in Losan relating to present liabilities amounting to 0.9 million euro.

For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective book value. As usually happens in the concentrations of business activities also in this operation could not be assigned, in accounting terms, the fair value of identifiable assets and liabilities assumed part of the cost of acquisition, being that component recognized as goodwill and recorded under the caption Intangible assets.

The above valuations correspond to Level 3 of Fair Value, in accordance with IFRS 13.

As these acquisitions occurred at the end of the year 2015 and on June 30, 2016, for Losan and Salsa respectively, only at the end of 2016, in the case of Losan and during the first half of 2017 in the case of Salsa, was it possible to complete the fair value calculation exercise and Goodwill calculation. The impact of these evaluations in the consolidated financial statements as at 30 September 2016 was as follows:

Amounts in thousands of euro	Before the restatement	30 Sep 2016		After the restatement
		Losan	Salsa	
<b>Assets</b>				
Tangible and intangible assets	1,840,642	24,198	98,029	1,962,869
Goodwill	796,200	(18,960)	(122,451)	654,789
Investments	1,271,876	-	-	1,271,876
Deferred tax assets	67,498	225	1,267	68,990
Other non-current assets	33,368	-	2,464	35,832
<b>Non-current assets</b>	<b>4,009,585</b>	<b>5,463</b>	<b>(20,691)</b>	<b>3,994,357</b>
<b>Current assets</b>				
Inventories	672,270	-	(1,187)	671,083
Trade account receivables	117,419	(400)	(275)	116,744
Other debtors	284,377	1,417	448	286,242
Investments	1,019	-	-	1,019
Cash and cash equivalents	344,975	-	-	344,975
<b>Current assets</b>	<b>1,420,060</b>	<b>1,017</b>	<b>(1,014)</b>	<b>1,420,063</b>
<b>Total assets</b>	<b>5,429,645</b>	<b>6,480</b>	<b>(21,705)</b>	<b>5,414,420</b>
<b>Liabilities</b>				
Borrowings	1,202,274	-	-	1,202,274
Other non-current liabilities	39,567	-	-	39,567
Deferred tax liabilities	65,084	5,950	20,279	91,313
Provisions	39,637	900	5,078	45,615
<b>Non-current liabilities</b>	<b>1,346,561</b>	<b>6,850</b>	<b>25,357</b>	<b>1,378,768</b>
Borrowings	399,019	-	-	399,019
Trade creditors and other current liabilities	1,667,883	-	958	1,668,841
<b>Total current liabilities</b>	<b>2,066,902</b>	<b>-</b>	<b>958</b>	<b>2,067,860</b>
<b>Total liabilities</b>	<b>3,413,464</b>	<b>6,850</b>	<b>26,315</b>	<b>3,446,629</b>
Shareholders' funds excluding non-controlling interests	1,806,789	(370)	(409)	1,806,010
Non-controlling interests	209,392	-	(47,611)	161,781
<b>Total shareholders' funds</b>	<b>2,016,181</b>	<b>(370)</b>	<b>(48,020)</b>	<b>1,967,791</b>
<b>Total shareholders' funds and liabilities</b>	<b>5,429,645</b>	<b>6,480</b>	<b>(21,705)</b>	<b>5,414,420</b>

On 31 May 2017, an external evaluation was made to a group of properties of Salsa based on the market value, resulting in a reduction of the fair value calculated on December 31, 2016 in the amount of 4,384,000 euro.

The impact of this valuation in the statement of financial position as at 31 December 2016 can be analysed as follows:

Amounts in thousands of euro	31 Dec 2016		
	Before the restatement	Adjustments to fair value Salsa	After the restatement
<b>Assets</b>			
Tangible and intangible assets	1,986,857	(4,384)	1,982,473
Goodwill	653,753	1,732	655,484
Other non current assets	1,463,643	-	1,463,643
Current assets	1,408,512	-	1,408,512
<b>Total assets</b>	<b>5,512,766</b>	<b>(2,652)</b>	<b>5,510,113</b>
<b>Liabilities</b>			
Non current liabilities	1,371,604	(921)	1,370,683
Current liabilities	2,076,723	-	2,076,723
<b>Total liabilities</b>	<b>3,448,327</b>	<b>(921)</b>	<b>3,447,407</b>
Shareholders' funds excluding non-controlling interests	1,893,666	-	1,893,666
Non-controlling interests	170,772	(1,732)	169,040
<b>Total shareholders' funds</b>	<b>2,064,438</b>	<b>(1,732)</b>	<b>2,062,706</b>
<b>Total shareholders' funds and liabilities</b>	<b>5,512,766</b>	<b>(2,652)</b>	<b>5,510,113</b>

The impact in the consolidated statement of income, the adjustments in Losan and Salsa for fair value as well as the reclassification of the activity of MDS, SGPS, S.A. for discontinued operations, as at 30 September 2016 can be analysed as follows:

Amounts in thousands of euro	30 Sep 2016				
	Before the restatement	Adjustments to fair value Losan	Discontinued operations Salsa	Discontinued operations MDS SGPS, S.A.	After the restatement
Sales	3,726,320	-	-	-	3,726,320
Services rendered	155,748	-	-	(32,686)	123,062
Income or expenses related to investments	1,487	-	-	366	1,853
Gains and losses on investments recorded at fair value through profit or loss	(6,319)	-	-	-	(6,319)
Other income and financial income	4,982	-	-	(140)	4,842
Other income	579,244	-	-	(1,175)	578,069
Cost of good sold and materials consumed	(3,090,635)	-	-	-	(3,090,635)
Changes in stocks of finished goods	1,502	-	-	-	1,502
External supplies and service	(520,963)	-	-	11,801	(509,162)
Staff costs	(541,535)	-	-	12,448	(529,087)
Depreciation and amortisation	(132,719)	(493)	(1,035)	2,686	(131,561)
Provisions and impairment losses	(9,271)	-	-	129	(9,142)
Financial expenses	(42,245)	-	-	1,197	(41,048)
Other expenses	(48,240)	-	-	1,206	(47,034)
<b>Gains or losses related to joint ventures and associated undertaking</b>	<b>61,521</b>	<b>-</b>	<b>-</b>	<b>107</b>	<b>61,628</b>
Profit (loss) from continuing operations, before taxation	138,877	(493)	(1,035)	(4,061)	133,288
<b>Taxation</b>	<b>2,349</b>	<b>123</b>	<b>217</b>	<b>57</b>	<b>2,746</b>
<b>Consolidated profit (loss) for the period from continuing operations</b>	<b>141,226</b>	<b>(370)</b>	<b>(818)</b>	<b>(4,004)</b>	<b>136,034</b>
Profit/(Loss) from discontinuing operations, after taxation	-	-	-	4,004	4,004
<b>Consolidated profit /(loss) for the period</b>	<b>141,226</b>	<b>(370)</b>	<b>(818)</b>	<b>-</b>	<b>140,038</b>
<b>Attributable to equity holders of the Parent Company:</b>					
Continuing operations	137,975	(370)	(409)	(2,002)	135,194
Discontinued operations	-	-	-	2,002	2,002
	<b>137,975</b>	<b>(370)</b>	<b>(409)</b>	<b>-</b>	<b>137,196</b>
<b>Attributable to non-controlling interests</b>					
Continuing operations	3,251	-	(409)	(2,002)	840
Discontinued operations	-	-	-	2,002	2,002
	<b>3,251</b>	<b>-</b>	<b>(409)</b>	<b>-</b>	<b>2,842</b>

## 4 CHANGES IN CONSOLIDATION PERIMETER

### 4.1 Disposal of shares and loss of control of the MDS, SGPS, S.A.

During the period ended at 30 June 2017, Sonae and IPLF Holding signed an agreement for the disposal of shares of MDS, SGPS, SA, resulting in a change in the shareholder agreement and in the loss of control of that subsidiary and becoming a joint venture. According to predicted by IFRS 5, changes were made in the Consolidated Statements of Income by nature for the years ended at 30 September 2016 (Note 3) and 2017 to reflect in a single line (Net income for discontinued operations), in the face of Statement of profit or loss, after-tax profit or loss from discontinued operations.

Discontinued operations include the following companies:

COMPANY	Head Office	Percentage of share capital held	
		Direct	Total
Others			
Accive Insurance – Corretor de Seguros, SA	Porto (Portugal)	70.00%	35.01%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	Santa Catarina (Brazil)	100.00%	50.01%
Herco, Consultoria de Risco, SA	Maia (Portugal)	100.00%	50.01%
HighDome PCC Limited	La Valletta (Malta)	100.00%	50.01%
Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	Porto (Portugal)	100.00%	50.01%
Larim Corretora de Resseguros Ltda	Rio de Janeiro (Brazil)	99.99%	50.01%
Lazam/mds Correctora Ltda	São Paulo (Brazil)	100.00%	50.01%
MDS África, SGPS, SA	Porto (Portugal)	50.00%	25.05%
MDS - Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.01%
MDS Auto - Mediação de Seguros, SA	Porto (Portugal)	50.01%	25.01%
MDS Malta Holding Limited	La Valletta (Malta)	100.00%	50.01%
MDS RE – Mediador de resseguros, SGPS, SA	Porto (Portugal)	100.00%	25.05%
MDS, SGPS, SA	Maia (Portugal)	50.01%	50.01%
Moneris Seguros - Mediação de Seguros, Lda	Oeiras (Portugal)	60.00%	30.01%
Brokerslink Management AG	Zug (Suisse)	20.00%	20.00%
Filhet Allard España Correduria de Seguros S.L.	Madrid (Spain)	35.00%	17.50%
Flexben, Lda	Porto (Portugal)	45.00%	45.00%

The effects of these acquisitions in the consolidated financial statements can be analysed as follows:

Amounts in euro	30 Sep 2017	31 Dec 2016
<b>Net assets</b>		
Tangible and intangible assets (Notes 6 and 7)	14,553,810	17,388,374
Goodwill (Note 8)	28,139,765	30,128,657
Investments (Notes 10 and 9.3)	9,044,138	8,995,262
Trade account receivables and other assets	21,435,618	8,010,414
Cash and cash equivalents	11,088,316	9,709,102
Borrowings	(22,577,049)	(24,239,583)
Trade creditors and other current liabilities	(36,143,684)	(21,843,103)
<b>Total assets</b>	<b>25,540,914</b>	<b>28,149,123</b>
Currency translation reserves	(4,214,202)	
Non-controlling interests (Note 17)	13,440,828	
Gain in operation	16,220,165	
<b>Financial investment retained at fair value</b>	<b>32,534,453</b>	

Amounts expressed in euro	30 Jun 2017	30 Sep 2016
Services rendered	23,316,083	32,686,442
Other income	286,420	1,175,320
	23,602,503	33,861,762
External supplies and services	(8,635,591)	(11,800,946)
Staff costs	(9,474,688)	(12,448,279)
Depreciation and amortisation	(1,942,514)	(2,686,039)
Provisions and impairment losses	(377,687)	(128,650)
Other expenses	(964,320)	(1,205,533)
	2,207,703	5,592,315
Financial expense	(497,689)	(1,196,760)
Financial income	46,513	140,255
Income from Investments	3,637	(366,060)
Share of results of joint ventures and associated companies	26,626	(107,815)
Profit/(Loss) before taxation	1,786,790	4,061,935
Taxation	103,874	(56,827)
Profit/(Loss) after taxation	1,890,664	4,005,108
Income or expenses related to loss control	16,220,165	-
Profit/(Loss) for period from discontinuing operations	18,110,829	4,005,108

Details of discontinued operations in the statement of cash flows can be analyzed as follows:

Cash flows for the period from discontinuing operations	30 Sep 2017
Net cash flow from operating activities	6,906,899
Net cash used in investment activities	(624,892)
Net cash used in financing activities	(1,316,263)
Net increase in cash and cash equivalents	4,965,744

#### 4.2 The major acquisitions of subsidiaries occurred in the period ended at 30 September 2017

The acquisitions of companies included in the full consolidation can be analyzed as follows:

In December 2016, Sonae MC concluded an agreement with the shareholders of GO WELL – Promoção de Eventos, Catering e Consultoria, S.A. (Go Well) for the acquisition of 51% of the share capital. This transaction became effective in May 2017. Go Well operates in 24 specialized restaurants in healthy food in Portugal, typically located in shopping centres, and has a variety of concepts such as grab&go, sushibar, freshly and breakfasts. Go Well operates exclusively through the brand “Go Natural” and in 2015, generated a turnover of 6.4 million euro.

In April 2017, an affiliated of the Group concluded an agreement with the shareholders of BRIO - Produtos de Agricultura Biológica, S.A. (BRIO) for the acquisition of 100% of BRIO’s share capital. Established in 2008, Brio is the first organic supermarket chain launched in Portugal, and explores six supermarkets specialized in organic food, all with convenience locations in the metropolitan area of Lisbon.

Following the previous agreement to acquire 51% of GO WELL’s share capital and the opening of the first supermarket entirely dedicated to organic and healthy food, the acquisition of BRIO will enable Sonae MC to accelerate its position in strategic Health & Wellness growth, particularly in the healthy food segment, benefiting from the BRIO store network, the high degree of specialization of the teams and a broad network of suppliers.

The effects of these acquisitions in the consolidated financial statements can be analysed as follows:

Amounts in euro	Retail	
	At acquisition date	30 Sep 2017
Net acquired assets		
Tangible and intangible assets (Notes 6 and 7)	1,386,220	1,610,134
Inventories	586,950	696,695
Deferred tax assets	353,206	586,015
Other assets	1,265,286	1,632,678
Cash and cash equivalents	431,553	577,734
Non recurrent loans	(306,265)	(87,134)
Other liabilities	(3,448,730)	(4,277,399)
Total net acquired assets	268,220	738,723
Goodwill (Note 8)	7,510,621	
Non-controlling interests (Note 17)	3,198,590	
Acquisition price	4,580,251	
Effective cash paid	4,580,251	
Future cash paid	-	
	4,580,251	
Net cash flow resulting from the acquisition		
Effective cash paid	(4,580,251)	
Cash and cash equivalents acquired	431,553	
	(4,148,698)	

#### 4.3 Impact resulting from fair value allocation to IVN Group at June 2016

The impact resulting from the imputation of fair value to the assets acquired and liabilities assumed in the acquisition of IVN Group in June 2016 is as follows:

Amounts in euro	Salsa			
	Financial Position before acquisition	Adjustments to fair value (Note 3)	Fair value	30 Sep 2016
Net acquired assets				
Tangible assets (Note 6)	11,448,717	12,593,828	24,042,545	12,132,087
Intangible assets (Note 7)	2,477,267	86,470,000	88,947,267	2,331,708
Inventories	21,955,255	(1,186,503)	20,768,752	22,520,322
Deferred tax assets	1,691,120	1,267,477	2,958,597	1,691,120
Other assets	17,073,717	172,540	17,246,257	15,897,092
Cash and cash equivalents	7,501,069	-	7,501,069	1,487,859
Loans	(57,408,768)	-	(57,408,768)	(52,448,754)
Deferred tax liabilities	-	(20,496,392)	(20,496,392)	-
Other liabilities	(26,105,867)	(6,035,603)	(32,141,470)	(22,722,664)
Total net acquired assets	(21,367,490)	72,785,347	51,417,857	(19,111,230)
Goodwill (Note 8)			45,096,094	
Non-controlling interests (Note 17)			(25,887,826)	
Indemnity assets			2,463,875	
Acquisition price			73,090,000	
Effective cash paid			73,090,000	
			73,090,000	
Net cash flow resulting from the acquisition				
Effective cash paid			73,090,000	
Cash and cash equivalents acquired			(7,501,069)	
			65,588,931	

## 5 INFORMATION BY SEGMENTS

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Sonae has in its portfolio 5 main segments: Sonae Retail, Sonae Sierra, NOS, Sonae IM and the Sonae FS.

- In Sonae Retail, the group has 5 segments:
  - Sonae MC is our food retail unit, operating 41 Continente hypermarkets, 129 Continente Modelo supermarkets, 83 convenience stores Bom Dia, 24 restaurants Go Natural, 283 stores operated under franchise Meu Super and 210 parapharmacy Well's;
  - Worten that is included in the top 3 of Iberian electronic players, counting on a portfolio of 238 physical stores in Iberia;
  - Sports and Fashion has a network of 380 own stores of sports and clothing products, combined with a franchise network of 139 stores;
  - Sonae RP is dedicated to optimizing the management of Sonae's retail real estate portfolio, mainly by stores that operate under the Continente brand and under other brands of Sonae;
  - Maxmat operates in the DIY, construction, bathroom and garden market with a network of 30 stores;
- Sonae Sierra is the partnership dedicated to the activity of development and management of shopping centres.
- NOS is the partnership that the Group holds through Zopt dedicated to telecommunications.
- Sonae IM has an active portfolio management strategy, with the objective of building and managing a portfolio of technology-based companies related to retail and telecommunications.
- Sonae FS aims to boost retail financial services.

These operating segments have been identified taking into consideration that each of these segments have separate identifiable revenues and costs, separate financial information is produced, and its operating results are reviewed by management on which it makes decisions.

The list of Group companies and their businesses are detailed in Notes 33 and 34.

The main operating segment information as at 30 September 2017 and 2016 and 31 December 2016 can be detailed as follows:

30 Sep 2016 Restated	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results <sup>(2)</sup>	Income tax <sup>(2)</sup>
Sonae MC	2,684,565,804	67,094,024	551,039	71,758,297	-	-
Worten	633,867,121	18,606,866	741,878	(16,205,834)	-	-
Sports & Fashion	373,748,770	17,762,336	746,375	(24,498,383)	-	-
Sonae RP	69,211,176	17,721,870	6,536,987	99,498,441	-	-
Maxmat	53,370,718	1,464,379	-	2,474,549	-	-
<b>Sonae Retail</b>	<b>3,814,763,589</b>	<b>122,649,475</b>	<b>8,576,279</b>	<b>133,027,070</b>	<b>(44,195,606)</b>	<b>9,530,330</b>
Sonae Sierra	-	-	-	20,113,801	-	-
NOS	-	-	-	15,823,381	-	-
Sonae IM	87,923,861	6,137,579	498,773	(3,187,539)	(477,853)	(1,616,920)
Sonae FS	12,050,889	363,282	-	(1,253,170)	(1,005)	(708,972)
Other, eliminations and adjustments	(65,356,886)	2,410,293	67,021	(12,224,868)	8,468,432	(9,950,289)
<b>Total consolidated</b>	<b>3,849,381,453</b>	<b>131,560,629</b>	<b>9,142,073</b>	<b>152,298,675</b>	<b>(36,206,032)</b>	<b>(2,745,851)</b>

30 Sep 2016 Restated	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results <sup>(2)</sup>	Income tax <sup>(2)</sup>
Sonae MC	2,684,565,804	67,094,024	551,039	71,758,297	-	-
Worten	633,867,121	18,606,866	741,878	(16,205,834)	-	-
Sports & Fashion	373,748,770	17,762,336	746,375	(24,498,383)	-	-
Sonae RP	69,211,176	17,721,870	6,536,987	99,498,441	-	-
Maxmat	53,370,718	1,464,379	-	2,474,549	-	-
<b>Sonae Retail</b>	<b>3,814,763,589</b>	<b>122,649,475</b>	<b>8,576,279</b>	<b>133,027,070</b>	<b>(44,195,606)</b>	<b>9,530,330</b>
Sonae Sierra	-	-	-	20,113,801	-	-
NOS	-	-	-	15,823,381	-	-
Sonae IM	87,923,861	6,137,579	498,773	(3,187,539)	(477,853)	(1,616,920)
Sonae FS	12,050,889	363,282	-	(1,253,170)	(1,005)	(708,972)
Other, eliminations and adjustments	(65,356,886)	2,410,293	67,021	(12,224,868)	8,468,432	(9,950,289)
<b>Total consolidated</b>	<b>3,849,381,453</b>	<b>131,560,629</b>	<b>9,142,073</b>	<b>152,298,675</b>	<b>(36,206,032)</b>	<b>(2,745,851)</b>

	Net debt <sup>(2)</sup>	
	30 Sep 2017	31 Dec 2016 Restated
Sonae Retail	701,403,213	675,852,425
Sonae IM	47,696,005	38,424,321
Holding <sup>(1)</sup>	468,049,784	500,726,313
<b>Total consolidated</b>	<b>1,217,149,002</b>	<b>1,215,003,059</b>

<sup>1)</sup> Includes Sonae separate financial statements;

<sup>2)</sup> These captions are accompanied by Management in more aggregated form, and not allocated to individual operating segments identified above.

	Investment (CAPEX)		Net invested capital	
	30 Sep 2017	30 Sep 2016 Restated	30 Sep 2017	31 Dec 2016 Restated
Sonae Retail				
Sonae MC	109,308,993	114,328,829	652,022,726	629,840,098
Worten	25,514,367	19,658,938	(27,464,057)	(65,635,006)
Sports & Fashion	26,732,551	98,859,948	373,721,784	368,127,330
Sonae RP	27,779,068	41,807,629	885,968,312	930,735,887
Maxmat	719,940	611,185	32,929,414	33,050,597
Sonae IM	8,700,000	11,840,874	154,235,700	143,443,838
Sonae FS	1,039,311	105,773	4,824,688	3,503,912
Other, eliminations and adjustments	1,723,235	5,794,094	1,244,537,836	1,236,374,594
<b>Total consolidated</b>	<b>201,517,465</b>	<b>293,007,270</b>	<b>3,320,776,403</b>	<b>3,279,441,250</b>

The intra-groups of the turnover can be analyzed by following:

Turnover	30 Sep 2017 Inter-segment	30 Sep 2016 Restated Inter-segment
Sonae Retail		
Sonae MC	(1,432,194)	(1,350,759)
Worten	(2,810,195)	(3,099,228)
Sports and Fashion	(22,976,344)	(19,388,174)
Sonae RP	(61,294,347)	(61,506,559)
Sonae IM	(12,691,983)	(8,077,123)
Other, eliminations and adjustments	(332,289)	(891,188)
Total consolidated	(101,537,352)	(94,313,031)

The caption "Others, eliminations and adjustments" can be analyzed as follows:

	Turnover		EBIT	
	30 Sep 2017	30 Sep 2016 Restated	30 Sep 2017	30 Sep 2016 Restated
Inter-segment intra-groups	(101,537,352)	(94,313,031)	-	-
Contributions of entities not included in the segments	38,687,793	28,956,145	(7,573,728)	(5,959,122)
Others	-	-	(8,194,331)	(6,265,746)
Other, eliminations and adjustments	(62,849,559)	(65,356,886)	(15,768,058)	(12,224,868)

	Investment		Invested capital	
	30 Sep 2017	30 Sep 2016 Restated	30 Sep 2017	31 dez 2016 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	1,723,235	5,794,094	18,515,511	12,334,224
Investments in joint ventures and associated companies	-	-	1,319,790,456	1,293,795,248
Other investments	-	-	9,931,869	17,966,231
Cash settled equity swap <sup>(3)</sup>	-	-	(103,699,999)	(87,721,109)
	1,723,235	5,794,094	1,244,537,837	1,236,374,594

<sup>3)</sup> Financial Instrument reported in Note 16.

All performance measures are reconciled to the financial statements in note 31.

#### Glossary:

Net Invested capital = Total net debt + total shareholder funds

Net debt = Bonds + bank loans + other loans + shareholder loans + financial leases - cash, bank deposits, current investments, excluding the participation of 2.14% in NOS, and other long term financial applications;

Other, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments as they do not fit in any reportable segment, ie in addition to Sonae SGPS, the companies identified as "Other" in Note 33 are included;

Investments (CAPEX) = Gross investment in tangible and intangible assets and investments in acquisitions.

## 6 TANGIBLE ASSETS

During the nine-month period ended 30 September 2017 and 2016, the movements in tangible assets as well as accumulated depreciation and impairment losses are made up as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2016	1,340,030,432	1,331,776,249	195,582,343	24,255,352	2,891,644,376
Investment	16,330,834	943,635	1,626,259	160,737,410	179,638,138
Acquisitions of subsidiaries	34,845,231	12,095,241	7,966,926	54,012	54,961,410
Disposals	(31,857,386)	(35,682,608)	(4,718,757)	(1,247,388)	(73,506,139)
Exchange rate effect	112,115	71,707	326,373	12,199	522,394
Transfers	22,172,141	113,968,355	13,479,439	(149,450,784)	169,151
<b>Closing balance as at 30 September 2016</b>	<b>1,381,633,367</b>	<b>1,423,172,579</b>	<b>214,262,583</b>	<b>34,360,801</b>	<b>3,053,429,330</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2016	367,362,667	828,106,126	153,060,796	-	1,348,529,589
Depreciation of the period	15,586,819	79,024,866	11,697,892	-	106,309,577
Impairment losses of the period	6,536,987	-	143	-	6,537,130
Acquisitions of subsidiaries	16,974,378	7,758,727	6,320,357	-	31,053,462
Disposals	(5,030,921)	(28,100,214)	(4,462,690)	-	(37,593,825)
Exchange rate effect	110,199	26,124	214,712	-	351,035
Transfers	118,557	(685,784)	(33,680)	-	(600,907)
<b>Closing balance as at 30 September 2016</b>	<b>401,658,686</b>	<b>886,129,845</b>	<b>166,797,530</b>	<b>-</b>	<b>1,454,586,061</b>
<b>Carrying amount as at 30 September 2016</b>	<b>979,974,681</b>	<b>537,042,734</b>	<b>47,465,053</b>	<b>34,360,801</b>	<b>1,598,843,269</b>
<b>Gross assets:</b>					
Opening balance as at 1 January 2016	1,340,030,432	1,331,776,249	195,582,343	24,255,352	2,891,644,376
Investment	16,330,834	943,635	1,626,259	160,737,410	179,638,138
Acquisitions of subsidiaries	34,845,231	12,095,241	7,966,926	54,012	54,961,410
Disposals	(31,857,386)	(35,682,608)	(4,718,757)	(1,247,388)	(73,506,139)
Exchange rate effect	112,115	71,707	326,373	12,199	522,394
Transfers	22,172,141	113,968,355	13,479,439	(149,450,784)	169,151
<b>Closing balance as at 30 September 2016</b>	<b>1,381,633,367</b>	<b>1,423,172,579</b>	<b>214,262,583</b>	<b>34,360,801</b>	<b>3,053,429,330</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2016	367,362,667	828,106,126	153,060,796	-	1,348,529,589
Depreciation of the period	15,586,819	79,024,866	11,697,892	-	106,309,577
Impairment losses of the period	6,536,987	-	143	-	6,537,130
Acquisitions of subsidiaries	16,974,378	7,758,727	6,320,357	-	31,053,462
Disposals	(5,030,921)	(28,100,214)	(4,462,690)	-	(37,593,825)
Exchange rate effect	110,199	26,124	214,712	-	351,035
Transfers	118,557	(685,784)	(33,680)	-	(600,907)
<b>Closing balance as at 30 September 2016</b>	<b>401,658,686</b>	<b>886,129,845</b>	<b>166,797,530</b>	<b>-</b>	<b>1,454,586,061</b>
<b>Carrying amount as at 30 September 2016</b>	<b>979,974,681</b>	<b>537,042,734</b>	<b>47,465,053</b>	<b>34,360,801</b>	<b>1,598,843,269</b>

The investment in the period ended 30 September 2017 and 2016 includes mainly the acquisition of assets of approximately 152.3 million euro (177.7 million euro as at 30 September 2016), associated with the opening and remodeling of stores of Sonae retail operating segments.

During the period ended at 30 September 2017 and 2016, several sale and leaseback transactions were accounted for by the Group. The accounting values of the disposed assets, approximately, 23.4 million euro (158 million euro as at 30 September 2016), corresponds to 4 real estate food retail assets located in Portugal (16 real estate food retail assets located in Portugal and 3 stores Worten in Spain in 2016). Assets disposed in 2016, were classified in the above movement in disposals in 2016, 27 million euros and the remaining assets were recorded as non-current assets held for sale. These operations resulted in a cash inflow of 34.7 million euro (230 million euro as at 30 September 2016) and generated a net capital gain of approximately, 10.1 million euro (63.1 million euro as at 30 September 2016) (Note 26).

The caption “Acquisitions of subsidiaries”, at September 30, 2016, includes the amount of 24,042,545 relating to the acquisition of Grupo Salsa (Note 4.2).

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

	30 Sep 2017	30 Sep 2016
Refurbishment and expansion of stores in the retail businesses located in Portugal	38,862,553	28,476,584
Refurbishment and expansion of stores in the retail businesses located in Spain	1,233,773	2,981,488
Projects of "Continente" stores for which advance payments were made	1,196,000	1,206,000
Others	1,364,081	1,696,729
	42,656,407	34,360,801

The caption “Impairment losses for tangible assets” can be detailed as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Total tangible assets
<b>Impairment losses</b>				
Opening balance as at 1 January 2017	90,436,703	28,067,641	595,877	119,100,221
Impairment losses of the period (Note 23)	81,877	67,108	14,913	163,898
Acquisition of subsidiary	-	-	169,244	169,244
Disposals	(387,817)	(3,910,072)	(62,706)	(4,360,595)
Transfers	3,944	135,119	(210,304)	(71,241)
Closing balance as at 30 September 2017 (Note 23)	90,134,707	24,359,796	507,024	115,001,527

## 7 INTANGIBLE ASSETS

During the nine-month period ended 30 September 2017 and 2016, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
<b>Gross assets:</b>				
Opening balance as at 1 January 2017	181,013,190	493,383,747	28,060,990	702,457,927
Discontinued operations (Note 4.1)	(1,991,644)	(34,165,793)	(103,663)	(36,261,100)
Investment	25,905	1,131,506	39,127,960	40,285,371
Acquisitions of subsidiaries (Note 4.2)	13,500	138,687	-	152,187
Disposals	(110,040)	(991,290)	(730,190)	(1,831,520)
Exchange rate effect	(749,133)	(3,254,581)	(37,155)	(4,040,869)
Transfers	168,743	22,088,914	(22,740,220)	(482,563)
<b>Closing balance as at 30 September 2017</b>	<b>178,370,521</b>	<b>478,331,190</b>	<b>43,577,722</b>	<b>700,279,433</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2017	40,763,712	288,184,727	-	328,948,439
Discontinued operations (Note 4.1)	(1,098,292)	(24,111,717)	-	(25,210,009)
Depreciation of the period	1,942,997	31,894,927	-	33,837,924
Acquisitions of subsidiaries (Note 4.2)	6,222	79,636	-	85,858
Impairment losses of the period	-	573,209	-	573,209
Disposals	(65,499)	(972,204)	-	(1,037,703)
Exchange rate effect	(701,124)	(2,100,565)	-	(2,801,688)
Transfers	18,853	(54,900)	-	(36,047)
<b>Closing balance as at 30 September 2017</b>	<b>40,866,870</b>	<b>293,493,113</b>	<b>-</b>	<b>334,359,983</b>
<b>Carrying amount as at 30 September 2017</b>	<b>137,503,651</b>	<b>184,838,077</b>	<b>43,577,722</b>	<b>365,919,450</b>
<b>Gross assets:</b>				
Opening balance as at 1 January 2016	117,792,364	381,046,154	30,117,801	528,956,319
Purchase price allocation (Note 3)	11,559,000	13,132,000	-	24,691,000
Opening balance as at 1 January 2016 Restated	129,351,364	394,178,154	30,117,801	553,647,319
Investment	75,089	1,843,497	29,076,904	30,995,490
Acquisitions of subsidiaries	51,000,000	42,005,338	192,515	93,197,853
Disposals	(94,666)	(336,989)	(237,553)	(669,208)
Exchange rate effect	(156,647)	3,776,779	(49,131)	3,571,001
Transfers	175,986	25,687,451	(25,975,852)	(112,415)
<b>Closing balance as at 30 September 2016 Restated</b>	<b>180,351,126</b>	<b>467,154,230</b>	<b>33,124,684</b>	<b>680,630,040</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2016	38,817,721	245,688,249	-	284,505,970
Depreciation of the period	963,994	25,463,464	-	26,427,458
Acquisitions of subsidiaries	-	5,079,155	-	5,079,155
Disposals	(94,666)	(201,610)	-	(296,276)
Exchange rate effect	(133,418)	2,263,601	-	2,130,183
Transfers	(47)	(357,242)	-	(357,289)
<b>Closing balance as at 30 September 2016 Restated</b>	<b>39,553,584</b>	<b>277,935,617</b>	<b>-</b>	<b>317,489,201</b>
<b>Carrying amount as at 30 September 2016 Restated</b>	<b>140,797,542</b>	<b>189,218,613</b>	<b>33,124,684</b>	<b>363,140,839</b>

## 8 GOODWILL

Goodwill is allocated to each operating segment and within each segment to each of the homogeneous groups of cash generating units as follows:

- Sonae Retail - Goodwill is allocated to each operating business segment, Sonae MC, Worten and Sports & Fashion, being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment and country, distributed by country and each of the properties in case of operating segment Sonae RP;
- Sonae IM - Goodwill at 30 September 2017 in this segment is related to the Technology business;
- Others - As at 31 December 2016, includes the insurance business including amounts generated prior to the adoption of IFRS and supported by the valuation of the customer portfolio (Portugal) as well as the one generated by the subsequent merger operation (Brazil) in 2016, but on 30 September 2017 this business was considered as discontinued operations (notes 3 and 4.1).

As at 30 September 2017 and 2016, the caption "Goodwill" was made up as follows by insignia and country:

Insignia	30 Sep 2017				Total
	Portugal	Spain	Brazil	Other countries	
Sonae Retail					
Sonae MC	485,817,983	-	-	-	485,817,983
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	64,790,425	341,314	-	-	65,131,739
Sonae RP	2,651,846	-	-	-	2,651,846
Sonae IM					
Technology	2,686,758	-	7,090	11,289,852	13,983,700
Others					
MDS	-	-	-	-	-
	621,230,544	341,314	7,090	11,289,852	632,868,800
Insignia	31 Dec 2016 Restated				Total
	Portugal	Spain	Brazil	Other countries	
Sonae Retail					
Sonae MC	478,307,362	-	-	-	478,307,362
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	64,790,425	95,497	-	-	64,885,922
Sonae RP	2,651,846	-	-	-	2,651,846
Sonae IM					
Technology	2,686,758	-	7,090	11,533,124	14,226,972
Others					
MDS	8,363,810	-	21,764,904	-	30,128,714
	622,083,733	95,497	21,771,994	11,533,124	655,484,348

During the nine-month period ended in 30 September 2017 and 2016, movements occurred in goodwill as well as in the corresponding impairment losses, are as follows:

	30 Sep 2017	30 Sep 2016 Restated
<b>Gross value:</b>		
Opening balance	669,955,930	639,617,937
Purchase price allocation (Note 3)	1,731,680	(18,960,204)
Opening balance Restated	671,687,610	620,657,733
Discontinued operations (Note 4.1)	(33,674,270)	-
Re-allocation of Goodwill (Note 4.2 and 4.3)	7,510,621	47,705,947
Other variations	245,817	(1,561,830)
Currency translation	(2,238,285)	3,415,627
Write-off	-	(540,273)
Closing balance	643,531,493	669,677,204
<b>Accumulated impairment losses:</b>		
Opening balance	16,203,262	15,074,024
Discontinued operations (Note 4.1)	(5,534,505)	-
Increases	(6,064)	355,176
Write-off	-	(540,273)
Closing balance	10,662,693	14,888,927
Carrying amount	632,868,800	654,788,277

Goodwill increases during the period ended at September de 2016 includes 2,609,853 euro related to Sonae IM segment increases.

## 9 JOINT VENTURES AND ASSOCIATED COMPANIES

### 9.1 Detail of book value of Investment in joint ventures and associates

The value of investments in joint ventures and associates can be analyzed as follows:

COMPANY	30 Sep 2017	31 Dec 2016
<b>Sonae Sierra</b>		
Sonae Sierra SGPS, SA (consolidated)	592,721,134	605,762,434
<b>ZOPT (NOS)</b>		
ZOPT, SGPS, S.A. (consolidated)	684,238,658	676,799,309
<b>Sonae Retail</b>		
1) Sohi Meat Solutions - Distribuição de Carnes, SA	3,773,350	-
<b>Sonae IM</b>		
Intelligent Big Data, S.L.	-	-
<b>Others</b>		
2) MDS SGPS, S.A.	32,527,640	-
Unipress - Centro Gráfico, Lda	646,887	588,925
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.	17,705	-
<b>Investments in joint ventures</b>	<b>1,313,925,374</b>	<b>1,283,150,668</b>
<b>Sonae Retail</b>		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	973,367	1,338,322
S2 Mozambique, SA	1,541,691	1,406,710
Ulabox, S.L.	3,037,575	3,817,381
<b>Sonae IM</b>		
Armilar Venture Partners - Sociedade de Capital de Risco, SA	1	1
Fundo de Capital de Risco Armilar Venture Partners II	43,533,459	35,416,004
Fundo de Capital de Risco Armilar Venture Partners III	25,265,171	26,173,814
Fundo de Capital de Risco Espírito Santo Ventures Inovação e Internacionalização	9,453,631	6,885,820
MOVVO, S.A.	-	2,793,649
3) Bright Vector I-Fundo Capital de Risco	952,500	-
<b>Others</b>		
APOR - Agência para a Modernização do Porto, S.A.	312,450	323,193
2) Brokerslink Management AG	-	124,834
2) Flexben, Lda	-	-
2) Filhet Allard Espanha Correduria de Seguros S.L.	-	840,494
<b>Investment in associated companies</b>	<b>85,069,845</b>	<b>79,120,222</b>
<b>Total</b>	<b>1,398,995,219</b>	<b>1,362,270,890</b>

- 1) In 2016 results from the agreement signed on January 2017, the date on which a Joint Venture was formed between Sonae MC and Hilton Food Group. Since then, Sohimeat has been consolidated using the equity method due the loss of control (Note 15);
- 2) Discontinued operations (Note 4.1);
- 3) Associate acquired during the period.

Following the announcement made on 5 August 2016, Sonae IM together with a group of investors celebrated a contract with NOVO BANCO, S.A. and his subsidiary, ES TECH VENTURES, SGPS, S.A, for the acquisition to Novo Banco, of participation units in three venture capital funds: Espírito Santo Ventures Innovation and Internationalization ('ESVIINT'); Espírito Santo Ventures II (currently called to Ventures Capital Fund Armilar Venture Partners II, 'Armilar II') and Venture Capital Fund Espírito Santo Ventures III (currently called to Ventures Capital Fund Armilar Venture Partners III, 'Armilar III') and the total capital of Espírito Santo Ventures - Sociedade de Capital de Risco (currently called Armilar Venture Partners – Sociedade de Capital de Risco. S.A. 'Armilar'), held by its subsidiar ES TECH VENTURES, SGPS, S.A.. After approval by Banco de Portugal, the transaction was completed on 13 December 2016. In the period ended

on 31 March 2017, Sonae IM increased its participation in more 0.41% in the Armilar III fund, with a position in the period ended on 31 March 2017 of 42.40%.

Armilar II, Armilar III and ESVIINT have the purpose of investing their assets in minority interests, in companies with high potential for growth and appreciation, and which have technological base or innovate business concept subjacent their activity, being privileged projects in phase of start-up, early-stage and expansion in Portugal and internationally. The management of the funds, according to the applicable legislation, is the responsibility of the management company. The management company has autonomy in relation to the management and investment policies of the funds, and this is not a competence of the holders of units. The participation of the subsidiary Sonae IM in the management company is 35%, not exercising control over it, in accordance with the legal framework and, in accordance with the context and specificity of the transaction, a fair value of 1 euro was assumed. As described, under this operation, the acquired participations were classified as "Investments in associated companies".

In the period ended on 30 September 2017, no changes were identified in the allocation of the purchase price of Funds to the allocation assigned in the year ended December 31, 2016. However, the allocation of the acquisition price is still subject to changes until the conclusion of a period of 12 months from the date of acquisition in accordance with IFRS 3 Business Combinations.

Within the scope of this transaction, the debt of Armilar II and Armilar III funds was also acquired from Espírito Santo Ventures – Sociedade de Capital de Risco (currently called "Armilar Venture Partners"), in the amount of Euro 1,503,660 and Euro 1,274,357, respectively, recorded in the caption "Other non-current assets" (Note 11).

IAS 28 contains the option to keep the investments at fair value in situations of investments in associates that are held through venture capital funds. Sonaeacom made this option in applying the equity method to Armilar I, Armilar II and ESVIINT funds, and maintained the fair value recognised by the funds in its subsidiaries. Associated companies and companies jointly controlled are included in the consolidation under the equity method.

## 9.2 Financial indicators of participations

### 9.2.1 Joint ventures

Summary financial information of joint ventures of the group can be analyzed as follows:

Joint ventures	30 Sep 2017				
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
<b>Assets</b>					
Investment properties	832,334,955	662,000	862,760	-	-
Tangible assets	1,931,740	1,175,903,000	2,519,920	16,992,036	514,582
Intangible assets	1,599,749	573,192,327	9,329,151	631,276	6,242
Goodwill	4,273,688	1,747,005,673	31,894,456	-	-
Investments in joint ventures and associates	1,198,652,390	206,002,000	9,021,906	-	473
Other non-current assets	129,347,164	133,068,000	2,394,834	744	-
<b>Non-current assets</b>	<b>2,168,139,686</b>	<b>3,835,833,000</b>	<b>56,023,027</b>	<b>17,624,056</b>	<b>521,297</b>
Cash and cash equivalents	76,198,657	4,741,000	8,776,299	429,424	181,116
Other current assets	65,834,509	524,535,000	11,110,860	60,153,002	1,859,899
<b>Current assets</b>	<b>142,033,166</b>	<b>529,276,000</b>	<b>19,887,159</b>	<b>60,582,426</b>	<b>2,041,015</b>
<b>Total assets</b>	<b>2,310,172,852</b>	<b>4,365,109,000</b>	<b>75,910,186</b>	<b>78,206,482</b>	<b>2,562,312</b>
<b>Liabilities</b>					
Loans	211,936,116	997,351,000	15,891,667	-	608,455
Other non-current liabilities	145,589,504	255,210,000	8,966,611	295,440	5,306
<b>Non-current liabilities</b>	<b>357,525,620</b>	<b>1,252,561,000</b>	<b>24,858,278</b>	<b>295,440</b>	<b>613,761</b>
Loans	196,207,820	205,841,000	6,396,295	-	26,262
Other current liabilities	77,451,464	542,160,000	17,108,994	69,926,275	1,122,970
<b>Total current liabilities</b>	<b>273,659,284</b>	<b>748,001,000</b>	<b>23,505,289</b>	<b>69,926,275</b>	<b>1,149,232</b>
<b>Total liabilities</b>	<b>631,184,904</b>	<b>2,000,562,000</b>	<b>48,363,567</b>	<b>70,221,715</b>	<b>1,762,993</b>
Equity attributable to the equity holders of the Parent Company	1,133,328,076	1,208,574,000	25,704,284	7,984,767	799,319
Non-controlling interests	545,659,872	1,155,973,000	1,842,335	-	-
<b>Total equity</b>	<b>1,678,987,948</b>	<b>2,364,547,000</b>	<b>27,546,619</b>	<b>7,984,767</b>	<b>799,319</b>
<b>Total equity and liabilities</b>	<b>2,310,172,852</b>	<b>4,365,109,000</b>	<b>75,910,186</b>	<b>78,206,482</b>	<b>2,562,312</b>

Joint ventures	31 Dec 2016			
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Others
<b>Assets</b>				
Investment properties	805,733,400	663,000	879,263	-
Tangible assets	2,009,354	1,205,070,385	2,733,594	821,056
Intangible assets	2,000,546	601,491,621	13,775,517	-
Goodwill	4,273,688	1,749,001,673	33,297,094	-
Investments in joint ventures and associates	1,169,527,759	194,168,879	8,995,260	-
Other non-current assets	94,653,928	139,012,122	2,287,392	97
<b>Non-current assets</b>	<b>2,078,198,675</b>	<b>3,889,407,680</b>	<b>61,968,120</b>	<b>821,153</b>
Cash and cash equivalents	149,628,277	7,094,383	9,709,101	61,807
Other current assets	87,289,259	527,340,846	9,050,607	1,587,807
<b>Current assets</b>	<b>236,917,536</b>	<b>534,435,229</b>	<b>18,759,708</b>	<b>1,649,614</b>
<b>Total assets</b>	<b>2,315,116,211</b>	<b>4,423,842,909</b>	<b>80,727,828</b>	<b>2,470,767</b>
<b>Liabilities</b>				
Loans	367,154,873	1,035,508,000	13,125,000	25,000
Other non-current liabilities	139,138,153	275,899,909	10,888,978	1,043,985
<b>Non-current liabilities</b>	<b>506,293,026</b>	<b>1,311,407,909</b>	<b>24,013,978</b>	<b>1,068,985</b>
Loans	52,995,528	224,692,000	10,956,000	26,262
Other current liabilities	87,932,125	537,188,000	14,564,031	445,143
<b>Total current liabilities</b>	<b>140,927,653</b>	<b>761,880,000</b>	<b>25,520,031</b>	<b>471,405</b>
<b>Total liabilities</b>	<b>647,220,679</b>	<b>2,073,287,909</b>	<b>49,534,009</b>	<b>1,540,390</b>
Equity attributable to the equity holders of the Parent Company	1,159,410,669	1,192,361,000	29,051,513	930,377
Non-controlling interests	508,484,863	1,158,194,000	2,142,306	-
<b>Total equity</b>	<b>1,667,895,532</b>	<b>2,350,555,000</b>	<b>31,193,819</b>	<b>930,377</b>
<b>Total equity and liabilities</b>	<b>2,315,116,211</b>	<b>4,423,842,909</b>	<b>80,727,828</b>	<b>2,470,767</b>

Joint ventures	30 Sep 2017				
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Turnover	129,906,851	1,121,048,000	35,056,975	204,282,407	2,833,448
Other operating income	23,886,937	41,418,000	570,973	23,899,639	46,642
	153,793,788	1,162,466,000	35,627,948	228,182,046	2,880,090
External supplies and services	(61,156,282)	(135,070,000)	(17,506,800)	(6,108,632)	(1,060,159)
Amortisation	(746,435)	(326,178,000)	(2,852,426)	(1,454,016)	(388,688)
Other operating costs	(39,509,766)	(585,540,000)	(15,942,598)	(216,726,027)	(1,239,416)
	(101,412,483)	(1,046,788,000)	(36,301,824)	(224,288,675)	(2,688,263)
Financial income	5,015,954	11,201,000	60,703	46	-
Financial expense	(11,223,770)	(19,545,000)	(696,354)	(44)	(2,314)
Financial results	(6,207,816)	(8,344,000)	(635,650)	2	(2,314)
Results of joint ventures and associated companies	94,867,197	-	24,414	-	(16)
Other income / expense	-	-	-	-	-
Results before taxation	141,040,686	107,334,000	(1,285,112)	3,893,373	189,497
Income taxation	(13,569,876)	(15,366,000)	24,465	(952,056)	(4,474)
Consolidated net income/(loss) for the year	127,470,810	91,968,000	(1,260,647)	2,941,317	185,023
Attributable to:					
Equity holders of the Parent Company	77,806,002	47,187,000	(1,163,980)	2,941,317	185,023
Non-controlling interests	49,664,808	44,781,000	(96,667)	-	-
	127,470,810	91,968,000	(1,260,647)	2,941,317	185,023
Other comprehensive income for the period	(29,121,244)	961,038	-	-	-
Total comprehensive income for the period	98,349,566	92,929,038	(1,260,647)	2,941,317	185,023

Joint ventures	30 Sep 2016			
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Others
Turnover	142,799,277	1,060,685,000	32,989,329	3,130,095
Other operating income	16,428,327	63,409,000	811,747	29,761
	159,227,604	1,124,094,000	33,801,076	3,159,856
External supplies and services	(72,331,214)	(139,086,257)	(15,304,972)	(952,032)
Amortisation	(803,422)	(308,327,166)	(2,686,039)	(536,616)
Other operating costs	(38,661,064)	(564,712,030)	(13,732,929)	(1,425,262)
	(111,795,700)	(1,012,125,453)	(31,723,940)	(2,913,910)
Financial income	4,527,059	-	140,255	5,071
Financial expense	(17,305,570)	(31,698,540)	(1,211,437)	(4,396)
Financial results	(12,778,511)	(31,698,540)	(1,071,182)	675
Results of joint ventures and associated companies	122,195,450	-	(107,813)	-
Other income / expense	-	-	-	-
Results before taxation	156,848,843	80,270,007	898,141	246,621
Income taxation	(11,090,835)	(17,537,990)	(56,827)	(5,983)
Consolidated net income/(loss) for the year	145,758,008	62,732,017	841,314	240,638
Attributable to:				
Equity holders of the Parent Company	92,553,669	31,646,762	791,616	240,638
Non-controlling interests	53,204,339	31,085,255	49,698	-
	145,758,008	62,732,017	841,314	240,638
Other comprehensive income for the period	49,060,666	(47,453,212)	-	-
Total comprehensive income for the period	194,818,674	15,278,805	841,314	240,638

## 9.2.2 Associates

Summary financial information of associated companies of the Group can be analyzed as follows:

Associates	30 Sep 2017					
	Sonae Retail				Sonae IM	Others
	Sempre a Postos	Ulabox	S2 Mozambique	Others	Funds	Others
Non-current assets	900,002	1,506,515	3,661,404	679,291	189,541,371	567,310
Current assets	9,679,448	1,685,171	2,610,207	2,406,609	12,759,045	1,041,966
Non-current liabilities	-	2,252,137	93,992	1,955,112	6,295,553	-
Current liabilities	6,685,985	1,095,243	1,470,818	785,636	18,713,072	558,221
Equity	3,893,465	-155,694	4,706,801	345,152	177,291,791	1,051,055

Associates	31 Dec 2016					
	Sonae Retail				Sonae IM	Others
	Sempre a Postos	Ulabox	S2 Mozambique	Others	Funds	Others
Non-current assets	1,205,266	1,176,547	3,517,781	986,708	168,624,761	572,127
Current assets	10,371,548	1,662,970	1,838,977	3,316,322	6,338,287	1,632,456
Non-current liabilities	-	-	-	2,240,946	16,077,280	-
Current liabilities	6,223,527	531,941	667,722	977,842	7,672,371	1,179,340
Equity	5,353,287	2,307,576	4,689,036	1,084,242	151,213,397	1,025,243

Associates	30 Sep 2017					
	Sonae Retail				Sonae IM	Others
	Sempre a Postos	Ulabox	S2 Mozambique	Others	Funds	Others
Turnover	42,470,711	6,801,748	5,558,651	579,784	1,863,564	1,181,635
Other operating income	2,587,217	326,009	144,467	14,338	42,001,307	16,547
Operating costs	(42,622,143)	(9,713,455)	(8,540,649)	(2,196,361)	(25,441,078)	(1,120,544)
Financial results	4,414	-	638,359	(3,519)	176,941	4,745
Taxation	(580,731)	-	(144,988)	-	(149,000)	(6,200)
Net income/(loss) for the year	1,859,468	(2,585,698)	(2,344,160)	(1,605,758)	18,451,734	76,183
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	1,859,468	(2,585,698)	(2,344,160)	(1,605,758)	18,451,734	76,183

Associates	30 Sep 2016		
	Sempre a Postos	Ulabox	Others
	Turnover	40,752,955	5,403,034
Other operating income	2,934,252	-	70,914
Operating costs	(41,506,903)	(8,655,271)	(2,439,830)
Financial results	7,464	-	(8,305)
Taxation	(515,485)	-	(38)
Net income/(loss) for the year	1,672,283	(3,252,237)	(2,179,821)
Other comprehensive income for the period	-	-	-
Total rendimento integral do exercício	1,672,283	(3,252,237)	(2,179,821)

### 9.3 Movements occurred in the period

During the period ended at 30 September 2017 and 2016, movements in investments in joint ventures and associates are as follows:

	30 Sep 2017			30 Sep 2016		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
<b>Investments in joint ventures</b>						
Initial balance as at 1 January	716,500,627	566,650,040	1,283,150,667	638,605,623	571,752,490	1,210,358,113
Change in consolidation method due the loss of control (Notes 4.1 and 15)	35,237,454	-	35,237,454	250,000	-	250,000
Increases during the period	-	17,829	17,829	-	-	-
<b>Equity method</b>						
Gains or losses in joint ventures	63,646,157	-	63,646,157	62,087,629	-	62,087,629
Distributed dividends	(53,929,241)	-	(53,929,241)	(30,686,194)	-	(30,686,194)
Effect in equity capital and non-controlling interests	(14,197,492)	-	(14,197,492)	(8,331,814)	-	(8,331,814)
	<b>747,257,505</b>	<b>566,667,869</b>	<b>1,313,925,374</b>	<b>661,925,244</b>	<b>571,752,490</b>	<b>1,233,677,734</b>
<b>Investments in associates companies</b>						
Initial balance as at 1 January	75,105,164	4,015,059	79,120,223	2,807,145	1,723,842	4,530,987
Capital increases and supplementary entries during the period	2,261,954	-	2,261,954	2,840,529	-	2,840,529
Transfer of 'Other non-current investments' and change of method (Note 10)	-	-	-	461,250	2,140,811	2,602,061
Acquisitions during the period	954,750	-	954,750	1,607,217	-	1,607,217
Change in consolidation method due to loss of control (Note 4.1)	(1,014,204)	-	(1,014,204)	-	-	-
<b>Equity method</b>						
Gains or losses in associates companies	7,435,271	-	7,435,271	(567,171)	-	(567,171)
Distributed dividends	(829,823)	-	(829,823)	(352,945)	-	(352,945)
Effect in equity capital and non-controlling interests	(14,890)	-	(14,890)	-	-	-
Impairment in associated companies (Note 23)	(693,515)	(2,149,921)	(2,843,436)	-	-	-
	<b>83,204,707</b>	<b>1,865,138</b>	<b>85,069,845</b>	<b>6,796,025</b>	<b>3,864,653</b>	<b>10,660,678</b>
<b>Total</b>	<b>830,462,212</b>	<b>568,533,007</b>	<b>1,398,995,219</b>	<b>668,721,269</b>	<b>575,617,143</b>	<b>1,244,338,412</b>

The effect on equity and non-controlled interests results fundamentally from the exchange rate conversion effect of companies with functional currencies other than the euro. In 2016, it also included the 50% of gain cancelled by counterpart of Reserves in the amount of 9,362,943 euro related to the sale of the 2.14% direct interest held in the NOS.

The amount of distributed dividends related to Investments in Joint Ventures refers to Sonae Sierra (37,391,100 euro) (12,355,320 euro as at September 2016) and ZOPT (16,512,005 euro) (18,311,947 euro, as at September 2016).

The value of the "Change in consolidation method for the loss of control" is the follow:

- 32.534.003 euros refers to MDS SGPS, S.A. by the agreement signed between Sonae and IPLF Holding (Notes 3 and 4.1) and
- 2,703,451 euro refers to Sohi Meat Solutions- Distribuição de Carnes, SA. This company results from the agreement signed on 3<sup>rd</sup> January 2017, the date on which a Joint Venture was formed between Sonae MC and Hilton Food Group PLC through a capital increase of this Group in Sohi Meat. Since then, Sohi Meat has been consolidated using the equity method (Note 15).

The consolidated financial statements of ZOPT have a significant exposure to the African market, particularly through financial investments that Group holds in associated companies (Finstar, Mistar, Zap Media) 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 30 September 2017 amounts to approximately Euro 176.9 million, included in the caption "Other non-current assets".

At the end of the year ended 31 December 2016, 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 (internal valuation using the discounted cash flow method, compared to researches) approved by the Board of Directors for a five years period, which include average growth rates of revenue for that period of 13% (Angola) and 14% (Mozambique). These revenue growth rates reflects: (i) the best estimate for the growth of the customer base, reflecting an expectation of new clients and churn estimated rates, when considered prudent, and (ii) an annual price increase which corresponds, over the period 2017 to 2021, to an average of 75% of the inflation rate, since, considering the nature of the activity carried out by the companies, especially in Angola and in line with the price increases in previous years, it is not expected that companies will be able to reflect in their prices the total inflation in the country.

The business plans consider yet a growth rate in perpetuity of 7.7% (Angola) and 5.6% (Mozambique) and a discount rate ('wacc') in perpetuity of 17.5% (Angola) and 19.1% (Mozambique). The discount rate, over the period 2017 to 2021 ranged from a maximum of 31.5% to a minimum of 17.5% (in 2021), for Angola, and from a maximum of 30.9% to a minimum of 19.1% (2021) in Mozambique, in line with the most appropriate inflation forecasts (source: The Economist Intelligence Unit (EIU)).

The impairment tests carried out, based on the assumptions above, support the value of the assets, so not result in additional impairments. However, that the current economic conditions of uncertainty in these markets, particularly in the foreign exchange market and the limitation of currency transfer, particularly in Angola, introduces an additional degree of variability to the assumptions, which could significantly impact of the estimates considered, in terms of of the rate of inflation and the ability to reflect the rate in price increases.

As of 30 September 2017, it was understood that the assumptions made in the impairment tests carried out in the year ended December 31, 2016 did not have material variations, therefore, there are no indications of additional impairments.

## 10 OTHER INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 30 September 2017 and 31 December 2016, are as follows:

Company	Head office	Percentage of share capital held				Statement of financial position	
		30 Sep 2017		31 Dec 2016		30 Sep 2017	31 Dec 2016
		Direct	Total	Direct	Total		
<b>Sonae Retail</b>							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	925,197
<b>Sonae IM</b>							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	75,069	75,069
1) StyleSage	Newcastle	5.00%	4.50%	-	-	448,835	-
1) Probe.ly	Matosinhos	22.88%	20.58%	-	-	375,000	-
1) Ometria	London	4.54%	4.08%	-	-	854,165	-
<b>Others</b>							
Ed Broking LLP	London	6.68%	3.34%	6.68%	3.34%	-	8,000,000
<b>Other investments</b>						<b>11,226,839</b>	<b>11,774,208</b>
						<b>13,915,081</b>	<b>20,784,450</b>

1) Investments acquired during the period.

The financial investment in Ed Broking LLP was revalued to its fair value as at 31 December 2016 based on EBITDA multiples adjusted by the net debt value and sales multiples by region adjusted by the costs of the central structure after optimization. This valuation led to a reduction in the investment amounting 7.2 million euro corresponding to an impairment in the same amount as at 31 December 2016. The disposal, of the company's North American operation and the costs associated with the ongoing restructuring significantly affected the valuation of the company taking into account the valuation criteria used. Both valuations correspond to Level 3 of Fair Value, although the multiples used are market benchmarks.

On 30 September 2017, the financial interest in Ed Broking LLP was classified as a discontinued operation (Note 4.1) because it is included in the consolidated accounts of MDS, SGPS, S.A..

As at 30 September 2017 the caption "Other investments" includes, among others, 9,931,869 euro (9,966,231 euro in 31 December 2016) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Notes 23 and 24).

As at 30 September 2017 and 2016, the movements in "Other investments" made up as follows:

	30 Sep 2017		30 Sep 2016	
	Non current	Current	Non current	Current
<b>Other investments</b>				
Fair value (net of impairment losses) as at 1 January	20,784,450	161,050	29,549,661	79,924,887
Acquisitions in the period	1,277,614	-	1,025,977	81,518
Disposals in the period	-	-	(1,079,275)	(64,114,961)
Increase/(Decrease) in fair value	(117,049)	(161,050)	5,111	(15,742,935)
Transfers to "Investments in associates" (Note 9.3)	-	-	(1,963,873)	-
Discontinued operations (Note 4.1)	(8,029,934)	-	-	-
Fair value (net of impairment losses) as at 30 September	13,915,081	-	27,537,601	148,509
<b>Derivative financial instruments (Note 19)</b>				
Fair value as at 1 January	-	4,207,972	-	2,506,087
Increase/(Decrease) in fair value	-	(3,674,916)	-	(1,635,861)
Fair value as at 30 September	-	533,056	-	870,226
	13,915,081	533,056	27,537,601	1,018,735

As at 30 September 2016 the fair value increase / (decrease) in the caption "Other current investments" is mainly associated to the fair value of NOS investment up to the disposal date in the amount of 15,681,846 euro negative. The fair value of this investment was determined based on the NOS market share price and the respective changes were recorded in the consolidated income statement. This participation was sold in the second quarter of 2016.

The Other non-current financial Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments.

## 11 OTHERS NON-CURRENT ASSETS

As at 30 September 2017 and at 31 December 2016, "Other non-current assets" are detailed as follows:

	30 Sep 2017			31 Dec 2016		
	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount
Loans granted to related parties	1,500,000	-	1,500,000	-	-	-
<b>Trade accounts receivable and other debtors</b>						
Legal deposits	794,326	-	794,326	762,246	-	762,246
Cautions	5,107,099	-	5,107,099	5,043,273	-	5,043,273
Special regime for payment of tax and social security debts	6,213,629	-	6,213,629	7,247,481	-	7,247,481
Financial investments debtors	1,000,020	-	1,000,020	40,000	-	40,000
Debt to receive related to Armilar Funds (Note 9.1)	2,778,017	-	2,778,017	2,778,017	-	2,778,017
Amount retained on acquisition of Salsa group	2,463,875	-	2,463,875	2,463,875	-	2,463,875
Others	1,347,545	-	1,347,545	305,524	-	305,524
	19,704,511	-	19,704,511	18,640,416	-	18,640,416
Reinsurer's' share of technical provisions	412,943	-	412,943	412,943	-	412,943
Other non-current assets	328,879	-	328,879	172,807	-	172,807
	21,946,333	-	21,946,333	19,226,166	-	19,226,166

The amount disclosed as Special Regime for Payment of Tax and Social Security Debts corresponds to taxes paid, voluntarily, related to settlements of income tax on corporate income, which were already in judicial process. The judicial processes are still in progress, however the guarantees provided for the said processes were canceled. It is the Board of Directors understanding that the claims presented will have a favourable end to Sonae, reason why they were not object of provision.

The amounts included in "Reinsurer's' share of technical provisions" refer to a Sonae's subsidiary whose activity is non-life reinsurance. The amount of the provision is related to provisions for claims declared (Note 23).

## 12 TRADE ACCOUNTS RECEIVABLE

As at 30 September 2017 and at 31 December 2016, "Trade accounts receivable" are detailed as follows:

	30 Sep 2017	31 Dec 2016
Trade accounts receivable	138,459,770	126,276,140
Taxes recoverable	78,312,698	70,525,818
Other debtors		
Trade creditors - debtor balances	44,516,491	40,574,473
VAT recoverable on real estate assets and vouchers discounts	2,659,117	3,723,869
Disposal of tangible assets	2,100,259	2,310,866
Vouchers and gift cards	1,238,428	1,924,216
Advances to suppliers	1,797,111	1,122,073
Disposal of financial investments	-	21,584,746
Receivables from insurance companies	-	1,456,925
Other current assets	24,841,483	18,863,035
	77,152,889	91,560,203
Other current assets		
Commercial discounts	82,071,645	35,591,922
Invoices to be issued	11,604,105	11,429,811
External supplies and services	19,737,301	10,156,350
Rents	7,032,758	6,160,370
Insurance indemnities	149,430	1,509,212
Other current assets	11,395,807	12,063,651
	131,991,046	76,911,316
Accumulated impairment losses in receivables accounts (Note 23)	(18,227,208)	(17,871,034)
	407,689,195	347,402,443

## 13 DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 2017 and at 31 December 2016 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016 Restated
Difference between fair value and acquisition cost	4,653,193	4,653,193	34,172,248	38,832,129
Temporary differences on tangible assets and intangible	1,820,803	1,811,359	66,845,986	62,768,314
Temporary differences on Badwill	-	-	10,254,900	8,263,418
Provisions and impairment losses not accepted for tax purposes	22,749,846	25,168,714	-	-
Write off of tangible and intangible assets	45,652	25,524	44,232	44,232
Valuation of hedging derivatives	183,283	86,933	118,093	626,051
Non taxed exchange differences	-	-	639,053	639,053
Revaluation of tangible assets	-	-	955,683	1,046,525
Tax losses carried forward	38,269,998	25,442,311	-	-
Reinvested capital gains/(losses)	-	-	309,538	329,611
Tax Benefits	809,707	1,037,115	-	-
Others	3,282,089	3,135,595	212,610	900,944
	71,814,571	61,360,744	113,552,343	113,450,277

As at 30 September 2017 and 31 December 2016, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 Sep 2017			31 Dec 2016		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2012	558,126	117,206	2017	-	-	2017
Generated in 2013	1,146,956	240,861	2018	595,877	125,646	2018
Generated in 2014	1,673,556	351,447	2026	1,194,236	250,790	2026
Generated in 2015	90,683	19,043	2027	90,184	18,939	2027
Generated in 2016	21,550,140	4,525,529	2028	4,847,243	1,017,920	2028
Generated in 2017	41,803,161	8,778,664	2029	-	-	
	66,822,622	14,032,750		6,727,540	1,413,295	
Without limited time use	74,367,202	18,626,292		73,577,733	18,428,924	
With a time limit different from the above mentioned	17,029,364	5,610,956		16,406,949	5,600,092	
	158,219,188	38,269,998		96,712,222	25,442,311	

As at 30 September 2017 and at 31 December 2016, the deferred taxes to be recognized arising from tax losses were evaluated. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which might be offset against available tax losses or against deductible temporary differences. This assessment was based on the business plans of Sonae's companies, which are periodically reviewed and updated.

As at 30 September 2017 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 14.1 million euro (14.1 million euro as at 31 December 2016). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados,

S.A. Spanish Branch, as at 30 September 2017 and at 31 December 2016, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

As at 30 September 2017, there are reportable tax losses, whose deferred tax assets are not recorded for prudence purposes and are analysed as follows:

	30 Sep 2017			31 Dec 2016		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	1,698,375	356,659	2017	5,299,518	1,112,899	2017
Generated in 2013	408,431	85,770	2018	2,888,221	606,526	2018
Generated in 2014	3,516,988	738,567	2026	5,957,222	1,251,016	2026
Generated in 2015	534,927	112,335	2027	2,841,579	596,732	2027
Generated in 2016	49,793	10,457	2028	1,377,324	289,238	2028
Generated in 2017	393,685	82,674	2029	-	-	
	6,602,199	1,386,462		18,363,864	3,856,411	
Without limited time use	328,917,865	83,751,927		310,309,574	79,418,492	
With a time limit different from the above mentioned	78,648,787	19,991,367		99,994,869	25,041,365	
	414,168,851	105,129,756		428,668,307	108,316,268	

## 14 CASH AND CASH EQUIVALENTS

As at 30 September 2017 and at 31 December 2016, the detail of “Cash and cash equivalents” are as follows:

	30 Sep 2017	31 Dec 2016
Cash at hand	9,525,513	9,105,344
Bank deposits	197,903,427	207,343,682
Treasury applications	100,372,588	124,471,432
Cash and cash equivalents on the statement of financial position	307,801,528	340,920,458
Bank overdrafts (Note 18)	(2,846,230)	(17,730,231)
Cash and cash equivalents on the statement of cash flows	304,955,298	323,190,227

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

## 15 NON-CURRENT ASSETS AND LIABILITIES AVAILABLE FOR SALE

In 2016 an agreement was reached between the Group and an entity specialized in the processing and packaging of meat with the objective of realizing a joint venture to operate the Meat Processing Center. This partnership was deal in January 2017, which is why as at 31 December 2016, we transferred the related assets and liabilities to the asset and liability items held for sale. The detail of these figures is as follows:

Amounts in euros	31 Dec 2016
<b>Assets</b>	
Tangible and intangible assets	17,057,018
Deferred tax assets	166,792
Inventories	1,850,977
Trade account receivables and other current assets	445,762
Cash and cash equivalents	2,000
<b>Assets available for sale</b>	<b>19,522,549</b>
<b>Liabilities</b>	
Deferred tax liabilities	284,632
Trade creditors	2,802,583
Other current liabilities	8,639,528
<b>Liabilities available for sale</b>	<b>11,726,743</b>

## Share Capital

As at 30 September 2017, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

### Cash Settled Equity Swap

On 15<sup>th</sup> November 2007, Sonae Holding sold 132,856,072 Sonae Holding shares directly owned by the Company. The shares were sold in a market operation at the unit price of 2.06 euro per share and resulted on a cash inflow (net of brokerage commissions) of 273,398,877 euro.

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132,800,000 Sonae Holding shares, representative of 6.64% of its capital.

This transaction has strictly financial liquidation, without any duty or right for the Company or any of its associated companies in the purchase of these shares. This transaction allows Sonae Investments BV to totally maintain the economic exposure to the sold shares.

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 22). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

Consequently, Sonae maintains in its capital acquisition cost of the shares that remain covered by the contract.

In November 2014, was made a renewal for an additional period of one year renewable automatically, keeping the remaining conditions unchanged. During the period ended in 30 September 2017 the Group requested the partial termination of the Cash Settled Equity Swap for 5,278,203 Sonae SGPS shares.

Considering the operations mentioned above, the liability recorded amounts to 103,699,999 euro (87,721,109 euro as at 31 December 2016) (Note 22) reflecting the market value of 104,442,164 Sonae SGPS shares (110.341.017 shares as at 31 de December 2016).

The value of these liabilities is adjusted at the end of each month by the effect of Sonae Holding share price variation being recognized a current asset/liability in order to present the right / obligation related to the receipt / financial liquidation that occurs on a monthly basis.

Additionally, the costs related to the "floating amount" based on the Euribor 1 month are recognized in the income statement.

The value to get established on the basis of dividends and reserves distributed by Sonae is credited in equity to offset the charge of the distribution.

## Capital Structure

As at 30 September 2017, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

## 17 NON-CONTROLLING INTERESTS

As at 30 September 2017 and 31 December 2016, “Non-controlling interests” are detailed as follows:

	30 Sep 2017				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Sonae Retail</b>					
Real Estate Investment Funds	133,961,271	13,181,462	2,681,545	263,858	(100,718)
IVN - Serviços Partilhados, SA (Consolidated)	58,517,670	3,230,529	29,458,835	1,615,265	(1,050,475)
Others	54,523,681	4,094,279	28,148,376	2,000,423	-
<b>Sonae IM</b>					
Sonacom, SGPS, SA (consolidated)	1,016,302,022	24,368,837	102,814,573	2,502,416	(2,442,162)
<b>Others</b>					
MDS, SGPS, SA (consolidated)	-	(1,202,932)	-	(618,628)	(173,339)
Others	3,230,961	(438,005)	626,733	(201,930)	(27,938)
<b>Total</b>	<b>1,266,535,605</b>	<b>43,234,170</b>	<b>163,730,062</b>	<b>5,561,404</b>	<b>(3,794,632)</b>
	31 Dec 2016 Restated				
COMPANY	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Sonae Retail</b>					
Real Estate Investment Funds	125,811,358	25,529,809	2,629,269	533,537	(610,230)
IVN - Serviços Partilhados, SA (Consolidated)	56,990,522	5,930,459	28,495,261	2,965,230	-
Others	49,406,959	4,492,567	22,522,022	1,754,772	21
<b>Sonae IM</b>					
Sonacom, SGPS, SA (consolidated)	1,017,143,618	52,755,605	102,914,088	5,124,109	(1,809,412)
<b>Others</b>					
MDS, SGPS, SA (consolidated)	20,506,341	(7,145,437)	11,630,167	(3,347,778)	(282,387)
Others	3,952,085	(41,302)	849,379	(109,522)	(28,703)
<b>Total</b>	<b>1,273,810,883</b>	<b>81,521,701</b>	<b>169,040,186</b>	<b>6,920,348</b>	<b>(2,730,711)</b>

Movements in non-controlling interests during the period ended as at 30 September 2017 and 2016 are as follows:

	30 Sep 2017						Total
	Sonae Retail			Sonae IM	Others		
	Real Estate Investment Funds	IVN - Serviços Partilhados, SA (Consolidated)	Others	Sonaeacom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January 2017	2,629,269	30,226,941	22,522,022	102,914,088	11,630,167	849,379	170,771,866
Attribution of fair value to assets acquired (Note 3)	-	(1,731,680)	-	-	-	-	(1,731,680)
Opening balance as at 1 January 2017 - Restated	2,629,269	28,495,261	22,522,022	102,914,088	11,630,167	849,379	169,040,186
Distributed dividends	-	(1,050,475)	-	(2,442,162)	(173,339)	(27,938)	(3,693,914)
Distribution of investment income fund	(100,718)	-	-	-	-	-	(100,718)
Changes of percentage in subsidiaries	(110,865)	-	-	-	-	-	(110,865)
Change in currency translation reserve	-	-	-	(166,287)	2,450,738	7,501	2,291,952
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	43,723	-	-	43,723
Acquisition of subsidiaries (Note 4.2)	-	-	3,198,590	-	-	-	3,198,590
Variação no justo valor de investimentos disponíveis para venda	-	400,000	-	-	-	-	400,000
Obligation fulfilled by share attribution to employees	-	-	(4,575)	-	813	(255)	(4,017)
Changes in hedging reserves	-	(5,147)	122,852	-	-	-	117,705
Change in consolidation method (Note 4.1)	-	-	-	-	(13,440,828)	-	(13,440,828)
Others	1	3,931	309,064	(37,205)	151,077	(24)	426,844
Profit for the period attributable to non-controlling interests	263,858	1,615,265	2,000,423	2,502,416	(618,628)	(201,930)	5,561,404
Closing balance as at 30 September 2017	2,681,545	29,458,835	28,148,376	102,814,573	-	626,733	163,730,062

	30 Sep 2016 Restated						Total
	Sonae Retail			Sonae IM	Others		
	Fundos de Investimento Imobiliário	IVN - Serviços Partilhados, SA (Consolidated)	Others	Sonaeacom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	2,691,601	-	20,878,367	99,303,284	12,599,187	831,282	136,303,721
Distributed dividends	-	-	(21)	(1,809,412)	(282,387)	(28,661)	(2,120,481)
Distribution of investment income fund	(492,503)	-	-	-	-	-	(492,503)
Changes of percentage in subsidiaries	(10,553)	-	-	8,475	-	-	(2,078)
Change in currency translation reserve	-	-	-	106,516	1,657,850	33,364	1,797,730
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	(2,338,982)	-	-	(2,338,982)
Acquisition of subsidiaries	-	25,887,824	-	-	-	-	25,887,824
Obligation fulfilled by share attribution to employees	-	-	(20,905)	-	(29,884)	(3,073)	(53,862)
Changes in hedging reserves	-	-	50,250	-	-	-	50,250
Others	-	-	(156,148)	(41,237)	104,462	-	(92,923)
Profit for the period attributable to non-controlling interests	509,914	719,388	1,594,617	(340,714)	423,733	(64,478)	2,842,460
Closing balance as at 30 September 2016 Restated	2,698,459	26,607,212	22,346,160	94,887,930	14,472,961	768,434	161,781,156

## 18 LOANS

As at 30 September 2017 and 31 December 2016, “loans” are made up as follows:

	30 Sep 2017		31 Dec 2016	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
<b>Bank loans</b>				
Sonae, SGPS, SA - commercial paper	103,000,000	117,500,000	162,000,000	94,000,000
Sonae SGPS, SA /2016/2023	-	50,000,000	-	50,000,000
Sonae Investimentos, SGPS, SA - commercial paper	110,000,000	200,000,000	148,000,000	121,000,000
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated /2015/2020	-	20,000,000	-	55,000,000
Sonae Investimentos affiliated /2015/2019	5,000,000	35,000,000	5,000,000	35,000,000
Sonae Investimentos 2017/2022	-	31,000,000	-	-
Sonae Holding affiliated /2014/2018	-	40,000,000	-	40,000,000
Sonae Holding affiliated /2014/2021	-	30,000,000	-	30,000,000
1) MDS, SGPS, SA - commercial paper	-	-	6,875,000	13,125,000
1) MDS SGPS, SA affiliated / 2011/2016	-	-	4,081,000	-
Others	5,263,691	27,753,528	6,678,849	20,540,714
	223,263,691	601,253,528	332,634,849	508,665,714
Bank overdrafts (Note 14)	2,846,230	-	17,730,231	-
Up-front fees beard with the issuance of borrowings	-	(576,934)	-	(781,540)
<b>Bank loans</b>	<b>226,109,921</b>	<b>600,676,594</b>	<b>350,365,080</b>	<b>507,884,174</b>
<b>Bonds:</b>				
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	60,000,000
Bonds Sonae Investments BV / 2014/2019	-	202,302,423	-	198,892,884
Bonds Sonae Investimentos/ June 2013/2018	50,000,000	-	-	50,000,000
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos / June 2016/2021	-	95,000,000	-	95,000,000
Bonds Sonae Investimentos / September 2016/2021	3,000,000	9,000,000	3,000,000	12,000,000
Bonds IVN 2016/2023	5,000,000	25,000,000	5,000,000	30,000,000
Up-front fees beard with the issuance of borrowings	(41,981)	(4,163,213)	(1,483)	(5,089,605)
<b>Bonds</b>	<b>57,958,019</b>	<b>642,139,210</b>	<b>7,998,517</b>	<b>695,803,279</b>
Other loans	1,222,878	2,810,349	1,411,067	4,676,660
Derivatives (Note 19)	3,417,732	-	358,117	-
<b>Other loans</b>	<b>4,640,610</b>	<b>2,810,349</b>	<b>1,769,184</b>	<b>4,676,660</b>
Obligations under finance leases	937,913	1,052,403	1,079,629	1,463,520
	289,646,463	1,246,678,556	361,212,410	1,209,827,633

1) Discontinued operations (Note 4.1).

In June 2014, a subsidiary of Sonae SGPS, SA issued bonds which may be convertible (Sonae Investments BV 2014/2019) in Sonae shares already issued and fully subscribed or to be later on issued.

The fair value of the Equity component of this compound instrument was valued at 22,313,000 euro and it was determined by an independent entity from Sonae, taking into consideration the fair value of similar non-convertible financial instruments, having been estimated a market interest rate to establish the amortized cost of this financial liability. The liability component is recorded at the amortized cost based on the market rate, the maturity of the loans includes the option value at amortized cost.

The Bonds were issued at par with a nominal value of 100,000 euro per bond, (2.105 euro per bond) with a maturity of 5 years and with a fixed coupon of 1.625% per year, paid in arrears and semi-annually.

The bonds can be converted at the request of the bondholder when the Sonae SGPS, SA share price, in accordance with the technical data sheet, exceeds 1,636 euro per share. This price is subject to adjustments in accordance with the market practices, particularly when the dividend exceeds 0.0284 euro per share.

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flows methodology, with the exception the convertible bond loan into shares whose fair value is determined by the market price at the balance sheet date.

In the third quarter, bonds and bank loans bear an average interest rate of 1.31% (1.34% as at 31 December 2016). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

The derivatives are recorded at fair value (Note 19).

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

	30 Sep 2017	31 Dec 2016
N+1 <sup>a)</sup>	286,270,712	360,855,776
N+2	290,888,636	134,812,452
N+3	123,691,730	263,494,503
N+4	423,945,160	334,769,210
N+5	258,165,212	286,814,675
After N+5	162,925,541	207,415,054
	1,545,886,991	1,588,161,670

a) Includes amounts drawn under commercial paper programs.

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

As at 30 September 2017, Sonae has, as detailed below, cash and cash equivalents in the amount of 308 million euro (341 million euro in 31 December 2016) and available credit lines as follows:

	30 Sep 2017		31 Dec 2016	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	226,444,761	387,000,000	109,464,259	439,250,000
Agreed credit facilities	389,455,242	722,500,000	443,580,242	709,625,000

## 19 DERIVATIVES

### Exchange Rate Derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows that will occur in the next 12 months.

Therefore, Sonae entered several exchange rate forwards in order to manage its exchange rate exposure.

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 3,417,732 euro as liabilities, and 533,056 euro as assets (358,117 euro as liabilities and 4,207,972 euro as assets, as at 31 December 2016).

The accounting of the fair value for these financial instruments was made taking into consideration the present value at financial position statement date of the forward settlement amount in the maturity date of the contract. The settlement amount considered in the valuation, is equal to the currency notional amount (foreign currency) multiplied by the difference between the contracted forward exchange rate and the forward exchange market rate at that date as at the valuation date.

Losses in the period arising from changes in the fair value of instruments that do not qualify for hedging accounting treatment were recorded directly in the income statement in the captions "Others Financial income" or "Financial expenses".

Gains and losses for the year associated with the change in market value of derivative instruments are recorded under the caption "Hedging reserve" when considered cash flow hedging and when considered as fair value hedging are recorded under the caption "Financial income" or "Financial expenses". The change in market value of derivative instruments when considered as speculation is recorded in the income statement under the caption "Other expenses".

#### Interest rate derivatives

Sonae does not have any interest rate hedging derivatives recorded as at 30 September 2017.

#### Interest rate and exchange rate derivatives

As at 30 September 2017 no contracts existed, related to interest rate and exchange rate derivatives simultaneously.

#### Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Hedging derivatives				
Interest rate	-	-	-	-
Exchange rate	533,056	4,207,972	3,417,732	358,117
	533,056	4,207,972	3,417,732	358,117

## 20 OTHER NON – CURRENT LIABILITIES

As at 30 September 2017 and 31 December 2016, "Other non-current liabilities" are detailed as follows:

	30 Sep 2017	31 Dec 2016
Shareholders loans	450,711	415,382
Fixed assets suppliers	55,000	406,872
Other non-current liabilities	1,793,000	1,720,153
Deferral of the disposal of the extended warranties	15,800,895	15,101,455
Accruals and deferrals	3,060,678	3,913,526
<b>Other non-current liabilities</b>	<b>21,160,284</b>	<b>21,557,388</b>

The carrying amount of "Other non-current liabilities" is estimated to be approximately its fair value.

## 21 SHARE-BASED PAYMENTS

In 2017 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonus to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 30 September 2017, all Sonae Holding share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2017, 2016 and 31 December 2015. Share-based payments costs are recognized on a straight-line basis between the grant and the settlement date.

As at 30 September 2017 and 31 December 2016, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

	Grant year	Vesting year	Number of participants	Share price on date of assignment	Number of shares	
					30 Sep 2017	31 Dec 2016
Shares						
	2014	2017	-	1.024	-	4,340,464
	2015	2018	242	1.048	3,624,750	3,619,285
	2016	2019	263	0.970	4,489,037	4,964,016
	2017	2020	291	1.021	5,731,276	-
<b>Total</b>					<b>13,845,063</b>	<b>12,923,765</b>

During the period ending 30 September 2017 the movements on the above mentioned share based plans were the following:

	Aggregate number of participants	Number of shares
Balance as at 31 December 2016	763	12,923,765
Grant	297	5,535,044
Vesting	(200)	(4,186,325)
Canceled / extinguished / corrected / transferred (1)	(64)	(427,421)
Closing balance as at 30 September 2017	796	13,845,063

(1) Corrections are made on the basis of the dividend paid and the changes of share capital and other adjustments.

As at 30 September 2017 and 31 December 2016, the fair value of total liabilities on the date of allocation arising from share based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value	
		30 Sep 2017	31 Dec 2016
2014	2017	-	4,210,250
2015	2018	3,392,464	2,340,471
2016	2019	2,673,596	1,605,032
2017	2020	1,950,544	-
Total		8,016,604	8,155,753

As at 30 September 2017 and 31 December 2016 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	30 Sep 2017	31 Dec 2016
Recorded in staff costs in the current period	2,114,910	1,785,772
Recorded in previous years	5,119,037	6,825,062
	7,233,946	8,610,834
Recorded in other liabilities	-	-
Recorded value in Other reserves	7,233,946	8,610,834
	7,233,946	8,610,834

## 22 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2017 and 31 December 2016, “Trade creditors and other current liabilities” were made up as follows:

	30 Sep 2017	31 Dec 2016
Trade creditors	1,161,297,711	1,136,655,247
Taxes payable	77,646,992	91,929,635
Other creditors		
Fixed asset suppliers	48,569,133	67,208,877
Related undertakings	106,545	-
Other debts	144,249,797	133,431,355
	192,925,475	200,640,232
Other current liabilities		
Holiday pay and bonuses	136,951,996	122,568,080
Other external supplies and services	32,817,816	32,121,742
Deferred Revenue of warranty extension	47,709,119	45,073,283
Responsibilities assumed on sale of real state	18,057,430	17,558,769
Rentals	7,244,034	8,092,102
Marketing expenses	11,632,991	11,807,052
Advance receipts from trade receivables	8,468,674	10,615,437
Interest payable	4,910,030	2,449,632
Expenses on purchases	7,528,595	6,238,536
Insurance payable	3,820,541	632,982
Others	14,295,285	13,842,767
	293,436,511	271,000,382
	1,725,306,689	1,700,225,496

The caption “Other debts” includes:

- 103,699,999 euro (87,721,109 euro as at 31 December 2016) relating to the fair value of the shares covered by Sonae SGPS financial derivative referred to in Note 16;
- 9,191,858 euro (8,344,127 euro as at 31 December 2016) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente" not yet redeemed;
- 12,784,183 euro (15,042,306 euro as at 31 December 2016) related to vouchers, gift cards and discount tickets and
- 3,639,652 euro (3,992,919 euro as at 31 December 2016) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 23).

## 23 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in “Provisions and accumulated impairment losses “over the period ended 30 September 2017 and 2016 are as follows:

Caption	Balance as at 01 Jan 2017	Increase	Decrease	Discontinued operations Note 4.1	Entries in the perimeter	Balance as at 30 September 2017
Accumulated impairment losses on investments (Notes 9.3 and 10)	9,054,576	2,920,696	(11,235)	(8,683,892)	-	3,280,145
Impairment losses on fixed tangible assets (Note 6)	119,100,221	163,898	(4,431,836)	-	169,244	115,001,527
Impairment losses on intangible assets	2,638,761	573,209	(535,249)	(382,139)	-	2,294,582
Accumulated impairment losses on trade account receivables and other debtors (Note 12)	17,871,034	2,655,505	(2,254,153)	(45,178)	-	18,227,208
Non current provisions	25,848,118	623,210	(3,117,037)	(3,754,291)	-	19,600,000
Current provisions	3,558,708	1,127,077	(680,918)	(166,020)	-	3,838,847
	178,071,418	8,063,595	(11,030,428)	(13,031,520)	169,244	162,242,309

Caption	Balance as at 01 Jan 2016 Restated	Increase	Decrease	Entries in the perimeter	Balance as at 30 September 2016 Restated
Accumulated impairment losses on investments	1,886,603	-	(4,540)	-	1,882,063
Impairment losses on fixed tangible assets	133,564,363	6,537,130	(18,290,814)	416,568	122,227,247
Impairment losses on intangible assets	1,497,024	-	-	-	1,497,024
Accumulated impairment losses on trade account receivables and other debtors	18,285,857	2,521,006	(3,042,592)	2,306,165	20,070,436
Non current provisions	39,710,058	4,313,945	(3,705,331)	5,296,250	45,614,922
Current provisions	3,083,990	63,306	(45,816)	-	3,101,480
	198,027,895	13,435,387	(25,089,093)	8,018,983	194,393,172

As at 30 September 2017 and 31 December 2016, provision’s details can be analyzed as follows:

	30 Sep 2017	31 Dec 2016
Technical provisions on reinsurance	829,821	1,061,465
Future liabilities relating to subsidiaries of retail in Brazil sold	7,767,408	8,521,318
Clients guarantees	2,097,918	1,449,195
Judicial claims	1,853,225	2,270,177
Contingent liabilities related to subsidiaries acquired	5,827,750	5,827,750
Others	5,062,725	10,276,921
	23,438,847	29,406,826

Impairment losses are deducted from the book value of the corresponding asset.

## 24 CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2017 and 31 December 2016, major contingent liabilities were guarantees given and can be detailed as follows:

### - Guarantees and sureties given

	30 Sep 2017	31 Dec 2016
Guarantees given:		
on tax claims	1,120,726,823	1,153,774,789
on judicial claims	401,928	887,275
on municipal claims	9,315,539	8,048,110
contract by proper compliments	11,110,131	21,516,088
other guarantees	7,372,656	9,261,512

#### a) Tax Claims

Detalham-se de seguida os principais processos fiscais para os quais foram prestadas garantias bancárias ou fianças:

The main tax claims with bank guarantees given or sureties associated are as follows:

- Some retail operating segment subsidiaries of the Company granted guarantees in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 538 million euro (556.7 million euro as at 31 December 2016) related to the period from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients.
- The caption guarantees given on tax claims include guarantees granted, in the amount of 142.9 million euro (142.9 million euro as at 31 December 2016), in favor of Tax authorities regarding 2007 up to 2013. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisor's assessment, that such appeal will be favourable.
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for corresponding to a prior cover tax losses accumulated by the subsidiary, which has been brought to the cost of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, thus including cover losses upon liquidation of the subsidiary company;
- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002,

which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group;

- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 17.4 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 44 million euro (165.9 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

**b) Contingent assets and liabilities related to tax claims paid under regularization programs of tax debts**

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 and Decree of Law 248-A), the Group made tax payments in the amount of, approximately, 22 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 11).

**c) Other contingent liabilities**

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

Following the disposal of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavourably decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2016, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 32.4 million euro at 31 December 2016. Furthermore, there are other tax assessments totalling 60.8 million euro (60.8 million euro as at 31 December 2016) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for Sonae.

## 25 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
Parent Company	178,448	175,525	406,350	530,492
Jointly controlled companies	25,740,566	13,445,296	234,363,562	31,908,110
Associated companies	26,959,658	25,804,295	-	11,688
Other related parties	43,122,934	42,825,120	13,195,210	18,206,084
	96,001,606	82,250,236	247,965,122	50,656,374

Transactions	Interest income		Interest expenses	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
Parent Company	-	-	40,148	168,233
Jointly controlled companies	183	-	-	-
Associated companies	11,060	-	-	-
Other related parties	-	-	-	55,627
	11,243	-	40,148	223,860

Balances	Accounts receivable		Accounts payable	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Parent Company	85,970	25,136	378,238	688,294
Jointly controlled companies	9,786,585	29,377,178	63,158,206	15,192,431
Associated companies	4,472,204	6,583,207	1,807	147,945
Other related parties	18,213,635	16,965,780	10,238,363	10,405,360
	32,558,394	52,951,301	73,776,614	26,434,030

Balances	Loans			
	Obtained		Granted	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Jointly controlled companies	-	1,000	-	-
Associated companies	-	-	1,500,000	-
Other related parties	700,327	442,382	243,568	3,570
	700,327	443,382	1,743,568	3,570

## 26 GAINS AND LOSSES ON INVESTMENTS

As at 30 September 2017 and 2016, Gain and losses Investment is made up as follows:

	30 Sep 2017	30 Sep 2016
<b>Dividends</b>	130,138	1,865,006
Acquisition cost correction	1,111,019	-
Others	(10,157)	(377,643)
<b>Gains / (losses) on the sale of investments in subsidiaries, joint ventures and associates</b>	1,100,862	(377,643)
Impairment of investments in associates	(2,843,437)	-
Impairment reversal on financial investments	9,987	-
Impairment of investments in assets available for sale	-	(67)
<b>Impairment reversal/(losses) on investments</b>	(2,833,450)	(67)
<b>Total income and (expenses) related to investments</b>	(1,602,450)	1,487,296

## 27 OTHER INCOME

As at 30 September 2017 and 2016, the caption "Other Income" is made up as follow:

	30 Sep 2017	30 Sep 2016 Restated
Supplementary income	516,131,171	467,710,535
Prompt payment discounts obtained	17,860,443	18,313,015
Foreign currency exchange gains	20,268,969	10,844,701
Own work capitalised	10,881,657	9,222,203
Gains on sales of assets (Note 6)	13,233,678	64,061,501
Impairment losses reversals	2,422,673	4,412,881
Others	4,967,858	3,503,950
	585,766,449	578,068,786

In the caption "Gains on disposal of assets" as at 30 September 2017 are includes gains related to operations Sale and Leaseback in the amount of 10.1 million euro (63.1 million euro as at 30 September 2016) (Note 6).

## 28 INCOME TAX

The income taxes recognized in the six-month period ended on 30 September 2017 and 2016 are detailed as follows:

	30 Sep 2017	30 Sep 2016 Restated
Current tax	382,830	8,385,379
Deferred tax	(7,020,032)	(11,131,230)
	(6,637,202)	(2,745,851)

## 29 CASH RECEIPTS AND CASH PAYMENTS OF INVESTMENTS

As at 30 September 2017 and 30 September 2016, cash receipts and cash payments related to investments can be detailed as follows:

Receipts	31 Sep 2017	31 Sep 2016
Account receivable related to the disposal of Imoconti	21,009,032	-
Disposal of the investment on NOS	-	82,840,847
Correction of Losan's price acquisition	-	346,137
	<b>21,009,032</b>	<b>83,186,984</b>
Payments	31 Sep 2017	31 Sep 2016
Acquisition of Brio	752,929	-
Acquisition of GoWell	3,395,769	-
Acquisition of Salsa (Note 5.1)	-	65,588,931
Acquisition of Iberosegur	-	256,417
Acquisition of Sysvalue	-	346,128
Acquisition of Inovretail	-	653,346
Others	59,153	-
	<b>4,207,851</b>	<b>66,844,822</b>

## 30 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	30 Sep 2017		30 Sep 2016 Restated	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations Restated (Note 3)
<b>Net profit</b>				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	124,140,348	9,073,525	135,193,683	2,002,955
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	5,969,256	-	3,852,999	-
<b>Net profit taken into consideration to calculate diluted earnings per share</b>	<b>130,109,604</b>	<b>9,073,525</b>	<b>139,046,682</b>	<b>2,002,955</b>
<b>Number of shares</b>				
Weighted average number of shares used to calculate basic earnings per share	1,893,259,273	1,893,259,273	1,885,261,759	1,885,261,759
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	127,113,527	127,113,527	127,113,527
Outstanding shares related with share based payments	14,004,737	14,004,737	13,392,338	13,392,338
Shares related to performance bonus that can be bought at market price	(7,376,886)	(7,376,886)	(8,198,289)	(8,198,289)
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>2,027,000,651</b>	<b>2,027,000,651</b>	<b>2,017,569,335</b>	<b>2,017,569,335</b>
<b>Earnings per share</b>				
Basic	0.068723	0.004793	0.073755	0.001062
Diluted	0.064188	0.004476	0.068918	0.000993

## 31 PRESENTATION OF CONSOLIDATED INCOME STATEMENTS

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In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including Goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decreases in Goodwill, (iii) negative Goodwill (net of taxes) related to acquisitions in the financial year, (iv) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (v) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (vi) other irrelevant issues.

The value of EBITDA and EBIT are calculated in the direct income component, i.e. excluding the indirect contributions.

The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 30 September 2017 and 2016 can be summarized as follows:

	30 Sep 2017			30 Sep 2016 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	4,115,301,783	-	4,115,301,783	3,849,381,453	-	3,849,381,453
Investment income						
Dividends	130,138	-	130,138	1,865,006	1,762,005	103,001
Impairment losses	-	-	-	-	-	-
Others	(1,732,589)	(1,732,417)	(172)	(11,710)	-	(11,710)
Other income						
Impairment losses reversal	1,959,626	-	1,959,626	2,545,516	-	2,545,516
Others	478,354	-	478,354	-	-	-
Others	580,106,174	-	580,106,174	511,654,808	-	511,654,808
Total income	4,696,243,486	(1,732,417)	4,697,975,903	4,365,435,073	1,762,005	4,363,673,068
Total expenses	(4,474,160,942)	(650,111)	(4,473,510,831)	(4,159,660,427)	(508,533)	(4,159,151,894)
Depreciation and amortisation	(145,992,523)	-	(145,992,523)	(131,560,629)	-	(131,560,629)
Non-recurring impairment losses over inventories	(4,732,022)	-	(4,732,022)	(6,611,152)	-	(6,611,152)
Provisions and impairment	-	-	-	-	-	-
Provisions for warranty extensions	(1,127,077)	-	(1,127,077)	-	-	-
Others	(2,898,343)	-	(2,898,343)	(9,142,073)	-	(9,142,073)
<b>Profit before financial results and share of results in associated companies</b>	<b>67,332,579</b>	<b>(2,382,528)</b>	<b>69,715,107</b>	<b>58,460,792</b>	<b>1,253,472</b>	<b>57,207,320</b>
Non-recurring Profit/(Loss)	3,806,886	-	3,806,886	55,723,824	-	55,723,824
Gains and losses on investments recorded at fair value through results	-	-	-	(6,318,903)	(6,318,903)	-
Financial profit/(loss)	(28,167,021)	-	(28,167,021)	(36,206,032)	-	(36,206,032)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	38,903,001	16,266,513	22,636,488	46,276,835	26,163,034	20,113,801
Armar Venture Funds	8,851,030	8,851,030	-	-	-	-
ZOPT	23,593,500	-	23,593,500	15,823,381	-	15,823,381
Others	(292,729)	-	(292,729)	(471,758)	-	(471,758)
<b>Profit before income tax</b>	<b>114,027,246</b>	<b>22,735,015</b>	<b>91,292,231</b>	<b>133,288,139</b>	<b>21,097,603</b>	<b>112,190,536</b>
Income tax	6,637,202	(1,991,482)	8,628,684	2,745,851	-	2,745,851
<b>Profit/(Loss) from continuing operations</b>	<b>120,664,448</b>	<b>20,743,533</b>	<b>99,920,915</b>	<b>136,033,990</b>	<b>21,097,603</b>	<b>114,936,387</b>
<b>Profit/(Loss) from discontinued operations</b>	<b>18,110,829</b>	<b>16,220,165</b>	<b>1,890,664</b>	<b>4,005,108</b>	<b>-</b>	<b>4,005,108</b>
<b>Net profit for the period</b>	<b>138,775,277</b>	<b>36,963,698</b>	<b>101,811,579</b>	<b>140,039,098</b>	<b>21,097,603</b>	<b>118,941,495</b>
Attributable to equity holders of Sonae	133,213,873	36,075,568	97,138,305	137,196,638	21,554,851	115,641,787
Non-controlling interests	5,561,404	888,130	4,673,274	2,842,460	(457,248)	3,299,708
<b>"Underlying" EBITDA (b)</b>			<b>221,248,231</b>			<b>201,872,657</b>
<b>Direct EBITDA (a)</b>			<b>272,883,040</b>			<b>297,067,013</b>
<b>Direct EBIT (c)</b>			<b>121,219,778</b>			<b>152,298,675</b>

- (a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + share of results in joint ventures and associated undertakings (Sonae Sierra and ZOPT direct results) + unusual results;
- (b) "Underlying" EBITDA = EBITDA – effect of share result in joint ventures and associated undertakings – non-recurrent results;
- (c) EBIT = EBT - financial results;
- (d) EBT = Direct results before non-controlling interests and taxes;
- (e) Direct income = Results excluding contributions to indirect results;

- (f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for noncurrent assets (including Goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued/ repositioned); (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future; and (v) other irrelevant issues.

### 32 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 14 November 2017.

### 33 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 30 September 2017 and 31 December 2016 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 Sep 2017		31 Dec 2016	
		Direct*	Total*	Direct*	Total*
<b>Sonae - SGPS, S.A.</b>	Maia	HOLDING	HOLDING	HOLDING	HOLDING
<b>Sonae MC</b>					
BB Food Service, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
1) Brio – Produtos de Agricultura Biológica, SA	a) Matosinhos (Portugal)	100.00%	100.00%	-	-
Continente Hipermercados, SA	a) Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a) Matosinhos (Portugal)	75.00%	75.00%	75.00%	75.00%
Farmácia Seleção, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
1) Go Well – Promoção de Eventos, Caterings e Consultoria, SA	a) Lisbon (Portugal)	51.00%	51.00%	-	-
MCCARE – Serviços de Saúde, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
2) Make Notes Design, Lda	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

3)	SK – Skin Health Cosmetics, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	-	-
4)	Sohi Meat Solutions- Distribuição de Carnes, SA	a)	Santarém (Portugal)	50.00%	50.00%	100.00%	100.00%
	Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	<b>Worten</b>						
	HighDome PCC Limited (Cell Europe)	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Infofield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
	Worten - Equipamento para o Lar, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	<b>Sports and Fashion</b>						
5)	Aduanas Caspe, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
3)	Bright Brands SportsGoods, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	-	-
	Comercial Losan Polonia SP Z.O.O	a)	Warsaw (Poland)	100.00%	100.00%	100.00%	100.00%
	Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
6)	Discovery Sports, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fashion Division Canarias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
5)	Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
	Irmãos Vila Nova, SA	b)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	Irmãos Vila Nova III - Imobiliária, SA	b)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	IVN – Serviços Partilhados, SA	b)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	50.00%	50.00%
	IVN Asia Limited	b)	Hong Kong (China)	100.00%	50.00%	100.00%	50.00%
	Losan Colombia, S.A.S	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	100.00%
	Losan Overseas Textile, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
3)	Losan Rusia	a)	Moscow (Russia)	100.00%	100.00%	-	-
	Losan Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
3)	Salsa Canarias, SL	b)	Tenerife (Spain)	60.00%	30.00%	-	-

Salsa DE Gmbh	b)	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Salsa Distribution USA LLC	b)	New York (USA)	100.00%	50.00%	100.00%	50.00%
Salsa France, S.A.R.L.	b)	Paris (France)	99.99%	50.00%	99.99%	50.00%
Salsa Luxembourg, Sàrl	b)	Luxembourg	100.00%	50.00%	100.00%	50.00%
SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
SLS Salsa – Comércio e Difusão de Vestuário, S.A.	b)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
SLS Salsa España – Comercio y Difusión de Vestuario, S.A.U.	b)	Pontevedra (Spain)	100.00%	50.00%	100.00%	50.00%
Sport Zone Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	100.00%	100.00%
<b>Sonae RP</b>						
Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
3) Asprela Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	-	-
Azulino Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia (Portugal)	98.00%	98.00%	97.91%	97.91%
Igimo – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Iginha – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoestrutura – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imomuro – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoresultado – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imosistema – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%

Modelo Hiper Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predilugar- Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
Socijofra - Sociedade Imobiliária, SA	a)	Gondomar (Portugal)	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Maxmat</b>						
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
<b>Sonae IM</b>						
Bright Development Studio, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Bright Ventures Capital SCR	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
Inovretail, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	89.96%	99.99%	89.96%
7) S21 Sec Ciber Seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21 Sec Gestion, SA	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
7) S21 Sec México, SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21SEC Portugal – Cybersecurity and Intelligence Services, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
Sonaecom-Cyber Security and Int., SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%

Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
Sonae Investment Management - Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Mexico S. de RL	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
<b>Sonae FS</b>						
SFS – Serviços de Gestão e Marketing, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Others</b>						
8) Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70.00%	35.00%	70.00%	35.01%
8) Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.00%	100.00%	50.01%
8) Herco, Consultoria de Risco, SA	a)	Maia (Portugal)	100.00%	50.00%	100.00%	50.01%
8) HighDome PCC Limited	a)	La Valletta (Malta)	100.00%	50.00%	100.00%	50.01%
8) Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	a)	Porto (Portugal)	100.00%	50.00%	100.00%	50.01%
Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
8) Larim Corretora de Resseguros Ltda	a)	Rio de Janeiro (Brazil)	99.99%	50.00%	99.99%	50.01%
8) Lazam/mds Correctora Ltda	a)	São Paulo (Brazil)	100.00%	50.00%	100.00%	50.01%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
8) MDS África, SGPS, SA	a)	Porto (Portugal)	50.00%	25.00%	50.00%	25.05%
8) MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100.00%	50.00%	100.00%	50.01%
8) MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50.00%	25.00%	50.01%	25.01%
8) MDS Malta Holding Limited	a)	La Valletta (Malta)	100.00%	50.00%	100.00%	50.01%
8) MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100.00%	25.00%	100.00%	25.05%
8) MDS, SGPS, SA	a)	Maia (Portugal)	50.00%	50.00%	50.01%	50.01%
8) Moneris Seguros - Mediação de Seguros, Lda	a)	Oeiras (Portugal)	60.00%	30.00%	60.00%	30.01%
PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%

9)	SCBRASIL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae Center Serviços II, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Investimentos, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
	Sonaecenter Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Sonae SR Malta Holding Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonaegeest - Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	90.00%	100.00%	90.00%
	Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Tlantic, BV	a)	Amsterdam (Netherlands)	70.71%	70.71%	70.71%	70.71%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	70.71%	100.00%	70.71%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	70.71%	100.00%	70.71%

\*the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) this participation directly in the share capital of that company.

- a) Control held by majority of voting rights which gives power of relevant activities;
- b) Control held by majority of Board members;
- 1) Company acquired in the period;
- 2) Ex- MJB Design, Lda
- 3) Company created in the period;
- 4) On January 3<sup>rd</sup> 2017, was created a Joint Venture between Sonae MC and Hilton Food Group PLC through a capital increase of this Group on Sohi Meat. From this moment, onwards, Sohimeat is consolidated through the equity method;
- 5) Company incorporated in Comercial Losan SL;
- 6) Company merged in SDSR – Sports Division SR, SA;
- 7) Company merged in S21 Sec SA de CV;

- 8) On 31 March 2017, an agreement was signed for the sale of shares of MDS, SGPS, SA to IPLF Holding, SA and the shareholder agreement was changed, and Sonae was given joint control. The non-opposition of the entities that regulate the insurance activity in June 2017, becoming effective the loss of control since that date (Note 4.1)
- 9) Ex- Sonae Capital Brasil, Ltda;

These entities are consolidated using the full consolidation method.

## 34 JOINT VENTURES AND ASSOCIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Joint ventures and associates, their head offices and percentage of share capital held by Sonae as at 30 September 2017 and 31 December 2016 are as follows:

### 34.1 Joint ventures

COMPANY	Head Office	Percentage of capital held			
		30 Sep 2017		31 Dec 2016	
		Direct*	Total*	Direct*	Total*
<b>Sonae MC</b>					
1) Sohi Meat Solutions- Distribuição de Carnes, SA	Santarém (Portugal)	50.00%	50.00%	100.00%	100.00%
<b>Sonae Sierra</b>					
3shoppings - Holding, SGPS, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
2) Albufeira RP (Luxembourg) 1, Sarl	Luxembourg	100.00%	5.00%	-	-
2) Albufeira RP (Luxembourg) 2, Sarl	Luxembourg	100.00%	5.00%	-	-
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
2) ALBRP Albufeira Retail Park, Lda	Maia (Portugal)	100.00%	5.00%	-	-
ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
2) Area Sur Shopping, S.L	Madrid (Spain)	15.00%	7.50%	-	-
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
2) Axnae Spain Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	-	-
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%

Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
Cascaishopping Holding I, SGPS, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
CCCB Caldas da Rainha - Centro Comercial, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	50.00%	12.53%
Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	5.00%	100.00%	5.00%
Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%
Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberian Assets, SA	Madrid (Spain)	49.81%	12.48%	49.81%	12.48%
Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	100.00%	5.00%	100.00%	5.00%
Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%

	Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	5.63%	50.00%	5.63%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%
	Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
	Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
	Microcom Doi, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
2)	Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	1.88%	-	-
3)	Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	1.88%	-	-
	Olimpo Real Estate Socimi, SA	Madrid (Spain)	3.75%	1.88%	3.75%	1.88%
	Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Park Avenue Development of Shopping Centers, SA	Athens (Greece)	50.00%	25.00%	100.00%	25.00%
	Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%

	Plenerg Srl	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
3)	Portitail – Investimentos Imobiliários, S.A	Maia (Portugal)	100.00%	1.88%	-	-
	Project Guia, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
	Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	5.00%	100.00%	5.00%
	Project Sierra Cúcuta, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Four, SA	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 2 (two), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Two, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Proyecto Cúcuta S.A.S	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
	Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	5.63%	50.00%	5.63%
	River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Serra Shopping – Centro Comercial, SA	Lisbon (Portugal)	50.00%	5.63%	50.00%	5.63%
	Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%

Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	24.50%	49.00 %	24.50%
Sierra Core Assets Holdings, BV	Amsterdam (Netherlands)	50.00%	25.05%	50.00%	25.05%
Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Developments, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	25.05%	50.10%	25.05%
Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra GP, Limited	Guernesey (U.K.)	100.00%	50.00%	100.00%	50.00%
Sierra Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Maroc, SARL	Casablanca (Morocco)	100.00%	50.00%	100.00%	50.00%
Sierra Maroc Services, SARL	Casablanca (Morocco)	100.00%	50.00%	100.00%	50.00%
Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Retail Ventures BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istanbul (Turkey)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%

Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	12.53%	100.00%	12.53%
Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
Sonae Sierra, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	22.50%	11.25%	22.50%	11.25%
Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Zenata Commercial Project, SA	Mohammedia (Morocco)	100.00%	5.5%	100.00%	5.5%
<b>ZOPT (NOS)</b>					
Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.69%	20.00%	4.69%
Canal 20 TV, SA	Madrid (Spain)	50.00%	11.73%	50.00%	11.73%
Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.73%	50.00%	11.73%
Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.73%	100.00%	11.73%
East Star Ltd	Port Louis (Mauricias)	30.00%	7.04%	30.00%	7.04%
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	7.04%	30.00%	7.04%
Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Moçambique, Lda	Maputo (Moçambique)	100.00%	23.46%	100.00%	23.46%
MSTAR, SA	Maputo (Moçambique)	30.00%	7.04%	30.00%	7.04%

NOS Açores Comunicações, SA	Ponta Delgada (Portugal)	83.82%	19.66%	83.82%	19.66%	
NOS Communications Sàrl	Luxembourg	100.00%	23.46%	100.00%	23.46%	
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Madeira Comunicações, SA	Funchal (Portugal)	77.95%	18.29%	77.95%	18.29%	
NOS SGPS, SA	Lisbon (Portugal)	52.15%	23.46%	52.15%	23.46%	
NOS Sistemas España, SL	Madrid (Spain)	100.00%	23.46%	100.00%	23.46%	
NOS Sistemas, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Technology – Concepção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%	
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%	
Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%	
Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%	
Sport TV Portugal, SA	Lisbon (Portugal)	33.33%	7.82%	33.33%	7.82%	
Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	23.46%	100.00%	23.46%	
Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	7.04%	30.00%	7.04%	
ZAP Cinemas, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%	
ZAP Media, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%	
ZAP Publishing, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%	
ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%	
<b>Sonae IM</b>						
Intelligent Big Data, SL	Gipuzcoa (Spain)	50.00%	44.99%	50.00%	44.99%	
<b>Sonae FS</b>						
4)	Accive Insurance – Corretor de Seguros, SA	Porto (Portugal)	70.00%	35.00%	70.00%	35.01%
2)	BUZZEE Insure, Lda	Porto (Portugal)	100.00%	50.00%	-	-
4)	Herco Consultoria de Risco e Corretora de Seguros, Ltda	Santa Catarina (Brazil)	100.00%	50.00%	100.00%	50.01%
4)	Herco, Consultoria de Risco, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.01%

4)	HighDome PCC Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.01%
4)	Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	Porto (Portugal)	100.00%	50.00%	100.00%	50.01%
4)	Larim Corretora de Resseguros Ltda	Rio de Janeiro (Brazil)	99.99%	50.00%	99.99%	50.01%
4)	Lazam/mds Correctora Ltda	São Paulo (Brazil)	100.00%	50.00%	100.00%	50.01%
4)	MDS África, SGPS, SA	Porto (Portugal)	50.00%	25.00%	50.00%	25.05%
4)	MDS - Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.00%	100.00%	50.01%
4)	MDS Auto - Mediação de Seguros, SA	Porto (Portugal)	50.00%	25.00%	50.01%	25.01%
4)	MDS Malta Holding Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.01%
4)	MDS RE – Mediador de resseguros, SGPS, SA	Porto (Portugal)	100.00%	25.00%	100.00%	25.05%
4)	MDS, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.01%	50.01%
4)	Moneris Seguros - Mediação de Seguros, Lda	Oeiras (Portugal)	60.00%	30.00%	60.00%	30.01%
<b>Others</b>						
	Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%
	SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	50.00%	44.99%	45.00%	40.49%

\*the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) this participation directly in the share capital of that company.

- 1) On January 3<sup>rd</sup> 2017, a Joint Venture was established between Sonae MC and Hilton Food Group PLC through a capital increase of this Group on Sohi Meat. From this moment, onwards, Sohi Meat is consolidated through the equity method;
- 2) Company created in the period;
- 3) Company acquired in the period;
- 4) Company consolidated by the equity method since June 2017 (Note 4.1).

## 34.2 Associated companies

COMPANY	Head Office	Percentage of capital held				
		30 Sep 2017		31 Dec 2016		
		Direct*	Total*	Direct*	Total*	
<b>Sonae Retail</b>						
	Sempre a Postos – Produtos Alimentares e Utilidades, Lda	Lisbon (Portugal)	25.00%	25.00%	25.00%	25.00%
1)	Sonae S2 Africa Limited	La Valletta (Malta)	30.00%	30.00%	-	-
	S2 Mozambique, SA	Maputo (Mozambique)	30.00%	30.00%	30.00%	30.00%
	Ulabox, S.L.	Barcelona (Spain)	40.41%	40.41%	39.18%	39.18%

Sonae IM						
	Armilar Venture Partners - Sociedade de Capital de Risco, SA	Lisbon (Portugal)	35.00%	31.49%	35.00%	31.49%
2)	Bright Vector I	Lisbon (Portugal)	50.13%	45.10%	-	-
	Fundo de Capital de Risco Armilar Venture Partners II	Lisbon (Portugal)	50.74%	45.65%	50.21%	45.17%
	Fundo de Capital de Risco Armilar Venture Partners III	Lisbon (Portugal)	42.60%	38.33%	41.99%	37.78%
	Fundo de Capital de Risco Espirito Santo Ventures Inovação e Internacionalização	Lisbon (Portugal)	37.54%	33.77%	37.54%	33.77%
	MOVVO, SA	Porto (Portugal)	25.58%	25.58%	25.58%	25.58%
Sonae FS						
	Brokerslink Management AG	Zug (Switzerland)	20.00%	20.00%	20.00%	20.00%
	Filhet Allard España Correduria de Seguros S.L.	Madrid (Spain)	35.00%	17.50%	35.00%	17.50%
2)	Flexben, Lda	Porto (Portugal)	45.00%	45.00%	-	-
Others						
	APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22.75%	22.75%	22.75%	22.75%

\*the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) this participation directly in the share capital of that company.

1) Company created in the period;

2) Company acquired in the period.

Jointly controlled companies and associated companies were included in the consolidated financial statements by the equity method.

## The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

# Condensed separate financial statements

**CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2017 AND 2016 AND AT 31 DECEMBER 2016**

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

(Amounts expressed in euro)

ASSETS	Notes	30.September.2017	30.September.2016	31.December.2016
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		76,435	69,591	65,375
Intangible assets		27	55	47
Investments in subsidiaries, associates and joint ventures	4	4,084,418,069	4,033,818,826	4,094,293,240
Other investments	5	30,646,007	30,881,367	30,644,385
Deferred taxes		13,012,067	-	966,895
Other non-current assets	6	173,092,867	347,400,000	173,092,867
Total non-current assets		4,301,245,472	4,412,169,839	4,299,062,809
<b>CURRENT ASSETS:</b>				
Trade account receivables and other current assets	7	83,689,785	72,628,301	65,406,578
Cash and cash equivalents	8	442,933	726,182	950,886
Total current assets		84,132,718	73,354,483	66,357,464
<b>TOTAL ASSETS</b>		<b>4,385,378,190</b>	<b>4,485,524,322</b>	<b>4,365,420,273</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,699,728,725	1,668,019,373	1,728,388,031
Profit for the period		51,003,334	34,214,784	61,300,218
<b>TOTAL EQUITY</b>		<b>3,750,732,059</b>	<b>3,702,234,157</b>	<b>3,789,688,249</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	325,878,953	288,262,263	302,040,105
Total non-current liabilities		325,878,953	288,262,263	302,040,105
<b>CURRENT LIABILITIES:</b>				
Loans	10	105,539,029	208,038,764	162,000,000
Trade creditors and other current liabilities	11	203,228,149	286,989,138	111,691,919
Total current liabilities		308,767,178	495,027,902	273,691,919
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,385,378,190</b>	<b>4,485,524,322</b>	<b>4,365,420,273</b>

The accompanying notes are part of these condensed separate financial statements.

The Board of Directors

## CONDENSED SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016

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

(Amounts expressed in euro)

	Notes	3 <sup>rd</sup> Quarter 2017	3 <sup>rd</sup> Quarter 2016	30.September.2017	30.September.2016
Services rendered		119,915	81,971	359,746	314,663
Gains or losses on investments	14	-	(444)	56,321,523	28,235,848
Financial income		796,518	7,597,019	2,456,011	22,539,653
Other income		228,916	563,995	1,219,827	1,865,519
External supplies and services		(608,334)	(880,102)	(2,373,577)	(2,541,335)
Staff costs		(423,010)	(481,804)	(1,478,260)	(1,467,743)
Depreciation and amortisation		(8,679)	(8,874)	(24,419)	(26,836)
Provisions and impairment losses		-	-	-	(1,913)
Financial expense		(1,940,849)	(4,429,025)	(5,437,528)	(11,856,659)
Other expenses		(192,205)	(90,671)	(481,183)	(501,061)
Profit/(Loss) before taxation		(2,027,728)	2,352,065	50,562,140	36,560,136
Taxation		449,170	(635,632)	441,194	(2,345,352)
Profit/(Loss) after taxation		(1,578,558)	1,716,433	51,003,334	34,214,784
Profit/(Loss) per share					
Basic	15	(0.000789)	0.000857	0.025502	0.017108
Diluted	15	(0.000791)	0.000856	0.025495	0.017102

The accompanying notes are part of these condensed separate financial statements.

The Board of Directors

**CONDENSED SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016**

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

(Amounts expressed in euro)

	3 <sup>rd</sup> Quarter 2017	3 <sup>rd</sup> Quarter 2016	30.September.2017	30.September.2016
Net Profit / (Loss) for the period	(1,578,558)	1,716,433	51,003,334	34,214,784
Changes on fair value of available-for-sale financial assets	3,484,944	54,019,844	(9,873,549)	99,080,967
Other comprehensive income for the period	3,484,944	54,019,844	(9,873,549)	99,080,967
Total comprehensive income for the period	1,906,386	55,736,277	41,129,785	133,295,751

The accompanying notes are part of these condensed separate financial statements.

The Board of Directors

**CONDENSED SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016**

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

(Amounts expressed in euro)

	Share capital	Treasury shares	Legal reserve	Reserves and retained earnings		Total reserves and retained earnings	Net profit/(loss)	Total
				Fair value reserve	Other reserves and retained earnings			
Balance as at 1 January 2016	2,000,000,000	-	244,211,592	260,223,788	1,344,393,827	1,604,617,615	(279,672,410)	3,569,156,797
Total comprehensive income for the period	-	-	-	99,080,967	-	99,080,967	34,214,784	133,295,751
Appropriation of profit of 2015:								
Transfer to retained earnings	-	-	-	-	(279,672,410)	(279,672,410)	279,672,410	-
Obligation fulfilled by a third party	-	(1,118,141)	-	-	-	-	-	(1,118,141)
Shares sold under the terms of annual performance bonus plan and medium term incentive plans	-	1,118,141	-	-	(207,467)	(207,467)	-	910,674
Share-based payments	-	-	-	-	(10,924)	(10,924)	-	(10,924)
Balance as at 30 September 2016	2,000,000,000	-	244,211,592	359,304,755	1,064,503,026	1,423,807,781	34,214,784	3,702,234,157
Balance as at 1 January 2017	2,000,000,000	-	244,211,592	419,542,189	1,064,634,250	1,484,176,439	61,300,218	3,789,688,249
Total comprehensive income for the period	-	-	-	(9,873,549)	-	(9,873,549)	51,003,334	41,129,785
Appropriation of profit of 2016:								
Transfer to retained earnings	-	-	3,065,011	-	-	-	(3,065,011)	-
Dividends distributed	-	-	-	-	-	-	(58,235,207)	(58,235,207)
Free reserves distributed	-	-	-	-	(21,764,793)	(21,764,793)	-	(21,764,793)
Obligation fulfilled by a third party	-	(466,211)	-	-	-	-	-	(466,211)
Shares sold under the terms of annual performance bonus plan and medium term incentive plans	-	466,211	-	-	(442,900)	(442,900)	-	23,311
Share-based payments	-	-	-	-	356,925	356,925	-	356,925
Balance as at 30 September 2017	2,000,000,000	-	247,276,603	409,668,640	1,042,783,482	1,452,452,122	51,003,334	3,750,732,059

The accompanying notes are part of these condensed separate financial statements.

The Board of Directors

**CONDENSED SEPARATE CASH FLOW STATEMENTS FOR THE PERIODS ENDED 30 SEPTEMBER 2017 AND 2016**

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

(Amounts expressed in euro)

	Notes	3 <sup>rd</sup> Quarter 2017	3 <sup>rd</sup> Quarter 2016	30. September. 2017	30. September. 2016
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		389,392	(9,360,977)	(1,306,391)	(11,050,760)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		-	2,102	-	2,102
Tangible and intangible assets		561	-	561	584
Interest and similar income		142,284	494,609	515,052	2,096,483
Dividends		11,123,853	11,123,853	54,809,596	40,428,660
Others		-	-	1,511,927	-
Loans granted		646,586,000	675,226,000	1,807,597,000	1,752,457,939
		657,852,698	686,846,564	1,864,434,136	1,794,985,768
Cash payments arising from:					
Tangible and intangible assets		(2,788)	-	(35,456)	(4,085)
Loans granted		(646,586,000)	(675,226,000)	(1,807,597,000)	(1,752,457,939)
		(646,588,788)	(675,226,000)	(1,807,632,456)	(1,752,462,024)
Net cash used in investment activities (2)		11,263,910	11,620,564	56,801,680	42,523,744
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		1,064,415,244	1,770,794,000	3,640,565,244	4,801,600,007
Others		-	-	-	5,998
		1,064,415,244	1,770,794,000	3,640,565,244	4,801,606,005
Cash payments arising from:					
Loans obtained		(1,075,771,000)	(1,771,939,000)	(3,613,424,000)	(4,821,055,293)
Interest and similar charges		(2,748,920)	(3,443,079)	(5,673,103)	(14,226,779)
Dividends		(28,417)	-	(80,010,413)	-
		(1,078,548,337)	(1,775,382,079)	(3,699,107,516)	(4,835,282,072)
Net cash used in financing activities (3)		(14,133,093)	(4,588,079)	(58,542,272)	(33,676,067)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(2,479,791)	(2,328,492)	(3,046,983)	(2,203,083)
Cash and cash equivalents at the beginning of the period		383,694	515,910	950,886	390,501
Cash and cash equivalents at the end of the period	8	(2,096,097)	(1,812,582)	(2,096,097)	(1,812,582)

The accompanying notes are part of these condensed separate financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2017

(Translation of the condensed separate financial statements originally issued in Portuguese.)

In case of discrepancies the Portuguese version prevails)

(Amounts expressed in euro)

## 1 INTRODUCTION

SONAE, SGPS, SA (“the Company” or “Sonae”), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

## 2 BASIS OF PREPARATION

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

## 3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2016.

## 4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 30 September 2017 and 31 December 2016 the company held investments in the following companies:

		30.September.2017					
Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	709,210,000	-	-	(5,743,000)	-	703,467,000
Sonaecom, SGPS, SA	26.02%	206,689,581	-	-	(4,132,171)	-	202,557,410
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,496,231,545	-	-	-	-	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		4,094,293,240	-	-	(9,875,171)	-	4,084,418,069

31.December.2016

Companies		Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	Closing balance
	% Held						
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investimentos, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	589,893,500	-	-	119,316,500	-	709,210,000
Sonaecom, SGPS, SA	26.02%	167,717,536	-	-	38,972,045	-	206,689,581
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,496,231,545	-	-	-	-	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		3,936,004,695	-	-	158,288,545	-	4,094,293,240

(a) The value of this investment is the price paid in the public tender offer for the de-listing occurred in 2006. Since that date no change in the value of the investment was recorded.

(b) Market value was determined based on an independent valuation for the period of assets held by this affiliated company, after deduction of associated net debt and of the share attributable to non-controlling interests.

In previous years, the company recorded impairment losses on the following investments: Sontel BV (165,500,000 euro), Sonae Investimentos, BV (32,500,000 euro), Sonae RE, SA (3,089,000 euro) and Sonaecenter, Serviços, SA (341,000,000 euro).

## 5 OTHER INVESTMENTS

As at 30 September 2017 and 31 December 2016 other investments are as follows:

Companies	30.September.2017				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo de Investimento Imobiliário Fechado Imosedo	30,594,505	-	-	1,622	30,596,127
Total	30,644,385	-	-	1,622	30,646,007

Companies	31.December.2016				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosona Dois	2,546	-	(2,546)	-	-
Fundo de Investimento Imobiliário Fechado Imosedo	29,564,649	-	-	1,029,856	30,594,505
Total	29,617,075	-	(2,546)	1,029,856	30,644,385

## 6 OTHER NON-CURRENT ASSETS

As at 30 September 2017 and 31 December 2016 other non-current assets are as follows:

	30.September.2017	31.December.2016
Loans granted to group companies:		
Sonae Investments, BV	173,092,867	173,092,867
	<u>173,092,867</u>	<u>173,092,867</u>

As at 30 September 2017 the loans granted to group companies, bear interest at market rates indexed to Euribor, have a long-term maturity and its fair value is similar to its carrying amount.

## 7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2017 and 31 December 2016 trade accounts receivable and other current assets are detailed as follows:

	30.September.2017	31.December.2016
Trade accounts receivable	215,268	715,428
Group companies		
Interests	-	44,793
Taxes - Special regime for taxation of groups of companies	59,143,399	41,289,044
Taxes and contributions receivable	19,854,257	20,425,842
Accrued income and prepayments	4,225,463	2,760,665
Others	251,398	170,806
Total	<u>83,689,785</u>	<u>65,406,578</u>

The amount recorded in the caption taxes-special regime for taxation of groups corresponds to the tax estimate calculated by the companies taxed under the Special Regime for Taxation of Corporate Groups, of which the Company is the dominant company.

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

## 8 CASH AND CASH EQUIVALENTS

As at 30 September 2017 and 31 December 2016 cash and cash equivalents are detailed as follows:

	30.September.2017	31.December.2016
Cash at hand	2,733	2,233
Bank deposits	440,200	948,653
Cash and cash equivalents on the balance sheet	<u>442,933</u>	<u>950,886</u>
Bank overdrafts	(2,539,029)	-
Cash and cash equivalents on the cash flow statement	<u>(2,096,097)</u>	<u>950,886</u>

## 9 SHARE CAPITAL

As at 30 September 2017 and 31 December 2016 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

## 10 LOANS

As at 30 September 2017 and 31 December 2016, loans are made up as follows:

	30.September.2017	31.December.2016
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	60,000,000
Up-front fees not yet charged to income statement	(1,340,578)	(1,638,448)
<b>Bonds</b>	<b>158,659,422</b>	<b>158,361,552</b>
Sonae SGPS - Commercial paper	117,500,000	94,000,000
Sonae SGPS - bank loans	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(280,469)	(321,447)
<b>Loans</b>	<b>167,219,531</b>	<b>143,678,553</b>
Non-current loans	325,878,953	302,040,105
Bank overdrafts	2,539,029	-
Sonae SGPS - Commercial paper	103,000,000	162,000,000
<b>Loans</b>	<b>105,539,029</b>	<b>162,000,000</b>
Current loans	105,539,029	162,000,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 122 million euro credit facilities available to meet its liquidity requirements as follows:

	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	200,000,000	142,500,000
Available credit facilities amounts	97,000,000	25,000,000

The average interest rate in the third quarter was around 1.08% (0.95% as at 31 December 2016).

### Maturity of Borrowings

As at 30 September 2017 and 31 December 2016 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	30.September.2017	31.December.2016
N+1	105,539,029	162,000,000
N+2	4,000,000	-
N+3	5,500,000	-
N+4	95,500,000	55,000,000
N+5	113,000,000	59,000,000
after N+5	109,500,000	190,000,000

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2017 and 31 December 2016, trade creditors and other current liabilities are detailed as follows:

	30.September.2017	31.December.2016
Trade creditors	254,855	545,724
Group companies		
Loans	101,283,244	38,642,000
Taxes - Special regime for taxation of groups of companies	91,774,001	53,092,883
Taxes and contributions payable	7,003,370	15,749,775
Accrued expenses	2,793,842	3,473,734
Others	118,837	187,803
Total	<u>203,228,149</u>	<u>111,691,919</u>

## 12 CONTINGENT LIABILITIES

As at 30 September 2017 and 31 December 2016, contingent liabilities are detailed as follows:

	30.September.2017	31.December.2016
Guarantees given:		
on tax claims	142,932,296	142,932,296
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries	a) 375,078,359	386,112,500

(a) Guarantees given to Tax Authorities in favour of subsidiaries to defer tax claims. The main tax claims for which guarantees were issued are disclosed in consolidated financial statements.

## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	30.September.2017	31.December.2016
Balance:		
Group companies	62,379,232	52,150,959
Jointly controlled companies	380,015	420,628
Other partners in group companies	75,000	98,000
Accounts receivable	<u>62,834,247</u>	<u>52,669,587</u>
Parent company	378,238	688,281
Group companies	92,389,632	63,662,351
Jointly controlled companies	-	85
Other partners in group companies	3,849	6,615
Accounts payable	<u>92,771,719</u>	<u>64,357,332</u>
Group companies	<u>173,092,867</u>	<u>173,092,867</u>
Loans granted	<u>173,092,867</u>	<u>173,092,867</u>
Group companies	<u>101,283,244</u>	<u>38,642,000</u>
Loans obtained	<u>101,283,244</u>	<u>38,642,000</u>

Transactions:	30.September.2017	30.September.2016
Group companies	1,272,853	1,824,781
Jointly controlled companies	164,746	157,163
Other partners in group companies	75,000	75,000
Services rendered and other income	1,512,599	2,056,944
Parent company	406,350	530,492
Group companies	1,000,947	1,038,676
Other partners in group companies	32,412	28,373
Purchases and services obtained	1,439,709	1,597,541
Group companies	2,456,011	22,535,717
Interest income	2,456,011	22,535,717
Parent company	-	56,341
Group companies	797,796	3,152,971
Interest expenses	797,796	3,209,312
Group companies	17,418,496	15,880,590
Jointly controlled companies	37,391,100	12,355,320
Dividend income (Note 14)	54,809,596	28,235,910
Group companies	1,511,927	-
Income from investment fund participations units	1,511,927	-

All Sonae, SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements. All Efanor Investimentos, SGPS, SA (parent company), subsidiaries, including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA (other partners in group companies) are also considered related parties.

## 14 INVESTMENTS INCOME

As at 30 September 2017 and 2016, investment income can be detailed as follows:

	30.September.2017	30.September.2016
Dividends	54,809,596	28,235,910
Gains / (losses) on sale investments	1,511,927	(62)
	56,321,523	28,235,848

Dividends were distributed from Sonae Investimentos, SGPS, SA (11,123,853 euro), Sonaegest, SA (55,875 euro), Sonae Sierra, SGPS, SA (37,391,100 euro) and Sonaecom, SGPS, SA (6,238,768 euros).

## 15 EARNINGS PER SHARE

Earnings per share for the period were calculated taking into consideration the following amounts:

	<u>30.September.2017</u>	<u>30.September.2016</u>
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	51,003,334	34,214,784
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>51,003,334</u>	<u>34,214,784</u>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings	2,000,000,000	1,999,954,552
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,149,412	1,324,728
Number of shares that could be acquired at average market price	<u>(606,966)</u>	<u>(683,231)</u>
Weighted average number of shares used to calculate diluted earnings per share	<u>2,000,542,446</u>	<u>2,000,596,049</u>
<b>Profit/(Loss) per share</b>		
Basic	0.025502	0.017108
Diluted	<u>0.025495</u>	<u>0.017102</u>

## 16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 14 November 2017.

## 17 INFORMATION REQUIRED BY LAW

### Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 September 2017 short-term loan contracts were entered into with the following companies:

Sonae Investimentos, SGPS, SA

Sonaecom, SGPS, SA

Sontel, BV

Sonae RE, SA

As at 30 September 2017, amounts owed by subsidiaries can be summarized as follows:

	<u>Closing balance</u>
Sonae Investments, BV	173,092,867
Total	<u>173,092,867</u>

As at 30 September 2017 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing balance</u>
Sonaecenter, Serviços, SA	55,924,000
Sonae RE, SA	1,614,000
Sontel, BV	43,745,244
Total	<u>101,283,244</u>

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

## 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 should not be regarded as 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, 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 and analysts, and generally all 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 at Sonae's institutional website  
[www.sonae.pt](http://www.sonae.pt)

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SONAE is listed on the Euronext Stock Exchange.  
Information may also be accessed on Reuters  
under the symbol **SONP.IN** and on Bloomberg  
under the symbol **SON PL**