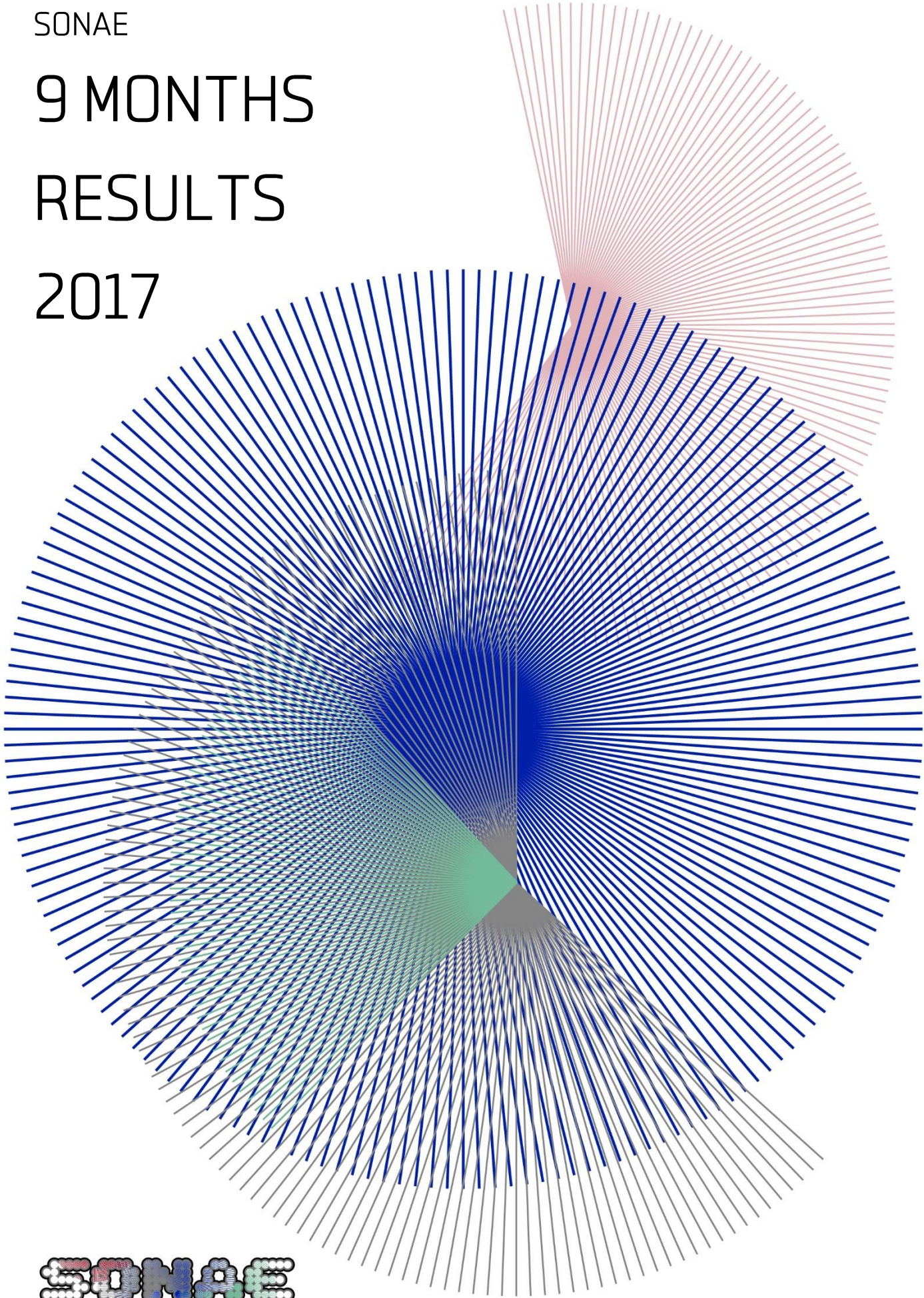


SONAE

9 MONTHS

RESULTS

2017



1 HIGHLIGHTS AND CEO'S MESSAGE

- 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.
Turnover						
Sonae Retail	3,815	4,067	6.6%	1,429	1,503	5.1%
Sonae Sierra ⁽¹⁾	150	162	8.0%	51	55	7.8%
NOS ⁽¹⁾	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%
Underlying EBITDA						
Sonae Retail	219	237	8.4%	103	109	6.1%
Sonae Sierra ⁽¹⁾	71	77	7.1%	24	26	9.8%
NOS ⁽¹⁾	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.
Turnover	3,849	4,115	6.9%	1,439	1,513	5.1%
Underlying EBITDA	202	221	9.6%	96	105	10.0%
Underlying EBITDA margin	5.2%	5.4%	0.1 p.p.	6.7%	7.0%	0.3 p.p.
Equity method results ⁽¹⁾	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	-
EBITDA	297	273	-8.1%	110	130	18.9%
EBITDA margin	7.7%	6.6%	-1.1 p.p.	7.6%	8.6%	1.0 p.p.
D&A ⁽²⁾	-145	-152	-4.8%	-49	-53	-7.8%
EBIT	152	121	-20.4%	61	78	27.9%
Net financial activity	-36	-28	22.2%	-11	-10	8.0%
EBT	116	93	-19.8%	49	67	36.1%
Taxes	3	9	-	3	-8	-
Direct results ⁽³⁾	119	102	-14.4%	53	59	12.0%
Indirect results	21	37	75.2%	10	4	-56.4%
Net income	140	139	-0.9%	63	64	1.0%
Non-controlling interests	-3	-6	-95.7%	-2	-3	64.5%
Net income group share	137	133	-2.9%	61	60	-1.0%

(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.
Net invested capital	3,215	3,321	3.3%
Sonae shareholders funds	1,968	2,104	6.9%
Sonae net debt ⁽¹⁾	1,248	1,217	-2.4%
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%.

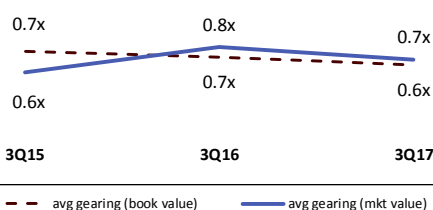
Sonae net financial activity improved by €8 M, registering a negative €28 M in 9M17, reflecting the reduction in the cost of outstanding debt. The average interest rate of outstanding debt was 1.3% in 3Q17, a value that compares with 1.4% in 3Q16. It should be noted that Sonae financial results exclude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

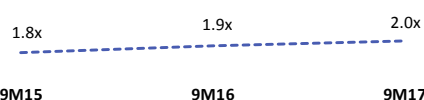
Gearing



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

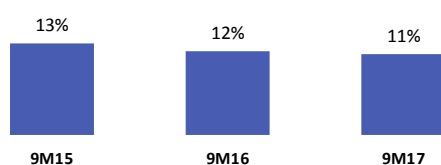
Capital Structure

Net debt to EBITDA - Retail



Capital Structure

Loan-to-value (%) - Holding



Sonae Capex

Million euros	9M16	9M17	% of Turnover
Capex	293	202	4.9%
Sonae Retail	276	190	4.7%
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%
Sonae IM	12	9	9.2%
Sonae FS	0.1	1.0	6.2%

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

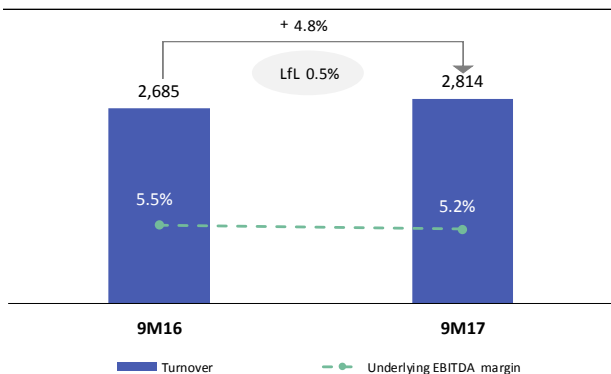
Million euros	9M16	9M17	y.o.y	3Q16	3Q17	y.o.y
Turnover	3,815	4,067	6.6%	1,429	1,503	5.1%
Sonae MC	2,685	2,814	4.8%	993	1,037	4.4%
Worten	634	689	8.8%	229	254	10.8%
Sonae Sports & Fashion	374	437	16.8%	164	167	1.5%
Sonae RP	69	69	-0.8%	22	23	2.3%
Maxmat	53	58	8.1%	20	22	7.4%
Underlying EBITDA	219	237	8.4%	103	109	6.1%
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%
Underlying EBITDA margin (%)	5.7%	5.8%	0.1 p.p.	7.2%	7.2%	0.1 p.p.

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.

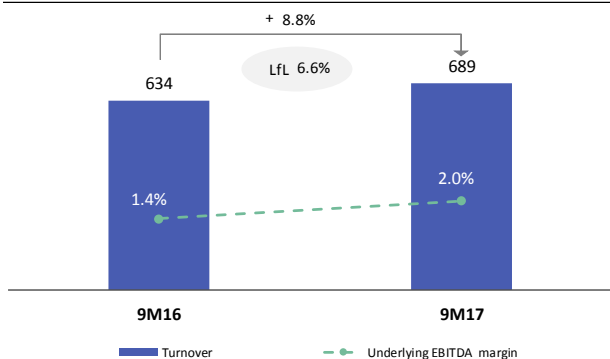
Despite the relentless competitive environment and our continued investment in price and in the expansion of the store network in proximity stores, **Sonae MC underlying EBITDA margin** stood at 5.2% in 9M17 (30 bps below 9M16) and 6.3% in the 3Q17 (40 bps below 3Q16). In absolute terms, underlying EBITDA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

Following the success of the 1st Dr. Well's opened in May 2017, a clinic specialised in dental and aesthetic medicine, Sonae MC opened the 2nd 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



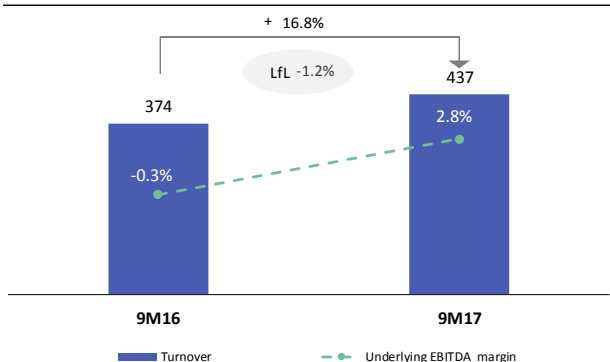
Worten turnover stood at €689 M in 9M17, growing 8.8% when compared to 9M16, supported by a **LfL sales growth** of 6.6% in Iberia.

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.

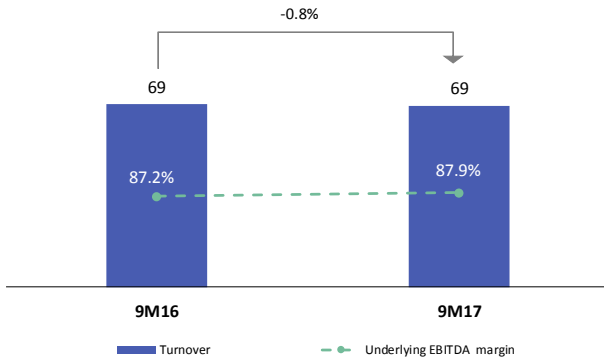
The **underlying EBITDA** reached €12 M in 9M17, an improvement of almost €14 M when compared to the same period of 2016, not only positively impacted by Salsa, but also by the positive contribution of original portfolio brands. In the 3Q17, the **underlying EBITDA** improved additional €4 M, mostly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

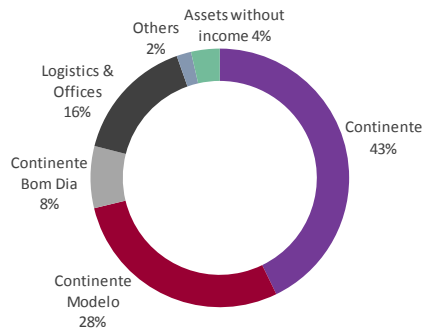
SONAE RP

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 30th 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 25th 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

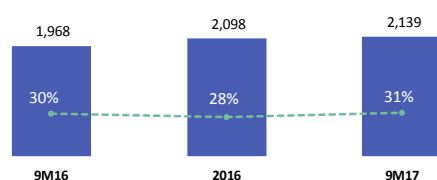
	9M16	9M17	y.o.y.
Footfall (million visitors)	313	318	1.7%
Europe & New Markets	242	249	2.7%
Brazil	71	70	-1.4%
Occupancy rate (%)	96.4%	95.6%	-0.9 p.p.
Europe	97.1%	97.2%	0.1 p.p.
Brazil	94.5%	90.3%	-4.2 p.p.
Like-for-Like (Lfl) tenant sales			
Europe	3.3%	3.8%	-
Brazil (local currency)	0.4%	7.7%	-
Tenant sales (million euros)	3,107	3,428	10.3%
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%
Nº of shopping centres owned and/or managed (EOP)	66	68	2
Europe	56	58	2
Brazil	10	10	0
Nº of shopping centres owned/co-owned (EOP)	45	47	2
Europe	36	38	2
Brazil	9	9	0
GLA under Management ('000 sqm)	2,288	2,374	3.8%
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.
Turnover	150	162	8.0%	51	55	7.8%
EBIT	71	76	7.4%	23	26	10.2%
EBIT margin	46.9%	46.6%	-0.3 p.p.	46.3%	47.3%	1.0 p.p.
Direct results	40	45	12.4%	13	15	12.3%
Indirect results	52	33	-37.8%	20	-1	-107.2%
Net results	93	78	-16.0%	34	14	-59.5%
... attributable to Sonae	46	39	-16.0%	17	7	-59.5%

Open Market Value (OMV) ⁽¹⁾ and leverage

million euros



⁽¹⁾ 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 30th 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 8th 2017, which are available at 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.

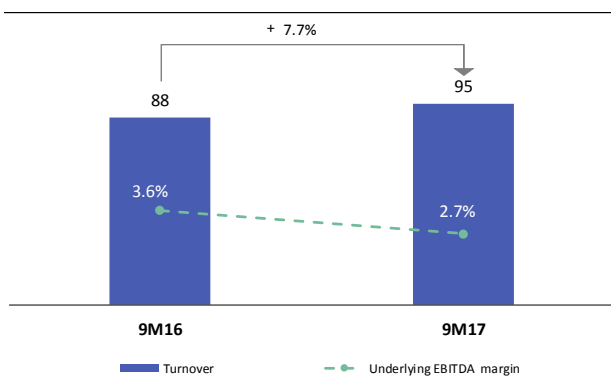
NOS FCF (before dividends, financial investments and acquisition of own shares) grew from €48 M registered in 9M16 to €136 M in 9M17. Due to the dividend payment made in 2Q17, in the amount of €103 M, FCF stood at €33 M.

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

Main corporate events in the 3Q17

July 25th 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 14th 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 3rd 2017

Sonae informed about the automatic extension of its cash settled equity swap, originally entered on 15th 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

Capex	Investments in tangible and intangible assets and investments in acquisitions.
Direct results	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
(Direct) EBT	Direct results before non-controlling interests and taxes.
EBITDA margin	EBITDA / turnover.
EoP	End of period.
Financial net debt	Total net debt excluding shareholders' loans.
Gearing (book value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
Gearing (market value)	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.
GLA	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
Indirect results	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.
Investment properties	Shopping centres in operation owned and co-owned by Sonae Sierra.
Liquidity	Cash & equivalents + current investments.
Like for Like sales (Lfl)	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.
Loan to value (LTV) - Holding	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
Loan to value (LTV) - Shopping Centres	Net debt / (investment properties + properties under development).
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.

Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
Net invested capital	Total net debt + total shareholders' funds.
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by independent international entities.
Other income	Dividends.
Others + E&A (Eliminations & adjustments)	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
Other loans	Bonds, leasing and derivatives.
RGU	Revenue generating unit.
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
Underlying EBITDA	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.
TOTAL ASSETS	5,414	5,523	2.0%
Non current assets	3,994	4,119	3.1%
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%
Current assets	1,420	1,404	-1.1%
Stocks	671	688	2.6%
Trade debtors	117	128	9.4%
Liquidity	346	308	-10.8%
Others	286	280	-2.3%
SHAREHOLDERS' FUNDS	1,968	2,104	6.9%
Equity holders	1,806	1,940	7.4%
Attributable to minority interests	162	164	1.2%
LIABILITIES	3,447	3,420	-0.8%
Non-current liabilities	1,379	1,401	1.6%
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%
Current liabilities	2,068	2,019	-2.4%
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%
SHAREHOLDERS' FUNDS + LIABILITIES	5,414	5,523	2.0%

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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

Media and Investor Contacts

Patrícia Vieira Pinto
Head of Investor Relations
pvpinto@sonae.pt
Tel.: + 351 22 010 4794

Catarina Oliveira Fernandes
Head of Communications, Brand and Corporate Responsibility
catarina.fernandes@sonae.pt
Tel.: + 351 22 010 4775

Maria João Oliveira
External Communication
mjfoliveira@sonae.pt
Tel.: + 351 22 010 4745

Sonae
Lugar do Espido Via Norte
4471-909 Maia
Portugal
Tel.: +351 22 948 7522

SONAE is listed on the Euronext Stock Exchange.
Information may also be accessed on Reuters
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