

SONAE 1ST HALF RESULTS 2018



IMPROVING LIFE

1 HIGHLIGHTS AND CEO'S MESSAGE

- Sonae turnover kept the positive trend, growing 6.6% y.o.y., to €2,680 M in 1H18
- Sonae EBITDA reached €154 M in 1H18, +11.1% y.o.y.
- Sonae net debt reduced by €95 M y.o.y. to €1,324 M (-6.7%)

"The growth achieved in the 2nd quarter allowed Sonae to end the 1st half of 2018 with a turnover increase of more than 6% over the same period last year, with positive contributions from all our business areas, particularly food retail which grew by 7.2%. The overall profitability also improved, with EBITDA reaching €154 M, 11.1% above the 1st semester of 2017.

It was also possible to reduce the Group's net debt by an additional €95 M while increasing investment levels and continuing to grow by 5% the dividend paid to our shareholders.

The quarter was, however, marked by the results reached in terms of portfolio management, with relevant steps in the preparation of the potential IPO of Sonae MC, with the partial sale of a stake in Outsystems (indirectly owned by Sonae IM) and particularly with the acquisition of an additional 20% stake of Sonae Sierra, an operation that contributed to a more balanced portfolio and to reinforce the group's international profile, which remains at the forefront of Sonae's strategic priorities."

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae aggregated businesses overview						
Million euros	1H17	1H18	y.o.y.	2Q17	2Q18	y.o.y.
Turnover						
Sonae Retail ⁽¹⁾	2,571	2,768	7.7%	1,311	1,431	9.1%
Sonae Sierra ⁽²⁾	108	106	-1.8%	54	52	-3.7%
NOS ⁽²⁾	768	772	0.6%	387	389	0.5%
Sonae IM	69	75	8.7%	36	42	15.6%
Sonae FS ⁽³⁾	37	43	15.0%	20	22	9.9%
Underlying EBITDA						
Sonae Retail ⁽¹⁾	128	132	3.0%	73	72	-2.5%
Sonae Sierra ⁽²⁾	50	52	3.6%	25	25	-0.4%
NOS ⁽²⁾	298	306	2.6%	156	159	2.1%
Sonae IM	2	3	27.5%	2	2	23.8%
Sonae FS ⁽³⁾	4	6	59.5%	3	3	4.8%

(1) Sonae Retail includes Sport Zone figures in 1H17 and in 1H18 Iberian Sports Retail Group following its creation in January 31st 2018;

(2) Aggregated turnover and Underlying EBITDA equals 100% of the figures reported by NOS or Sonae Sierra. In statutory accounts equity method is used;

(3) Includes 100% turnover and underlying EBITDA of MDS.

Sonae consolidated results						
Million euros	1H17 ⁽¹⁾	1H18 ⁽¹⁾	y.o.y.	2Q17 ⁽¹⁾	2Q18 ⁽¹⁾	y.o.y.
Turnover	2,515	2,680	6.6%	1,280	1,337	4.5%
Underlying EBITDA	123	130	6.3%	71	73	2.9%
Underlying EBITDA margin	4.9%	4.9%	0.0 p.p.	5.6%	5.5%	-0.1 p.p.
Equity method results ⁽²⁾	21	30	41.7%	11	17	51.8%
o.w. S. Sierra (direct results)	15	17	9.3%	8	8	6.2%
o.w. NOS	16	19	16.9%	9	11	17.1%
Non-recurrent items	-5	-6	-20.7%	-4	-4	-11.2%
EBITDA	139	154	11.1%	78	86	9.4%
EBITDA margin	5.5%	5.7%	0.2 p.p.	6.1%	6.4%	0.3 p.p.
D&A ⁽³⁾	-93	-102	-8.8%	-48	-52	-8.3%
EBIT	45	52	16.1%	31	34	11.1%
Net financial results	-17	-16	7.4%	-10	-8	19.3%
EBT	28	37	30.1%	21	26	24.9%
Taxes	14	0	-98.4%	13	-2	-
Direct results ⁽⁴⁾	43	37	-13.5%	34	24	-28.5%
Indirect results	33	68	107.4%	33	59	81.0%
Net income	75	104	38.8%	67	83	25.0%
Non-controlling interests	-2	-7	-	-2	-5	-
Net income group share	73	98	34.2%	65	78	20.6%

(1) Due to the creation of Iberian Sports Retail Group in January 31st 2018, Sport Zone was registered as discontinued operation. In the 2Q18 ISRG started to be consolidated through the Equity Method. In June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding, MDS started to be consolidated through the Equity Method and was included in Sonae FS. From 1Q16 until June 2017, MDS was registered as a discontinued operation;

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

(3) Depreciations & amortisations including provisions & impairments;

(4) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	1H17	1H18	y.o.y.
Net invested capital	3,453	3,459	0.2%
Sonae shareholders funds	2,034	2,135	5.0%
Sonae net debt ⁽¹⁾	1,419	1,324	-6.7%
Net debt / Invested capital	41.1%	38.3%	-2.8 p.p.

(1) Financial net debt + net shareholder loans.

Sonae aggregated business overview during the 1H18 shows that almost all businesses improved turnover and EBITDA in relation to the same period of last year.

From a statutory view, **Sonae consolidated turnover** grew by 6.6% in comparison to the same period of last year, amounting to €2,680 M in 1H18, particularly impacted by Sonae Retail which contributed with an additional € 167M.

Consolidated EBITDA improved by €15 M, reaching €154 M in 1H18, supported by a higher underlying EBITDA (+€8 M) and equity method results (+€9 M).

Direct results decreased to €37 M in 1H18 (despite a 16.1% EBIT growth y.o.y.), driven by an abnormally high level of tax credits registered in 1H17.

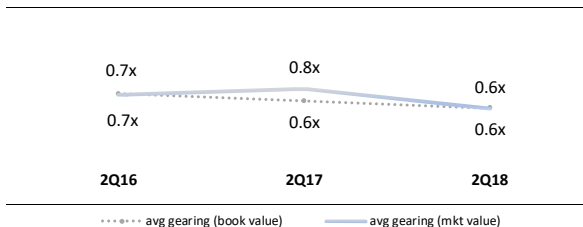
Indirect results reached €68 M in 1H18, more than doubling the 1H17 results, resulting mainly from portfolio revaluations and capital gains at Sonae IM, and also from the value created in investment properties of Sonae Sierra.

All in all, **net income group share** improved by €25 M to €98 M in the 1H18, +34.2% y.o.y..

Net debt decreased by €95 M y.o.y., to €1,324 M in 1H18 and **financial leverage** stood at 38.3%, less 2.8 p.p. versus 1H17.

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE (continued)

Gearing



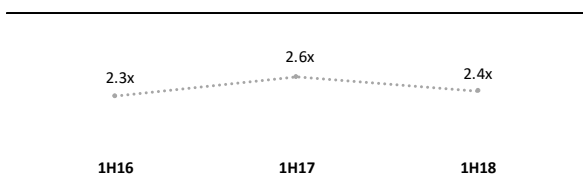
The **group's average gearing at market value** decreased when compared to the same period of last year to 0.6x, mostly driven by the average market cap increase and also by the decrease in net debt, when compared to the same period of 2017.

Million euros	1H17	1H18	y.o.y.
Net financial debt	1,418	1,324	-6.7%
Retail	862	812	-5.8%
Sonae IM	2	-52	-
Holding & other	555	564	1.7%
Sonae net debt	1,419	1,324	-6.7%

Retail net debt reduced by €50 M, totalling €812 M in 1H18 and **retail net debt to EBITDA** stood at 2.4x, decreasing from 2.6x in 1H17, due to retail net debt reduction coupled with an improvement of profitability. Sonae IM net debt was reduced as a result of AVP's capital distribution amounting to €58 M, before taxes.

Capital Structure

Net debt to EBITDA - Retail

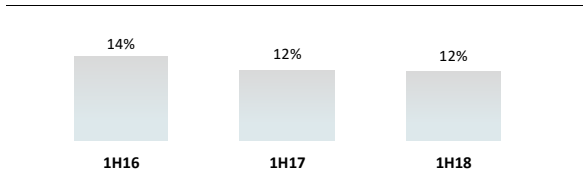


The **Holding & other net debt** increased slightly to €564 M and **loan-to-value ratio of the Holding** stood at 12%.

The group maintained its practice of being fully financed for the coming 18 months and at the same time improved its general funding conditions. Sonae was able to decrease the average cost of debt outstanding to 1.0% without material impact on the average maturity profile.

Capital Structure

Loan-to-value (%) - Holding



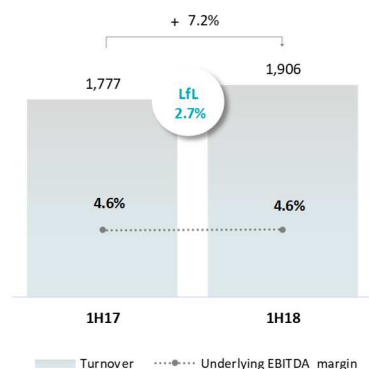
Capex stood at €151 M, increasing when compared to last year mainly due to a higher capex level of Sonae MC related with refurbishments and Sonae IM related to M&A.

Sonae Capex			
Million euros	1H17	1H18	% of Turnover
Capex	121	151	11.3%
Sonae Retail	105	132	10.1%
Sonae MC	67	83	8.6%
Worten	13	15	6.5%
Sonae Sports & Fashion	8	13	17.9%
Sonae RP	16	19	82.2%
Maxmat	1	2	7.5%
Sonae IM	5	13	31.6%
Sonae FS	0.2	0.5	3.2%

3 SONAE RETAIL RESULTS

SONAE MC

Turnover and underlying EBITDA mg evolution (€M; %)



Sonae MC turnover increased by 7.2% versus 1H17, amounting to €1,906 M, benefiting from a **LfL sales growth** of 2.7% and from the continued expansion of the Continente Bom Dia network. In the 2Q18, LfL sales growth reached 0.2% despite the adverse calendar effect of Easter.

This evolution allowed Sonae MC to once again reinforce its market share and to demonstrate the effectiveness of the measures implemented throughout the previous years, such as the investment in fresh offer, the improvement of price perception and the development of own brand products.

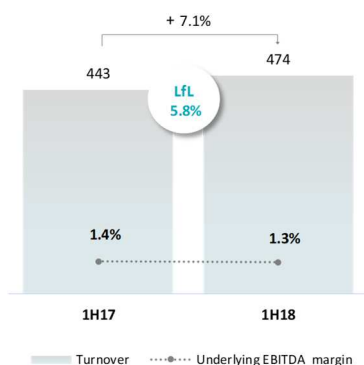
The underlying EBITDA margin stood at 4.6%, remaining stable when compared to the 1H17, in spite of the store network expansion and intense competitive environment. Nonetheless, in absolute terms, underlying EBITDA improved by €6 M y.o.y., amounting to €87 M in 1H18.

Being one of its strategic goals to expand the Health & Wellness offer, Sonae MC opened, during 2Q18, the first Go Natural supermarket in Oporto and acquired Amor Bio located in Lisbon, thus adding 3 organic convenience supermarkets, on top of the 7 stores of the portfolio entirely dedicated to healthy food. Also, in 2Q18, 3 Well's para-pharmacies were opened, totaling already 228 at the end of June.

3 SONAE RETAIL RESULTS (continued)

WORTEN

Turnover and underlying EBITDA mg evolution (€M; %)

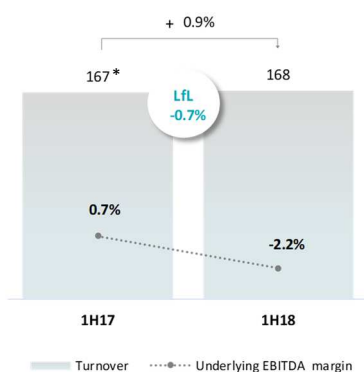


Worten turnover increased by 7.1% versus 1H17, amounting to €474 M in the 1H18. This evolution benefited from the online operation growth and from a positive **LfL sales performance**, which reached +5.8%, despite lower seasonal product sales as a result of abnormally low temperatures felt in May and June, particularly in Spain.

Underlying EBITDA totalled €6.1 M in the 1H18, slightly above last year.

SONAE SPORTS & FASHION

Turnover and underlying EBITDA mg evolution (€M; %)



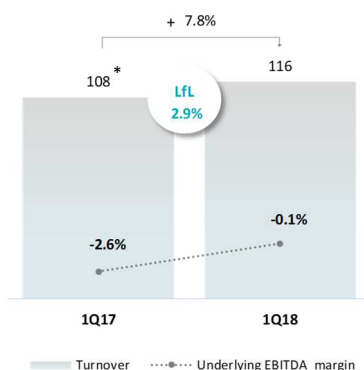
*Restated fashion accounts. In 2017 there were no fashion figures reported.

SONAE FASHION

The first half of the year was one of the most challenging periods ever for fashion players, with the whole fashion sector negatively impacted by abnormal weather conditions and an early Easter. In this adverse context, **turnover** grew 0.9% and **underlying EBITDA margin** declined to -2.2%. Excluding start up brands, EBITDA margin would have been slightly positive.

In the 1H18, online sales grew 56% y.o.y. at Zippy, 13% at Salsa and more than doubled at MO. International sales now represent 45% of total sales.

Turnover and underlying EBITDA mg evolution (€M; %)



*Pro forma figures.

IBERIAN SPORTS RETAIL GROUP

On January 31st, the agreement for the combination of JD Sprinter and Sport Zone was concluded, creating the **Iberian Sports Retail Group (ISRG)**.

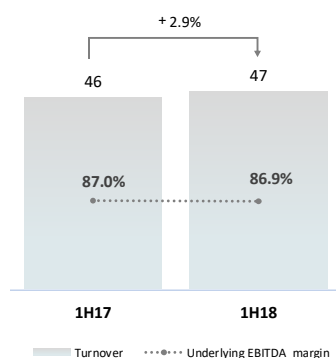
ISRG accounts are equity consolidated from this quarter onwards in Sonae's consolidated P&L. Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures refer to the period of 1st Feb - 5th May.

During these first three months, **ISRG turnover** grew 7.8% y.o.y., reaching €116 M, mainly due to JD's contribution following the expansion in Spain, and **EBITDA** improved €2.7 M y.o.y. benefiting from the positive contributions of all brands. Equity method results included in Sonae accounts totalled -€ 1.4M, a significant improvement versus last year.

3 SONAE RETAIL RESULTS (continued)

SONAE RP

Turnover and underlying EBITDA mg evolution (€M; %)

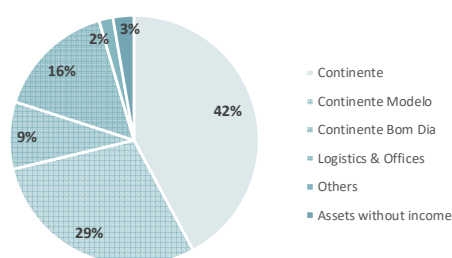


On June 30th, Sonae RP portfolio included 20 Continente stores, 60 Continente Modelo stores and 31 Continente Bom Dia stores, representing a **gross book value** of € 1,284 M and a **net book value** of €908 M.

Sonae RP did not complete any sale and leaseback transaction in the first semester, however it will continue to look for further opportunities that might arise. Accordingly, Sonae MC's freehold remained at 47%.

Sonae RP turnover totalled €47 M in the 1H18, +2.9% versus 1H17 and the **underlying EBITDA** amounted to €41 M, equivalent to an underlying EBITDA margin of 86.9%.

RP Portfolio – % of Gross Book Value



4 SONAE FS RESULTS

Financial Indicators						
Million euros	1H17	1H18	y.o.y.	2Q17	2Q18	y.o.y.
Production	370	452	22.2%	189	233	23.2%
Turnover	11.1	14.2	27.5%	5.8	7.3	25.7%
Underlying EBITDA	1.4	2.2	57.9%	0.7	1.0	34.3%
Underlying EBITDA margin	12.3%	15.2%	2.9 p.p.	12.3%	13.2%	0.8 p.p.

Sonae FS turnover increased by 27.5% in relation to 1H17, reaching €14 M in 1H18. **Underlying EBITDA** improved €0.8 M to €2.2 M in 1H18, corresponding to an **underlying EBITDA margin** of 15.2% in the 1H18.

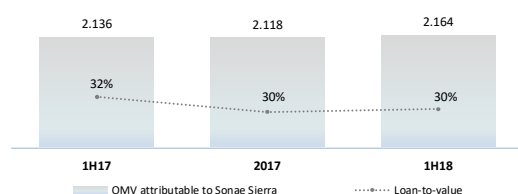
Regarding **Universo's operation**, the first semester ended with 667 thousand subscribers and production increased by 31.8% when compared with the 1H17, to €342 M.

5 SONAE SIERRA RESULTS

Operational Indicators			
	1H17	1H18	y.o.y.
Footfall (million visitors)	207	214	3.6%
Europe & New Markets	160	169	5.7%
Brazil	47	45	-3.5%
Occupancy rate (%)	95.8%	95.8%	0.0 p.p.
Europe	96.9%	96.7%	-0.2 p.p.
Brazil	92.3%	93.0%	0.7 p.p.
Like-for-Like (Lfl) tenant sales			
Europe	3.4%	2.3%	-
Brazil (local currency)	7.3%	1.3%	-
Tenant sales (million euros)	2,211	2,152	-2.7%
Europe (million euros)	1,552	1,598	3.0%
Brazil (million euros)	659	554	-15.9%
Brazil (million reais)	2,259	2,289	1.3%
Nº of shopping centres owned and/or managed (EOP)	65	65	0
Europe	55	55	0
Brazil	10	10	0
Nº of shopping centres owned/co-owned (EOP)	47	45	-2
Europe	38	36	-2
Brazil	9	9	0
GLA under Management ('000 sqm)	2,341	2,446	4.5%
Europe & New Markets	1,859	1,971	6.0%
Brazil	481	474	-1.5%

Financial Indicators						
Million euros	1H17	1H18	y.o.y.	2Q17	2Q18	y.o.y.
Turnover	108	106	-1.8%	54	52	-3.7%
EBIT	50	52	3.7%	25	25	-0.3%
EBIT margin	46.3%	48.9%	2.6 p.p.	45.9%	47.5%	1.6 p.p.
Direct results	30	33	9.3%	15	16	6.0%
Indirect results	34	26	-23.7%	33	28	-16.9%
Net results	64	59	-8.2%	48	44	-9.7%
... attributable to Sonae	32	29	-8.2%	24	22	-9.7%

Open Market Value (OMV)⁽¹⁾ and leverage (€Bn)



⁽¹⁾ Includes investment properties at open market value and development properties at cost.

As already announced on July 14th, Sonae reached an agreement with Grosvenor for the **acquisition of an additional 20%** stake of Sonae Sierra for a total estimated value of €255 M. Following the completion of this transaction, which is expected to happen in the 3Q18, **Sonae will fully consolidate Sonae Sierra accounts.**

At June 30th, **NAV** stood at €1,413 M, 1.4% below the value registered at the end of December 2017, impacted by dividend distribution and the adverse effect of the depreciation in the Brazilian Real, which totally offset the Net Result in the period.

Regarding the **development activity** in the first semester, Sonae Sierra signed last February a 50/50 joint-venture agreement with Impresa Pizzarotti for the development of a new shopping district in Parma, which represents an investment of circa €200 M. The pipeline of development projects also includes: McArthurGlen Designer Outlet in Málaga (Spain), Jardín Plaza in Cucuta (Colombia) as well as the expansion of NorteShopping and Colombo (Portugal).

Pursuing its **recycling strategy**, during the 1H18, Sonae Sierra reduced its shareholding from 11.25% to 5% in SerraShopping; and has acquired, through ORES Socimi, the real estate investment vehicle joint-venture with Bankinter, several assets located in Iberia in the total amount of circa €115 M.

Moreover, during the 1H18, Sonae Sierra further strengthened its **services** activity, having signed 200 new contracts for development, investment management and property management services, equivalent to €11.5 M.

Regarding the operational performance in the 1H18, the **global occupancy rate** remained stable at 95.8%. Compared with the 1H17, **tenant sales** grew by 3.0% in the European portfolio and by 1.3% in Brazil in local currency, corresponding to an increase in **Lfl tenant sales** of 2.3% and 1.3%, respectively. **Total tenant sales** stood at €2,152 M, decreasing y.o.y. due to the adverse impact of the depreciation in the Brazilian real.

In 1H18 **Sonae Sierra turnover** amounted to €106 M and **direct results** grew 9.3% y.o.y., to €33 M, mostly explained by improved EBIT from the Services division which coupled with better Financial Results due to lower costs with corporate debt (refinanced in January), more than offset the adverse FX effect of the Brazilian Real. **Indirect results** reached €26 M resulting from value created in investment properties, positively impacted by yield compression in the Portuguese portfolio.

6 NOS RESULTS

Financial Indicators						
Million euros	1H17	1H18	y.o.y.	2Q17	2Q18	y.o.y.
Operating revenues	768	772	0.6%	387	389	0.5%
EBITDA	298	306	2.6%	155	159	2.1%
EBITDA margin	38.8%	39.6%	0.8 p.p	40.1%	40.8%	0.6 p.p
Net results	72	79	9.2%	39	45	14.3%
Capex	172	179	4.3%	86	92	7.3%
Free Cash Flow	-1	-65	-	-59	-100	-

Operational Indicators						
('000)	1H17	1H18	y.o.y.	2Q17	2Q18	y.o.y.
Total RGUs (Net adds)	178	87	-	99	46	-
Convergent RGUs (Net adds)	199	136	-	77	57	-
Mobile (Net adds)	93	55	-	62	24	-
Pay TV (Net adds)	13	0	-	5	2	-
Total RGUs	9,254	9,499	2.6%	9,254	9,499	2.6%
Convergent RGUs	3,586	3,787	5.6%	3,586	3,787	5.6%
Convergent customers	711	749	5.4%	711	749	5.4%
ARPU/Unique subscriber with fixed access (euros)	-	-	-	45	44	-

NOS published its results on July 23rd 2018, which are available at www.nos.pt.

NOS operating revenues totalled €772 M in the 1H18, +0.6% above last year.

NOS EBITDA reached €306 M, improving 2.6% in relation to 1H17 and EBITDA margin increased by 80 bps, to 39.6% in 1H18.

Net results grew by 9.2% y.o.y. amounting to €79 M in 1H18.

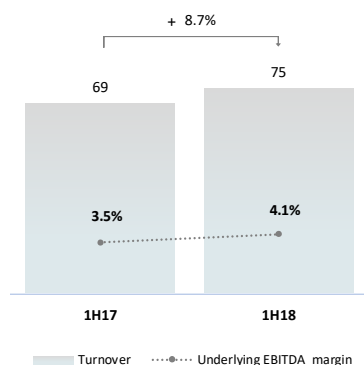
NOS capex amounted to €179 M, + 4.3% y.o.y..

Regarding the operational indicators, total RGUs stood at 9,499 thousand, an increase of 2.6% when compared to 1H17, whereas convergent RGUs grew by 5.6%, reaching 3,787 thousand in 1H18.

7 SONAE IM RESULTS

Portfolio	
Controlling stakes	Minority stakes
WeDo Technologies	AVP Funds
S21Sec	Stylesage
Saphety	Probe.ly
Bizdirect	Ometria
InovRetail	Arctic Wolf
Bright Pixel	Secucloud
Nextel	Continuum Security
	Jscramber
	Nextail
	Case on It

Turnover and underlying EBITDA mg evolution (€M; %)



Sonae IM continued to implement its active portfolio management strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail, telecommunications and cybersecurity.

In the 1H18, Outsystems (included in AVP Funds) announced it has raised \$360 M in an investment round from KKR and Goldman Sachs. Following this round, Sonae IM was informed that it would receive a capital distribution amounting to €58 M, before taxes. The indirect results of Sonae IM reached €48 M, resulting from portfolio revaluations and capital gains.

Additionally, in June, Sonae IM signed an agreement for the merger of S21sec and **Nextel**, a Spanish-based company specialized in cybersecurity. The merger will create the largest cybersecurity company in Iberia. Also during 2Q18, Sonae IM entered in the capital of **Nextail**, a tech company, that has developed a cloud-based platform which combines artificial intelligence and prescriptive analytics to upgrade retailers' inventory management processes and store operations, and **Case on It**, the developer of MedUX, a technology that obtains data on operator networks and quality of service in real time, without the need to track the final user.

Sonae IM turnover increased by 8.7% y.o.y., to €75 M in the 1H18, and the **underlying EBITDA margin** stood at 4.1%, 61 bps above last year.

8 CORPORATE INFORMATION

Main corporate events in the 1H18

May 3rd 2018

In the Annual General Meeting, which took place on May 3rd 2018, the company's shareholders approved, amongst other items, the distribution of a gross dividend per share, relative to the 2017 financial year, in the amount of 0.042 euros. This dividend, which was paid on May 30th 2018, corresponded to a dividend yield of 3.7%, based on the closing price as at December 31st 2017, and to a payout ratio of 64% of the consolidated direct income attributable to equity holders of Sonae.

May 21st 2018

Sonae informed that continued to evaluate the potential listing of part of the Company's retail portfolio, in which Sonae would maintain a majority shareholding. The retail portfolio which would potentially be subject to a listing would mainly include Sonae MC and Sonae RP. Sonae has appointed Barclays, BNP Paribas and Deutsche Bank to arrange exploratory meetings with potential investors for a possible initial public offering. At that stage, no formal decision has been taken and further details will be provided in due course.

June 14th 2018

Sonae announced that it has entered into an agreement with CTT – Correios de Portugal, S.A. (CTT), a reference company in Portugal in the mail and express & parcels sectors. This agreement aims to create a joint venture to exploit a business opportunity in the e-commerce market.

Subsequent events

July 14th 2018

Sonae announced that it has entered into an agreement with Grosvenor Group for the acquisition of a 20% stake of Sonae Sierra, SGPS, SA for a total estimated consideration of 255 million euros. The completion of the transaction is subject to anti-trust approval.

July 17th 2018

Following the decisions taken by Engs. Paulo Azevedo and Ângelo Paupério to, after the end of the current mandate, hand over the executive role exercised up until this date at the Board of Directors of Sonae, the Board has announced to EFANOR, that, under its competency to identify potential candidates with an executive role profile, it has resolved to appoint Dr.ª Cláudia Azevedo, as the next CEO to be appointed after the end of the present mandate. EFANOR has asked Sonae to inform the market that it has accepted the recommendation of the Board of Directors of Sonae.

Announcements made on this date by Sonae can be found here:

<https://www.sonae.pt/en/investors/releases-to-the-market/>.

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 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.

SONAE 1H18 RESULTS

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 loans	Bonds, leasing and derivatives.
RGU	Revenue generating unit.
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
Underlying EBITDA	Recurrent 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) MDS started to be consolidated through the Equity Method and was included in Sonae FS, in June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding. From 1Q16 until June 2017, MDS was registered as a discontinued operation;
- (iii) From 1Q17 until January 2018, Sport Zone figures were reported under discontinued operation. In the 2Q18, ISRG started to be consolidated through the Equity Method.

Sonae statement of financial position			
Million euros	1H17	1H18	y.o.y.
TOTAL ASSETS	5,427	5,642	4.0%
Non current assets	4,100	4,220	2.9%
Tangible and intangible assets	1,977	1,993	0.8%
Goodwill	629	633	0.7%
Other investments	1,398	1,500	7.3%
Deferred tax assets	75	73	-2.6%
Others	21	21	-1.3%
Current assets	1,327	1,422	7.1%
Stocks	683	644	-5.7%
Trade debtors	108	119	10.6%
Liquidity	277	355	28.2%
Others	259	303	17.1%
SHAREHOLDERS' FUNDS	2,034	2,135	5.0%
Equity holders	1,877	1,966	4.7%
Attributable to minority interests	157	170	7.8%
LIABILITIES	3,393	3,507	3.4%
Non-current liabilities	1,515	1,385	-8.6%
Bank loans	709	767	8.2%
Other loans	654	445	-32.0%
Deferred tax liabilities	112	143	27.6%
Provisions	20	18	-6.8%
Others	21	12	-41.4%
Current liabilities	1,878	2,121	13.0%
Bank loans	278	262	-5.8%
Other loans	65	217	-
Trade creditors	993	1,073	8.1%
Others	542	569	5.1%
SHAREHOLDERS' FUNDS + LIABILITIES	5,427	5,642	4.0%

Appendix

Statement under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the progress of the business and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 22 of August 2018

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

Appendix required by articles 9 nr. 1, a) and 14, nr. 7 of CMVM Regulation nr.05/2008

		Additions		Reductions		Position on 30.06.2018	Balance on 30.06.2018
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €		Quantity
Duarte Paulo Teixeira de Azevedo (*) (**) (***)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Migracom, SA (3)						Dominant	
Sonae - SGPS, SA							805,730
Ângelo Gabriel Ribeirinho dos Santos Paupério (*)							
Sonae - SGPS, SA							0
Sale	24-05-2018			212,987	1.152		
Enxomil - Consultoria e Gestão, SA (6)						Dominant	
Enxomil - Sociedade Imobiliária, SA (7)						Dominant	
Maria Margarida Carvalhais Teixeira de Azevedo (**)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA							14,901
Maria Cláudia Teixeira de Azevedo (**) (***)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA							377,318
Linhacom, SGPS, SA (5)						Dominant	
Nuno Miguel Teixeira de Azevedo (**)							
Efanor Investimentos, SGPS, SA (1)						Minority	

		Additions		Reductions		Position on 30.06.2018	Balance on 30.06.2018
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €		Quantity
(1) Efanor Investimentos, SGPS, SA							
Sonae - SGPS, SA						Dominant	200,100,000
Pareuro, BV (2)							
(2) Pareuro, BV							
Sonae - SGPS, SA							849,533,095
(3) Migracom, SA							
Sonae - SGPS, SA						Minority	2,874,339
Imparfin - Investimentos e Participações Financeiras, SA (4)							
(4) Imparfin - Investimentos e Participações Financeiras, SA							
Sonae - SGPS, SA							4,105,280
(5) Linhacom, SGPS, SA							
Sonae - SGPS, SA						Minority	189,314
Imparfin - Investimentos e Participações Financeiras, SA (4)							
(6) Enxomil - Consultoria e Gestão, SA							
Sonae - SGPS, SA							2,021,855
(7) Enxomil - Sociedade Imobiliária, SA							
Sonae - SGPS, SA							662,987
Purchase		24-05-2018	212,987	1.152			

(*) Member of the Board of Directors of Sonae - SGPS, SA

(**) Member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1)

(***) Member of the Board of Directors of Imparfin - Investimentos e Participações Financeiras, SA (4)

Qualified holdings

Shares held and voting rights attributable to shareholders owning 2% or more of the share capital of the Sonae - SGPS, SA, calculated according to article 20 of the Portuguese Securities Code, as required by article 9 paragraph 1, subparagraph c), of the Portuguese Securities Market Commission (CMVM) Regulation no. 05/2008:

Shareholder	No. of shares	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, SA (I)			
Directly	200,100,000	10.0050%	10.0050%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, SA)	849,533,095	42.4767%	42.4767%
By Maria Margarida Carvalhais Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, SA)	14,901	0.0007%	0.0007%
By Maria Cláudia Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, SA)	377,318	0.0189%	0.0189%
By Duarte Paulo Teixeira de Azevedo (Director of Sonae, SGPS, SA and Efanor Investimentos, SGPS, SA)	805,730	0.0403%	0.0403%
By Migracom, SA (company controlled by Efanor Investimentos, SGPS, SA's Director Duarte Paulo Teixeira de Azevedo)	2,874,339	0.1437%	0.1437%
By Linhacom, SGPS, SA (company controlled by Efanor Investimentos, SGPS, SA's Director Maria Cláudia Teixeira de Azevedo)	189,314	0.0095%	0.0095%
Total attributable to Efanor Investimentos, SGPS, SA	1,053,894,697	52.6947%	52.6947%
Banco BPI, SA			
Banco Português de Investimento, SA	365,199	0.0183%	0.0183%
Fundos de Pensões do Banco BPI	40,071,372	2.0036%	2.0036%
BPI Vida - Companhia de Seguros de Vida, SA	4,751,416	0.2376%	0.2376%
Total attributable to Banco BPI, SA (II)	178,039,855	8.9020%	8.9020%
Fundação Berardo, Instituição Particular de Solidariedade Social			
Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.4925%	2.4925%
Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.4925%	2.4925%
Magallanes Value Investors, S.A. SGIIC			
Magallanes European Equity, FI	11,435,880	0.5718%	0.5718%
Magallanes Iberian Equity, FI	9,892,847	0.4946%	0.4946%
Magallanes Value Investors, UCITS European Equity	7,555,544	0.3778%	0.3778%
Magallanes Value Investors, UCITS Iberian Equity	7,237,414	0.3619%	0.3619%
Soixa SICAV	4,393,260	0.2197%	0.2197%
Total attributable to Magallanes Value Investors, S.A. SGIIC	40,514,945	2.0257%	2.0257%

Source: communications received by the Company regarding qualified shareholdings up to 30 June 2018

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

(I) As from 29th November 2017, Efanor Investimentos SGPS, SA ceased to have any controlling shareholder pursuant to the set forth in articles 20 and 21 of the Portuguese Securities Code.

(II) total number of voting rights attributed to Banco BPI, SA as per article 20 of the Portuguese Securities Code

Condensed consolidated financial statements

SONAE 1H18 RESULTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018 AND 2017 AND 31 DECEMBER 2017

(Amounts expressed in euro)

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

ASSETS	Notes	30 Jun 2018	30 Jun 2017	31 Dec 2017
NON-CURRENT ASSETS:				
Property, plant and equipment	6	1,627,897,542	1,614,295,501	1,650,873,072
Intangible assets	7	365,353,265	362,774,967	367,924,247
Goodwill	8	633,324,042	629,188,747	634,363,213
Investments in joint ventures and associates	9	1,472,593,303	1,383,718,558	1,414,450,837
Other investments	10	27,041,237	13,791,507	19,423,775
Deferred tax assets	13	73,039,602	75,024,851	71,883,593
Other non-current assets	11	21,119,341	21,391,071	23,611,943
Total Non-Current Assets		4,220,368,332	4,100,185,202	4,182,530,680
CURRENT ASSETS:				
Inventories		643,932,440	682,925,923	713,253,625
Trade receivables and other receivables	12	422,728,063	366,994,429	343,316,395
Investments	10	1,596,429	485,192	179,881
Cash and bank balances	14	353,326,427	276,350,621	364,589,115
Total Current Assets		1,421,583,359	1,326,756,165	1,421,339,016
Assets classified as held for sale		-	-	782,540
TOTAL ASSETS		5,641,951,691	5,426,941,367	5,604,652,236
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	15	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	15	(104,204,112)	(109,249,548)	(108,567,192)
Reserves and retained earnings		(27,888,749)	(86,889,894)	(89,958,584)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		97,830,961	72,892,586	165,753,915
Equity attributable to owners of the Company		1,965,738,100	1,876,753,144	1,967,228,139
Non-controlling interests	16	169,514,032	157,186,734	167,809,994
TOTAL EQUITY		2,135,252,132	2,033,939,878	2,135,038,133
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	17	1,212,243,303	1,363,179,965	1,220,234,342
Other non-current liabilities	19	12,137,653	20,699,003	13,449,318
Deferred tax liabilities	13	142,582,983	111,736,687	132,200,898
Provisions	21	18,236,498	19,571,343	18,955,625
Total Non-Current Liabilities		1,385,200,437	1,515,186,998	1,384,840,183
CURRENT LIABILITIES:				
Loans	17	478,751,564	343,272,401	269,078,453
Trade payables and other liabilities	20	1,637,619,970	1,531,364,829	1,810,085,084
Provisions	21	5,127,588	3,177,261	5,610,383
Total Current Liabilities		2,121,499,122	1,877,814,491	2,084,773,920
Liabilities directly associated with assets classified as held for sale	-	-	-	-
TOTAL LIABILITIES		3,506,699,559	3,393,001,489	3,469,614,103
TOTAL EQUITY AND LIABILITIES		5,641,951,691	5,426,941,367	5,604,652,236

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

SONAE 1H18 RESULTS

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018 AND 2017

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

(Amounts expressed in euro)	Notes	2 nd Quarter 2018	2 nd Quarter 2017	30 Jun 2018	30 Jun 2017 Restated note 3
Sales	5	1,277,434,279	1,225,321,515	2,564,912,241	2,412,095,525
Services rendered	5	59,921,336	55,045,896	114,911,798	102,751,587
Gains and losses on investments		218,316	123,095	234,224	123,095
Financial income		2,306,983	1,640,981	4,731,123	3,878,345
Other income	23	21,994,708	23,355,411	46,659,733	45,920,661
Cost of goods sold and materials consumed		(891,205,817)	(874,054,410)	(1,818,881,891)	(1,722,550,763)
Changes in stocks of finished goods and work in progress		2,399,578	1,395,159	1,282,172	1,363,797
External supplies and services		(182,133,037)	(164,424,159)	(353,921,843)	(328,133,992)
Employee benefits expense		(198,345,529)	(184,522,730)	(392,962,537)	(363,309,121)
Depreciation and amortisation expenses	6 and 7	(50,810,265)	(46,074,017)	(100,288,375)	(91,766,799)
Provisions and impairment losses		(4,313,296)	(1,080,556)	(6,051,937)	(1,548,225)
Financial expenses		(10,155,956)	(11,367,731)	(20,509,013)	(20,917,010)
Other expenses		(21,091,660)	(15,525,028)	(37,766,460)	(31,252,656)
Share of profit or loss of joint ventures and associates	9.3	95,690,047	32,428,071	109,222,907	46,521,439
Profit/(Loss) before tax from continuing operations		101,909,687	42,261,497	111,572,142	53,175,883
Income tax expense	24	(18,644,548)	12,995,890	(16,465,370)	14,464,197
Profit/(Loss) after tax from continuing operations		83,265,139	55,257,387	95,106,772	67,640,080
Profit/(Loss) from discontinued operations after tax	3 and 4.1	-	11,356,636	9,365,284	7,604,501
Consolidated profit/(Loss) for the period		83,265,139	66,614,023	104,472,056	75,244,581
Attributable to owners of the Company:					
Continuing operations		77,824,840	53,952,253	88,544,257	66,338,917
Discontinued operations		-	10,560,341	9,286,704	6,553,669
		77,824,840	64,512,594	97,830,961	72,892,586
Attributable to non-controlling interests					
Continuing operations		5,440,299	1,305,134	6,562,515	1,301,163
Discontinued operations		-	796,295	78,580	1,050,832
	16	5,440,299	2,101,429	6,641,095	2,351,995
Profit/(Loss) per share					
From continuing operations					
Basic	26	0.041050	0.028541	0.046711	0.035106
Diluted	26	0.038324	0.026689	0.043601	0.032815
From discontinued operations					
Basic	26	-	0.005592	0.004899	0.003468
Diluted	26	-	0.005223	0.004573	0.003242

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

SONAE 1H18 RESULTS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2018 AND 2017

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

(Amounts expressed in euro)	2 nd Quarter 2018	2 nd Quarter 2017	30 Jun 2018	30 Jun 2017
Net Profit / (Loss) for the period	83,265,139	66,614,023	104,472,056	75,244,581
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation foreign operations	1,444,955	1,776,509	1,909,040	1,876,616
Share of other comprehensive income of joint ventures and associates (note 9.3)	(22,620,886)	(16,650,150)	(28,792,472)	(13,919,016)
Changes in cash flow hedging reserves	1,290,078	(2,914,379)	1,346,477	(5,836,722)
Income tax relating to items that may be reclassified subsequently to profit or loss	575	596,104	1,385	1,215,891
Others	(364,537)	178,987	(147,552)	148,179
Other comprehensive income for the period	(20,249,815)	(17,012,929)	(25,683,122)	(16,515,052)
Total comprehensive income for the period	63,015,324	49,601,094	78,788,934	58,729,529
Attributable to:				
Owners of the Company	58,234,620	45,241,107	73,033,765	54,038,338
Non-controlling interests	4,780,704	4,359,987	5,755,169	4,691,191

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

SONAE 1H18 RESULTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2018 AND 2017

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

			Reserves and retained earnings									
(Amounts expressed in euro)	Share capital	Own shares	Legal reserve	Foreign currency translation reserve	Cash-flow hedging reserve	Option Premium Convertible Bonds Note 17	Other reserves and retained earnings	Total	Profit for the year	Total	Non controlling Interests (note 16)	Total Equity
	Attributable to owners of the Company											
Balance as at 1 January 2017 - Disclosed	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	170,771,866	2,064,438,174
Effect of restatement	-	-	-	-	-	-	-	-	-	-	(1,731,680)	(1,731,680)
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	-	-	-	(516,987)	(4,387,427)	-	(13,949,834)	(18,854,248)	72,892,586	54,038,338	4,691,191	58,729,529
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)	(3,520,576)	(79,316,880)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(65,959)	(65,959)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(902,902)	(902,902)	-	(902,902)	1,165	(901,737)
Cash Settled Equity Swap early partial termination (Note 15)	-	5,488,538	-	-	-	-	(577,419)	(577,419)	-	4,911,119	-	4,911,119
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	836,585	836,585	-	836,585	(980,014)	(143,429)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	1,461,569	1,461,569
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	(13,440,828)	(13,440,828)
Balance as at 30 June 2017 Restated	2,000,000,000	(109,249,548)	247,276,603	3,328,902	(2,439,022)	22,313,000	(357,369,377)	(86,889,894)	72,892,586	1,876,753,144	157,186,734	2,033,939,878
Balance as at 1 January 2018	2,000,000,000	(108,567,192)	247,276,603	4,003,432	174,419	22,313,000	(363,726,038)	(89,958,584)	165,753,915	1,967,228,139	167,809,994	2,135,038,133
Total comprehensive income for the period	-	-	-	1,786,767	1,029,634	-	(27,613,597)	(24,797,196)	97,830,961	73,033,765	5,755,169	78,788,934
Appropriation of consolidated net profit of 2017												
Transfer to legal reserves and retained earnings	-	-	4,661,164	-	-	-	161,092,751	165,753,915	(165,753,915)	-	-	-
Dividends distributed	-	-	-	-	-	-	(79,790,936)	(79,790,936)	-	(79,790,936)	(2,478,709)	(82,269,645)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(155,135)	(155,135)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(433,291)	(433,291)	-	(433,291)	(21,747)	(455,038)
Cash Settled Equity Swap early partial termination (Note 15)	-	4,363,080	-	-	-	-	262,240	262,240	-	4,625,320	-	4,625,320
Variation in percentage of subsidiaries	-	-	-	-	-	-	1,936,341	1,936,341	-	1,936,341	(383,192)	1,553,149
Share-based payment - reclassification from capital to liabilities	-	-	-	-	-	-	(578,200)	(578,200)	-	(578,200)	-	(578,200)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	(1,211,039)	(1,211,039)
Impact of applying IFRS 15	-	-	-	-	-	-	(285,344)	(285,344)	-	(285,344)	(54,877)	(340,221)
Others	-	-	-	-	-	-	2,306	2,306	-	2,306	173,568	175,874
Balance as at 30 June 2018	2,000,000,000	(104,204,112)	251,937,767	5,790,199	1,204,053	22,313,000	(309,133,768)	(27,888,749)	97,830,961	1,965,738,100	169,514,032	2,135,252,133

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

SONAE 1H18 RESULTS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018 AND 2017

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

(Amounts expressed in euro)	Notes	2 nd Quarter 2018	2 nd Quarter 2017	30 Jun 2018	30 Jun 2017
OPERATING ACTIVITIES					
Net cash generated from operating activities (1)		25,688,050	62,082,553	(38,134,159)	(48,271,310)
INVESTMENT ACTIVITIES					
Receipts arising from:					
Investments	25	16,768,281	-	45,396,431	21,009,032
Property, plant and equipment and intangible assets		531,952	843,906	1,469,699	2,217,249
Interests and similar income		274,780	19,860	353,624	501,532
Loans granted		127	900	659	1,500
Dividends		17,898,775	46,533,243	17,898,775	46,533,243
Others		50,178,106	17,302,750	50,178,106	29,771,285
		85,652,021	64,700,659	115,297,294	100,033,841
Payments arising from:					
Investments	25	(8,800,837)	(2,192,575)	(37,642,542)	(2,194,825)
Property, plant and equipment and intangible assets		(67,138,390)	(54,569,654)	(154,454,577)	(138,785,088)
Loans granted		-	(1,495,421)	-	(1,982,464)
Others		(181,652)	(3,493,652)	(363,127)	(12,387,366)
		(76,120,879)	(61,751,302)	(192,460,246)	(155,349,743)
Net cash used in/ generated by investment activities (2)		9,531,142	2,949,357	(77,162,952)	(55,315,902)
FINANCING ACTIVITIES					
Receipts arising from:					
Investments		(14,339)	46,507	-	584,007
Loans, bonds and finance leases		1,460,657,947	2,192,525,224	2,609,461,807	3,886,068,094
Capital increases, additional paid in capital and share premiums		1,633,149	-	1,633,149	-
Others		1,423,670	-	1,503,670	-
		1,463,700,427	2,192,571,731	2,612,598,626	3,886,652,101
Payments arising from:					
Investments		271,570	(2,777,009)	-	(4,147,406)
Loans, bonds and finance leases		(1,406,162,465)	(2,167,308,124)	(2,408,033,010)	(3,738,560,755)
Interests and similar charges		(7,477,172)	(8,328,154)	(12,083,943)	(12,903,477)
Dividends		(85,185,007)	(83,631,331)	(85,305,111)	(83,631,331)
Others		1,674	-	(231,633)	(303,134)
		(1,498,671,503)	(2,262,044,618)	(2,505,653,697)	(3,839,546,103)
Net cash used in financing activities (3)		(34,971,076)	(69,472,887)	106,944,929	47,105,998
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		248,116	(4,440,977)	(8,352,182)	(56,481,214)
Effect of exchange rate changes on the balance of cash held in foreign currencies		94,854	353,314	116,767	245,482
Effect of discontinued operations	4.1	-	(3,670,795)	(6,062,386)	(11,088,316)
Cash and cash equivalents at the beginning of the period	14	347,085,411	263,840,301	361,770,008	323,190,227
Cash and cash equivalents at the end of the period	14	347,238,673	255,375,215	347,238,673	255,375,215

The accompanying notes are part of these condensed financial statements.

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

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

(Amounts expressed in euro)

1 INTRODUCTION

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 30 and 31 as Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 5.

2 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 2017.

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 2018:

With mandatory application during the year 2018:		Effective date (for financial years beginning on or after)
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
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
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
IFRS 4 (amendment) 9)	Insurance contracts (provides guidance on the application of IFRS 4 in together with IFRS 9)	01 Jan 2018
IFRS 2 (amendment)	Share-based payment (include a number of clarifications in the standard related to recording share-based payment transactions that are settled with cash, (ii) recording changes in share-based payment transactions (of cash settled for settlement with equity instruments), (iii) the classification of transactions with cleared liquidation characteristics)	01 Jan 2018
Annual Improvements to international financial reporting standards (cycle 2014-2016)		01 Jan 2017 and 01 Jan 2018

These standards were applied by the Group in 2018, 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:

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With mandatory application after 2018		Effective date (for financial years beginning on or after)
IFRS 9 (amendment)	Prepayment features with negative compensation	01 Jan 2019
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 2019
IFRS 16	Leases - (recognition and measurement principles)	01 Jan 2019
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 2019

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, and supersedes IAS 17 - Leases and its associated interpretative guidance.

IFRS 16 distinguishes leases and service contracts taking into account whether an identified asset that is controlled or not. Distinctions off-balance sheet and finance leases (included in the balance sheet) are eliminated at the level of the lessee and are replaced by a model in which an asset identified with a right of use and a corresponding liability for all lease contracts, except for short-term (up to 12 months) and low value contracts.

The "right of use" is initially measured at cost and subsequently at the net cost of depreciation and impairment, adjusted by the remeasurement of the lease liability. The lease liability is initially measured based on the present value of the lease responsibilities at the date and subsequently is adjusted by the financial update of that amount, as well as the possible modifications of the lease contracts.

At the date of publication of these consolidated financial statements, Sonae is carrying out the inventory of the existing leasing contracts, and performing its technical analysis and framework considering the provisions of IFRS 16.

In addition, it is currently on analysis the existing information systems to assess the necessity of adapting it to the requirements of this standard. At this stage, it is not possible to estimate the magnitude of the impacts inherent to its adoption.

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 June 2018, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group.

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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 2018		Effective date (for financial years beginning on or after)
IFRS 17	(Insurance contracts)	01 Jan 2021
IAS 19 (amendment)	Amendments, reductions or liquidation of employee benefit plans	01 Jan 2019
IFRIC 23	Uncertainty over income tax treatments (clarifies the accounting for uncertainties in income taxes)	01 Jan 2019
IAS 28 (amendment)	Long-term interests in associates and joint ventures	01 Jan 2019
	Annual Improvements to international financial reporting standards (cycle 2015-2017)	01 Jan 2019

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 June 2018, 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

Impact of combination of Sport Zone with JD Sports Holdings as a discontinued activity

On March 9th 2017, Sonae through one of its subsidiaries, signed a Memorandum of Understanding (MoU) with JD Sports Fashion Plc (JD Group), UK's leading retailer of sports, fashion and outdoor brands, and JD Sprinter Holdings 2010 (JD Sprinter), which provides the combination in Iberia existing businesses of the JD Group's and JD Sprinter, with SDSR – Sports Division SR, SA (Sport Zone). This MoU establishes the key parameters for the creation of an Iberian Sports Retail Group that will have as shareholders the JD Group, Sonae and the family shareholders of JD Sprinter, with shareholdings of approximately 50%, 30% and 20%, respectively. Under the agreement reached, the procedures for determining the assets, liabilities and transactions to be the object of this transaction were initiated, reason why the effects are not detailed to this date.

As at 14 September 2017, Sonae MC Modelo Continente SGPS, SA entered into an agreement with JD Sports Fashion Plc, Balaico Firaja Invest SL and JD Sprinter Holdings 2010, SL (JD Sprinter) which provides for the combination of JD Sprinter and Sport Zone under the terms described above. However, the execution of this transaction was subject to the fulfillment of suspensive conditions dependent on third parties, namely approval by the General Directorate of Competition of the European Commission, the authorization of the shareholder alteration by the owners of the leased stores of the Sport Zone business as well as of bank guarantees.

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The approval by the General Directorate of Competition occurred on 18 January 2018 and compliance with the remaining conditions precedent occurred until 31 January 2018, the date on which the Group considered that the transaction and the respective loss of control.

According to predicted by IFRS 5, changes were made in the Consolidated Statements of Income by nature for the years ended at 30 June 2017 and 2018 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.

The impact in the consolidated statement of income, the reclassification of the activity of Sport Zone for discontinued operations, as at 30 June 2017 can be analysed as follows:

Amounts in thousands of euro	30 Jun 2017		
	Before the restatement	Discontinued operations Sport Zone	After the restatement
Sales	2,512,379,917	(100,284,392)	2,412,095,525
Services rendered	90,149,246	12,602,341	102,751,587
Income or expenses related to investments	123,095	-	123,095
Other income and financial income	3,181,622	696,723	3,878,345
Other income	46,464,750	(544,089)	45,920,661
Cost of good sold and materials consumed	(1,782,802,333)	60,251,570	(1,722,550,763)
Changes in stocks of finished goods	1,363,797	-	1,363,797
External supplies and service	(346,081,372)	17,947,380	(328,133,992)
Employee benefits expense	(379,951,971)	16,642,850	(363,309,121)
Depreciation and amortisation expenses	(96,634,384)	4,867,585	(91,766,799)
Provisions and impairment losses	(1,581,939)	33,714	(1,548,225)
Financial expenses	(20,964,571)	47,561	(20,917,010)
Other expenses	(31,810,729)	558,072	(31,252,657)
Gains or losses related to joint ventures and associated undertaking	46,521,439	-	46,521,439
Profit (loss) from continuing operations, before tax	40,356,567	12,819,315	53,175,882
Income tax expense	16,777,185	(2,312,988)	14,464,197
Consolidated profit (loss) for the period from continuing operations	57,133,752	10,506,327	67,640,079
Profit/(Loss) from discountinuing operations, after tax	18,110,829	(10,506,327)	7,604,502
Consolidated profit /(loss) for the period	75,244,581	-	75,244,581
Attributable to owners of the Company:			
Continuing operations	55,726,900	10,612,016	66,338,916
Discontinued operations	17,165,686	(10,612,016)	6,553,670
	72,892,586	-	72,892,586
Attributable to non-controlling interests			
Continuing operations	1,406,852	(105,689)	1,301,163
Discontinued operations	945,143	105,689	1,050,832
	2,351,995	-	2,351,995

4 CHANGES IN CONSOLIDATION PERIMETER

4.1 Completion of the agreement for the combination of Sport Zone with JD Sprinter Holdings

In 2018, and considering the loss of control in Sport Zone, Sport Zone and its subsidiaries were no longer included by the full consolidation method in Sonae's consolidated financial statements, being the investment in the new partnership, Iberian Sports Retail Group, included by the equity method. At the date of loss of control, the amount of this investment amounts 78.1 million euros, which represents the fair value of the participation at the date of the transaction. This partnership with loss of control in Sport Zone generated a capital gain in the amount of 11 million euro.

Discontinued operations include the following companies:

COMPANY	Head Office	Percentage of share capital held	
		At date of consolidation method change	
		Direct	Total
Sports & Fashion			
SDSR – Sports Division SR, SA	Matosinhos (Portugal)	100.00%	100.00%
Sport Zone Canarias, SL	Tenerife (Spain)	60.00%	60.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	Madrid (Spain)	100.00%	100.00%

The effects of this transaction in the consolidated financial statements can be analysed as follows:

Amounts in euro	31 Jan 2018 Loss control date	31 Dec 2017
Net assets		
Property, plant and equipment and intangible assets (Notes 6 and 7)	54,323,790	54,659,282
Goodwill (Note 8)	3,642,946	3,642,943
Deferred tax assets	6,872,143	6,593,675
Inventories	53,449,595	54,408,789
Trade receivables and other assets	12,476,345	9,836,456
Cash and bank balances	6,062,386	6,679,540
Bank loans long term	(6,445,557)	(45,948,953)
Deferred tax liabilities	(973,004)	(963,072)
Bank loans short term	(2,236,375)	(21,619,782)
Trade payables and other current liabilities	(53,071,092)	(52,809,981)
Shareholder Supplies	-	60,883,601
Total net assets	74,101,177	75,362,498
Price adjustment	(5,039,083)	
Fair value of estimated future receipts	5,000,000	
Gain in operation	11,090,755	
Financial investment retained at fair value	85,152,849	
	30 Jun 2018	
Financial investments in ISRG (Note 9.3)	78,085,756	
Amounts receivable	5,000,000	
Amounts received	2,067,093	
	85,152,849	

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Amounts expressed in euro		31 Jan 2018
Services rendered		19,075,708
Other income		409,025
Cost of goods sold and materials consumed		(11,911,628)
External supplies and services		(4,966,459)
Employee benefits expense		(3,261,694)
Depreciation and amortisation expenses		(876,205)
Other expenses		(398,779)
Financial income		(58,079)
	Profit/(Loss) before tax	(1,988,111)
	Income tax expense	262,640
	Profit/(Loss) after tax	(1,725,471)
Income or expenses related to loss control		11,090,755
Profit/(Loss) for period from discounting operations		9,365,284

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

Cash flows for the period from discounting operations	31 Jan 2018
Net cash flow from operating activities	5,796,552
Net cash used in investment activities	(1,613,005)
Net cash used in financing activities	1,309,488
Net increase in cash and cash equivalents	5,493,035

4.2 The major acquisitions of subsidiaries occurred in the period ended at 30 June 2018

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

COMPANY	Head Office	Proportion of voting equity interests acquired	
		On the date of acquisition	
		Direct	Total
Sonae MC			
Amor Bio, Mercado Biológico, Lda	Lisbon (Portugal)	100.00%	100.00%
Sonae IM			
Mxtel SA de CV	City of Mexico (Mexico)	100.00%	72.78%
Nextel, SA	Bilbao (Spain)	100.00%	72.78%

The subsidiaries Nextel and Mxtel were acquired by the group in June 2018 and have as main activity the provision of engineering and information systems consulting services, specialized in information security and management of telecommunications services.

SONAE 1H18 RESULTS

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

Amounts in euro	Sonae MC		Sonae IM	
	On the date of acquisition	30 Jun 2018	On the date of acquisition	30 Jun 2018
Net assets				
Tangible and intangible assets (Notes 6 and 7)	323,987	323,987	161,038	161,038
Inventories	134,878	134,878	-	-
Deferred tax assets	-	-	3,930,008	3,930,008
Trade receivables and other assets	55,936	46,849	5,780,060	5,780,060
Cash and cash equivalents	6,266	13,845	1,371,559	1,371,559
Bank loans short term	(206,821)	(255,438)	(4,639,541)	(4,639,541)
Trade payables and other current liabilities	(364,334)	(358,428)	(4,246,305)	(4,246,305)
Total net assets acquired	(50,088)	(94,307)	2,356,819	2,356,819
Goodwill	850,088		1,696,330	
Acquisition cost	800,000		4,053,149	
Cash payment	544,000		2,684,250	
Consideration to be paid	256,000		1,368,899	
	800,000		4,053,149	
Net cash flow arising from acquisition				
Cash payment	(544,000)		(2,684,250)	
Cash and bank balances acquired	6,266		1,371,559	
	(537,734)		(1,312,691)	

At the date of presentation of these financial statements, it was not yet possible to finalize the analysis to assign, in accounting terms, the fair value of identified assets and liabilities acquired, a part of the acquisition cost, which is recognized as Goodwill and recorded under Intangible assets. However, the purchase price allocation will be made till the end of one year period from the date of acquisition, as permitted by IFRS 3 - Business Combinations.

5 SEGMENT INFORMATION

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

- Sonae Retail has 5 segments:

- Sonae MC is our food retail unit, operating 41 Continente hypermarkets, 123 Continente Modelo supermarkets, 101 convenience stores Bom Dia, 27 restaurants Go Natural, 293 stores operated under franchise Meu Super and 228 parapharmacy Well's;

- Worten that is included in the top 3 of Iberian electronic players, counting on a portfolio of 248 physical stores in Iberia;

- Sonae Sports & Fashion has a network of 267 own stores of sports and clothing products, combined with a franchise network of 114 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 31 stores;

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- 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 30 and 31.

The main operating segment information as at 30 June 2018 and 2017 and 31 December 2017 can be detailed as follows:

30 Jun 2018	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	1,905,576,183	53,661,226	261,162	27,421,656	-	-
Worten	474,180,447	14,013,538	677,249	(9,842,006)	-	-
Sports & Fashion	168,484,972	10,955,759	431,746	(20,284,276)	-	-
Sonae RP	47,133,234	12,803,938	20,111	27,981,465	-	-
Maxmat	40,172,618	867,402	977	1,955,977	-	-
Sonae Retail	2,635,547,454	92,301,863	1,391,245	27,232,816	(7,679,104)	12,318,869
Sonae Sierra	-	-	-	16,503,255	-	-
NOS	-	-	-	18,992,500	-	-
Sonae IM	75,426,750	4,422,766	208,479	(1,701,411)	162,008	261,523
Sonae FS	14,160,949	418,024	109,091	98,652	43,109	44,520
Other, eliminations and adjustments	(45,311,114)	3,145,722	(264,759)	(8,757,745)	(8,303,903)	(12,852,143)
Total consolidated	2,679,824,039	100,288,375	1,444,056	52,368,067	(15,777,890)	(227,231)

30 Jun 2017 Restated	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	1,777,063,443	47,907,162	232,099	26,495,529	-	-
Worten	442,808,382	13,087,323	752,191	(9,284,221)	-	-
Sports & Fashion	166,973,121	10,007,365	449,234	(20,894,835)	-	-
Sonae RP	45,800,649	12,148,826	-	27,841,175	-	-
Maxmat	36,007,305	899,582	-	1,400,788	-	-
Sonae Retail	2,468,652,900	84,050,258	1,433,524	25,558,436	(8,453,472)	(4,110,211)
Sonae Sierra	-	-	-	15,094,216	-	-
NOS	-	-	-	16,240,000	-	-
Sonae IM	69,395,128	4,819,064	286,659	(2,481,484)	(116,215)	(1,613,827)
Sonae FS	11,105,593	247,309	-	2,427,384	(38)	(369,137)
Other, eliminations and adjustments	(34,306,509)	2,650,168	(171,958)	(11,723,396)	(8,468,940)	(8,371,022)
Total consolidated	2,514,847,112	91,766,799	1,548,225	45,115,156	(17,038,665)	(14,464,197)

SONAE 1H18 RESULTS

	Net debt ⁽²⁾	
	30 Jun 2018	31 Dec 2017
Sonae Retail	811,982,278	628,698,342
Sonae IM	(51,842,574)	(465,854)
Holding ⁽¹⁾	563,855,107	484,077,881
Total consolidated	1,323,994,811	1,112,310,369

¹⁾ Includes Sonae separate financial statements;

²⁾ 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 Jun 2018	30 Jun 2017 Restated	30 Jun 2018	31 Dec 2017
Sonae MC	83,162,777	67,200,415	751,706,817	697,071,753
Worten	15,169,874	13,121,331	5,184,589	(90,641,251)
Sports & Fashion	12,992,159	8,000,166	344,697,280	355,988,594
Sonae RP	19,459,927	16,294,499	908,253,995	902,627,242
Maxmat	1,571,176	519,809	33,444,437	32,639,857
Sonae Retail	132,355,913	105,136,220	2,043,287,117	1,897,686,195
Sonae IM	13,327,526	5,460,000	115,586,849	159,330,000
Sonae FS	457,839	234,566	21,026,433	20,126,477
Other, eliminations and adjustments	4,736,134	9,990,510	1,279,498,683	1,170,360,921
Total consolidated	150,877,413	120,821,296	3,459,399,083	3,247,503,593

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

Turnover	30 Jun 2018 Inter-segment	30 Jun 2017 Inter-segment
Sonae MC	(1,127,405)	4,439,660
Worten	(14,244)	2,985,634
Sports and Fashion	(9,560,309)	(14,722,017)
Sonae RP	(41,505,858)	(41,399,492)
Sonae Retail	(52,207,816)	(48,696,215)
Sonae IM	(10,200,362)	(9,673,879)
Other, eliminations and adjustments	(222,270)	(211,953)
Total consolidated	(62,630,448)	(58,582,047)

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

	Turnover		EBIT	
	30 Jun 2018	30 Jun 2017 Restated	30 Jun 2018	30 Jun 2017 Restated
Inter-segment intra-groups	(62,630,448)	(58,582,047)	-	-
Contributions of entities not included in the segments	17,319,334	24,275,538	(6,210,611)	(5,801,781)
Others	-	-	(2,547,134)	(5,921,615)
Other, eliminations and adjustments	(45,311,114)	(34,306,509)	(8,757,745)	(11,723,396)

SONAE 1H18 RESULTS

	Investment		Invested capital	
	30 Jun 2018	30 Jun 2017 Restated	30 Jun 2018	31 Dec 2017
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	4,736,134	9,990,510	79,851,106	(24,887,601)
Investments in joint ventures and associated companies	-	-	1,268,095,989	1,289,028,845
Other investments	-	-	9,895,433	9,919,677
Cash settled equity swap ⁽³⁾	-	-	(103,217,055)	(103,700,000)
Dividends available (Note 12)	-	-	24,873,210	-
Other, eliminations and adjustments	4,736,134	9,990,510	1,279,498,683	1,170,360,921

¹⁾ Financial Instrument reported in Note 15.

All performance measures are reconciled to the financial statements in Note 27.

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 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 30 are included;

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

6 PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2018 and 2017, the movements in tangible assets as well as accumulated depreciation and impairment losses are made up as follows:

SONAE 1H18 RESULTS

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Cost					
Balance as at January 1, 2018	1,370,528,263	1,521,434,347	226,138,300	39,949,699	3,158,050,609
Discontinued operations (Note 4.1)	-	(110,473,385)	(8,013,217)	(712,317)	(119,198,919)
Additions	9,126,652	2,808,073	864,252	101,224,675	114,023,652
Acquisitions of subsidiaries (Note 4.2)	77,981	754,998	783,675	-	1,616,654
Disposals	(210,103)	(19,284,393)	(2,488,025)	(776,240)	(22,758,761)
Effect of foreign currency exchanges differences	(31,971)	3,090	(75,250)	-	(104,131)
Transfers	8,629,045	77,440,581	9,695,438	(103,509,515)	(7,744,451)
Balance as at June 30 2018	1,388,119,867	1,472,683,311	226,905,173	36,176,302	3,123,884,653
Accumulated depreciation and impairment					
Balance as at January 1, 2018	415,435,082	920,710,779	170,898,687	132,989	1,507,177,537
Discontinued operations (Note 4.1)	-	(63,819,917)	(5,968,478)	-	(69,788,395)
Depreciation of the period	11,707,468	55,927,155	9,493,323	-	77,127,946
Acquisitions of subsidiaries (Note 4.2)	9,928	583,627	593,688	-	1,187,243
Disposals	(81,862)	(16,811,348)	(2,314,166)	-	(19,207,376)
Effect of foreign currency exchanges differences	(35,793)	2,089	(57,517)	-	(91,221)
Transfers	(67,944)	(170,090)	(180,589)	-	(418,623)
Balance as at June 30 2018	426,966,879	896,422,295	172,464,948	132,989	1,495,987,111
Carrying amount at 30 June 2018	961,152,988	576,261,016	54,440,225	36,043,313	1,627,897,542
	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Cost					
Balance as at January 1, 2017 disclosed	1,371,092,975	1,438,240,754	217,886,293	30,984,493	3,058,204,515
Effect of fair value adjustment of assets acquired	(4,384,000)	-	-	-	(4,384,000)
Balance as at 1 January 2017 Restated	1,366,708,975	1,438,240,754	217,886,293	30,984,493	3,053,820,515
Discontinued operations	(489,027)	(2,829,332)	(3,965,896)	(566,767)	(7,851,022)
Investment	4,812,251	1,447,378	1,166,894	81,516,712	88,943,235
Acquisitions of subsidiaries	1,443,695	2,624,130	450,095	-	4,517,920
Disposals	-	(29,238,703)	(4,156,671)	(1,200,674)	(34,596,048)
Effect of foreign currency exchanges differences	(45,423)	(64,364)	(382,251)	(12,278)	(504,316)
Transfers	7,622,692	61,221,425	7,417,003	(78,504,363)	(2,243,243)
Balance as at June 30 2017	1,380,053,163	1,471,401,288	218,415,467	32,217,123	3,102,087,041
Accumulated depreciation and impairment					
Balance as at 1 January 2017	397,973,790	881,497,880	166,152,543	110,824	1,445,735,037
Discontinued operations	(226,791)	(1,777,593)	(3,212,180)	-	(5,216,564)
Depreciation of the period	11,106,205	55,090,433	9,115,042	-	75,311,680
Acquisitions of subsidiaries	1,163,331	1,526,940	507,759	-	3,198,030
Disposals	-	(26,346,008)	(3,882,466)	-	(30,228,474)
Effect of foreign currency exchanges differences	(30,826)	(31,619)	(290,408)	-	(352,853)
Transfers	(34,949)	(40,186)	(580,181)	-	(655,316)
Balance as at 30 June 2017	409,950,760	909,919,847	167,810,109	110,824	1,487,791,540
Carrying amount at 30 June 2017	970,102,403	561,481,441	50,605,358	32,106,299	1,614,295,501

The investment in the period ended 30 June 2018 and 2017 includes mainly the acquisition of assets of approximately 101 million euro (88.1 million euro as at 30 June 2017), associated with the opening and remodeling of stores of Sonae retail operating segments.

The caption depreciation of the period includes 826,205 euros in 2018 (3,408,892 euro in 2017) relating to the depreciation of discontinued operations.

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The most significant values under the caption " Property, plant and equipment in progress" refer to the following projects:

	30 Jun 2018	30 Jun 2017
Refurbishment and expansion of stores in the retail businesses located in Portugal	29,306,411	24,878,161
Refurbishment and expansion of stores in the retail businesses located in Spain	1,519,587	1,131,165
Projects of "Continente" stores for which advance payments were	1,296,000	1,196,000
Others	3,921,315	4,900,973
	36,043,313	32,106,299

The caption "Impairment losses for Property, plant and equipment" can be detailed as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Total tangible assets
Impairment losses				
Balance as at January 1, 2018	90,556,668	23,168,012	654,331	114,379,011
Discontinued operations	-	(4,451,474)	(58,701)	(4,510,175)
Disposals	(87,564)	(915,518)	(41,524)	(1,044,606)
Closing balance as at 30 June 2018 (note 21)	90,469,104	17,801,020	554,106	108,824,230

7 INTANGIBLE ASSETS

During the six-month period ended 30 June 2018 and 2017, 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
Cost				
Opening balance as at 1 January 2018	178,064,353	497,255,214	29,512,753	704,832,320
Discontinued operations (Note 4.1)	(2,312,244)	(5,688,233)	(2,794,741)	(10,795,218)
Investment	99,811	998,791	25,202,831	26,301,433
Acquisitions of subsidiaries (Note 4.2)	-	1,108,528	-	1,108,528
Disposals	(375)	(1,675,072)	(463,481)	(2,138,928)
Effect of foreign currency exchanges differences	127,452	(51,831)	(2,477)	73,144
Transfers	64,602	19,917,685	(19,847,980)	134,307
Balance as at 30 June 2018	176,043,599	511,865,082	31,606,905	719,515,586
Accumulated depreciation and impairment				
Opening balance as at 1 January 2018	40,973,388	295,934,685	-	336,908,073
Discontinued operations (Note 4.1)	(2,230,423)	(3,651,529)	-	(5,881,952)
Depreciation of the period	1,280,101	22,756,533	-	24,036,634
Acquisitions of subsidiaries (Note 4.2)	-	1,052,914	-	1,052,914
Disposals	(256)	(1,955,652)	-	(1,955,908)
Effect of foreign currency exchanges differences	133,288	(113,534)	-	19,754
Transfers	(17,797)	603	-	(17,194)
Balance as at 30 June 2018	40,138,301	314,024,020	-	354,162,321
Carrying amount at 30 June 2018	135,905,298	197,841,062	31,606,905	365,353,265

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	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Balance as at 1 January 2017	181,013,190	493,383,747	28,060,990	702,457,927
Discontinued operations	(1,991,644)	(34,165,793)	(103,663)	(36,261,100)
Investment	23,152	419,036	25,351,158	25,793,346
Acquisitions of subsidiaries	13,500	138,687	-	152,187
Disposals	(108,975)	(321,635)	(721,130)	(1,151,740)
Effect of foreign currency exchanges differences	(507,402)	(2,976,699)	(23,462)	(3,507,563)
Transfers	123,314	13,519,038	(14,084,809)	(442,457)
Balance as at 30 June 2017	178,565,135	469,996,381	38,479,084	687,040,600
Accumulated depreciation and impairment				
Balance as at 1 January 2017	40,763,712	288,184,727	-	328,948,439
Discontinued operations	(1,098,292)	(24,111,717)	-	(25,210,009)
Depreciation of the period	1,301,999	21,952,219	-	23,254,218
Acquisitions of subsidiaries	6,222	79,636	-	85,858
Impairment losses for the period	-	382,139	-	382,139
Disposals	(64,434)	(565,863)	-	(630,297)
Effect of foreign currency exchanges differences	(480,311)	(1,938,973)	-	(2,419,284)
Transfers	8,556	(153,987)	-	(145,431)
Balance as at 30 June 2017	40,437,452	283,828,181	-	324,265,633
Carrying amount at 30 June 2017	138,127,683	186,168,200	38,479,084	362,774,967

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 Sonae Sports & Fashion and Maxmat, being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment, distributed by country and each of the properties in case of operating segment Sonae RP;
- Sonae IM - Goodwill in this segment is related to the Technology business; and

As at 30 June 2018 and 31 December 2017, the caption "Goodwill" was made up as follows by insignia and country:

	30 Jun 2018				
Insígnia	Portugal	Spain	Brazil	Other contries	Total
Sonae MC	481,388,885	-	-	-	481,388,885
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	68,557,880	245,817	-	-	68,803,697
Sonae RP	2,142,168	-	-	-	2,142,168
Sonae IM	2,686,758	-	7,090	13,011,912	15,705,760
	620,059,223	245,817	7,090	13,011,912	633,324,042

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Insígnia	31 Dec 2017				
	Portugal	Spain	Brazil	Other contries	Total
Sonae MC	487,853,697	-	-	-	487,853,697
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	64,885,922	245,817	-	-	65,131,739
Sonae RP	2,142,168	-	-	-	2,142,168
Sonae IM	2,686,758	-	7,090	11,258,229	13,952,077
	622,852,077	245,817	7,090	11,258,229	634,363,213

During the six-month period ended in 30 June 2018 and 2017, movements occurred in goodwill as well as in the corresponding impairment losses, are as follows:

	30 Jun 2018	30 Jun 2017
Gross value:		
Opening balance	645,031,970	669,955,930
Attribution of fair value to assets acquired	-	1,731,680
Opening balance Restated	645,031,970	671,687,610
Discontinued operations (Note 4.1)	(5,082,341)	(33,674,270)
Goodwill generated in the period (Note 4.2)	2,546,418	3,760,574
Other variations	-	245,817
Effect of foreign currency exchange difference	57,357	(2,168,291)
Balance at end of period	642,553,404	639,851,440
Accumulated impairment losses:		
Opening balance	10,668,757	16,203,262
Discontinued operations (Note 4.1)	(1,439,395)	(5,534,505)
Effect of foreign currency exchange difference	-	(6,064)
Balance at end of period	9,229,362	10,662,693
Carrying amount	633,324,042	629,188,747

9 JOINT VENTURES AND ASSOCIATED COMPANIES

9.1 Detail of book value of investments in joint ventures and associates

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

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COMPANY	30 Jun 2018	31 Dec 2017
Sonae MC		
Sohi Meat Solutions - Distribuição de Carnes, SA	3,176,005	2,361,045
Sonae Sierra		
Sonae Sierra SGPS, S.A. (consolidated)	589,137,117	600,833,979
NOS		
ZOPT, SGPS, S.A. (consolidated)	678,958,871	688,194,866
Sonae IM		
Unipress - Centro Gráfico, Lda	699,045	608,237
Sonae FS		
MDS SGPS, S.A.	28,905,432	31,495,372
Investments in joint ventures	1,300,876,470	1,323,493,499
Sonae MC		
APOR - Agência para a Modernização do Porto, S.A.	262,265	290,475
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	691,320	1,050,793
S2 Mozambique, SA	756,743	1,592,748
Ulabox, S.L.	3,139,556	4,046,829
Sonae Sports & Fashion		
1) ISRG - Iberian Sports Retail Group	76,708,226	-
Sonae IM		
2) Armilar Venture Partners - Sociedade de Capital de Risco, SA	-	1
Fundo de Capital de Risco Armilar Venture Partners II	52,066,794	44,333,718
Fundo de Capital de Risco Armilar Venture Partners III	23,920,396	24,920,506
Fundo de Capital de Risco Espírito Santo Ventures Inovação e	9,387,222	9,431,245
Secucloud GMBH	4,355,124	4,819,257
Probe.Ly - Soluções de Cibersegurança, Lda	429,187	471,766
Investment in associated companies	171,716,833	90,957,338
Total	1,472,593,303	1,414,450,837

- 1) In 2017 results from the agreement completion on January 2018, the date on which a Joint Venture has been consolidated using the equity method due the loss of control (Notes 3 and 4.1);
- 2) During the period ended at 30 June 2018, Sonae IM sold the total participation (35%).

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:

	30 Jun 2018				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Assets					
Investment properties	805,723,154	660,000	846,257	-	629
Property, plant and equipment	1,744,685	1,088,737,000	2,544,198	20,683,636	499,194
Intangible assets	1,426,261	646,202,327	7,636,678	424,350	11,253
Goodwill	4,273,688	1,746,817,673	29,455,708	-	-
Investments in joint ventures and associates	1,227,125,535	141,186,000	10,325,395	-	-
Other non-current assets	83,720,647	114,497,000	2,126,485	7,263	-
Non-current assets	2,124,013,970	3,738,100,000	52,934,722	21,115,249	511,075
Cash and bank balances	114,690,683	8,305,000	11,399,368	858,954	59,945
Other current assets	138,088,764	592,739,000	9,535,314	39,681,512	1,626,090
Current assets	252,779,447	601,044,000	20,934,683	40,540,466	1,686,035
Total assets	2,376,793,417	4,339,144,000	73,869,405	61,655,715	2,197,110
Liabilities					
Loans	173,705,431	999,571,000	11,291,667	-	-
Other non-current liabilities	249,967,155	238,645,000	8,702,272	-	183,882
Non-current liabilities	423,672,586	1,238,216,000	19,993,939	-	183,882
Loans	115,716,044	225,207,000	9,051,244	-	26,262
Other current liabilities	119,125,280	571,117,000	17,535,154	56,254,705	1,129,417
Total current liabilities	234,841,324	796,324,000	26,586,397	56,254,705	1,155,679
Total liabilities	658,513,910	2,034,540,000	46,580,336	56,254,705	1,339,561
Attributable to owners of the Company	1,127,138,793	1,199,654,000	23,760,135	5,401,010	857,549
Non-controlling interests	591,140,713	1,104,949,000	3,528,934	-	-
Total equity	1,718,279,506	2,304,604,000	27,289,069	5,401,010	857,549
Total equity and liabilities	2,376,793,417	4,339,144,000	73,869,405	61,655,715	2,197,110

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	31 Dec 2017				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Assets					
Investment properties	781,879,364	661,000	857,259	-	-
Property, plant and equipment	1,885,203	1,181,572,000	2,376,935	20,771,255	548,080
Intangible assets	1,456,440	567,506,327	9,605,565	309,299	6,451
Goodwill	4,273,688	1,746,817,673	29,202,474	-	-
Investments in joint ventures and associates	1,222,965,224	216,619,000	9,098,383	-	518
Other non-current assets	137,615,774	117,430,000	3,426,579	204,757	-
Non-current assets	2,150,075,693	3,830,606,000	54,567,195	21,285,311	555,049
Cash and bank balances	68,144,912	5,493,000	10,448,200	367,901	215,122
Other current assets	103,862,911	541,971,000	8,897,932	35,969,285	1,721,532
Current assets	172,007,823	547,464,000	19,346,132	36,337,186	1,936,654
Total assets	2,322,083,516	4,378,070,000	73,913,327	57,622,497	2,491,703
Liabilities					
Loans	198,185,930	997,423,000	15,575,000	-	463,240
Other non-current liabilities	144,521,632	243,613,000	9,357,967	-	11,121
Non-current liabilities	342,707,562	1,241,036,000	24,932,967	-	474,361
Loans	171,613,095	210,175,000	6,419,272	-	26,262
Other current liabilities	78,723,282	543,178,000	15,787,509	53,517,354	1,232,829
Total current liabilities	250,336,377	753,353,000	22,206,781	53,517,354	1,259,091
Total liabilities	593,043,939	1,994,389,000	47,139,748	53,517,354	1,733,452
Attributable to owners of the Company	1,150,533,916	1,218,544,000	24,734,144	4,105,143	758,251
Non-controlling interests	578,505,661	1,165,137,000	2,039,435	-	-
Total equity	1,729,039,577	2,383,681,000	26,773,579	4,105,143	758,251
Total equity and liabilities	2,322,083,516	4,378,070,000	73,913,327	57,622,497	2,491,703

	30 Jun 2018				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Turnover	75,692,256	758,604,000	27,423,119	133,524,373	1,805,588
Other operating income	24,615,337	13,682,000	383,813	8,358,356	12,374
	100,307,593	772,286,000	27,806,932	141,882,729	1,817,962
Cost of goods sold and materials consumed	-	(27,597,000)	-	(128,047,206)	(287,659)
External supplies and services	(28,805,474)	(81,470,000)	(13,075,833)	(5,265,621)	(750,546)
Amortisation	(464,458)	(212,432,000)	(1,531,697)	(1,889,439)	(56,785)
Other operating costs	(26,672,016)	(344,126,000)	(11,597,956)	(5,137,903)	(534,820)
	(55,941,948)	(665,625,000)	(26,205,486)	(140,340,169)	(1,629,810)
Financial income	4,244,720	-	61,591	-	-
Financial expense	(6,178,225)	(22,605,000)	(293,946)	(17,196)	(2,635)
Financial results	(1,933,505)	(22,605,000)	(232,355)	(17,196)	(2,635)
Results of joint ventures and associated companies	65,789,462	-	47,432	-	-
Other income / expense	-	-	-	-	-
Results before taxation	108,221,601	84,056,000	1,416,523	1,525,365	185,517
Income taxation	(9,920,837)	(11,237,000)	(50,608)	(229,497)	389
Consolidated net income/(loss) for the year	98,300,764	72,819,000	1,365,915	1,295,867	185,906
Attributable to:					
Equity holders of the Parent Company	58,937,367	37,944,000	1,061,500	1,295,867	185,906
Non-controlling interests	39,363,397	34,875,000	304,415	-	-
	98,300,764	72,819,000	1,365,915	1,295,867	185,906
Other comprehensive income for the period	(32,869,000)	(68,275,000)	-	-	-
Total comprehensive income for the period	65,431,764	4,544,000	1,365,915	1,295,867	185,906

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	30 Jun 2017				
	Sonae Sierra SGPS, SA (consolidado)	ZOPT, SGPS, SA (consolidado)	MDS, SGPS, SA (consolidated)	Sohimeat, SA	Others
Joint ventures					
Turnover	89,463,606	762,416,000	23,560,265	126,259,554	1,863,201
Other operating income	23,460,934	6,953,000	287,616	18,835,878	20,150
	112,924,540	769,369,000	23,847,881	145,095,432	1,883,351
Cost of goods sold and materials consumed	-	(21,466,000)	-	(117,830,608)	(293,044)
External supplies and services	(44,230,964)	(89,016,000)	(11,939,188)	(4,151,223)	(693,093)
Amortisation	(490,496)	(217,248,000)	(1,942,514)	(938,902)	(355,747)
Other operating costs	(26,775,954)	(364,402,000)	(10,830,087)	(22,210,539)	(525,634)
	(71,497,414)	(692,132,000)	(24,711,789)	(145,131,272)	(1,867,518)
Financial income	3,350,257	-	46,512	43	-
Financial expense	(7,198,404)	(12,778,000)	(506,442)	(18)	(1,827)
Financial results	(3,848,147)	(12,778,000)	(459,930)	25	(1,827)
Results of joint ventures and associated companies	80,136,799	6,450,000	30,263	-	(16)
Results before taxation	117,715,778	70,909,000	(1,293,575)	(35,815)	13,990
Income taxation	(11,132,626)	(7,326,000)	103,874	(365)	(1,897)
Consolidated net income/(loss) for the year	106,583,152	63,583,000	(1,189,701)	(36,180)	12,093
Attributable to:					
Equity holders of the Parent Company	64,171,131	32,480,000	(1,155,178)	(36,180)	12,093
Non-controlling interests	42,412,021	31,103,000	(34,523)	-	-
	106,583,152	63,583,000	(1,189,701)	(36,180)	12,093
Other comprehensive income for the period	(28,575,751)	1,032,000	-	-	-
Total comprehensive income for the period	78,007,401	64,615,000	(1,189,701)	(36,180)	12,093

9.2.2 Associates

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

Associates	30 Jun 2018				
	Sonae MC				Sonae Sports & Fashion
	Apor	Sempre a Postos	S2 Mozambique	Ulabox	ISRG
Non-current assets	13,671	526,099	6,110,559	1,815,734	280,590,165
Current assets	1,172,883	8,463,404	2,557,561	2,578,165	140,694,369
Non-current liabilities	-	-	-	-	28,819,319
Current liabilities	33,741	6,224,228	5,115,997	1,693,397	160,003,068
Equity	1,152,813	2,765,275	3,552,123	2,700,502	232,462,147

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31 Dec 2017				
Sonae MC				
Associates	Apor	Sempre a Postos	S2 Mozambique	Ulabox
Non-current assets	678,593	725,966	5,677,724	1,654,169
Current assets	2,356,130	10,326,802	2,383,755	1,253,456
Non-current liabilities	1,955,112	-	-	-
Current liabilities	831,108	6,849,597	2,959,516	1,284,421
Equity	248,503	4,203,171	5,101,963	1,623,204

30 Jun 2018				
Sonae IM				
Associates	Armilar II	Armilar III	AVP I+I	Others
Non-current assets	119,748,732	65,176,195	32,062,957	2,442,877
Current assets	5,809,628	2,377,046	56,773	1,987,040
Non-current liabilities	18,039,960	-	6,251,329	701,097
Current liabilities	4,895,174	11,441,516	863,084	1,955,853
Equity	102,623,226	56,111,725	25,005,317	1,772,967

31 Dec 2017					
Sonae IM					
Associates	Armilar II	Armilar III	AVP I+I	Armilar	Others
Non-current assets	91,385,627	66,583,123	32,012,958	19,431	1,696,324
Current assets	1,356,789	3,111,491	46,268	4,889,088	4,321,426
Non-current liabilities	-	-	6,280,655	-	717,697
Current liabilities	5,361,017	11,350,315	655,990	677,581	4,034,788
Equity	87,381,399	58,344,299	25,122,581	4,230,938	1,265,265

30 Jun 2018					
Sonae MC					Sonae Sports & Fashion
Associates	Apor	Sempre a Postos	S2 Mozambique	Ulabox	ISRG
Turnover	179,594	26,658,928	3,583,716	2,522,473	116,462,417
Other operating income	-	1,419,778	133,649	101,945	578,333
Cost of sales	-	(21,222,599)	(2,681,374)	(1,880,260)	(64,093,073)
External supplies and services	(162,969)	(5,423,018)	(1,438,956)	(774,795)	(21,810,232)
Amortisation	(1,095)	(204,258)	(271,494)	(128,928)	(5,487,937)
Operating costs	(112,952)	(284,115)	(984,727)	(734,112)	(30,592,939)
Financial results	986	1,825	(225,809)	-	(347,728)
Income tax expense	(29)	(215,263)	-	-	699,391
Net income/(loss) for the year	(96,465)	731,278	(1,884,995)	(893,677)	(4,591,768)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	(96,465)	731,278	(1,884,995)	(893,677)	(4,591,768)

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30 Jun 2017				
Sonae MC				
Associates	Sempre a Postos	Ulabox	S2 Mozambique	Others
Turnover	26,547,125	4,758,931	977,768	364,710
Other operating income	1,728,996	192,553	24,112	14,877
Cost of sales	(21,058,574)	(3,555,492)	(641,311)	(24,161)
External supplies and services	(5,375,347)	(2,101,406)	(490,141)	(209,267)
Amortisation	(206,322)	-	(28,108)	(167,923)
Operating costs	(225,740)	(874,127)	(265,919)	(1,168,309)
Financial results	3,082	-	106,545	(4,542)
Income tax expense	(319,171)	-	(24,199)	(1,253)
Net income/(loss) for the year	1,094,049	(1,579,541)	(341,253)	(1,195,868)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,094,049	(1,579,541)	(341,253)	(1,195,868)

30 Jun 2018				
Sonae IM				
Associates	Armilar II	Armilar III	AVP I+I	Others
Turnover	-	-	-	458,891
Other operating income	150,372,802	891,693	29,326	629,103
Cost of sales	-	-	-	(207,405)
External supplies and services	(208,401)	(649,333)	(150,247)	(18,446)
Amortisation	-	-	-	(246,987)
Operating costs	(20,769,529)	(2,727,756)	(6,700)	(2,374,546)
Financial results	33,695	139,988	10,357	45
Income tax expense	-	-	-	-
Net income/(loss) for the year	129,428,567	(2,345,408)	(117,264)	(1,759,345)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	129,428,567	(2,345,408)	(117,264)	(1,759,345)

30 Jun 2017					
Sonae IM					
Associates	Armilar II	Armilar III	AVP I+I	Armilar	Others
Turnover	128,310	-	74,631	622,407	867,854
Other operating income	-	-	-	-	11,594
Cost of sales	-	-	-	-	-
External supplies and services	(219,158)	(326,208)	(74,094)	(101,829)	-
Amortisation	-	-	-	(976)	(37,634)
Operating costs	(36,108)	(514,218)	(78)	(274,974)	(756,335)
Financial results	(80,345)	62,720	22,317	-	3,225
Income tax expense	-	-	-	(61,000)	(6,200)
Net income/(loss) for the year	(207,301)	(777,706)	22,776	183,628	82,504
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	(207,301)	(777,706)	22,776	183,628	82,504

9.3 Movements occurred in the period

During the period ended at 30 June 2018 and 2017, movements in investments in joint ventures and associates are as follows:

	30 Jun 2018			30 Jun 2017		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Investments in joint ventures						
Balance as at 1 January	757,716,434	565,777,065	1,323,493,499	716,500,627	566,650,040	1,283,150,667
Change in consolidation method due the loss of control	-	-	-	35,237,454	-	35,237,454
Equity method						
Gains or losses in joint ventures	48,015,642	-	48,015,642	47,928,546	-	47,928,546
Distributed dividends	(42,129,093)	-	(42,129,093)	(46,429,241)	-	(46,429,241)
Effect in equity capital and non-controlling interests	(28,503,580)	-	(28,503,578)	(13,914,054)	-	(13,914,054)
	735,099,403	565,777,065	1,300,876,470	739,323,332	566,667,869	1,305,991,201
Investments in associates companies						
Balance as at 1 January	84,335,315	6,622,023	90,957,338	75,105,164	4,015,059	79,120,223
Change in consolidation method due the loss of control (Note 4)	78,085,756	-	78,085,756	(532,545)	(481,659)	(1,014,204)
Capital increases during the period	118,745	-	118,745	1,834,354	-	1,834,354
Acquisitions during the period	-	-	-	2,250	-	2,250
Equity method						
Gains or losses in associates companies	61,207,265	-	61,207,265	(1,380,481)	-	(1,380,481)
Distributed dividends	(542,293)	-	(542,293)	(829,823)	-	(829,823)
Effect in equity capital and non-controlling interests	(288,892)	-	(288,892)	(4,962)	-	(4,962)
Return of invested capital	(16,477,366)	-	(16,477,366)	-	-	-
Others	(41,343,720)	-	(41,343,720)	-	-	-
	165,094,810	6,622,023	171,716,833	74,193,957	3,533,400	77,727,357
Total	900,194,213	572,399,088	1,472,593,303	813,517,289	570,201,269	1,383,718,558

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.

The amount of distributed dividends related to Investments in Joint Ventures refers to Sonae Sierra 24,873,210 euro (37,391,100 euro as at June 2017) and refers to ZOPT 17,255,883 euro (9,012,005 euro as at June 2017)

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

- 78,085,756 euro refers to ISRG by the agreement signed between Sonae and JD Group (Notes 3.2 and 4); and from the end of January the participation was included in the new partnership, Iberian Sports Retail Group by the equity method. At the date of presentation of these financial statements, it was not yet possible to finalize the analysis to assign, in accounting terms, the fair value of identified assets and liabilities assumed in the partnership. This allocation is still subject to change until the end of the period of one year from the date of change;

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- b) 32.534.003 euros relates to MDS SGPS, S.A. following the agreement signed between Sonae and IPLF Holding in June 2017. At the date of presentation of these financial statements, the fair value of the assets was finalized and liabilities assumed in the joint venture. An appreciation of intangible assets was made related to the customer portfolio, according to the usual practice of industry, which writes off almost all the goodwill generated on the acquisition. This customer portfolio is being amortized in 12 years; and;
- c) 2,703,451 euro refers to Sohi Meat Solutions- Distribuição de Carnes, SA in 2017. This company results from the agreement signed on 3rd 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.

Armilar, Armilar II, Armilar III e Armilar I+I

In March 2017, an increase in units of the Armilar III fund was approved, and Sonae IM subscribed and paid the amount of Euro 622,996, corresponding to 0.41%, in July 2017 a new increase of Armilar III fund, in which Sonae IM subscribed and paid in the amount of Euro 302,598, corresponding to 0.20% and in November 2017, another increase of units in the Armilar III fund was approved and Sonae IM subscribed and paid the amount of Euro 484,103, corresponding to 0.04%, and in the year ended at 31 March 2018 held a 42.64% stake in the Armilar III fund. Also in July 2017, there was a change in the number of units in the Armilar II fund due to the departure of one of the Shareholders, thus giving Sonae IM a 50.74% stake in the fund in the year ended at 30 June 2018.

During the period ended 30 June 2018, Sonae IM sold the entire participation (35%) of the Armilar Venture Partners - Sociedade de Capital de Risco, S.A. (Armilar).

In the period ended on 30 June 2018, the variation in the value of the proportion of capital relative to the return of invested capital and others results from the distribution of capital of the Fundo Armilar II following the last round of financing of Outsystems.

ZOPT

The consolidated financial statements of ZOPT have a significant exposure to the African market, particularly through financial investments that Group holds in associated companies operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The book value of these associates in the financial statements of ZOPT on June 30, 2018 amounts to approximately Euro 120 million.

During the last quarter of 2017, Angola was considered a hyperinflationary economy, and the individual financial statements of the investees in Angola were restated (for consolidation purposes) in accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies. During the first quarter of 2018, the effect of hyperinflation on the Angolan subsidiaries was adjusted again, while the kwanza recorded an exceptional devaluation against the euro of approximately 30%, which generated the recognition of foreign exchange losses on these subsidiaries.

In the exercise of 2017, 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 14.5% (Angola) and 8.1% (Mozambique). These

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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 9.5% (Angola) and 5.5% (Mozambique) and a discount rate ('Wacc') in perpetuity of 20.1% (Angola) and 21% (Mozambique). The discount rate, over the period 2018 to 2022 ranged from a maximum of 43.8% to a minimum of 20.1% (in 2022), for Angola, and from a maximum of 35% to a minimum of 21% (2022) in Mozambique, in line with the most appropriate inflation forecasts (source: International Monetary Fund (FMI)).

The impairment tests carried out in 2017, based on the assumptions above, disregarding the effect of the adjustment to the effects of hyperinflation in the amount of financial investment, support the value of the assets, so not result in additional impairments was recorded in relation to the effect of the hyperinflationary economy. 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 the rate of inflation and the ability to reflect the rate in price increases. As of 30 June 2018, it was understood that the assumptions made in the impairment tests carried out in 2017 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 June 2018 and 31 December 2017, are as follows:

		Percentage of share capital held					
		30 Jun 2018		31 Dec 2017		Statement of financial position	
Company	Head Office	Direct	Total	Direct	Total	30 Jun 2018	31 Dec 2017
Sonae Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	925,197
Sonae IM							
1) Advert.io, Ltd.	Aveiro	7.23%	3.26%	-	-	150,000	-
Arctic Wolf Networks, Inc	Delaware	4.68%	4.21%	4.68%	4.21%	3,830,113	3,830,113
1) Binary Answer, Ltd.	Aveiro	2.68%	1.21%	-	-	25,000	-
Continuum Security SL	Saragoza	6.66%	5.99%	6.66%	5.99%	299,802	299,802
1) Jscrambler, SA	Porto	10.00%	9.00%	-	-	1,250,000	-
1) Nextail	Delaware	7.43%	6.68%	-	-	2,300,000	-
1) Case on IT	Madrid	12.01%	10.80%	-	-	2,280,000	-
1) EGI Factory	Barcelona	7.78%	7.00%	-	-	50,000	-
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	35,462	35,462
Ometria, Ltd.	London	4.54%	4.08%	4.54%	4.08%	854,165	854,165
2) StyleSage, Inc.	Delaware	15.70%	14.12%	5.00%	4.50%	1,680,538	448,834
Other investments						13,350,984	13,020,226
						27,041,237	19,423,775

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- 1) Investments acquired during the period;
- 2) percentage increase in the period.

As at 30 June 2018 the caption “Other investments” includes, among others, 9,895,433 euro (9,919,677 euro in 31 December 2017) 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).

During the period ended at 30 June 2018, the major acquisitions of Sonae IM are:

- 7,43% in Nextail for Euro 2,300,000. The Nextail product is cloud-based software that uses advanced analysis and optimization algorithms based on fast fashion paradigms to improve stock allocation and storage operations;
- 12,01% in Case on IT for Euro 2,280,000. The company's product called MedUX is a real-time solution that provides information on quality of service for fixed and mobile networks and TV Customer Experience; and
- 10% participation in Jscrambler for Euro 1,250,000. The main activity of the company is to implement security solutions to change web applications.

As at 30 June 2018 and 2017, the movements in "Other investments" made up as follows:

	30 Jun 2018		30 Jun 2017	
	Non-current	Current	Non-current	Current
Other investments				
Fair value (net of impairment losses) as at 1 January	19,423,775	-	20,784,450	161,050
Increases in the period	8,011,736	-	1,080,865	-
Decreases in the period	(318,661)	-	-	-
Increase/(Decrease) in fair value	(24,244)	-	(43,874)	(161,050)
Discontinued operations	(51,369)	-	(8,029,934)	-
Fair value (net of impairment losses) as at 30 June	27,041,237	-	13,791,507	-
Derivative financial instruments (note 18)				
Fair value as at 1 January	-	179,881	-	4,207,972
Increase/(Decrease) in fair value	-	1,416,548	-	(3,722,780)
Fair value at 30 June	-	1,596,429	-	485,192
	27,041,237	1,596,429	13,791,507	485,192

On 30 June 2017, the financial interest in Ed Broking LLP was included in caption “Discontinued operations” which, was transferred to investments in associates through the loss of control in MDS, SGPS, S.A. as at 30 June 2017.

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 June 2018 and at 31 December 2017, "Other non-current assets" are detailed as follows:

	30 Jun 2018			31 Dec 2017		
	Gross Value	Accumulated impairment losses (note 23)	Carrying Amount	Gross Value	Accumulated impairment losses (note 21)	Carrying Amount
Trade accounts receivable and other debtors						
Legal deposits	3,467,148	-	3,467,148	3,916,334	-	3,916,334
Cautions	4,165,584	-	4,165,584	5,120,591	-	5,120,591
Special regime for payment of tax and social security debts	6,181,878	-	6,181,878	6,397,435	-	6,397,435
Rent deposits from tenants	1,437,102	-	1,437,102	787,615	-	787,615
Financial investments debtors	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Debt to receive related to Armilar Funds	1,274,358	-	1,274,358	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	646,216	-	646,216	463,340	-	463,340
	20,636,161	-	20,636,161	22,927,207	-	22,927,207
Reinsurer's' share of technical provisions	412,943	-	412,943	412,943	-	412,943
Other non-current assets	70,237	-	70,237	271,793	-	271,793
	21,119,341	-	21,119,341	23,611,943	-	23,611,943

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.

12 TRADE ACCOUNTS RECEIVABLE AND OTHERS CURRENT ASSETS

As at 30 June 2018 and at 31 December 2017, "Trade accounts receivable and others current assets" are detailed as follows:

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	30 Jun 2018	31 Dec 2017
Trade receivable	131,928,853	142,558,529
Tax	82,750,479	86,571,966
Other receivables		
Trade creditors - debtor balances	33,072,176	37,512,048
Dividends to be received of jointly controlled companies	24,873,210	-
VAT recoverable on real estate assets and vouchers discounts	5,578,637	6,371,632
Disposal of tangible assets	2,184,394	2,142,406
Vouchers and gift cards	1,040,524	2,237,906
Advances to suppliers	4,202,395	697,627
Disposal of financial investments	3,319,738	-
Other current assets	25,524,979	20,902,355
	99,796,053	69,863,974
Other current assets		
Commercial income	71,959,016	25,221,050
Invoices to be issued	14,339,880	8,807,168
External supplies and services	24,275,648	10,065,624
Rents	6,059,606	6,986,698
Insurance indemnities	100,462	122,335
Other current assets	11,586,075	12,865,520
	128,320,687	64,068,395
Accumulated impairment losses in receivables accounts (note 21)	(20,068,009)	(19,746,469)
	422,728,063	343,316,395

13 DEFERRED TAXES

“Deferred tax assets and liabilities” as at 30 June 2018 and at 31 December 2017 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
Difference between fair value and acquisition cost	4,933,142	4,933,142	33,213,660	33,865,461
Temporary differences on tangible assets and intangible	1,227,956	1,527,715	71,806,616	69,044,445
Temporary differences on Badwill and on Equity Method	-	-	15,324,473	10,243,448
Provisions and impairment losses not accepted for tax purposes	20,773,497	23,215,181	-	-
Write off of tangible and intangible assets	29,198	28,517	-	-
Valuation of hedging derivatives	113,346	11,702	146,967	41,952
Amortisation of Goodwill for tax purposes in Spain	-	-	20,358,379	17,457,039
Revaluation of tangible assets	-	-	861,357	916,509
Tax losses carried forward	38,300,208	37,631,860	-	-
Reinvested capital gains/(losses)	-	-	289,954	302,963
Tax Benefits	4,560,689	986,686	-	-
Others	3,101,566	3,548,790	581,577	329,081
	73,039,602	71,883,593	142,582,983	132,200,898

The Spanish Supreme Court decided in favour of Sonae considering that goodwill amortization for tax purposes in 2008 was applicable. For that reason, in 2017 the Group deducted tax on the amortization of goodwill generated in previous years for the years 2008, 2016, 2017 and 2018, having recognized 20.4 million euros in deferred tax liabilities.

Taking into account the tax proceedings pending before the court in Spain for the financial years 2009 to 2011, as well

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as for the fact that the Group was prevented from recognizing the tax depreciation of goodwill for the financial years 2012 to 2015, the right of the entity to deduct tax depreciation of goodwill amounting to 69.8 million euro might be given in the future.

On 30 June 2018, the tax benefit caption includes essentially amounts related to the tax credits in the with Sonae IM segment in the amount of 4,044,667 euros.

As at 30 June 2018 and 31 December 2017, 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 Jun 2018			31 Dec 2017		
	Country	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use							
Generated in 2013	Portugal	1,186,143	249,090	2018	1,220,382	256,280	2018
Generated in 2014	Portugal	1,707,794	358,636	2026	1,673,556	351,447	2026
Generated in 2015	Portugal	69,902	14,680	2027	69,902	14,680	2027
Generated in 2016	Portugal	21,550,140	4,525,529	2028	21,550,140	4,525,529	2028
Generated in 2017	Portugal	26,207,240	5,503,521	2022	21,264,154	4,465,472	2022
Generated in 2018	Portugal	19,779,021	4,153,594	2023	-	-	
		70,500,240	14,805,050		45,778,134	9,613,408	
With a time limit different from the above mentioned							
	Spain	3,464,916	866,229	2028 to 2029	3,464,916	866,229	2028 to 2029
	United States of America	8,048,567	2,293,842	2030 to 2035	7,823,749	2,229,769	2030 to 2035
	Mexico	2,861,231	858,369	2021 to 2027	2,178,019	653,406	2021 to 2027
		14,374,714	4,018,440		13,466,684	3,749,404	
Without limited time use							
	Spain	75,106,872	19,476,718		97,076,194	24,269,048	
	Brazil	-	-		-	-	
		75,106,872	19,476,718		97,076,194	24,269,048	
		159,981,826	38,300,208		156,321,012	37,631,860	

As at 30 June 2018 and 31 December 2017, 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 June 2018 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 20.7 million euro (20 million euro as at 31 December 2017). 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 June 2018 and at 31 December 2017, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

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As at 30 June 2018, there are reportable tax losses, whose deferred tax assets are not recorded for prudence purposes and are analysed as follows:

		30 Jun 2018			31 Dec 2017		
	Country	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use							
Generated in 2013	Portugal	661,573	138,930	2018	21,578	4,531	2018
Generated in 2014	Portugal	3,894,647	817,876	2026	3,538,124	743,006	2026
Generated in 2015	Portugal	1,135,675	238,492	2027	534,927	112,335	2027
Generated in 2016	Portugal	1,286,862	270,241	2028	49,793	10,457	2028
Generated in 2017	Portugal	705,382	148,130	2022	570,677	119,842	2022
Generated in 2018	Portugal	356,072	74,775	2023	-	-	
		8,040,211	1,688,444		4,715,099	990,171	
With a time limit different from the above mentioned							
	Colombia	43,435	14,334	2019 to 2030	-	-	
	Spain	6,418,637	1,604,661	2020 to 2032	6,310,255	1,577,566	2020 to 2032
	Netherlands	46,190,174	11,487,543	2017 to 2025	56,209,973	13,987,824	2017 to 2025
	Mexico	3,057,978	917,391	2018 to 2027	2,294,563	688,368	2018 to 2027
	United States of America	3,542,112	1,009,502	2037 to 2038	2,499,672	712,405	2037 to 2038
		59,252,336	15,033,431		67,314,463	16,966,163	
Without limited time use							
	Australia	893,738	245,778		788,220	224,643	
	Brazil	18,097,008	6,152,983		18,980,307	6,453,304	
	Colombia	505,835	166,925		630,032	189,010	
	Spain	321,537,230	80,384,308		336,368,571	84,092,143	
	Malta	18,529	6,485		12,752	4,463	
	United Kingdom	4,522,742	859,321		4,324,097	821,578	
	Ireland	318,609	39,826		562,925	70,366	
		345,893,691	87,855,626		361,666,904	91,855,507	
		413,186,238	104,577,501		433,696,466	109,811,841	

14 CASH AND CASH EQUIVALENTS

As at 30 June 2018 and at 31 December 2017, the detail of “Cash and cash equivalents” are as follows:

	30 Jun 2018	31 Dec 2017
Cash at hand	10,165,141	10,467,637
Bank deposits	294,962,197	283,561,778
Treasury applications	48,199,089	70,559,700
Cash and cash equivalents on the statement of financial position	353,326,427	364,589,115
Bank overdrafts (note 17)	(6,087,753)	(2,819,107)
Cash and cash equivalents on the statement of cash flows	347,238,674	361,770,008

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

15 SHARE CAPITAL

Share Capital

As at 30 June 2018, 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 15th 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 20). 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 year of 2017 the Group requested the partial termination of the Cash Settled Equity Swap for 5,934,409 Sonae SGPS shares.

Considering the operations mentioned above, the liability recorded amounts to 103,207,055 euro (103,700,000 euro as at 31 December 2017) (Note 20) reflecting the market value of 100,210,733 Sonae SGPS shares (104.406.608 shares as at 31 de December 2017).

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.

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Capital Structure

As at 30 June 2018, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

16 NON-CONTROLLING INTERESTS

As at 30 June 2018 and 31 December 2017, “Non-controlling interests” are detailed as follows:

	30 Jun 2018				
	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
Sonae Retail					
Sonae MC	5,023,978	713,957	4,895,950	156,403	-
Worten	2,371,566	(384,744)	948,625	(153,897)	-
Sonae Sports & Fashion	63,061,215	(859,424)	30,294,920	(183,325)	(1,326,684)
Sonae RP	120,501,191	4,421,399	2,523,343	95,928	(171,941)
Maxmat	45,905,879	1,535,388	22,943,703	767,694	-
Sonae IM					
Sonaecom, SGPS, SA (consolidated)	1,055,464,204	64,186,697	107,645,652	6,284,397	(1,135,219)
Sonae FS	-	-	-	-	-
Others					
Others	3,502,951	(2,677,380)	261,839	(326,105)	-
Total	1,295,830,984	66,935,893	169,514,032	6,641,095	(2,633,844)
	31 Dec 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
Sonae Retail					
Sonae MC	3,666,888	766,953	4,592,402	212,251	-
Worten	2,756,310	751,757	1,102,522	300,702	-
Sonae Sports & Fashion	67,870,269	7,806,086	32,826,507	3,935,968	(1,050,475)
Sonae RP	124,016,739	15,965,998	2,601,245	336,708	(408,900)
Maxmat	44,394,344	4,198,323	22,187,936	2,099,161	-
Sonae IM					
Sonaecom, SGPS, SA (consolidated)	1,012,610,908	26,239,058	104,097,279	2,739,449	(2,442,162)
Sonae FS					
MDS, SGPS, SA	-	1,890,664	-	945,143	(173,339)
Others					
Others	5,876,431	(7,231,383)	402,103	(2,114,226)	-
Total	1,261,191,889	50,387,456	167,809,994	8,455,156	(4,074,876)

SONAE 1H18 RESULTS

Movements in non-controlling interests during the period ended as at 30 June 2018 and 2017 are as follows:

	30 Jun 2018								
	Sonae Retail					Sonae IM	Sonae FS	Others	Total
	Sonae MC	Worten	Sonae Sports & Fashion	Sonae RP	Maxmat	Sonaecon, SGPS, SA (consolidated)	MDS, SGPS, SA	Others	Total
Opening balance as at 1 January 2018	4,592,402	1,102,522	32,826,507	2,601,245	22,187,936	104,097,279	-	402,103	167,809,994
Distributed income of Investment Funds	-	-	(1,326,684)	(171,941)	-	(1,135,219)	-	-	(2,633,844)
Constitution of subsidiaries	-	-	80,000	-	-	-	-	-	80,000
Change in currency translation reserve	-	-	-	-	-	99,502	-	22,770	122,272
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	-	(1,101,014)	-	-	(1,101,014)
Delivery of shares to employees to due the settle of the obligation	-	-	-	(1,889)	(19,858)	-	-	-	(21,747)
Changes in hedging reserves	174,989	-	137,018	-	6,220	-	-	-	318,227
Change in the consolidation method (Note 4.1)	-	-	(1,211,039)	-	-	-	-	-	(1,211,039)
Variation in percentage of subsidiaries	-	-	-	-	-	(383,192)	-	-	(383,192)
Impact of applying IFRS 15	-	-	-	-	-	(54,877)	-	-	(54,877)
Others	(27,844)	-	(27,557)	-	1,711	(161,224)	-	163,071	(51,843)
Profit for the period attributable to non-controlling interests	156,403	(153,897)	(183,325)	95,928	767,694	6,284,397	-	(326,105)	6,641,095
Close balance 30 June 2018	4,895,950	948,625	30,294,920	2,523,343	22,943,703	107,645,652	-	261,839	169,514,032

	30 Jun 2017								
	Sonae Retail					Sonae IM	Sonae FS	Others	Total
	Sonae MC	Worten	Sonae Sports & Fashion	Sonae RP	Maxmat	Sonaecon, SGPS, SA (consolidated)	MDS, SGPS, SA	Others	Total
Opening balance as at 1 January 2017 Disclosed	526,934	801,820	31,302,349	2,783,406	20,117,859	102,772,762	11,630,167	836,569	170,771,866
Effect of restatement	-	-	(1,731,680)	-	-	-	-	-	(1,731,680)
Opening balance as at 1 January 2017 Restated	526,934	801,820	29,570,669	2,783,406	20,117,859	102,772,762	11,630,167	836,569	169,040,186
Distributed dividends	-	-	(1,050,475)	(65,959)	-	(2,442,163)	-	(27,938)	(3,586,535)
Variation in percentage of subsidiaries	-	-	-	(980,015)	-	-	-	-	(980,015)
Change in currency translation reserve	-	-	-	-	-	(137,618)	2,524,932	6,289	2,393,603
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	-	37,766	-	-	37,766
Acquisition of subsidiaries (Note 4.2)	1,461,569	-	-	-	-	-	-	-	1,461,569
Delivery of shares to employees to due the settle of the obligation	-	-	-	-	(15,198)	-	17,869	(1,506)	1,165
Changes in hedging reserves	18,781	-	(162,049)	-	(90,137)	-	-	-	(233,405)
Change in the consolidation method (Note 4.1)	-	-	-	-	-	-	(13,440,828)	-	(13,440,828)
Others	160,608	-	-	-	-	(27,714)	(113,529)	121,868	141,233
Profit for the period attributable to non-controlling interests	27,953	(75,095)	1,002,545	69,939	662,353	1,470,945	(618,611)	(188,034)	2,351,995
Close balance 30 June 2017	2,195,845	726,725	29,360,690	1,807,371	20,674,877	101,673,978	-	747,248	157,186,734

17 LOANS

As at 30 June 2018 and 31 December 2017, “Loans” are made up as follows:

	30 Jun 2018		31 Dec 2017	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
Bank loans				
Sonae, SGPS, SA - commercial paper	79,500,000	195,000,000	36,390,000	166,250,000
Sonae SGPS, SA /2016/2023	-	50,000,000	-	50,000,000
Sonae Investimentos, SGPS,SA - commercial paper	86,700,000	334,500,000	7,500,000	182,500,000
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated /2015/2020	-	20,000,000	-	20,000,000
Sonae Investimentos affiliated /2015/2019	5,000,000	30,000,000	5,000,000	30,000,000
Sonae Investimentos affiliated /2017/2022	-	31,000,000	-	31,000,000
Sonae Investimentos affiliated /2017/2025	-	20,000,000	-	-
Sonae Investimentos /2018	30,000,000	-	-	-
Sonae Investimentos 2017/2018	-	-	100,000,000	-
Sonae Holding affiliated /2014/2018	40,000,000	-	40,000,000	-
Sonae Holding affiliated /2014/2021	10,000,000	20,000,000	10,000,000	20,000,000
Others	4,505,684	17,094,509	6,144,402	24,093,006
	255,705,684	767,594,509	205,034,402	573,843,006
Bank overdrafts (Note 14)	6,087,753	-	2,819,107	-
Up-front fees beard with the issuance of borrowings	(56,522)	(317,536)	(105,502)	(402,455)
Bank loans	261,736,915	767,276,973	207,748,007	573,440,551
Bonds:				
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	205,269,467	-	-	203,466,710
Bonds Sonae Investimentos/ June 2013/2018	-	-	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	9,000,000
Bonds IVN 2016/2023	5,000,000	25,000,000	5,000,000	25,000,000
Up-front fees beard with the issuance of borrowings	(45,204)	(2,673,064)	(29,194)	(3,799,668)
Bonds	213,224,263	441,326,936	57,970,806	643,667,042
Other loans	2,538,629	3,009,559	1,278,626	2,244,793
Derivatives (Note 18)	458,053	-	1,248,119	-
Other loans	2,996,682	3,009,559	2,526,745	2,244,793
Obligations under finance leases	793,704	629,836	832,895	881,956
	478,751,564	1,212,243,303	269,078,453	1,220,234,342

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.

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The Bonds were issued at par with a nominal value of 100,000, (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 1,616 euro per share. This price is subject to adjustments in accordance with the market practices, in particular when the dividend exceeds 0.0280 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.

Bonds and bank loans bear an average interest rate of 1.03% as at 30 June 2018 (1.27% as at 31 December 2017). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

The derivatives are recorded at fair value (Note 18).

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

	30 Jun 2018	31 Dec 2017
N+1 ^{a)}	483,625,770	267,965,030
N+2	188,555,464	266,186,915
N+3	266,005,848	242,942,827
N+4	293,615,858	296,490,957
N+5	364,996,342	278,889,510
After N+5	102,060,391	146,959,544
	1,698,859,673	1,499,434,783

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 June 2018, Sonae has, as detailed below, cash and cash equivalents in the amount of 353 million euro (365 million euro in as at 31 December 2017) and available credit lines as follows:

	30 Jun 2018		31 Dec 2017	
	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	241,453,526	193,000,000	242,245,201	292,750,000
Agreed credit facilities	256,260,000	732,500,000	257,955,242	753,750,000

18 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 458,053 euro as liabilities, and 1,580,729 euro as assets (1,248,119 euro as liabilities and 179,881 euro as assets, as at 31 December 2017).

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 "Operational foreign currency exchange". 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 June 2018.

Interest rate and exchange rate derivatives

As at 30 June 2018 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 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
Hedging derivatives				
Interest rate	-	-	-	-
Exchange rate	1,580,729	179,881	458,053	1,248,119
	1,580,729	179,881	458,053	1,248,119

19 OTHER NON-CURRENT LIABILITIES

As at 30 June 2018 and 31 December 2017, "Other non-current liabilities" are detailed as follows:

	30 Jun 2018	31 Dec 2017
Shareholders loans	152,122	155,732
Fixed assets suppliers	1,239,521	1,151,347
Other non-current liabilities	1,591,231	1,771,080
Deferral of the disposal of the extended warranties	8,016,106	7,551,397
Accruals and deferrals	1,138,673	2,819,762
Other non-current liabilities	12,137,653	13,449,318

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

20 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2018 and 31 December 2017, "Trade creditors and other current liabilities" were made up as follows:

	30 Jun 2018	31 Dec 2017
Trade creditors	1,073,288,068	1,192,499,941
Tax	73,819,175	98,367,443
Other creditors		
Fixed asset suppliers	43,153,329	67,664,713
Related undertakings	1,837,963	-
Other debts	153,523,113	153,565,166
Other current liabilities	198,514,405	221,229,879
Employee benefits expense	131,384,176	128,309,674
Other external supplies and services	36,245,268	39,766,899
Deferred Revenue of warranty extension	59,250,334	57,862,718
Responsibilities assumed on sale of real state	17,523,955	17,728,428
Rentals	5,220,748	7,028,035
Marketing expenses	11,752,060	15,660,724
Advance receipts from trade receivables	9,587,830	9,993,106
Interest payable	2,401,291	2,079,044
Expenses on purchases	3,912,704	4,133,909
Insurance payable	1,773,592	513,698
Others	12,946,384	14,911,586
Other current liabilities	291,998,322	297,987,821
Trade creditors and other current liabilities	1,637,619,970	1,810,085,084

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The caption "Other debts" includes:

- 103,207,055 euro (103,700,000 euro as at 31 December 2017) relating to the fair value of the shares covered by Sonae SGPS financial derivative referred to in Note 15;
- 12,889,465 euro (10,421,939 euro as at 31 December 2017) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente" not yet redeemed;
- 12,858,320 euro (16,150,935 euro as at 31 December 2017) related to vouchers, gift cards and discount tickets;
- 3,052,425 euro (3,447,882 euro as at 31 December 2017) related to amounts payable to Sonae Distribuição Brasil. SA buyer as result of responsibilities assumed with that entity.

21 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and accumulated impairment losses" over the period ended 30 June 2018 and 2017 are as follows:

Caption	Saldo em 01 Jan 2018	Increase	Decrease	Discontinued operations Note 4.1	Balance as at 30 Jun 2018
Accumulated impairment losses on investments	3,319,692	-	-	-	3,319,692
Impairment losses on fixed tangible assets (Note 6)	114,379,011	-	(1,044,606)	(4,510,175)	108,824,230
Impairment losses on intangible assets	2,396,643	-	(437,639)	-	1,959,004
Accumulated impairment losses on trade account receivables and other debtors (Note 12)	19,746,469	1,920,808	(1,599,269)	-	20,068,008
Non current provisions	18,955,625	687,743	(1,406,870)	-	18,236,498
Current provisions	5,610,383	3,856,881	(4,339,676)	-	5,127,588
	164,407,823	6,465,432	(8,828,060)	(4,510,175)	157,535,020

Caption	Saldo em 01 Jan 2017	Increase	Decrease	Discontinued operations Note 4.1	Entries in the perimeter	Balance as at 30 Jun 2017
Accumulated impairment losses on investments	9,054,576	21,906	(11,294)	(8,683,892)	-	381,296
Impairment losses on fixed tangible assets	119,100,221	-	(3,241,479)	-	169,244	116,027,986
Impairment losses on intangible assets	2,638,761	382,139	(235,771)	(382,139)	-	2,402,990
Accumulated impairment losses on trade account receivables	17,871,034	1,677,598	(1,962,043)	(45,178)	-	17,541,411
Non current provisions	25,848,118	469,729	(2,992,213)	(3,754,291)	-	19,571,343
Current provisions	3,558,708	-	(215,427)	(166,020)	-	3,177,261
	178,071,418	2,551,372	(8,658,227)	(13,031,520)	169,244	159,102,287

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As at 30 June 2018 and 31 December 2017, provision's details can be analyzed as follows:

	30 Jun 2018	31 Dec 2017
Technical provisions on reinsurance	1,499,757	786,208
Future liabilities relating to subsidiaries of retail in Brazil sold	8,643,067	7,358,151
Clients guarantees	681,110	1,056,471
Judicial claims	2,442,064	4,577,787
Contingent liabilities related to subsidiaries acquired	7,811,959	7,811,959
Others	2,232,342	2,975,432
	23,364,086	24,566,008

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

22 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	Sales and services rendered		Purchases and services obtained	
Transactions	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Parent Company	127,177	93,689	288,717	332,966
Jointly controlled companies	14,166,783	21,450,754	158,086,256	143,034,781
Associated companies	17,459,025	17,400,250	677	-
Related parties, shareholders and investees	28,088,775	25,655,254	8,175,070	8,326,293
	59,841,760	64,599,947	166,550,720	151,694,040

	Interest income		Interest expenses	
Transactions	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
Parent Company	-	-	-	16,651
Jointly controlled companies	98	159	-	-
Associated companies	13,479	4,585	-	-
Other related parties	-	-	-	-
	13,577	4,744	-	16,651

	Accounts receivable		Accounts payable	
Balances	30 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
Parent Company	26,989	51,947	268,647	512,593
Jointly controlled companies	37,718,470	14,904,259	73,117,810	42,584,035
Associated companies	10,545,878	8,479,551	(6,078)	1,843
Other related parties	13,729,502	19,066,434	7,483,595	7,631,440
	62,020,839	42,502,191	80,863,974	50,729,911

SONAE 1H18 RESULTS

	Loans			
	Obtained		Granted	
Balances	30 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
Jointly controlled companies	-	-	-	-
Associated companies	-	-	-	-
Other related parties	152,569	160,586	3,570	3,570
	152,569	160,586	3,570	3,570

23 OTHER INCOME

As at 30 June 2018 and 2017, the caption “Other Income” is made up as follow:

	30 Jun 2018	30 Jun 2017 Restated
Supplementary income	11,220,989	13,192,694
Prompt payment discounts obtained	12,168,286	11,676,534
Foreign currency exchange gains	10,077,548	9,795,848
Own work capitalised	6,988,787	7,251,192
Gains on sales of assets	295,608	207,673
Impairment losses reversals	3,714,602	1,633,659
Others	2,193,913	2,163,061
	46,659,733	45,920,661

24 INCOME TAX

The income taxes recognized in the six-month period ended on 30 June 2018 and 2017 are detailed as follows:

	30 Jun 2018	30 Jun 2017 Restated
Current tax	9,035,869	(2,625,093)
Deferred tax	7,429,501	(11,839,104)
	16,465,370	(14,464,197)

25 CASH RECEIPTS AND CASH PAYMENTS OF INVESTMENTS

As at 30 June 2018 and 2017, cash receipts and cash payments related to investments can be detailed as follows:

Receipts	30 Jun 2018	30 Jun 2017
Disposal of Sport Zone participation (Nota 4.1)	28,628,150	-
Receivable related to Armilar II Funds (Note 9.3)	16,477,366	-
Account receivable related to the disposal of Imoconti in 2016	-	21,009,032
Others	290,915	-
	45,396,431	21,009,032

Payments	30 Jun 2018	30 Jun 2017
Subscription of JD Sprinter shares (Note 4.1)	26,546,230	-
Acquisition of Nextel (Note 4.2)	2,684,250	-
Acquisition of Nextail (Note 10)	2,300,000	-
Acquisition of Case on IT (Note 10)	2,280,000	-
Acquisition of Jscrambler (Note 10)	1,250,000	-
Capital increase of Style Sage (Note 10)	812,414	-
Acquisition of Amor Bio, Mercado Biológico, Lda	550,266	-
Acquisition of Brio, SA	-	752,929
Acquisition of GoWell, SA	-	1,382,743
Capital increase of Ulabox, SL	-	499,839
Capital increase of Movvo	-	255,780
Capital increase of FCRESVIII Fund	-	622,996
Acquisition of Probe.ly	-	199,983
Acquisition of OMETRIA, Ltd	-	854,165
Additional paid in capital in S2 Mozambique SA	118,745	435,739
Others	1,100,637	69,171
	37,642,542	5,073,345

26 EARNINGS PER SHARE

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

	30 Jun 2018		30 Jun 2017 Restated	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations Restated (Note 3)
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	88,544,257	9,286,704	66,338,916	6,553,670
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	4,071,024	-	3,959,126	-
Net profit taken into consideration to calculate diluted earnings per share	92,615,281	9,286,704	70,298,042	6,553,670
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,895,593,392	1,895,593,392	1,889,658,983	1,889,658,983
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	10,310,145	10,310,145	13,649,823	13,649,823
Shares related to performance bonus that can be bought at market price	(2,251,699)	(2,251,699)	(8,800,105)	(8,800,105)
Weighted average number of shares used to calculate diluted earnings per share	2,030,765,365	2,030,765,365	2,021,622,228	2,021,622,228
Earnings per share				
Basic	0.046711	0.004899	0.035106	0.003468
Diluted	0.043601	0.004573	0.032815	0.003242

27 PRESENTATION OF CONSOLIDATED INCOME STATEMENTS

In the Management Report, and for the purposes of the purposes of calculating financial indicators as EBIT, EBITDA and Underlying EBITDA the consolidated income statements 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.

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The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 30 June 2018 and 2017 can be summarized as follows:

	30 Jun 2018			30 Jun 2017 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	2,679,824,039	-	2,679,824,039	2,514,847,112	-	2,514,847,112
Investment income						
Dividends	100,450	-	100,450	130,138	-	130,138
Impairment losses	15,900	-	15,900	-	-	-
Others	117,874	-	117,874	(7,043)	-	(7,043)
Other income						
Provisions for warranty extensions	1,921,006	-	1,921,006	13,125	-	13,125
Impairment losses reversal	1,796,838	-	1,796,838	1,635,267	-	1,635,267
Others	42,941,889	-	42,941,889	44,272,269	-	44,272,269
Total income	2,726,717,996	-	2,726,717,996	2,560,890,868	-	2,560,890,868
Total expenses	(2,594,125,796)	(1,257,167)	(2,592,868,630)	(2,436,791,958)	(368,111)	(2,436,423,847)
Depreciation and amortisation	(100,288,375)	-	(100,288,375)	(91,766,799)	-	(91,766,799)
Non-recurring impairment losses over inventories	(1,680,504)	-	(1,680,504)	(1,751,564)	-	(1,751,564)
Provisions and impairment	-	-	-	-	-	-
Provisions for warranty extensions	(1,545,645)	-	(1,545,645)	-	-	-
Others	(4,506,292)	(3,062,236)	(1,444,056)	(1,548,225)	-	(1,548,225)
Profit before financial results and share of results in associated companies	24,571,383	(4,319,403)	28,890,786	29,032,322	(368,111)	29,400,433
Non-recurring Profit/(Loss)	(6,444,258)	-	(6,444,258)	(5,339,214)	-	(5,339,214)
Financial profit/(loss)	(15,777,890)	-	(15,777,890)	(17,038,665)	-	(17,038,665)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	29,468,673	12,965,418	16,503,255	32,085,566	16,991,350	15,094,216
Armilar Venture Funds	64,510,028	64,510,028	-	(269,649)	(269,649)	-
ZOPT	18,992,500	-	18,992,500	16,240,000	-	16,240,000
Others	(3,748,294)	-	(3,748,294)	(1,534,478)	-	(1,534,478)
Profit before income tax	111,572,142	73,156,044	38,416,098	53,175,882	16,353,590	36,822,292
Income tax	(16,465,370)	(16,692,601)	227,231	14,464,197	-	14,464,197
Profit/(Loss) from continuing operations	95,106,772	56,463,443	38,643,329	67,640,079	16,353,590	51,286,489
Profit/(Loss) from discontinued operations	9,365,284	11,090,755	(1,725,471)	7,604,502	16,220,165	(8,615,663)
Net profit for the period	104,472,056	67,554,198	36,917,858	75,244,581	32,573,755	42,670,826
Attributable to equity holders of Sonae	97,830,961	67,554,198	30,276,763	72,892,586	30,221,760	42,670,826
Non-controlling interests	6,641,095	-	6,641,095	2,351,995	2,351,995	-
"Underlying" EBITDA (b)			130,406,433			122,701,615
Direct EBITDA (a)			153,984,164			138,546,477
Direct EBIT (c)			52,368,067			45,115,156

- (a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + share of results in joint ventures and associated undertakings (Sonae Sierra direct results, ZOPT and other participated) + provisions for extensions of guarantee + unusual results;
- (b) "Underlying" EBITDA = EBITDA – effect of share result in joint ventures and associated undertakings – non recurrent results;
- (c) EBIT = EBT - financial results - dividends;

- (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.

28 APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 22 August 2018.

29 SUBSEQUENT EVENTS

In 14 July 2018, Sonae hereby announces that it has entered into an agreement with Grosvenor Group for the acquisition of a 20% stake of Sonae Sierra, SGPS, SA for a total estimated consideration of 255 million euros. Sonae Sierra is an international retail real estate company dedicated to developing, managing and investing in sustainable retail assets as well as to providing investment, development and property management services.

Sonae Sierra manages and co-owns a 7 billion euro portfolio (open market value) of 46 shopping centres in Europe and South America with a total GLA of 1.9 million m². This transaction enables Sonae to reinforce its participation and influence over a leading player in the retail real estate sector, while increasing the international profile of the group. Grosvenor Group will continue to be Sonae's strategic partner in Sonae Sierra, whilst retaining adequate exit rights for a minority shareholder. The completion of the transaction is subject to anti-trust approval.

30 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 30 June 2018 and 31 December 2017 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 Jun 2018		31 Dec 2017	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Sonae MC					
1) Amor Bio, Mercado Biológico, Lda	a) Lisbon (Portugal)	100.00%	100.00%	-	-
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%
Brio – Produtos de Agricultura Biológica, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a) Oeiras (Portugal)	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a) Matosinhos (Portugal)	75.00%	75.00%	75.00%	75.00%
Farmácia Selecção, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Go Well – Promoção de Eventos, Caterings e Consultoria, SA	a) Lisbon (Portugal)	51.00%	51.00%	51.00%	51.00%
MCCARE – Serviços de Saúde, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Make Notes Design, Lda	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a) Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a) Matosinhos (Portugal)	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%
SK – Skin Health Cosmetics, S.A.	a) Oeiras (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten					
HighDome PCC Limited (Cell Europe)	a) La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Infocfield – 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%

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	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
2)	Wrt Business – Distribuição de eletrodomésticos, eletrónica e informática, S.A.,	a)	Matosinhos (Portugal)	100.00%	100.00%	-	-
Sports and Fashion							
	Bright Brands SportsGoods, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	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%
	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%
	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%
	Losan Rusia	a)	Moscow (Russia)	100.00%	100.00%	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%
2)	Modalfa Canarias, SL	a)	Tenerife (Spain)	60.00%	30.00%	-	-
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Salsa Canarias, SL	b)	Tenerife (Spain)	60.00%	30.00%	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%
3)	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%
3)	Sport Zone Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%

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3)	Sport Zone España - Comércio de Artículos 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%
	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 çocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%

Sonae RP

Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Asprela Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	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%	98.00%	98.00%
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%

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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%
Maxmat						
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
Sonae IM						
Bright Development Studio, SA	a)	Lisbon (Portugal)	100.00%	89.97%	100.00%	89.97%
Bright Ventures Capital SCR	a)	Lisbon (Portugal)	100.00%	89.97%	100.00%	89.97%
Bright Vector I – Fundo Capital de Risco	a)	Lisbon (Portugal)	50.13%	45.10%	50.13%	45.10%
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.00%	67.47%	75.10%	67.56%
Inovretail, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
1) Mxtel SA de CV	a)	Mexico City (Mexico)	100,00%	72,78%	-	-
1) Nextel, SA	a)	Bilbao (Spain)	100,00%	72,78%	-	-
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%
S21 Sec Gestion, SA	a)	Navarra (Spain)	80.90%	72.78%	100.00%	89.97%
S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain))	100.00%	72.78%	100.00%	89.97%
S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	72.78%	100.00%	89.97%
S21SEC Portugal – Cybersecurity and Intelligence Services, SA	a)	Maia (Portugal)	100.00%	72.78%	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%

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	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%
4)	We Do Technologies España, SL	a)	Madrid (Spain)	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%
Sonae FS							
5)	SFS – Gestão e Consultoria, 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%
Others							
	Libra Serviços, Lda	a)	Funchal (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%
6)	Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	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%
	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 Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
7)	Sonae MC, SGPS, SA	a)	Matosinhos (Portugal)	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%

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8)	Sonae – Shared Service Center, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	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%
	Sonaegest - 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) Controlo Control held by majority of voting rights which gives power of relevant activities;
- b) Control held by majority of Board members;
- 1) Company created in the period;
- 2) Company incorporated in the period;
- 3) In 2017, an agreement was signed for the combination of Sport Zone with JD Sprinter Holdings that completion in January 2018 and this subsidiary was consolidated by the equity method, given the loss of control (Notes 3 and 4.1);
- 4) Former Sonaecom – Sistemas de Información España, SL;
- 5) Former SFS – Serviços de Gestão e Marketing, SA;
- 6) Former Sonae MC – Modelo Continente SGPS, SA;
- 7) Former Sonae Investimentos, SGPS, SA;
- 8) Former ZYEvolution- Invest.Desenvol., SA.

These entities are consolidated using the full consolidation method.

31 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 June 2018 and 31 December 2017 are as follows:

31.1 Joint Ventures

COMPANY		Percentage of capital held			
		30 Jun 2018		31 Dec 2017	
		Direct*	Total*	Direct*	Total*
Head Office					
Sonae MC					
Sohi Meat Solutions- Distribuição de Carnes, SA	Santarém (Portugal)	50.00%	50.00%	50.00%	50.00%
Sonae Sierra					
3shoppings - Holding, SGPS, SA	Maia (Portugal)	20.00%	10.00%	20.00%	10.00%
8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Aegean Park Constructions Real Estate and Development, SA	Atenas (Greece)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
ALBRP Albufeira Retail Park, Lda	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
Albufeira RP (Luxembourg) 1, Sarl	Luxembourg	100.00%	5.00%	100.00%	5.00%
Albufeira RP (Luxembourg) 2, Sarl	Luxembourg	100.00%	5.00%	100.00%	5.00%
ALEXA Asset GmbH & Co, KG	Dusseldorf (Germany)	9.00%	4.50%	9.00%	4.50%
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%
Area Sur Shopping, S.L	Madrid (Spain)	15.00%	7.50%	15.00%	7.50%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidasshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Axnae Spain Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Candotal Spain S,L,U,	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%

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Cascaishopping - Centro Comercial, 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%
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%
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%	10.00%	100.00%	10.00%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Haciarriba – Projetos, negócios e Promoções, SA	Maia (Portugal)	100.00%	1.88%	100.00%	1.88%
Iberian Assets, SA	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	10.00%	5.00%	10.00%	5.00%
Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Imoconti – Sociedade Imobiliária, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
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%

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Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	10.00%	5.00%	10.00%	5.00%
Loop5 Shopping Centre GmbH & Co KG	Dusseldorf (Germany)	9.00%	4.50%	9.00%	4.50%
Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	5.63%	50.00%	5.63%
Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%
Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	10.00%	100.00%	10.00%
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%
Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	1.88%	100.00%	1.88%
Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	1.88%	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 Developement of Shopping Centers, SA	Athens (Greece)	50.00%	25.00%	50.00%	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%
1) Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	-	-	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%

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Plaza Mayor Parque de Ócio, SA	Madrid (Espanha)	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%
Portitail – Investimentos Imobiliários, S.A	Maia (Portugal)	100.00%	1.88%	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 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%
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%

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	Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Sierra Asia Limited	Hong Kong	100.00%	50.00%	100.00%	50.00%
	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%
2)	Sierra Core Assets Holdings, BV	Amsterdam (Netherlands)	-	-	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	Guernsey (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 Parma Project BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%

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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 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 Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istanbul (Turkey)	100.00%	50.00%	100.00%	50.00%
Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Solingen Shopping Center GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	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%
VdG Holding BV	Amsterdam (Netherlands)	100.00%	12.53%	100.00%	12.53%
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)	11.00%	5.5%	11.00%	5.5%

ZOPT (NOS)

Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.69%	20.00%	4.69%
Big Picture Films, SL	Madrid (Spain)	100.00%	4.69%	100.00%	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%

SONAE 1H18 RESULTS

Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.73%	100.00%	11.73%
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 (Mozambique)	100.00%	23.46%	100.00%	23.46%
MSTAR, SA	Maputo (Mozambique)	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 Internacional SGPS, SA	Lisbon (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 – Conceção 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)	25.00%	5.86%	25.00%	5.86%
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%

SONAE 1H18 RESULTS

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)	50.00%	44.99%	50.00%	44.99%
Sonae IM					
Intelligent Big Data, SL	Gipuzcoa (Spain)	50.00%	44.99%	50.00%	44.99%
Sonae FS					
Accive Insurance – Corretor de Seguros, SA	Porto (Portugal)	70.00%	35.00%	70.00%	35.00%
Brokerslink Management AG	Zug (Switzerland)	20.00%	10.00%	20.00%	10.00%
BUZZEE Insure, Lda	Porto (Portugal)	100.00%	50.00%	100.00%	50.00%
Filhet Allard EspañaCorreduria de Seguros S.L.	Madrid (Spain)	35.00%	17.50%	35.00%	17.50%
Flexben, Lda	Porto (Portugal)	45.00%	22.50%	45.00%	22.50%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	Santa Catarina (Brazil)	100.00%	50.00%	100.00%	50.00%
Herco, Consultoria de Risco, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
HighDome PCC Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.00%
Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	Porto (Portugal)	60.00%	30.00%	60.00%	30.00%
ISEM – Corretora de segurose resseguros, SA	Lisbon (Portugal)	50.00%	25.00%	-	-
Larim Corretora de Resseguros Ltda	Rio de Janeiro (Brazil)	99.99%	50.00%	99.99%	50.00%
Lazam/mds Correctora Ltda	São Paulo (Brazil)	100.00%	50.00%	100.00%	50.00%
MDS África, SGPS, SA	Porto (Portugal)	50.00%	25.00%	50.00%	25.00%
MDS - Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.00%	100.00%	50.00%
MDS Auto - Mediação de Seguros, SA	Porto (Portugal)	50.00%	25.00%	50.00%	25.00%
4) MDS Link Solutions, Lda	Porto (Portugal)	50.00%	25.00%	-	-
MDS Malta Holding Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.00%
3) MDS MG Corretora e Administradora de Seguros, Ltda	Minas Gerais (Brazil)	50.00%	25.00%	-	-
MDS Partners Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.00%	100.00%	50.00%
MDS RE – Mediador de resseguros, SGPS, SA	Porto (Portugal)	100.00%	25.00%	100.00%	25.00%
MDS, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
4) Moneris Correctores de Seguros Limitada	Maputo (Mozambique)	50.00%	50.00%	-	-
Moneris Seguros - Mediação de Seguros, Lda	Oeiras (Portugal)	60.00%	30.00%	60.00%	30.00%
3) Reinsurance Solutions, Soc. Corretora de Resseguros, SA	Luanda (Angola)	50.00%	33.33%	-	-

SONAE 1H18 RESULTS

Others

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%	50.00%	44.99%

*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 merged in Sierra Investimentos Brasil, Lda;
- 2) Company settled;
- 3) Company acquired in the period;
- 4) Company incorporated in the period.

31.2 Associated companies

COMPANY		Percentage of capital held			
		30 Jun 2018		31 Dec2017	
		Direct*	Total*	Direct*	Total*
Head Office					
Sonae MC					
Sempre a Postos – Produtos Alimentares e Utilidades, Lda	Lisbon (Portugal)	25.00%	25.00%	25.00%	25.00%
Sonae S2 Africa Limited	La Valletta (Malta)	30.00%	30.00%	30.00%	30.00%
S2 Mozambique, SA	Maputo (Mozambique)	30.00%	30.00%	30.00%	30.00%
Ulabox, S.L.	Barcelona (Spain)	41.89%	41.89%	41.89%	41.89%
Sonae IM					
1) Armilar Venture Partners - Sociedade de Capital de Risco, SA	Lisbon (Portugal)	-	-	35.00%	31.49%
Fundo de Capital de Risco Armilar Venture Partners II	Lisbon (Portugal)	50.74%	45.65%	50.74%	45.65%
Fundo de Capital de Risco Armilar Venture Partners III	Lisbon (Portugal)	42.64%	38.36%	42.64%	38.36%
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%
Probe.ly	Lisbon (Portugal)	22.88%	20.58%	22.88%	20.58%
Secucloud Network GmbH	Hamburgo (Germany)	27.45%	24.70%	27.45%	24.70%

SONAE 1H18 RESULTS

2)	ISRG - Iberian Sports Retail Group, SL	Alicante (Spain)	33.33%	33.33%	-	-
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) In June the fund participation was sold;
- 2) In 2017, an agreement was signed for the combination of Sport Zone with JD Sprinter Holdings that completion in January 2018 and this subsidiary was consolidated by the equity method, given the loss of control (Notes 3.2 and 4).

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

José Manuel Neves Adelino

Andrew Eustace Clavering Campbell

Christine Cross

Tsega Gebreyes

Marcelo Faria de Lima

Margaret Lorraine Trainer

Condensed separate financial statements

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018 AND 2017 AND AT 31 DECEMBER 2017

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

(Amounts expressed in euro)	Notes	30 Jun 2018	30 Jun 2017	31 Dec 2017
ASSETS				
NON-CURRENT ASSETS:				
Tangible assets		56,323	82,320	68,906
Intangible assets		7	33	20
Investments in subsidiaries, associates and joint ventures	4	3,825,945,504	3,806,520,407	3,824,883,407
Other investments	5	49,880	49,880	49,880
Deferred taxes		12,980,992	16,045,314	7,755,724
Other non-current assets	6	89,439,867	173,092,867	110,649,867
Total non-current assets		3,928,472,573	3,995,790,821	3,943,407,804
CURRENT ASSETS:				
Trade account receivables and other current assets	7	76,790,563	80,369,726	44,824,180
Cash and cash equivalents	8	1,290,472	383,694	170,739
Total current assets		78,081,035	80,753,420	44,994,919
TOTAL ASSETS		4,006,553,608	4,076,544,241	3,988,402,723
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,400,373,888	1,391,115,961	1,391,353,911
Profit for the period		29,290,121	52,581,892	93,223,270
TOTAL EQUITY		3,429,664,009	3,443,697,853	3,484,577,181
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	403,717,799	375,766,003	374,741,901
Total non-current liabilities		403,717,799	375,766,003	374,741,901
CURRENT LIABILITIES:				
Loans	10	79,500,000	96,800,000	36,390,000
Trade creditors and other current liabilities	11	93,671,800	160,280,385	92,693,641
Total current liabilities		173,171,800	257,080,385	129,083,641
TOTAL EQUITY AND LIABILITIES		4,006,553,608	4,076,544,241	3,988,402,723

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

CONDENSED SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2018 AND 2017

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

(Amounts expressed in euro)	Notes	2 nd Quarter 2018	2 nd Quarter 2017	30 Jun 2018	30 Jun 2017
Services rendered		130,766	119,916	261,533	239,831
Gains or losses on investments	14	2,392,473	7,750,695	27,299,295	56,321,523
Financial income		473,526	853,375	953,955	1,659,493
Other income		376,565	518,576	802,908	990,911
External supplies and services		(1,018,709)	(883,574)	(1,965,626)	(1,765,243)
Staff costs		(467,123)	(506,807)	(882,952)	(1,055,250)
Depreciation and amortisation		(5,486)	(7,819)	(12,711)	(15,740)
Financial expense		(1,585,068)	(1,785,005)	(3,137,757)	(3,496,679)
Other expenses		(203,808)	(176,455)	(427,663)	(288,978)
Profit/(Loss) before taxation		93,136	5,882,902	22,890,982	52,589,868
Taxation		(7,943,947)	(293,831)	6,399,139	(7,976)
Profit/(Loss) after taxation		(7,850,811)	5,589,071	29,290,121	52,581,892
Profit/(Loss) per share					
Basic	15	(0.003925)	0.002795	0.014645	0.026291
Diluted	15	(0.003925)	0.002792	0.014641	0.026286

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

SONAE 1H18 RESULTS

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2018 AND 2017

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

(Amounts expressed in euro)	2 nd Quarter 2018	2 nd Quarter 2017	30 Jun 2018	30 Jun 2017
Net Profit / (Loss) for the period	(7,850,811)	5,589,071	29,290,121	52,581,892
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(7,850,811)	5,589,071	29,290,121	52,581,892

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

SONAE 1H18 RESULTS

CONDENSED SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2018 AND 2017

(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	Other reserves			Retained earnings	Net profit/(loss)	Total
				Share based payments reserve	Free reserves	Total other reserves			
Balance as at 1 January 2017	2,000,000,000	-	244,211,592	1,078,568	1,063,555,682	1,064,634,250	146,534,851	15,940,218	3,471,320,911
Total comprehensive income for the period	-	-	-	-	-	-	-	52,581,892	52,581,892
Appropriation of profit of 2016:									
Transfer to legal reserve	-	-	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)
Transfer to retained earnings of the change of accounting policy effect	-	-	-	-	-	-	(45,360,000)	45,360,000	-
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	-	(541,400)	98,500	(442,900)	-	-	23,311
Share-based payments	-	-	-	237,950	-	237,950	-	-	237,950
Balance as at 30 June 2017	2,000,000,000	-	247,276,603	775,118	1,041,889,389	1,042,664,507	101,174,851	52,581,892	3,443,697,853
Balance as at 1 January 2018	2,000,000,000	-	247,276,603	1,013,068	1,041,889,389	1,042,902,457	101,174,851	93,223,270	3,484,577,181
Total comprehensive income for the period	-	-	-	-	-	-	-	29,290,121	29,290,121
Appropriation of profit of 2017:									
Transfer to legal reserve	-	-	4,661,164	-	-	-	-	(4,661,164)	-
Transfer to free reserves	-	-	-	-	4,562,106	4,562,106	-	(4,562,106)	-
Dividends distributed	-	-	-	-	-	-	-	(84,000,000)	(84,000,000)
Share-based payment - reclassification from capital to liabilities	-	-	-	(578,200)	162,473	(415,727)	-	-	(415,727)
Share-based payments	-	-	-	212,434	-	212,434	-	-	212,434
Balance as at 30 June 2018	2,000,000,000	-	251,937,767	647,302	1,046,613,968	1,047,261,270	101,174,851	29,290,121	3,429,664,009

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

SONAE 1H18 RESULTS

CONDENSED SEPARATE CASH FLOW STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2018 AND 2017

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

(Amounts expressed in euro)	Notes	2 nd Quarter 2018	2 nd Quarter 2017	30 Jun 2018	30 Jun 2017
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		(893,990)	(1,898,047)	(914,477)	(1,695,783)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		222,309	-	222,309	-
Interest and similar income		132,225	183,938	2,889,805	372,768
Dividends		3,031,462	43,685,743	3,031,462	43,685,743
Others		-	1,511,927	-	1,511,927
Loans granted		569,255,000	604,517,000	922,412,000	1,161,011,000
		572,640,996	649,898,608	928,555,576	1,206,581,438
Cash payments arising from:					
Investments		(1,889,783)	-	(1,889,783)	-
Tangible and intangible assets		-	(2,695)	(111)	(32,668)
Loans granted		(548,086,000)	(604,517,000)	(901,243,000)	(1,161,011,000)
		(549,975,783)	(604,519,695)	(903,132,894)	(1,161,043,668)
Net cash used in investment activities (2)		22,665,213	45,378,913	25,422,682	45,537,770
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		876,529,000	1,612,916,000	1,456,205,000	2,576,150,000
		876,529,000	1,612,916,000	1,456,205,000	2,576,150,000
Cash payments arising from:					
Loans obtained		(811,527,244)	(1,574,507,000)	(1,392,942,244)	(2,537,653,000)
Interest and similar charges		(1,643,412)	(1,600,799)	(2,670,132)	(2,924,183)
Dividends		(83,981,096)	(79,981,996)	(83,981,096)	(79,981,996)
		(897,151,752)	(1,656,089,795)	(1,479,593,472)	(2,620,559,179)
Net cash used in financing activities (3)		(20,622,752)	(43,173,795)	(23,388,472)	(44,409,179)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		1,148,471	307,071	1,119,733	(567,192)
Cash and cash equivalents at the beginning of the period		142,001	76,623	170,739	950,886
Cash and cash equivalents at the end of the period	8	1,290,472	383,694	1,290,472	383,694

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

SONAE, SGPS, SA

NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

(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 2017, except for the adoption of the new standards effective at 1 January 2018. There were no significant impacts of IFRS 9 and IFRS 15 application.

4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 30 June 2018 and 31 December 2017 the company held investments in the following companies:

Companies	30 Jun 2018					
	% Held	Opening balance	Increase	Decrease	Impairment loss recognized during the period	Closing balance
Arat Imóveis, SAU	100.00%	-	1,827,149	-	-	1,827,149
Interlog, SGPS, SA	-	106,686	-	(106,686)	-	-
Fundo de Investimento Imobiliário Fechado Imosede	19.60%	30,000,544	-	-	-	30,000,544
Sonae MC, SGPS, SA (Ex Sonae Investimentos, SGPS, SA)	25.03%	532,246,696	-	-	-	532,246,696
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	1,481,059	-	-	(721,000)	760,059
Sonae Sierra SGPS, SA	50.00%	490,113,339	-	-	-	490,113,339
Sonae - Shared Service Center, SA	100.00%	-	62,634	-	-	62,634
Sonaeom, SGPS, SA	26.02%	111,098,824	-	-	-	111,098,824
Sonaeinvest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,537,221,545	-	-	-	1,537,221,545
Sontel, BV	35.87%	286,755,099	-	-	-	286,755,099
Total		3,824,883,407	1,889,783	(106,686)	(721,000)	3,825,945,504

SONAE 1H18 RESULTS

Companies	% Held	31 Dec 2017				Closing balance
		Opening balance	Increase	Decrease	Impairment loss recognized during the period	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Fundo de Investimento Imobiliário Fechado Imosede	19.60%	30,000,544	-	-	-	30,000,544
Sonae MC, SGPS, SA (Ex Sonae Investimentos, SGPS, SA)	25.03%	532,246,696	-	-	-	532,246,696
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	1,232,059	-	-	249,000	1,481,059
Sonae Sierra SGPS, SA	50.00%	490,113,339	-	-	-	490,113,339
Sonaeecom, SGPS, SA	26.02%	111,098,824	-	-	-	111,098,824
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,530,231,545	-	-	6,990,000	1,537,221,545
Sontel, BV	35.87%	275,631,099	-	-	11,124,000	286,755,099
Total		3,806,520,407	-	-	18,363,000	3,824,883,407

5 OTHER INVESTMENTS

As at 30 June 2018 and 31 December 2017 other investments are as follows:

Companies	30 Jun 2018			
	Opening balance	Increase	Decrease	Closing balance
Associação Escola Gestão Porto	49,880	-	-	49,880
Total	49,880	-	-	49,880

Companies	31 Dec 2017			
	Opening balance	Increase	Decrease	Closing balance
Associação Escola Gestão Porto	49,880	-	-	49,880
Total	49,880	-	-	49,880

6 OTHER NON-CURRENT ASSETS

As at 30 June 2018 and 31 December 2017 other non-current assets are as follows:

	30 Jun 2018	31 Dec 2017
Loans granted to group companies:		
Sonae Investments, BV	89,439,867	110,649,867
Total	89,439,867	110,649,867

As at 30 June 2018 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 June 2018 and 31 December 2017 trade accounts receivable and other current assets are detailed as follows:

	30 Jun 2018	31 Dec 2017
Trade accounts receivable	-	531,855
Group companies:		
Dividends	24,873,210	-
Loans	41,000	-
Interests	-	2,630,955
Taxes - Special regime for taxation of groups of companies	43,993,019	25,532,297
Taxes and contributions receivable	5,312,598	13,704,653
Accrued income and prepayments	2,387,812	2,245,319
Others	182,924	179,101
Total	76,790,563	44,824,180

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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 June 2018 and 31 December 2017 cash and cash equivalents are detailed as follows:

	30 Jun 2018	31 Dec 2017
Cash at hand	1,703	953
Bank deposits	1,288,769	169,786
Cash and cash equivalents on the statement of financial position	1,290,472	170,739
Cash and cash equivalents on the cash flow statement	1,290,472	170,739

9 SHARE CAPITAL

As at 30 June 2018 and 31 December 2017 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

As at 30 June 2018 and 31 December 2017, loans are made up as follows:

	30 Jun 2018	31 Dec 2017
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	(1,042,709)	(1,241,289)
Bonds	158,957,291	158,758,711
Sonae SGPS - Commercial paper	195,000,000	166,250,000
Sonae SGPS - bank loans	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(239,492)	(266,810)
Bank loans	244,760,508	215,983,190
Non-current loans	403,717,799	374,741,901
Sonae SGPS - Commercial paper	79,500,000	36,390,000
Bank loans	79,500,000	36,390,000
Current loans	79,500,000	36,390,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 177 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	149,500,000	225,000,000
Available credit facilities amounts	147,000,000	30,000,000

The interest rate as at 30 June 2018 of bonds and bank loans was, in average 0.76% (1.01% as at 31 December 2017).

Maturity of Borrowings

As at 30 June 2018 and 31 December 2017 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	30 Jun 2018	31 Dec 2017
N+1	79,500,000	36,390,000
N+2	2,500,000	4,000,000
N+3	72,500,000	76,750,000
N+4	140,000,000	83,000,000
N+5	140,000,000	113,000,000
after N+5	50,000,000	99,500,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2018 and 31 December 2017, trade creditors and other current liabilities are detailed as follows:

	30 Jun 2018	31 Dec 2017
Trade creditors	319,114	286,234
Group companies:		
Loans	68,897,000	77,494,244
Taxes - Special regime for taxation of groups of companies	16,897,913	3,690,603
Taxes and contributions payable	5,459,716	8,919,178
Accrued expenses	1,863,061	2,204,063
Others	234,996	99,319
Total	93,671,800	92,693,641

12 CONTINGENT LIABILITIES

As at 30 June 2018 and 31 December 2017, contingent liabilities are detailed as follows:

	30 Jun 2018	31 Dec 2017
Guarantees given:		
on tax claims	146,570,558	146,570,558
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries a)	374,487,291	375,078,359

(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:

Balance	30 Jun 2018	31 Dec 2017
Subsidiaries	45,546,979	29,929,831
Jointly controlled companies	24,984,743	218,605
Other related parties	79,755	98,000
Accounts receivable	70,611,477	30,246,436
Parent company	268,272	512,593
Subsidiaries	17,143,859	4,241,261
Other related parties	369,214	6,941
Accounts payable	17,781,345	4,760,795
Subsidiaries	89,480,867	110,649,867
Loans granted	89,480,867	110,649,867
Subsidiaries	68,897,000	77,494,244
Loans obtained	68,897,000	77,494,244
Transactions	30 Jun 2018	30 Jun 2017
Subsidiaries	875,119	1,029,289
Jointly controlled companies	111,533	109,831
Other related parties	54,806	50,000
Services rendered and other income	1,041,458	1,189,120
Parent company	288,717	332,966
Subsidiaries	795,667	751,989
Jointly controlled companies	116	-
Other related parties	19,047	25,226
Purchases and services obtained	1,103,547	1,110,181
Subsidiaries	901,919	1,659,493
Interest income	901,919	1,659,493
Subsidiaries	446,732	472,292
Interest expenses	446,732	472,292
Subsidiaries	3,031,462	17,418,496
Jointly controlled companies	24,873,210	37,391,100
Dividend income (Note 14)	27,904,672	54,809,596
Subsidiaries	1,889,783	-
Acquisition of investments	1,889,783	-
Subsidiaries	-	1,511,927
Income from investment fund participation 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 are also considered related parties (other related parties).

14 INVESTMENTS INCOME

As at 30 June h 2018 and 2017, investment income can be detailed as follows:

	30 Jun 2018	30 Jun 2017
Dividends	27,904,672	54,809,596
Impairment losses	(721,000)	-
Gains / (losses) on sale investments	115,623	1,511,927
Total	27,299,295	56,321,523

Dividends were distributed from Sonaegest, SA (33,612 euro), Sonae Sierra, SGPS, SA (24,873,210 euro) and Sonaecom, SGPS, SA (2,997,850 euro).

15 EARNINGS PER SHARE

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

	30 Jun 2018	30 Jun 2017
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	29,290,121	52,581,892
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	29,290,121	52,581,892
Number of shares		
Weighted average number of shares used to calculate basic earnings	2,000,000,000	2,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,195,751	1,149,412
Number of shares that could be acquired at average market price	(580,801)	(807,414)
Weighted average number of shares used to calculate diluted earnings per share	2,000,614,950	2,000,341,998
Profit/(Loss) per share		
Basic	0.014645	0.026291
Diluted	0.014641	0.026286

16 SUBSEQUENT EVENTS

In July 2018 Sonae has entered into an agreement with Grosvenor Group for the acquisition of a 20% stake of Sonae Sierra, SGPS, SA for a total estimated consideration of 255 million euros. The completion of the transaction is subject to anti-trust approval.

17 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 22 August 2018.

18 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 June 2018 long-term loan contracts were entered into with the following companies:

Sonae Investments, BV

During the period ended 30 June 2018 short-term loan contracts were entered into with the following companies:

Arat Inmuebles, SAU

Público – Comunicação Social, SA

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Público, Comunicação e Jornalismo, SA

Sonae MC, SGPS, SA (Ex Sonae Investimentos, SGPS, SA)

Sonaecom – Serviços Partilhados, SA

Sonaecom, SGPS, SA

Sonae RE, SA

Sonae - Shared Service Center, SA

Sontel, BV

As at 30 June 2018, amounts owed by subsidiaries can be summarized as follows:

	Closing balance
Sonae Investments, BV	89,439,867
Sonae - Shared Service Center, SA	41,000
Total	89,480,867

As at 30 June 2018 amounts owed to subsidiaries can be summarized as follows:

	Closing balance
Arat Inmuebles, SAU	1,436,000
Sonaecenter, Serviços, SA	56,638,000
Sonae RE, SA	932,000
Sontel, BV	9,891,000
Total	68,897,000

Approved at the meeting of the Board of Directors held on August 22th, 2018

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Andrew Eustace Clavering Campbell

Christine Cross

Tsega Gebreyes

Marcelo Faria de Lima

Margaret Lorraine Trainer

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

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

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