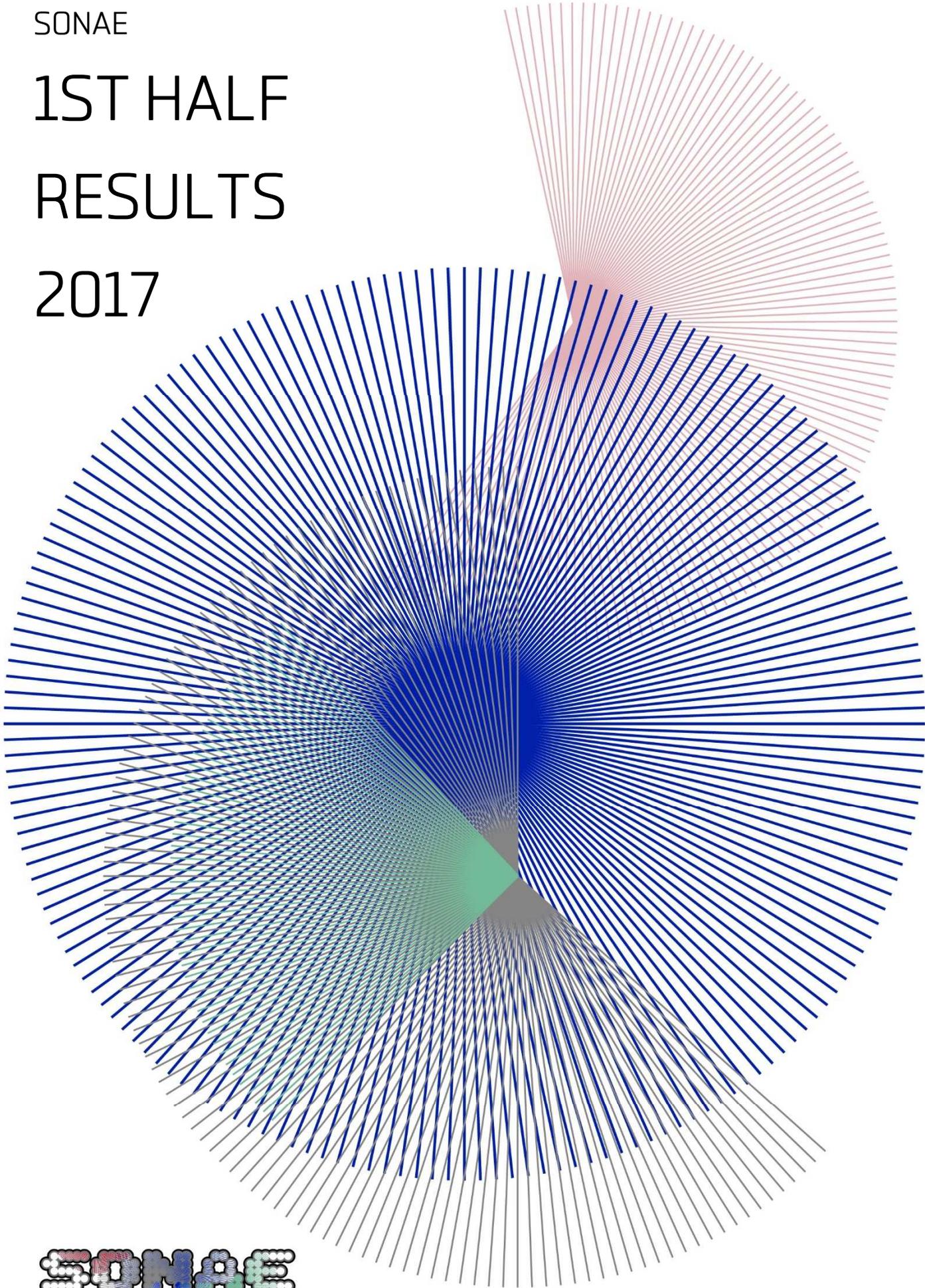


SONAE

# 1ST HALF RESULTS 2017



# 1 HIGHLIGHTS AND CEO'S MESSAGE

---

- Sonae increased turnover by 8.0% y.o.y. to €2,603 M, fuelled by a growth of 10.0% in 2Q17
- Sonae underlying EBITDA increased to €116 M in 1H17, +9.2% y.o.y.
- Contribution of Sonae companies consolidated through equity increased 24.5% in 1H17, to €32 M, and 36.9% in 2Q17, to €17 M

*“The second quarter progressed according to our expectations, with positive contributions from all activities, which led to significant turnover growth (+8%) and an increase in recurrent profitability (+12%) in the first semester when compared to the previous year.*

*Increased competition in different business areas has demanded aggressive productivity increases, along with high levels of investment that have resulted in the reinforcement of competitive positions in our main sectors.*

*The strong focus on the digital transformation of our companies and the improvement of their online value proposition was also evidenced by the achieved results.*

*In addition to positive operational developments and progress in strategic execution, once again we improved our balance sheet, which is now financed by equity close to 60%.”*

*Ângelo Paupério, Sonae Co-CEO*

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

### Sonae businesses overview

Million euros	1H16	1H17	y.o.y.	2Q16	2Q17	y.o.y.
<b>Turnover</b>						
Sonae Retail	2,385	2,564	7.5%	1,185	1,307	10.3%
Sonae Sierra <sup>(1)</sup>	100	108	8.1%	48	54	12.1%
NOS <sup>(1)</sup>	743	769	3.5%	373	388	4.2%
Sonae IM	61	69	14.5%	34	36	7.1%
Sonae FS	8	11	39.5%	4	6	51.1%
<b>Underlying EBITDA</b>						
Sonae Retail	116	128	10.3%	65	74	13.6%
Sonae Sierra <sup>(1)</sup>	48	50	5.8%	22	25	14.2%
NOS <sup>(1)</sup>	287	300	4.8%	149	157	5.4%
Sonae IM	1.9	2.4	29.0%	1.4	1.8	28.9%
Sonae FS	-1.1	1.4	-	0.1	0.7	-

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

### Sonae consolidated results

Million euros	1H16	1H17	y.o.y.	2Q16	2Q17	y.o.y.
<b>Turnover</b>	<b>2,410</b>	<b>2,603</b>	<b>8.0%</b>	<b>1,204</b>	<b>1,324</b>	<b>10.0%</b>
<b>Underlying EBITDA</b>	<b>106</b>	<b>116</b>	<b>9.2%</b>	<b>63</b>	<b>67</b>	<b>6.8%</b>
Underlying EBITDA margin	4.4%	4.5%	0.0 p.p.	5.2%	5.0%	-0.2 p.p.
Equity method results <sup>(1)</sup>	25	32	24.5%	13	17	36.9%
o.w. S. Sierra (direct results)	13	15	12.5%	6	8	25.4%
o.w. NOS	10	16	59.0%	5	9	70.2%
Non-recurrent items	56	-5	-	-6	-4	-
<b>EBITDA</b>	<b>187</b>	<b>142</b>	<b>-24.0%</b>	<b>69</b>	<b>80</b>	<b>16.9%</b>
EBITDA margin	7.8%	5.5%	-2.3 p.p.	5.7%	6.1%	0.4 p.p.
D&A <sup>(2)</sup>	-96	-99	-3.2%	-46	-51	-9.9%
<b>EBIT</b>	<b>92</b>	<b>44</b>	<b>-52.4%</b>	<b>23</b>	<b>30</b>	<b>31.1%</b>
Net financial activity	-25	-18	28.6%	-11	-10	8.1%
<b>EBT</b>	<b>67</b>	<b>26</b>	<b>-61.2%</b>	<b>12</b>	<b>20</b>	<b>67.3%</b>
Taxes	-1	17	-	11	14	31.8%
<b>Direct results <sup>(3)</sup></b>	<b>66</b>	<b>43</b>	<b>-35.5%</b>	<b>23</b>	<b>34</b>	<b>50.3%</b>
Indirect results	11	33	195.4%	26	33	27.1%
<b>Net income</b>	<b>77</b>	<b>75</b>	<b>-2.5%</b>	<b>48</b>	<b>67</b>	<b>38.0%</b>
Non-controlling interests	-1	-2	-163.8%	-2	-2	0.8%
<b>Net income group share</b>	<b>76</b>	<b>73</b>	<b>-4.4%</b>	<b>46</b>	<b>65</b>	<b>39.7%</b>

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

(2) Depreciations & amortisations including provisions & impairments;

(3) Direct results before non-controlling interests.

### Sonae net invested capital

Million euros	1H16	1H17	y.o.y.
<b>Net invested capital</b>	<b>3,281</b>	<b>3,453</b>	<b>5.2%</b>
<b>Sonae shareholders funds</b>	<b>1,892</b>	<b>2,034</b>	<b>7.5%</b>
<b>Sonae net debt <sup>(1)</sup></b>	<b>1,389</b>	<b>1,419</b>	<b>2.1%</b>
Net debt / Invested capital	42.3%	41.1%	-1.2 p.p.

(1) Financial net debt + net shareholder loans.

### Sonae businesses highlights

- Acceleration of turnover growth in major businesses in 2Q17;
- Underlying EBITDA increasing in all businesses.

From a statutory perspective, **Sonae consolidated turnover** reached €2,603 M in 1H17, registering an increase of 8.0% y.o.y., with all businesses contributing positively to this evolution: Sonae Retail, Sonae IM and Sonae FS.

**Sonae underlying EBITDA** increased by 9.2%, to €116 M, driven by all businesses' positive evolution. **Sonae underlying EBITDA margin** increased from 4.4% in 1H16 to 4.5% in 1H17.

**Sonae EBITDA** totalled €142 M, corresponding to an **EBITDA margin** of 5.5%, down from 7.8% in 1H16 due to the positive impact, last year, of non-recurrent items (benefiting mostly from the capital gains arising from the sale and leaseback transactions completed by Sonae RP in 1H16), notwithstanding the higher underlying EBITDA and Equity method results in 1H17. Importantly, Equity method results reached €17 M in 2Q17, the highest result ever achieved in a quarter.

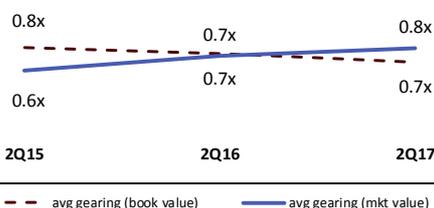
**Sonae net financial activity** stood at negative €18 M, improving by €7 M when compared to 1H16, driven by the y.o.y. decrease in the cost of outstanding debt. The average interest rate of outstanding debt was 1.3% on June 30<sup>th</sup> 2017, decreasing by 30bps when compared to 1H16. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

**Sonae direct results** totalled €43 M, decreasing by €23 M when compared to 1H16, driven primarily by non-recurrent items and marginally by D&A, as underlying EBITDA, Equity method results, net financial activity and taxes posted a favourable evolution. **Sonae indirect results** improved by €22 M in 1H17, reaching €33 M. This benefited from the positive effect of the valuation of Sierra's assets, as well as from a capital gain driven by the deconsolidation of MDS.

Sonae continued to reinforce its capital structure. **Financial leverage ratio** decreased from 42.3% to 41.1%, less 120bps y.o.y.. **Sonae net debt** totalled €1,419 M, increasing 2.1% comparing to 1H16. This was mainly driven by Sonae dividends payment in the amount €80 M, on May 2017. It should be noted that net debt in 1H16 benefited from a significant sale and leaseback activity.

## 2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

### Gearing



**Average gearing at book value** reached 0.7x, remaining stable when compared with 2Q16. **Average gearing at market value** stood at 0.8x, increasing by 0.1x y.o.y. mainly motivated by the evolution of the average equity in the period.

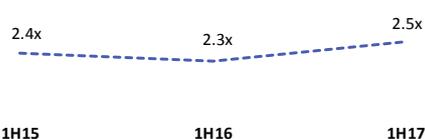
Sonae remains focused on presenting a **robust capital structure**, optimising funding costs whilst maintaining sufficient back up liquidity and an improved maturity profile. Sonae continued to fulfil its practice of being fully financed for the coming 18 months and at the same time improving its general funding conditions. As of 1H17, the average maturity profile remained close to 4 years.

Million euros	1H16	1H17	y.o.y.
<b>Net financial debt</b>	<b>1,385</b>	<b>1,418</b>	<b>2.4%</b>
Retail	826	862	4.3%
Sonae IM	2	2	7.9%
Holding & other	557	555	-0.4%
<b>Sonae net debt</b>	<b>1,389</b>	<b>1,419</b>	<b>2.1%</b>

**Retail net financial debt** reached €862 M in 1H17, 4.3% above 1H16. **Retail net debt to EBITDA** stood at 2.5x, increasing by 0.2x y.o.y. driven by a lower EBITDA over the last 12 months and a higher retail net debt.

### Capital Structure

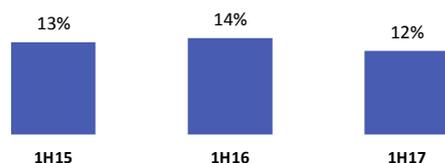
Net debt to EBITDA - Retail



**Holding & other net debt** totalled €555 M, remaining nearly flat versus 1H16, despite the payment of dividends, this year. **Loan-to-value** ratio of the Holding stood at 12%, decreasing when compared to 14% reached in 1H16, backed by a higher Net Asset Value.

### Capital Structure

Loan-to-value (%) - Holding



**Sonae Capex** stood at €121 M in 1H17, €87 M below 1H16. This decrease is primarily driven by Sonae Sports & Fashion, mostly due to the Capex related to Salsa acquisition at the end of 2Q16, coupled with a slightly lower Capex at Sonae MC and at Sonae RP, both driven by a delay in the food retail store network expansion when compared to last year. In 1H17, **Sonae Capex to sales** stood at 4.6%.

### Sonae Capex

Million euros	1H16	1H17	% of Turnover
<b>Capex</b>	<b>208</b>	<b>121</b>	<b>4.6%</b>
<b>Sonae Retail</b>	<b>198</b>	<b>113</b>	<b>4.4%</b>
Sonae MC	69	67	3.8%
Worten	13	13	3.0%
Sonae Sports & Fashion	89	16	5.9%
Sonae RP	28	16	35.6%
Maxmat	0.4	0.5	1.4%
<b>Sonae IM</b>	<b>6</b>	<b>5</b>	<b>7.9%</b>
<b>Sonae FS</b>	<b>0.17</b>	<b>0.23</b>	<b>2.1%</b>

### 3 SONAE RETAIL RESULTS

#### Sonae Retail businesses performance

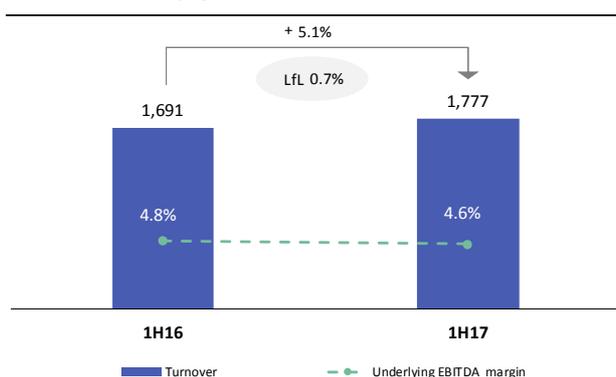
Million euros	1H16	1H17	y.o.y	2Q16	2Q17	y.o.y
<b>Turnover</b>	<b>2,385</b>	<b>2,564</b>	<b>7.5%</b>	<b>1,185</b>	<b>1,307</b>	<b>10.3%</b>
Sonae MC	1,691	1,777	5.1%	862	922	7.0%
Worten	404	435	7.6%	188	217	15.7%
Sonae Sports & Fashion	210	270	28.8%	95	126	32.5%
Sonae RP	47	46	-2.2%	22	23	2.0%
Maxmat	33	36	8.6%	18	19	6.9%
<b>Underlying EBITDA</b>	<b>116</b>	<b>128</b>	<b>10.3%</b>	<b>65</b>	<b>74</b>	<b>13.6%</b>
Sonae MC	81	81	0.1%	49	50	2.5%
Worten	3	6	93.4%	1	3	285.0%
Sonae Sports & Fashion	-11	-1	91.6%	-7	-2	71.4%
Sonae RP	41	40	-3.1%	20	20	1.1%
Maxmat	2	2	24.0%	2	2	9.3%
<b>Underlying EBITDA margin (%)</b>	<b>4.9%</b>	<b>5.0%</b>	<b>0.1 p.p.</b>	<b>5.5%</b>	<b>5.6%</b>	<b>0.2 p.p.</b>

**Sonae retail turnover** grew by 7.5% in 1H17, reaching €2,564 M, fuelled by a strong 2Q17, in which retail turnover increased by 10.3% y.o.y., also backed by positive calendar effects. The performance in 1H17 was driven by all businesses except for Sonae RP, which was impacted by a reduced freehold. Most importantly, on a quarterly basis, all businesses contributed positively for top line performance.

**Sonae retail underlying EBITDA** increased from €116 M to €128 M, +10.3% y.o.y.. This evolution benefited from Sonae MC, Worten, Sonae Sports & Fashion and Maxmat, which together largely off-set Sonae RP slightly reduced underlying EBITDA.

#### SONAE MC

##### Turnover and underlying EBITDA evolution



**Sonae MC turnover** increased by 5.1% in 1H17, reaching €1,777 M and reinforcing, once again, its market leadership. In 1H17, turnover performance benefited from a **Lfl sales growth** of 0.7% and also from additional space contribution, namely through the opening of 6 Continente Bom Dia stores.

Following the 1Q17, marked by adverse calendar effects as the absence of Easter, the leap year and one Saturday less, the 2Q17 showed a particularly positive top line trend with turnover growing by 7.0%, to €922 M, fuelled by a Lfl sales growth of 2.6%.

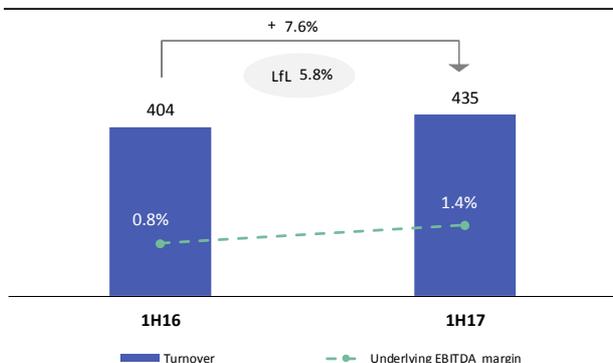
**Sonae MC underlying EBITDA margin** reached 4.6%, decreasing 20bps when compared to 1H16. This reflects the hardships of the fierce competitive environment, which continued very demanding in 2Q17, as well as the effect of store network expansion through convenience formats.

Sonae MC has been actively investing in strengthening its position in the *Health and Wellness* segment. It should be noted that Brio (100% owned) and Go Natural (51% owned) transactions have already been completed in 2Q17. As part of this strategy, Sonae MC now holds 7 Go Natural healthy supermarkets and is developing restaurant areas under the same banner. Also, on May 2017, Sonae MC opened Dr Well's, the first clinic specialised in dental and aesthetic medicine, a step further in the extension of services provided by Well's parapharmacies.

### 3 SONAE RETAIL RESULTS (continued)

#### WORTEN

Turnover and underlying EBITDA evolution



**Worten turnover** reached €435 M in Iberia in 1H17, an increase of €31 M y.o.y, driven by a **LfL sales growth** of 5.8%. In 2Q17, turnover grew by 15.7%, benefiting from a LfL sales growth of 12.4%, only partly explained by the Easter calendar effect – and, to a smaller extent, to the contribution from new stores in the portfolio.

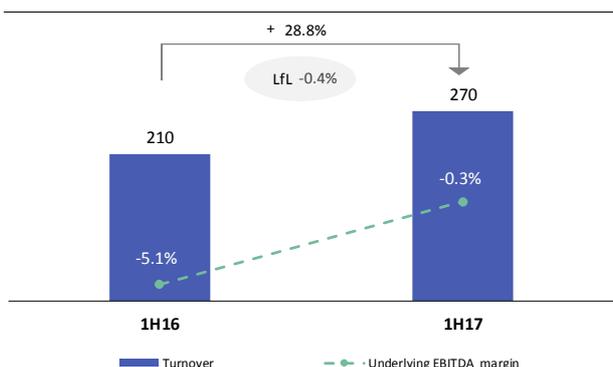
With this performance, **Worten** further strengthened its market leadership in Portugal and improved competitive position in Spain also (both in 2Q17 and 1H17 as a whole).

In a rapidly growing online market, both in Spain and Portugal, Worten e-commerce had a very positive performance, growing by more than 50% in Portugal and more than 70% in Spain – in both cases significantly improving digital market share and consolidating the benefits of the recently upgraded web platform and improvements in omni-channel functionalities.

**Underlying EBITDA** totalled €6 M in 1H17, almost twice as much as in 1H16, with both Iberian geographies contributing positively but with most improvement coming from Spain.

#### SONAE SPORTS & FASHION

Turnover and underlying EBITDA evolution



In **Sonae Sports & Fashion**, **turnover** grew by 28.8% in 1H17, to €270 M, with all businesses contributing positively and benefiting from the consolidation of Salsa. The **LfL sales growth** stood at -0.4% in 1H17, +2.7% in 2Q17.

MO and Zippy had a particularly strong 2Q17, posting **LfL sales growth** of 13% and 15% respectively. Sport Zone delivered positive turnover performance both in 1H17 and 2Q17.

At Salsa, we emphasize the positive quarter of the Spanish operation, in which **LfL sales growth** stood at 16%, and the performance in e-commerce, consistently growing above 40%.

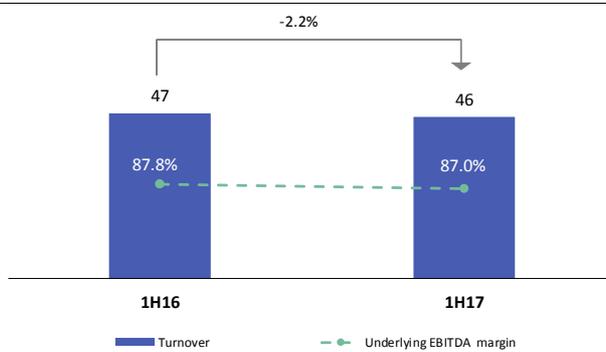
**Sonae Sports & Fashion underlying EBITDA** increased by almost €10 M when compared to 1H16, reaching -€0.9 M. The consolidation of Salsa was responsible for approximately half of this improvement and the rest came from improvements across all brands – especially material at Sport Zone and Zippy, while at MO 2Q17 brought significant improvement as well.

We also would like to highlight that the franchising operation of Zippy is becoming increasingly relevant, totaling 59 stores in 19 countries at the end of 2Q17, and benefiting from the recently opened stores in Abu Dhabi, Dubai and Indonesia.

### 3 SONAE RETAIL RESULTS (continued)

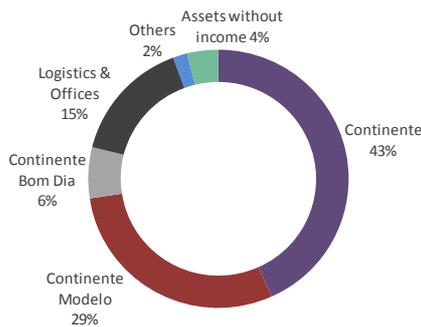
#### SONAE RP

Turnover and underlying EBITDA evolution



#### RP Portfolio

as % of Gross Book Value



**Sonae RP** is responsible for the management of Sonae’s retail real estate portfolio. Its portfolio included 21 Continente stores, 62 Continente Modelo stores and 26 Continente Bom Dia stores at the end of June 2017, corresponding to a **gross book value** of €1,272 M and to a **net book value** of €914 M.

In the last few years, **Sonae RP** implemented an asset monetisation strategy to reduce freehold levels. Particularly in 1H16, 3 sale and leaseback transactions in the amount of €230 M were accomplished, equivalent to a capital gain of €64 M (which had a positive impact in non-recurrent items line). In 1H17, Sonae RP did not complete any sale and leaseback transaction. However, already on July 2017, Sonae RP closed a sale and leaseback transaction of 4 food retail assets in the amount of €35 M, generating a capital gain of circa €10 M. Following this transaction, **Sonae MC’s freehold** reached 48%. In the specialised retail (**Worten** and **Sonae Sports & Fashion**), the **freehold** stood at 22%.

**Sonae RP turnover** amounted to €46 M in the 1H17, less €1 M when compared to the same period of last year, explained by the freehold reduction over the last 12 months.

The **underlying EBITDA** reached €40 M, equivalent to an **underlying EBITDA margin** of 87.0%.

## 4 SONAE SIERRA RESULTS

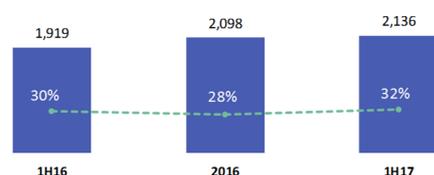
### Operational Indicators

	1H16	1H17	y.o.y.
<b>Footfall (million visitors)</b>	<b>204</b>	<b>207</b>	<b>1.2%</b>
Europe & New Markets	156	160	2.5%
Brazil	48	47	-3.1%
<b>Occupancy rate (%)</b>	<b>96.1%</b>	<b>95.8%</b>	<b>-0.3 p.p.</b>
Europe	97.1%	96.9%	-0.2 p.p.
Brazil	93.0%	92.3%	-0.7 p.p.
<b>Like-for-Like (Lfl) tenant sales</b>			
Europe	5.3%	3.4%	-
Brazil (local currency)	-0.1%	7.3%	-
<b>Tenant sales (million euros)</b>	<b>1,966</b>	<b>2,199</b>	<b>11.9%</b>
Europe (million euros)	1,439	1,541	7.0%
Brazil (million euros)	525	659	25.4%
Brazil (million reais)	2,166	2,262	4.4%
<b>Nº of shopping centres owned and/or managed (EOP)</b>	<b>68</b>	<b>65</b>	<b>-3</b>
Europe	57	55	-2
Brazil	11	10	-1
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>46</b>	<b>47</b>	<b>1</b>
Europe	36	38	2
Brazil	10	9	-1
<b>GLA under Management ('000 sqm)</b>	<b>2,422</b>	<b>2,341</b>	<b>-3.4%</b>
Europe & New Markets	1,900	1,859	-2.2%
Brazil	522	481	-7.7%

### Financial Indicators

Million euros	1H16	1H17	y.o.y.	2Q16	2Q17	y.o.y.
<b>Turnover</b>	<b>100</b>	<b>108</b>	<b>8.1%</b>	<b>48</b>	<b>54</b>	<b>12.1%</b>
<b>EBIT</b>	<b>47</b>	<b>50</b>	<b>6.0%</b>	<b>22</b>	<b>25</b>	<b>14.5%</b>
EBIT margin	47.2%	46.3%	-0.9 p.p.	44.9%	45.9%	1.0 p.p.
Direct results	27	30	12.5%	12	15	25.9%
Indirect results	32	34	5.6%	21	33	55.5%
<b>Net results</b>	<b>59</b>	<b>64</b>	<b>8.7%</b>	<b>33</b>	<b>48</b>	<b>44.8%</b>
... attributable to Sonae	30	32	8.7%	17	24	44.8%

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



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

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

In the 1H17, **Sonae Sierra** continued its **development activity**, which is progressing well and includes the following projects: Nuremberg (Germany), Málaga McArthurGlen Designer Outlet (Spain), NorteShopping and Colombo Expansion (Portugal), Jardín Plaza Cucuta (Colombia) and Zenata (Morocco).

Pursuing the **capital recycling strategy**, during 2Q17:

- Sonae Sierra created a 15/85 joint-venture with AXA IM - Real Assets for the acquisition of **Area Sur Shopping Centre**, located in Jerez, Spain. AXA IM - Real Assets will hold the majority of the shares and Sonae Sierra will be the Operating Partner;
- **ORES Socimi**, a venture between Bankinter and Sonae Sierra – the operating partner, continued to acquire assets in Iberia. In 2Q17, ORES Socimi acquired three properties (one hypermarket in Spain, plus a stand-alone and a Retail Center in Portugal).

Sonae Sierra pursued a strong **refinancing activity** during the first semester. Over this period, Sonae Sierra contracted new bank loan facilities, with favourable funding conditions in a total of €730 M.

The Shopping Centres operation in both Europe and Brazil continued to register high **occupancy rates** in the 1H17, reaching 96.9% in Europe and 92.3% in Brazil. **Tenant sales** grew by 11.9% in 1H17, corresponding to a **Lfl tenant sales** of 3.4% in Europe and 7.3% in Brazil.

**Sonae Sierra turnover** increased by €8 M, totalling €108 M in the 1H17. **EBIT** stood at €50 M, a growth of 6.0% when compared to the 1H16, driven by the positive impact of ParkLake opening as well as the positive exchange rate effect in Brazilian real between the two periods. **Direct results** stood at €30 M in the 1H17, +12.5% y.o.y. and **indirect results** reached €34 M in the 1H17, improving 5.6% when compared to the same period of last year, mainly driven by an upside in assets valuation in June 2017, consequence of additional yield compression in Iberia.

**NAV** stood at €1,392 M at the end of June 2017, €26 M below the value registered in 2016 year-end, reflecting the adverse exchange rate effect of Brazilian real (30 June 2017 vs. 31 Dec. 2016), the dividends' payment (in the amount of €75 M) and the results of the period. **Loan-to-value** stood at 32%, which compares with 28% in 2016, an increase driven by the cash-out inherent to dividends payment.

# 5 NOS RESULTS

## Financial Indicators

Million euros	1H16	1H17	y.o.y.	2Q16	2Q17	y.o.y.
Operating revenues	743	769	3.5%	373	388	4.2%
EBITDA	287	300	4.8%	149	157	5.4%
EBITDA margin	38.6%	39.0%	0.5 p.p	39.9%	40.4%	0.5 p.p
Net results	51	72	41.1%	27	40	52.5%
Capex	196	173	-11.9%	101	86	-15.1%

## Operational Indicators

('000)	1H16	1H17	y.o.y.	2Q16	2Q17	y.o.y.
Total RGUs (Net adds)	282	178	-	151	99	-
Convergent RGUs (Net adds)	302	199	-	168	77	-
Mobile (Net adds)	147	93	-	97	62	-
Pay TV (Net adds)	31	13	-	13	5	-
<b>Total RGUs</b>	<b>8,746</b>	<b>9,254</b>	<b>5.8%</b>	<b>8,746</b>	<b>9,254</b>	<b>5.8%</b>
Convergent RGUs	3,156	3,586	13.6%	3,156	3,586	13.6%
Convergent customers	644	711	10.4%	644	711	10.4%
ARPU/Unique subscriber with fixed access (euros)	43	44	2.3%	43	44	2.8%

NOS published its results on July 20<sup>th</sup> 2017, which are available at [www.nos.pt](http://www.nos.pt).

NOS continued to deliver a robust operating and financial performance.

**Operating revenues** increased by 3.5% in 1H17, to €769 M, driven by a positive performance in all segments: telco, audiovisuals and cinema.

**EBITDA** stood at €300 M in 1H17, improving by 4.8% versus 1H16 and corresponding to an EBITDA margin of 39.0%.

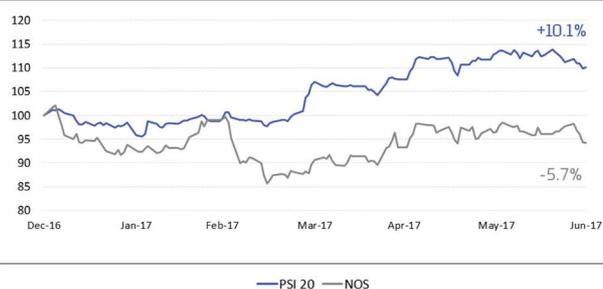
**Net results** reached €72 M in 1H17, growing by 41.1% when compared to €51 M in 1H16.

NOS continued to increase its customer base and the number of **RGUs**, which grew by 5.8%, to 9,254 thousand, as a result of a positive evolution in all segments. **Convergent RGUs** increased to 3,586 thousand, +13.6% y.o.y..

**NOS FCF** (before dividends, financial investments and acquisition of own shares) reached €102 M in 1H17, representing a material increase from the €24 M recorded in 1H16. However, due to the dividend payment made in 2Q17, in the amount of €103 M, **FCF** stood at negative €0.5 M.

During the 1H17, **NOS** market capitalisation decreased by 5.7%, corresponding to a share price decrease from €5.64 to €5.31. The PSI-20, the main Portuguese index, increased its market capitalisation by 10.1% in the same period.

## Share Price Performance

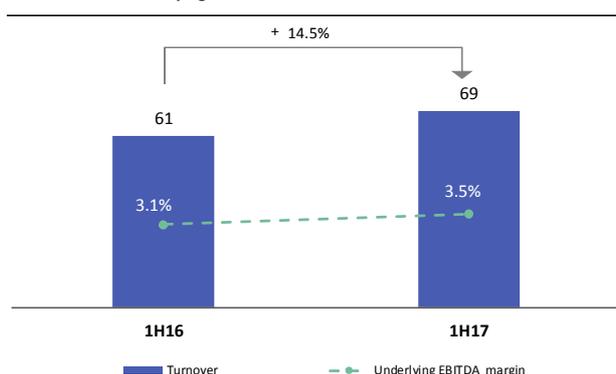


## 6 SONAE IM RESULTS

### Portfolio

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

### Turnover and underlying EBITDA evolution



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

**Sonae IM's** core areas of interest include, in retail, data analytics, omni-channel and e-commerce enabling technologies, and in telecoms, customer value enablers, efficiency, data monetisation and risk management. Transversal to both retail and telecoms, Sonae IM covers also in cybersecurity solutions.

**Turnover** increased by 14.5%, to €69 M, in 1H17. **Underlying EBITDA** stood at €2.4 M, corresponding to an **underlying EBITDA margin** of 3.5%.

## 7 SONAE FS RESULTS

### Financial Indicators

Million euros	1H16	1H17	y.o.y.	2Q16	2Q17	y.o.y.
Production	302	368	21.9%	151	189	25.0%
Turnover	8	11	39.5%	4	6	51.1%
Underlying EBITDA	-1.1	1.4	-	0.1	0.7	-
Underlying EBITDA margin	-13.3%	12.3%	25.5 p.p.	2.6%	12.3%	9.8 p.p.

**Sonae FS** was created at the end of 2015 and its mission is offering inclusive and personalised financial solutions to an enlarged number of people and families. **Sonae FS** offer includes: Credit, mostly through the Universo credit card, with special payment options at Sonae stores while having global acceptance across the Mastercard network. Additionally, Universo grants access to the several loyalty cards of Sonae retail banners. Credit offer also includes personal loans, store credit to customers and products sale at Universo online store; pre-paid cards (Cartão Dá), with B2B and B2C offers; Continente Money Transfer, a reliable service for money transfers across the globe; and insurance, presently focused on credit insurance. **Sonae FS** also includes MDS, a global insurance & reinsurance brokerage and associated risk consulting services with direct operations in Iberia, Brazil and Portuguese speaking countries in Africa. MDS is the largest broker in Portugal and the largest independent broker in Brazil. From 3Q17, MDS will be accounted for using the equity method. **Sonae FS turnover** increased by 39.5%, to €11 M, in 1H17. The **underlying EBITDA** reached €1.4 M, representing an **underlying EBITDA margin** of 12.3%.

The **Universo card** operation continued to grow in 1H17, closing the 2Q17 with 496 thousand subscribers. As for **Universo total production**, it stood at €259 M, increasing by 45.6% y.o.y..

## 8 CORPORATE INFORMATION

---

### Main corporate events in the 2Q17

#### April 26<sup>th</sup> 2017

Sonae announced that it reached an agreement with the shareholders of BRIO – Produtos de Agricultura Biológica, S.A. (BRIO) for the acquisition of 100% of BRIO's share capital. BRIO is the first organic supermarket chain launched in Portugal and operates six supermarkets specialised in organic food, all of them with convenient locations in the Lisbon area.

#### April 28<sup>th</sup> 2017

In the Annual General Assembly, which took place on April 28<sup>th</sup> 2017, the company's shareholders approved, amongst other items, the distribution of a gross dividend per share, relative to the 2016 financial year, in the amount of 0.04 euros. This dividend, which was paid on May 15<sup>th</sup> 2017, corresponded to a dividend yield of 4.6%, based on the closing price as at December 31<sup>st</sup> 2016, and to a payout ratio of 54% of the consolidated direct income attributable to equity holders of Sonae.

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

Sonae announced to the market Magallanes Value Investors' qualified shareholding amounting to 2.03% of Sonae's share capital.

### Subsequent events

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

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

## 9 ADDITIONAL INFORMATION

### Methodological notes

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

### Glossary

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

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

Note: Sonae implemented, in 1Q17, the following changes in its reporting structure: (i) MDS will start to be consolidated through the Equity Method and included in Sonae FS after the sale of 1,773 shares of MDS SGPS to IPLF Holding, SA, which has occurred in June 2017; (ii) Maxmat is reported under "Sonae Retail", together with Sonae MC, Worten, Sonae Sports & Fashion and Sonae RP; and (iii) Media and Tlantic are reported under "Others + E&A". In order to assure comparability, the 'Profit and Loss Statement' historical figures were restated accordingly.

**Sonae statement of financial position**

Million euros	1H16	1H17	y.o.y.
<b>TOTAL ASSETS</b>	<b>5,336</b>	<b>5,427</b>	<b>1.7%</b>
<b>Non current assets</b>	<b>3,937</b>	<b>4,100</b>	<b>4.2%</b>
Tangible and intangible assets	1,933	1,977	2.3%
Goodwill	655	629	-3.9%
Investment properties	1	0	-100.0%
Other investments	1,244	1,398	12.4%
Deferred tax assets	69	75	8.6%
Others	35	21	-39.2%
<b>Current assets</b>	<b>1,399</b>	<b>1,327</b>	<b>-5.2%</b>
Stocks	653	683	4.6%
Trade debtors	113	108	-4.9%
Liquidity	331	277	-16.3%
Others	302	259	-14.2%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,892</b>	<b>2,034</b>	<b>7.5%</b>
Equity holders	1,731	1,877	8.4%
Attributable to minority interests	160	157	-2.0%
<b>LIABILITIES</b>	<b>3,444</b>	<b>3,393</b>	<b>-1.5%</b>
<b>Non-current liabilities</b>	<b>1,540</b>	<b>1,515</b>	<b>-1.6%</b>
Bank loans	656	709	8.2%
Other loans	707	654	-7.5%
Deferred tax liabilities	95	112	18.1%
Provisions	45	20	-56.5%
Others	38	21	-45.7%
<b>Current liabilities</b>	<b>1,904</b>	<b>1,878</b>	<b>-1.4%</b>
Bank loans	335	278	-17.1%
Other loans	29	65	123.9%
Trade creditors	993	993	0.0%
Others	547	542	-0.9%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5,336</b>	<b>5,427</b>	<b>1.7%</b>

This page was intentionally left in blank

## 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, 24 of August 2017

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Dag Johan Skattum

Ângelo Gabriel Ribeirinho dos Santos

José Manuel Neves Adelino

Paupério

Marcelo Faria de Lima

Andrew Eustace Clavering Campbell

Margaret Lorraine Trainer

Christine Cross

Tsega Gebreyes

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

	Date	Additions		Reductions		Position on 30.06.2017	Balance on 30.06.2017
		Quantity	Aver. Price €	Quantity	Aver. Price €		
<b>Duarte Paulo Teixeira de Azevedo (*) (**) (***)</b>							
Efanor Investimentos, SGPS, SA (1)						Minority	
Migracom, SA (3)						Dominant	
Sonae - SGPS, SA							805,730
Shares purchased under the terms of the Short Term and Medium Term Performance Bonus Plans	31-03-2017	410,002	0.047				
Sale	03-04-2017			410,002	0.938		
<b>Ângelo Gabriel Ribeirinho dos Santos Paupério (*)</b>							
Sonae - SGPS, SA							562,987
Shares purchased under the terms of the Short Term and Medium Term Performance Bonus Plans	31-03-2017	348,739	0.047				
Enxomil - Consultoria e Gestão, SA (6)						Dominant	
Enxomil - Sociedade Imobiliária, SA (7)						Dominant	
<b>Belmiro Mendes de Azevedo (**)</b>							
Efanor Investimentos, SGPS, SA (1)						Dominant	
<b>Maria Margarida Carvalhais Teixeira de Azevedo (**)</b>							
Sonae - SGPS, SA							14,901
<b>Maria Cláudia Teixeira de Azevedo (**) (***)</b>							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae - SGPS, SA							377,318
Shares purchased under the terms of the Short Term and Medium Term Performance Bonus Plans	31-03-2017	58,168	0.047				
Linhacom, SGPS, SA (5)						Dominant	

	Date	Additions		Reductions		Position on 30.06.2017	Balance on 30.06.2017
		Quantity	Aver. Price €	Quantity	Aver. Price €		
<b>(1) Efanor Investimentos, SGPS, SA</b>							
Sonae - SGPS, SA						Dominant	200,100,000
Pareuro, BV (2)							
<b>(2) Pareuro, BV</b>							
Sonae - SGPS, SA							849,533,095
<b>(3) Migracom, SA</b>							
Sonae - SGPS, SA							2,874,339
Purchase	03-04-2017	410,002	0.938				
Imparfin - Investimentos e Participações Financeiras, SA (4)						Minority	
<b>(4) Imparfin - Investimentos e Participações Financeiras, SA</b>							
Sonae - SGPS, SA							4,105,280
<b>(5) Linhacom, SGPS, SA</b>							
Sonae - SGPS, SA							439,314
Imparfin - Investimentos e Participações Financeiras, SA (4)						Minority	
<b>(6) Enxomil - Consultoria e Gestão, SA</b>							
Sonae - SGPS, SA							2,021,855
<b>(7) Enxomil - Sociedade Imobiliária, SA</b>							
Sonae - SGPS, SA							450,000

(\*) 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 (5)

## 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**
<b>Efanor Investimentos, SGPS, SA (I)</b>			
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 CarvalhaisTeixeira 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)	439,314	0.0220%	0.0220%
<b>Total attributable to Efanor Investimentos, SGPS, SA</b>	<b>1,054,144,697</b>	<b>52.7072%</b>	<b>52.7072%</b>
<b>Banco BPI, SA</b>			
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%
<b>Total attributable to Banco BPI, SA (II)</b>	<b>178,039,855</b>	<b>8.9020%</b>	<b>8.9020%</b>
<b>Fundação Berardo, Instituição Particular de Solidariedade Social</b>			
Fundação Berardo, Instituição Particular de Solidariedade Social	49,849,514	2.4925%	2.4925%
<b>Total attributable to Fundação Berardo, Instituição Particular de Solidariedade Social</b>	<b>49,849,514</b>	<b>2.4925%</b>	<b>2.4925%</b>
<b>Magallanes Value Investors, S.A. SGIIC</b>			
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%
<b>Total attributable to Magallanes Value Investors, S.A. SGIIC</b>	<b>40,514,945</b>	<b>2.0257%</b>	<b>2.0257%</b>

Source: communications received by the Company regarding qualified shareholdings up to 30<sup>th</sup> June 2017

\* 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) Belmiro Mendes de Azevedo is, according to subparagraph b) of paragraph 1 of article 20 and paragraph 1 of article 21, both of the Portuguese Securities Code, the "ultimate beneficial owner", as he is the controlling shareholder of Efanor Investimentos, SGPS, SA and the latter wholly owns Pareuro BV

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

## Condensed consolidated financial statements

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

(Amounts expressed in euro)

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

ASSETS	Notes	30 June 2017	30 June 2016 Restated Note 3	31 Dec 2016 Restated Note 3
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	6	1,614,295,501	1,570,491,939	1,608,085,478
Intangible assets	7	362,774,967	362,617,816	373,509,488
Investment properties		-	891,004	879,263
Goodwill	8	629,188,747	654,643,993	655,484,348
Investments in joint ventures and associates	9	1,383,718,558	1,216,147,495	1,362,270,890
Other investments	10	13,791,507	27,543,497	20,784,450
Deferred tax assets	13	75,024,851	69,100,564	61,360,744
Other non-current assets	11	21,391,071	35,205,954	19,226,166
<b>Total Non-Current Assets</b>		<b>4,100,185,202</b>	<b>3,936,642,261</b>	<b>4,101,600,827</b>
<b>CURRENT ASSETS:</b>				
Inventories		682,925,923	652,742,136	696,297,968
Trade account receivables and other debtors	12	366,994,429	415,082,203	347,402,443
Investments	10	485,192	1,848,262	4,369,022
Cash and cash equivalents	14	276,350,621	329,208,258	340,920,458
<b>Total Current Assets</b>		<b>1,326,756,165</b>	<b>1,398,880,859</b>	<b>1,388,989,891</b>
Assets available for sale	15	-	-	19,522,549
<b>TOTAL ASSETS</b>		<b>5,426,941,367</b>	<b>5,335,523,120</b>	<b>5,510,113,267</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	16	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	16	(109,249,548)	(115,587,743)	(114,738,086)
Reserves and retained earnings		(86,889,894)	(229,222,043)	(206,669,555)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		72,892,586	76,276,139	215,073,949
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>1,876,753,144</b>	<b>1,731,466,353</b>	<b>1,893,666,308</b>
Equity attributable to non-controlling interests	17	157,186,734	160,409,558	169,040,186
<b>TOTAL EQUITY</b>		<b>2,033,939,878</b>	<b>1,891,875,911</b>	<b>2,062,706,494</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	18	1,363,179,965	1,362,271,620	1,209,827,633
Other non-current liabilities	20	20,699,003	38,125,373	21,557,388
Deferred tax liabilities	13	111,736,687	94,573,789	113,450,277
Provisions	23	19,571,343	44,947,086	25,848,118
<b>Total Non-Current Liabilities</b>		<b>1,515,186,998</b>	<b>1,539,917,868</b>	<b>1,370,683,416</b>
<b>CURRENT LIABILITIES:</b>				
Loans	18	343,272,401	364,427,657	361,212,410
Trade creditors and other liabilities	22	1,531,364,829	1,536,043,462	1,700,225,496
Provisions	23	3,177,261	3,258,222	3,558,708
<b>Total Current Liabilities</b>		<b>1,877,814,491</b>	<b>1,903,729,341</b>	<b>2,064,996,614</b>
Liabilities available for sale	15	-	-	11,726,743
<b>TOTAL LIABILITIES</b>		<b>3,393,001,489</b>	<b>3,443,647,209</b>	<b>3,447,406,773</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,426,941,367</b>	<b>5,335,523,120</b>	<b>5,510,113,267</b>

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

The Board of Directors

# SONAE – 1H17 RESULTS

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

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

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016 Restated Note 3	30 June 2017	30 June 2016 Restated Note 3
Sales	5	1,276,714,682	1,158,143,112	2,512,379,917	2,327,071,961
Services rendered	5	47,735,821	45,898,842	90,149,246	82,917,268
Gains and losses on investments		123,094	1,817,120	123,094	1,786,197
Investment income investments recorded at fair value through profit	10	-	8,944,466	-	(6,318,903)
Financial income		1,346,180	653,984	3,181,622	2,017,374
Other income	26	197,904,563	180,615,894	368,256,611	409,170,239
Cost of goods sold and materials consumed		(1,079,517,762)	(972,382,618)	(2,104,594,193)	(1,951,511,392)
Changes in stocks of finished goods and work in progress		1,395,159	375,546	1,363,797	439,937
External supplies and services		(173,728,203)	(169,177,398)	(346,081,372)	(327,399,568)
Staff costs		(192,740,243)	(174,499,165)	(379,951,971)	(349,251,654)
Depreciation and amortisation	6 and 7	(48,519,892)	(43,493,287)	(96,634,384)	(85,553,213)
Provisions and impairment losses		(1,080,556)	(424,252)	(1,581,939)	(8,200,620)
Financial expense		(11,409,712)	(11,597,576)	(20,964,571)	(26,930,392)
Other expenses		(15,986,122)	(15,346,051)	(31,810,729)	(32,006,902)
Share of results of joint ventures and associated companies	9.3	32,428,071	26,385,217	46,521,439	39,319,758
<b>Profit/(Loss) before taxation from continuing operations</b>		<b>34,665,080</b>	<b>35,913,834</b>	<b>40,356,567</b>	<b>75,550,090</b>
Taxation	27	14,348,209	10,884,319	16,777,185	(606,799)
<b>Profit/(Loss) after taxation from continuing operations</b>		<b>49,013,289</b>	<b>46,798,153</b>	<b>57,133,752</b>	<b>74,943,291</b>
Profit/(Loss) from discontinued operations after taxation	4.1	17,600,734	1,479,909	18,110,829	2,224,568
<b>Consolidated profit/(Loss) for the period</b>		<b>66,614,023</b>	<b>48,278,062</b>	<b>75,244,581</b>	<b>77,167,859</b>
Attributable to equity holders of the Parent Company:					
Continuing operations		55,694,627	45,454,139	63,819,061	75,163,633
Discontinued operations		8,817,967	740,102	9,073,525	1,112,506
		64,512,594	46,194,241	72,892,586	76,276,139
Attributable to non-controlling interests					
Continuing operations		(6,681,338)	1,344,014	(6,685,309)	(220,342)
Discontinued operations		8,782,767	739,807	9,037,304	1,112,062
	17	2,101,429	2,083,821	2,351,995	891,720
Profit/(Loss) per share					
From continuing operations					
Basic	28	0.030383	0.025062	0.035868	0.041913
Diluted	28	0.028408	0.023480	0.033527	0.039164
From discontinued operations					
Basic	28	0.004666	0.000393	0.004802	0.000590
Diluted	28	0.004362	0.000368	0.004488	0.000551

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

The Board of Directors = Board of Directors

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

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

(Amounts expressed in euro)	2 <sup>nd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016 Restated	30 June 2017	30 June 2016 Restated
Net Profit / (Loss) for the period	66,614,023	48,278,062	75,244,581	77,167,859
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	1,776,509	7,581,220	1,876,616	3,095,479
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 9.3)	(16,650,150)	(5,201,416)	(13,919,016)	(11,377,435)
Changes in hedge and fair value reserves	(2,914,379)	2,669,830	(5,836,722)	557,780
Deferred taxes related with other components of comprehensive income	596,104	(651,027)	1,215,891	(135,790)
Others	178,987	(45,694)	148,179	(54,022)
Other comprehensive income for the period	(17,012,929)	4,352,913	(16,515,052)	(7,913,988)
Total comprehensive income for the period	49,601,094	52,630,975	58,729,529	69,253,871
Attributable to:				
Equity holders of parent company	45,241,107	47,596,452	54,038,338	68,731,353
Non controlling interests	4,359,987	5,034,523	4,691,191	522,518

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

The Board of Directors

# SONAE - 1H17 RESULTS

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

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

	Share Capital	Own Shares	Reserves and Retained Earnings					Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 16)	Total Equity
			Legal Reserve	Currency Translation Reserve	Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings					
(Amounts expressed in euro)	Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2016	2,000,000,000	(123,493,932)	244,211,592	1,135,801	272,950	22,313,000	(661,255,246)	(393,321,903)	175,306,228	1,658,490,393	136,303,721	1,794,794,114
Total comprehensive income for the period	-	-	-	1,173,656	408,991	-	(9,127,433)	(7,544,786)	76,276,139	68,731,353	522,518	69,253,871
Appropriation of consolidated net profit of 2015												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	175,306,228	175,306,228	(175,306,228)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(1,866,817)	(1,866,817)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(492,503)	(492,503)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(3,650,807)	(3,650,807)	-	(3,650,807)	(79,384)	(3,730,191)
Cash Settled Equity Swap early partial termination (Note 16)	-	7,906,189	-	-	-	-	(49,840)	(49,840)	-	7,856,349	-	7,856,349
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	39,065	39,065	-	39,065	134,197	173,262
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	25,887,826	25,887,826
Balance as at 30 June 2016 Restated	2,000,000,000	(115,587,743)	244,211,592	2,309,457	681,941	22,313,000	(498,738,033)	(229,222,043)	76,276,139	1,731,466,353	160,409,558	1,891,875,911
Balance as at 1 January 2017	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)
Partial cancellation of Cash Settled Equity Swap (Note 16)	-	5,488,538	-	-	-	-	(577,419)	(577,419)	-	4,911,119	-	4,911,119
Percentage change in subsidiaries	-	-	-	-	-	-	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	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

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



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

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

(Amounts expressed in euro)	Notes	2 <sup>nd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016	30 June 2017	30 June 2016 Restated
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		62,082,553	3,622,953	(48,271,310)	(164,156,683)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments	12	-	83,186,984	21,009,032	83,186,984
Tangible and Intangible assets	7	843,906	423,661	2,217,249	230,165,372
Interests and similar income		19,860	561,867	501,532	1,076,239
Loans granted		900	1,535	1,500	1,535
Dividends		46,533,243	34,763,574	46,533,243	34,765,188
Others		17,302,750	5,835,264	29,771,285	6,935,697
		64,700,659	124,772,885	100,033,841	356,131,015
Cash Payments arising from:					
Investments		(2,192,575)	(65,264,916)	(2,194,825)	(65,638,931)
Tangible and Intangible assets		(54,569,654)	(69,962,283)	(138,785,088)	(139,434,621)
Loans granted		(1,495,421)	-	(1,982,464)	-
Others		(3,493,652)	(193,928)	(12,387,366)	(382,808)
		(61,751,302)	(135,421,127)	(155,349,743)	(205,456,360)
Net cash used in investment activities (2)		2,949,357	(10,648,242)	(55,315,902)	150,674,655
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Investments		46,507	3,468,144	584,007	3,641,405
Loans obtained		2,192,525,224	1,989,569,995	3,886,068,094	3,940,962,527
Others		-	290,443	-	296,059
		2,192,571,731	1,993,328,582	3,886,652,101	3,944,899,991
Cash Payments arising from:					
Investments		(2,777,009)	(2,802,437)	(4,147,406)	(2,802,437)
Loans obtained		(2,167,308,124)	(1,938,552,284)	(3,738,560,755)	(3,885,451,822)
Interests and similar charges		(8,328,154)	(14,528,870)	(12,903,477)	(22,108,639)
Dividends		(83,631,331)	(2,329,498)	(83,631,331)	(2,329,498)
Others		-	(212,683)	(303,134)	(715,169)
		(2,262,044,618)	(1,958,425,772)	(3,839,546,103)	(3,913,407,565)
Net cash used in financing activities (3)		(69,472,887)	34,902,810	47,105,998	31,492,426
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(4,440,977)	27,877,521	(56,481,214)	18,010,398
Effect of foreign exchange rate		353,314	(568,312)	245,482	(428,069)
Effect of discontinued operations	4.1	(11,088,316)	-	(11,088,316)	-
Cash and cash equivalents at the beginning of the period	14	271,257,822	260,133,097	323,190,227	270,140,463
Cash and cash equivalents at the end of the period	14	255,375,215	288,578,930	255,375,215	288,578,930

The accompanying notes are part of these condensed financial statements.

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

*(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 32 and 33 the 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 2016.

#### 2.1 Basis of preparations

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

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

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

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

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

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

IFRS 9 - Financial instruments (establishes the new requirements regarding the classification and measurement of financial assets and liabilities, the methodology for calculating impairment and for the application of hedge accounting rules)	01 jan 2018
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

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
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

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 2017, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group.

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

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

IFRS 16 – Leases - (recognition and measurement principles)	01 jan 2019
-------------------------------------------------------------	-------------

IFRS 17 – Insurance contracts	01 jan 2021
-------------------------------	-------------

IFRS 10 and IAS 28 (amendment) - (eliminate the conflict between the standards, related to the sale or contribution of assets between the investor and the associated or between the investor and the joint venture)	To be defined
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------

IAS 12 (amendment) - Income taxes (clarify the conditions for recognition and measurement of tax assets resulting from unrealized losses)	01 jan 2017
-------------------------------------------------------------------------------------------------------------------------------------------	-------------

IAS 7 (amendment) - Statement of cash flows (introducing additional disclosures related to cash flows from financing activities)	01 jan 2017
----------------------------------------------------------------------------------------------------------------------------------	-------------

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 2 (amendment) - Share-based payments (various clarifications are included in the standard relating to the recording of cash-settled share-based payment transactions, (ii) recording changes to share-based payment transactions (Of net settled to equity settlement), (iii) the classification of transactions with net settlement characteristics)	01 jan 2018
IFRS 4 (amendment) - Insurance contracts (provides guidance on the application of IFRS 4 in together with IFRS 9)	01 jan 2018
IFRS 40 (amendment) - Investment properties (clarify that the change in classification from or to investment property should only be made when there is evidence of a change in the use of the asset)	01 jan 2018
Annual Improvements to IFRS (cycle 2014-2016)	01 jan 2017 and 01 jan 2018
IFRIC 22 - Transactions in foreign currency and advances (establish the date of the initial recognition of the advance or deferred income as the date of the transaction for determining the exchange rate of the recognition of the revenue)	01 jan 2018
IFRIC 23 – Uncertainly over income tax treatments (clarifies the accounting for uncertainties in income taxes).	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 2017, since their application is not mandatory, lying in the process of analyzing expected effects of those standards that, with exception of IFRS 16 are not expected to reflect significant impacts.

### 3 RESTATEMENT OF FINANCIAL STATEMENT

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

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

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

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

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

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

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

As these acquisitions occurred at the end of the year 2015 and on June 30, 2016, for Losan and Salsa respectively, only at the end of 2016, in the case of Losan and during the first half of 2017 in the case of Salsa, was it possible to complete the fair value calculation exercise and Goodwill calculation.

The impact of these evaluations in the consolidated financial statements as at 30 June 2016 was as follows:

	30 Jun 2016			
	Before the restatement	Adjustments to fair value		After the restatement
		Losan	Salsa	
<b>Assets</b>				
Tangible and intangible assets	1,810,574	24,363	99,064	1,934,001
Goodwill	796,055	(18,960)	(122,451)	654,644
Investments	1,243,691	-	-	1,243,691
Deferred tax assets	67,609	225	1,267	69,101
Other non-current assets	32,742	-	2,464	35,206
<b>Non-current assets</b>	<b>3,950,671</b>	<b>5,628</b>	<b>(19,656)</b>	<b>3,936,643</b>
<b>Current assets</b>				
Inventories	653,929	-	(1,187)	652,742
Trade account receivables	114,100	(400)	(275)	113,425
Other debtors	299,793	1,417	448	301,658
Investments	1,848	-	-	1,848
Cash and cash equivalents	329,208	-	-	329,208
<b>Current assets</b>	<b>1,398,878</b>	<b>1,017</b>	<b>(1,014)</b>	<b>1,398,881</b>
<b>Total assets</b>	<b>5,349,549</b>	<b>6,645</b>	<b>(20,670)</b>	<b>5,335,524</b>
<b>Liabilities</b>				
Borrowings	1,362,272	-	-	1,362,272
Other non-current liabilities	38,125	-	-	38,125
Deferred tax liabilities	68,087	5,991	20,496	94,574
Provisions	38,969	900	5,078	44,947
<b>Non-current liabilities</b>	<b>1,507,453</b>	<b>6,891</b>	<b>25,574</b>	<b>1,539,918</b>
Borrowings	364,428	-	-	364,428
Trade creditors and other current liabilities	1,538,344	-	958	1,539,302
<b>Total current liabilities</b>	<b>1,902,771</b>	<b>-</b>	<b>958</b>	<b>1,903,729</b>
<b>Total liabilities</b>	<b>3,410,225</b>	<b>6,891</b>	<b>26,532</b>	<b>3,443,648</b>
Shareholders' funds excluding non-controlling interests	1,731,713	(246)	-	1,731,467
Non-controlling interests	207,612	-	(47,202)	160,410
<b>Total shareholders' funds</b>	<b>1,939,324</b>	<b>(246)</b>	<b>(47,202)</b>	<b>1,891,876</b>
<b>Total shareholders' funds and liabilities</b>	<b>5,349,549</b>	<b>6,645</b>	<b>(20,670)</b>	<b>5,335,524</b>

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

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

Amounts in thousands of euro	31 Dec 2016		
	Before the restatement	Adjustments to fair value Salsa	After the restatement
<b>Assets</b>			
Tangible and intangible assets	1,986,857	(4,384)	1,982,473
Goodwill	653,753	1,732	655,484
Investments	1,383,055	-	1,383,055
Deferred tax assets	61,361	-	61,361
Other non-current assets	19,227	-	19,227
<b>Non-current assets</b>	<b>4,104,253</b>	<b>(2,652)</b>	<b>4,101,601</b>
<b>Current assets</b>			
Inventories	696,298	-	696,298
Trade account receivables	116,004	-	116,004
Other debtors	250,921	-	250,921
Investments	4,369	-	4,369
Cash and cash equivalents	340,920	-	340,920
<b>Current assets</b>	<b>1,408,512</b>	<b>-</b>	<b>1,408,512</b>
<b>Non-current assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>5,512,766</b>	<b>(2,652)</b>	<b>5,510,113</b>
<b>Liabilities</b>			
Borrowings	1,209,828	-	1,209,828
Other non-current liabilities	21,557	-	21,557
Deferred tax liabilities	114,371	(921)	113,450
Provisions	25,848	-	25,848
<b>Non-current liabilities</b>	<b>1,371,604</b>	<b>(921)</b>	<b>1,370,683</b>
Borrowings	361,212	-	361,212
Trade creditors and other current liabilities	1,715,511	-	1,715,511
<b>Total current liabilities</b>	<b>2,076,723</b>	<b>-</b>	<b>2,076,723</b>
<b>Total liabilities</b>	<b>3,448,327</b>	<b>(921)</b>	<b>3,447,407</b>
Shareholders' funds excluding non-controlling interests	1,893,666	-	1,893,666
Non-controlling interests	170,772	(1,732)	169,040
<b>Total shareholders' funds</b>	<b>2,064,438</b>	<b>(1,732)</b>	<b>2,062,706</b>
<b>Total shareholders' funds and liabilities</b>	<b>5,512,766</b>	<b>(2,652)</b>	<b>5,510,113</b>

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

Amounts in thousands of euro	30 Jun 2016			After the restatement
	Before the restatement	Adjustments to fair value Losan	Discontinued operations MDS SGPS,S.A.	
Sales	2,327,072	-	-	2,327,072
Services rendered	104,332	-	(21,415)	82,917
Income or expenses related to investments	1,852	-	(66)	1,786
Gains and losses on investments recorded at fair value through profit or loss	(6,319)	-	-	(6,319)
Financial income	2,100	-	(82)	2,017
Other income	409,526	-	(355)	409,170
Cost of good sold and materials consumed	(1,951,511)	-	-	(1,951,511)
Changes in stocks of finished goods	440	-	-	440
External supplies and service	(335,307)	-	7,907	(327,400)
Staff costs	(357,624)	-	8,372	(349,252)
Depreciation and amortisation	(87,062)	(328)	1,837	(85,553)
Provisions and impairment losses	(8,222)	-	22	(8,201)
Financial expenses	(27,729)	-	798	(26,930)
Other expenses	(32,713)	-	706	(32,007)
Gains or losses related to joint ventures and associated undertaking	39,227	-	93	39,320
Profit (loss) from continuing operations, before taxation	78,061	(328)	(2,183)	75,550
Taxation	(647)	82	(42)	(607)
Consolidated profit (loss) for the period from continuing operations	77,414	(246)	(2,225)	74,943
Profit/(Loss) from discounting operations, after taxation	-	-	2,225	2,225
Consolidated profit /(loss) for the period	77,414	(246)	-	77,168
Attributable to equity holders of the Parent Company:				
Continuing operations	76,522	(246)	(1,113)	75,164
Discontinued operations	-	-	1,113	1,113
	76,522	(246)	-	76,276
Attribuível a Interesses sem controlo: Attributable to non-controlling interests				
Continuing operations	892	-	(1,112)	(220)
Discontinued operations	-	-	1,112	1,112
	892	-	-	892

## 4 CHANGES IN CONSOLIDATION PERIMETER

### 4.1 Loss of control of the MDS, SGPS, S.A.

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

Discontinued operations include the following companies:

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

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

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

Amounts expressed in euro	30 Jun 2017	30 Jun 2016 Restated (Note 3)
Services rendered	23,316,083	21,414,991
Other income	286,420	355,441
	23,602,503	21,770,432
External supplies and services	(8,635,591)	(7,907,306)
Staff costs	(9,474,688)	(8,371,967)
Depreciation and amortisation	(1,942,514)	(1,837,475)
Provisions and impairment losses	(377,687)	(21,710)
Other expenses	(964,320)	(705,928)
	2,207,703	2,926,046
Financial expense	(497,689)	(798,285)
Financial income	46,513	82,251
Income from Investments	3,637	65,755
Share of results of joint ventures and associated companies	26,626	(92,941)
Profit/(Loss) before taxation	1,786,790	2,182,826
Taxation	103,874	41,742
Profit/(Loss) after taxation	1,890,664	2,224,568
Income or expenses related to loss control	16,220,165	-
Profit/(Loss) for period from discounting operations	18,110,829	2,224,568

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

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

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

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

COMPANY	Head Office	Percentage of share capital held	
		Direct	Total
<b>Sonae Retail</b>			
BRIO-Prod. Agric.Biológica, SA	Matosinhos (Portugal)	100.00%	100.00%
Go Well, S.A.	Lisbon (Portugal)	51.00%	51.00%

Established in 2008, Brio is the first organic supermarket chain launched in Portugal, and explores six supermarkets specialized in organic food, all with convenience locations in the metropolitan area of Lisbon.

Go Well operates in 22 specialized restaurants in healthy food in Portugal, typically located in shopping centres, and has a variety of concepts such as grab&go, sushibar, freshly and breakfasts. Go Well operates exclusively through the brand “Go Natural”.

These acquisitions will enable Sonae MC to accelerate its position in the strategic growth avenue of Health Wellness, particularly in the healthy food segment.



Amounts in euro	Salsa			
	Financial Position before aquisition	Adjustments to fair value (Note 3)	Fair value	30 June 2016
Net acquired assets				
Tangible assets (Note 6)	11,448,715	12,593,828	24,042,543	11,448,715
Intangible assets (Note 7)	2,477,264	86,470,000	88,947,264	2,477,264
Inventories	21,955,255	(1,186,503)	20,768,752	21,955,255
Deferred tax assets	1,691,120	1,267,477	2,958,597	1,691,120
Other assets	17,073,717	172,540	17,246,257	17,073,717
Cash and cash equivalents	7,501,069	-	7,501,069	7,501,069
Loans	(57,408,768)	-	(57,408,768)	(57,408,768)
Deferred tax liabilities	-	(20,496,392)	(20,496,392)	-
Other liabilities	(26,105,866)	(6,035,603)	(32,141,469)	(26,105,866)
Total net acquired assets	(21,367,494)	72,785,347	51,417,853	(21,367,494)
Goodwill (Note 8)		(122,451,396)	45,096,094	167,547,490
Non-controlling interests		47,202,174	25,530,031	(73,090,000)
Indemnity assets		2,463,875	2,463,875	-
Acquisition price		(72,785,347)	73,090,000	73,090,000
Effective cash paid			73,090,000	73,090,000
			73,090,000	73,090,000
Net cash flow resulting from the acquisition				
Effective cash paid			73,090,000	73,090,000
Cash and cash equivalents acquired			(7,501,069)	(7,501,069)
			65,588,931	65,588,931

## 5 INFORMATION BY SEGMENTS

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

- In Sonae Retail, the group has five segments:
  - Sonae MC is our food retail unit, operating 41 Continente hypermarkets, 129 Continente Modelo supermarkets, 83 convenience stores Bom Dia, 269 stores operated under franchise Meu Super and 204 parapharmacy Well's;
  - Worten that is included in the top 3 of Iberian electronic players, counting on a portfolio of 230 physical stores in Iberia;
  - Sports and Fashion has a network of 376 own stores of sports and clothing products, combined with a franchise network of 142 stores;
  - Sonae RP is dedicated to optimizing the management of Sonae's retail real estate portfolio, mainly by stores that operate under the Continente brand and under other brands of Sonae;
  - Maxmat operates in the DIY, construction, bathroom and garden market with a network of 30 stores;
- Sonae Sierra is the partnership dedicated to the activity of development and management of shopping centres.
- NOS is the partnership that the Group holds through Zopt dedicated to telecommunications.
- Sonae IM has an active portfolio management strategy, with the objective of building and managing a portfolio of technology-based companies related to retail and telecommunications.

- Sonae FS aims to boost retail financial services.

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

The list of Group companies and their businesses are detailed in Notes 32 and 33.

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

30 Jun 2017	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results <sup>(2)</sup>	Income tax <sup>(2)</sup>
Sonae MC	1,777,063,444	47,907,162	311,879	26,495,529	-	-
Worten	435,108,454	13,087,323	752,191	(9,284,221)	-	-
Sports & Fashion	270,036,759	16,842,522	482,948	(19,772,709)	-	-
Sonae RP	45,826,136	12,148,826	-	27,841,175	-	-
Maxmat	36,007,305	899,582	-	1,400,788	-	-
<b>Retail</b>	<b>2,564,042,098</b>	<b>90,885,415</b>	<b>1,547,018</b>	<b>26,680,562</b>	<b>(9,197,795)</b>	<b>(6,792,337)</b>
Sonae Sierra	-	-	-	15,094,216	-	-
NOS	-	-	-	16,240,000	-	-
Sonae IM	69,395,128	4,819,064	114,571	(2,481,484)	(116,215)	(1,613,827)
Sonae FS	11,105,593	247,309	-	536,720	(38)	(369,137)
Other, eliminations and adjustments	(42,013,656)	682,596	(79,650)	(12,523,562)	(8,468,901)	(8,001,884)
<b>Total consolidated</b>	<b>2,602,529,163</b>	<b>96,634,384</b>	<b>1,581,939</b>	<b>43,546,452</b>	<b>(17,782,949)</b>	<b>(16,777,185)</b>

30 Jun 2016 Restated	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results <sup>(2)</sup>	Income tax <sup>(2)</sup>
Sonae MC	1,691,397,582	44,300,200	381,800	29,046,173	-	-
Worten	404,447,822	12,253,954	338,661	(13,415,571)	-	-
Sports & Fashion	209,581,097	11,465,252	475,795	(25,329,548)	-	-
Sonae RP	46,861,403	11,822,963	6,536,987	85,942,172	-	-
Maxmat	33,151,608	986,141	-	879,289	-	-
<b>Retail</b>	<b>2,385,439,512</b>	<b>80,828,510</b>	<b>7,733,243</b>	<b>77,122,515</b>	<b>(12,980,256)</b>	<b>10,786,551</b>
Sonae Sierra	-	-	-	13,414,755	-	-
NOS	-	-	-	10,214,490	-	-
Sonae IM	60,622,219	3,919,434	464,029	(2,263,943)	(626,580)	(1,468,857)
Sonae FS	7,960,380	233,811	-	(1,466,317)	(707)	(575,784)
Other, eliminations and adjustments	(44,032,882)	571,458	3,348	(5,461,322)	(11,305,475)	(8,135,110)
<b>Total consolidated</b>	<b>2,409,989,229</b>	<b>85,553,213</b>	<b>8,200,620</b>	<b>91,560,178</b>	<b>(24,913,018)</b>	<b>606,800</b>

	Net debt <sup>(2)</sup>	
	30 Jun 2017	31 Dec 2016 Restated
Sonae Retail	861,720,849	675,852,425
Sonae IM	43,469,554	38,424,321
Holding <sup>(1)</sup>	513,584,439	500,726,313
<b>Total consolidated</b>	<b>1,418,774,842</b>	<b>1,215,003,059</b>

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

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

	Investment (CAPEX)		Net invested capital	
	30 Jun 2017	30 Jun 2016 Restated	30 Jun 2017	31 Dec 2016 Restated
Sonae Retail				
Sonae MC	67,200,415	68,722,378	747,003,152	629,840,098
Worten	13,121,331	12,878,999	(4,868,263)	(65,635,006)
Sports & Fashion	16,000,652	88,660,269	381,854,203	368,127,330
Sonae RP	16,294,499	27,703,011	914,354,725	930,735,887
Maxmat	519,809	360,532	34,858,076	33,050,597
Sonae IM	5,460,000	5,500,591	145,007,635	143,443,838
Sonae FS	234,566	170,907	2,369,752	3,503,912
Other, eliminations and adjustments	1,990,024	4,078,879	1,232,135,458	1,236,374,594
<b>Total consolidated</b>	<b>120,821,296</b>	<b>208,075,566</b>	<b>3,452,714,738</b>	<b>3,279,441,250</b>

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

Turnover	30 Jun 2017	30 Jun 2016
	Inter-segment	Restated Inter-segment
Sonae Retail		
Sonae MC	(1,045,733)	(884,845)
Worten	(2,802,347)	(2,052,779)
Sports and Fashion	(14,722,017)	(12,852,894)
Sonae RP	(41,399,492)	(41,554,351)
Sonae IM	(9,751,470)	(8,077,123)
Other, eliminations and adjustments	(211,953)	(205,065)
<b>Total consolidated</b>	<b>(69,933,012)</b>	<b>(65,627,057)</b>

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

	Turnover		EBIT	
	30 Jun 2017	30 Jun 2016 Restated	30 Jun 2017	30 Jun 2016 Restated
Inter-segment intra-groups	(69,933,012)	(65,627,058)	-	-
Contributions of entities not included in the segments	27,919,356	21,594,176	(5,801,781)	(3,437,999)
Others	-	-	(6,721,781)	(2,023,323)
<b>Other, eliminations and adjustments</b>	<b>(42,013,656)</b>	<b>(44,032,882)</b>	<b>(12,523,561)</b>	<b>(5,461,322)</b>

	Investment		Invested capital	
	30 Jun 2017	30 Jun 2016 Restated	30 Jun 2017	31 dez 2016 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	1,990,024	4,078,879	9,632,809	12,334,224
Investments in joint ventures and associated companies	-	-	1,314,889,573	1,293,795,248
Other investments	-	-	9,944,258	17,966,231
Cash settled equity swap <sup>(3)</sup>	-	-	(102,331,181)	(87,721,109)
	<b>1,990,024</b>	<b>4,078,879</b>	<b>1,232,135,459</b>	<b>1,236,374,594</b>

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

All performance measures are reconciled to the financial statements in note 29.

## Glossary:

Net Invested capital = Total net debt + total shareholder funds

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

Other, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments as they do not fit in any reportable segment, ie in addition to Sonae SGPS, the companies identified as "Other" in Note 32 are included;

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

## 6 TANGIBLE ASSETS

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

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2017	1,371,092,975	1,438,240,754	217,886,293	30,984,493	3,058,204,515
Purchase price allocation (Note 3)	(4,384,000)	-	-	-	(4,384,000)
Opening 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
Transfers to "Discontinued operations" (Note 4.1)	(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 (Note 4.2)	1,443,695	2,624,130	450,095	-	4,517,920
Disposals	-	(29,238,703)	(4,156,671)	(1,200,674)	(34,596,048)
Exchange rate effect	(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)
<b>Closing balance as at 30 June 2017</b>	<b>1,380,053,163</b>	<b>1,471,401,288</b>	<b>218,415,467</b>	<b>32,217,123</b>	<b>3,102,087,041</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2017	397,973,790	881,497,880	166,152,543	110,824	1,445,735,037
Transfers to "Discontinued operations" (Note 4.1)	(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 (Note 4.2)	1,163,331	1,526,940	507,759	-	3,198,030
Disposals	-	(26,346,008)	(3,882,466)	-	(30,228,474)
Exchange rate effect	(30,826)	(31,619)	(290,408)	-	(352,853)
Transfers	(34,949)	(40,186)	(580,181)	-	(655,316)
<b>Closing balance as at 30 June 2017</b>	<b>409,950,760</b>	<b>909,919,847</b>	<b>167,810,109</b>	<b>110,824</b>	<b>1,487,791,540</b>
<b>Carrying amount as at 30 June 2017</b>	<b>970,102,403</b>	<b>561,481,441</b>	<b>50,605,358</b>	<b>32,106,299</b>	<b>1,614,295,501</b>

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2016	1,340,030,432	1,331,776,249	195,582,343	24,255,352	2,891,644,376
Investment	11,437,720	479,713	917,477	99,610,194	112,445,104
Acquisitions of subsidiaries (Note 4.3)	34,836,931	12,070,843	7,994,539	-	54,902,313
Disposals	(30,748,984)	(22,640,977)	(3,423,240)	(1,075,108)	(57,888,309)
Exchange rate effect	195,606	79,303	404,950	11,819	691,678
Transfers	18,286,288	70,301,239	7,695,332	(96,577,198)	(294,339)
<b>Closing balance as at 30 June 2016</b>	<b>1,374,037,993</b>	<b>1,392,066,370</b>	<b>209,171,401</b>	<b>26,225,059</b>	<b>3,001,500,823</b>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2016	367,362,667	828,106,126	153,060,796	-	1,348,529,589
Depreciation of the period	9,976,693	52,062,470	7,892,383	-	69,931,546
Impairment losses of the period	6,536,987	-	143	-	6,537,130
Acquisitions of subsidiaries (Note 4.3)	16,818,072	7,737,813	6,299,351	-	30,855,236
Disposals	(3,936,186)	(17,671,807)	(3,278,513)	-	(24,886,506)
Exchange rate effect	188,788	29,982	290,195	-	508,965
Transfers	349,129	(511,653)	(304,552)	-	(467,076)
<b>Closing balance as at 30 June 2016</b>	<b>397,296,150</b>	<b>869,752,931</b>	<b>163,959,803</b>	<b>-</b>	<b>1,431,008,884</b>
<b>Carrying amount as at 30 June 2016</b>	<b>976,741,843</b>	<b>522,313,439</b>	<b>45,211,598</b>	<b>26,225,059</b>	<b>1,570,491,939</b>

The investment in the period ended 30 June 2017 and 2016 includes mainly the acquisition of assets of approximately 88.1 million euro (111.3 million euro as at 30 June 2016), associated with the opening and remodeling of stores of Sonae retail operating segments.

During the period ended 30 June 2016, several sale and leaseback transactions were accounted for by the Group. The accounting values of the disposed assets, approximately, 170.1 million euro, correspond to 16 real estate food retail assets located in Portugal and 3 Worten stores in Spain. These operations resulted in a cash inflow of 230 million euro and generated a net capital gain of approximately, 63.1 million euro (Note 26).

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

	30 Jun 2017	30 Jun 2016
Refurbishment and expansion of stores in the retail businesses located in Portugal	28,051,888	20,170,106
Refurbishment and expansion of stores in the retail businesses located in Spain	763,790	1,921,489
Projects of "Continente" stores for which advance payments were made	1,196,000	1,206,600
Others	2,094,621	2,926,864
	<b>32,106,299</b>	<b>26,225,059</b>

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

	Land and buildings	Plant and machinery	Others tangible assets	Total tangible assets
<b>Impairment losses</b>				
Opening balance as at 1 January 2017	90,436,703	28,067,641	595,877	119,100,221
Acquisition of subsidiary	-	-	169,244	169,244
Disposals	-	(3,141,936)	(50,633)	(3,192,569)
Transfers	3,945	155,593	(208,448)	(48,910)
<b>Closing balance as at 30 June 2017 (Note 23)</b>	<b>90,440,648</b>	<b>25,081,298</b>	<b>506,040</b>	<b>116,027,986</b>

## 7 INTANGIBLE ASSETS

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

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
<b>Gross assets:</b>				
Opening balance as at 1 January 2017	181,013,190	493,383,747	28,060,990	702,457,927
Discontinued operations (Note 4.1)	(1,991,644)	(34,165,793)	(103,663)	(36,261,100)
Investment	23,152	419,036	25,351,158	25,793,346
Acquisitions of subsidiaries (Note 4.2)	13,500	138,687	-	152,187
Disposals	(108,975)	(321,635)	(721,130)	(1,151,740)
Exchange rate effect	(507,402)	(2,976,699)	(23,462)	(3,507,563)
Transfers	123,314	13,519,038	(14,084,809)	(442,457)
<b>Closing balance as at 30 June 2017</b>	<b>178,565,135</b>	<b>469,996,381</b>	<b>38,479,084</b>	<b>687,040,600</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2017	40,763,712	288,184,727	-	328,948,439
Discontinued operations (Note 4.1)	(1,098,292)	(24,111,717)	-	(25,210,009)
Depreciation of the period	1,301,999	21,952,219	-	23,254,218
Acquisitions of subsidiaries (Note 4.2)	6,222	79,636	-	85,858
Impairment losses of the period	-	382,139	-	382,139
Disposals	(64,434)	(565,863)	-	(630,297)
Exchange rate effect	(480,311)	(1,938,973)	-	(2,419,284)
Transfers	8,556	(153,987)	-	(145,431)
<b>Closing balance as at 30 June 2017</b>	<b>40,437,452</b>	<b>283,828,181</b>	<b>-</b>	<b>324,265,633</b>
<b>Carrying amount as at 30 June 2017</b>	<b>138,127,683</b>	<b>186,168,200</b>	<b>38,479,084</b>	<b>362,774,967</b>
<b>Gross assets:</b>				
Opening balance as at 1 January 2016	117,792,364	381,046,154	30,117,801	528,956,319
Purchase price allocation (Note 3)	11,559,000	13,132,000	-	24,691,000
Opening balance as at 1 January 2016 Restated	129,351,364	394,178,154	30,117,801	553,647,319
Investment	74,899	1,079,096	20,014,068	21,168,063
Acquisitions of subsidiaries (Note 4.3)	51,009,400	41,316,464	99,731	92,425,595
Disposals	(94,666)	(56,286)	(145,743)	(296,695)
Exchange rate effect	(104,413)	4,150,224	(37,990)	4,007,821
Transfers	128,911	16,221,129	(16,914,740)	(564,700)
<b>Closing balance as at 30 June 2016 Restated</b>	<b>180,365,495</b>	<b>456,888,781</b>	<b>33,133,127</b>	<b>670,387,403</b>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2016	38,817,721	245,688,249	-	284,505,970
Purchase price allocation (Note 3)	-	328,300	-	328,300
Opening balance as at 1 January 2016 Restated	38,817,721	246,016,549	-	284,834,270
Depreciation of the period	676,708	16,442,393	-	17,119,101
Acquisitions of subsidiaries (Note 4.3)	-	3,478,219	-	3,478,219
Disposals	(94,666)	844	-	(93,822)
Exchange rate effect	(88,323)	2,482,876	-	2,394,553
Transfers	(47)	37,313	-	37,266
<b>Closing balance as at 30 June 2016 Restated</b>	<b>39,311,393</b>	<b>268,458,194</b>	<b>-</b>	<b>307,769,587</b>
<b>Carrying amount as at 30 June 2016 Restated</b>	<b>141,054,102</b>	<b>188,430,587</b>	<b>33,133,127</b>	<b>362,617,816</b>

## 8 GOODWILL

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

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

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

Insignia	30 Jun 2017				Total
	Portugal	Spain	Brazil	Other countries	
Sonae Retail					
Sonae MC	482,067,936	-	-	-	482,067,936
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	64,790,425	341,314	-	-	65,131,739
Sonae RP	2,651,846	-	-	-	2,651,846
Sonae IM					
Technology	2,686,758	-	7,090	11,359,846	14,053,694
Others					
MDS	-	-	-	-	-
	617,480,497	341,314	7,090	11,359,846	629,188,747
Insignia	31 Dec 2016 Restated				Total
	Portugal	Spain	Brazil	Other countries	
Sonae Retail					
Sonae MC	478,307,362	-	-	-	478,307,362
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	64,790,425	95,497	-	-	64,885,922
Sonae RP	2,651,846	-	-	-	2,651,846
Sonae IM					
Technology	2,686,758	-	7,090	11,533,124	14,226,972
Others					
MDS	8,363,810	-	21,764,904	-	30,128,714
	622,083,733	95,497	21,771,994	11,533,124	655,484,348

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

	30 Jun 2017	30 Jun 2016 Restated
<b>Gross value:</b>		
Opening balance	669,955,930	639,617,793
Purchase price allocation (Note 3)	1,731,680	(18,960,060)
Opening balance Restated	671,687,610	620,657,733
Discontinued operations (Note 4.1)	(33,674,270)	-
Re-allocation of Goodwill (Note 4.2 and 4.3)	3,760,574	47,003,908
Other variations	245,817	(948,478)
Currency translation	(2,168,291)	3,638,595
Closing balance	639,851,440	670,351,758
<b>Accumulated impairment losses:</b>		
Opening balance	16,203,262	15,074,024
Discontinued operations (Note 4.1)	(5,534,505)	-
Currency translation	(6,064)	(205,615)
Closing balance	10,662,693	14,868,409
Carrying amount	629,188,747	655,483,349

## 9 JOINT VENTURES AND ASSOCIATED COMPANIES

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

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

COMPANY	30 Jun 2017	31 Dec 2016
<b>Sonae Sierra</b>		
Sonae Sierra SGPS, SA (consolidated)	586,166,031	605,762,434
<b>ZOPT (NOS)</b>		
ZOPT, SGPS, S.A. (consolidated)	684,403,671	676,799,309
<b>Sonae Retail</b>		
1) Sohi Meat Solutions - Distribuição de Carnes, SA	2,305,240	-
<b>Sonae IM</b>		
Intelligent Big Data, S.L.	-	-
<b>Others</b>		
2) MDS SGPS, S.A.	32,534,453	-
Unipress - Centro Gráfico, Lda	563,977	588,925
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.	17,829	-
<b>Investments in joint ventures</b>	<b>1,305,991,201</b>	<b>1,283,150,668</b>
<b>Sonae Retail</b>		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	782,012	1,338,322
S2 Mozambique, SA	1,646,907	1,406,710
Ulabox, S.L.	3,374,583	3,817,381
<b>Sonae IM</b>		
Armilar Venture Partners - Sociedade de Capital de Risco, SA	1	1
Fundo de Capital de Risco Armilar Venture Partners II	35,138,898	35,416,004
Fundo de Capital de Risco Armilar Venture Partners III	26,472,466	26,173,814
Fundo de Capital de Risco Espírito Santo Ventures Inovação e Internacionalização	7,217,620	6,885,820
MOVVO, S.A.	2,773,002	2,793,649
<b>Others</b>		
APOR - Agência para a Modernização do Porto, S.A.	321,868	323,193
2) Brokerslink Management AG	-	124,834
2) Flexben, Lda	-	-
2) Filhet Allard Espanha Correduria de Seguros S.L.	-	840,494
<b>Investment in associated companies</b>	<b>77,727,357</b>	<b>79,120,222</b>
<b>Total</b>	<b>1,383,718,558</b>	<b>1,362,270,890</b>

1) Sohi Meat Solutions, results from the agreement signed on 3 January 2017, the date on which a Joint Venture was formed between Sonae MC and Hilton Food Group. Since then, Sohimeat has been consolidated using the equity method due the loss of control (Note 15);

2) Discontinued operations (Note 4.1)

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

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

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

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

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

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

## 9.2 Financial indicators of participations

### 9.2.1 Joint ventures

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

# SONAE - 1H17 RESULTS

	30 Jun 2017				
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Joint ventures					
<b>Assets</b>					
Investment properties	832,358,332	662,000	868,261	-	-
Tangible assets	2,031,919	1,183,343,000	2,634,459	15,701,994	544,527
Intangible assets	1,740,889	584,469,327	10,184,037	598,224	7,136
Goodwill	4,273,688	1,747,005,673	31,915,231	-	-
Investments in joint ventures and associates	1,182,607,208	200,689,000	9,024,144	-	345
Other non-current assets	98,427,599	133,312,000	2,395,914	179,254	97
<b>Non-current assets</b>	<b>2,121,439,635</b>	<b>3,849,481,000</b>	<b>57,022,046</b>	<b>16,479,472</b>	<b>552,105</b>
Cash and cash equivalents	81,877,753	20,002,000	11,088,316	1,460,168	144,540
Other current assets	94,122,202	494,349,000	9,289,351	43,312,304	1,820,434
<b>Current assets</b>	<b>175,999,955</b>	<b>514,351,000</b>	<b>20,377,667</b>	<b>44,772,472</b>	<b>1,964,974</b>
<b>Total assets</b>	<b>2,297,439,590</b>	<b>4,363,832,000</b>	<b>77,399,713</b>	<b>61,251,944</b>	<b>2,517,079</b>
<b>Liabilities</b>					
Loans	256,202,179	1,074,043,000	15,891,667	-	-
Other non-current liabilities	144,632,049	253,246,000	9,172,067	289,133	758,959
<b>Non-current liabilities</b>	<b>400,834,228</b>	<b>1,327,289,000</b>	<b>25,063,734</b>	<b>289,133</b>	<b>758,959</b>
Loans	158,963,601	167,141,000	6,570,053	-	26,262
Other current liabilities	78,996,078	519,040,000	17,943,575	55,955,539	1,105,469
<b>Total current liabilities</b>	<b>237,959,679</b>	<b>686,181,000</b>	<b>24,513,628</b>	<b>55,955,539</b>	<b>1,131,731</b>
<b>Total liabilities</b>	<b>638,793,907</b>	<b>2,013,470,000</b>	<b>49,577,362</b>	<b>56,244,672</b>	<b>1,890,690</b>
Equity attributable to the equity holders of the Parent Company	1,120,217,871	1,208,451,000	25,717,912	5,007,272	626,389
Non-controlling interests	538,427,812	1,141,911,000	2,104,439	-	-
<b>Total equity</b>	<b>1,658,645,683</b>	<b>2,350,362,000</b>	<b>27,822,351</b>	<b>5,007,272</b>	<b>626,389</b>
<b>Total equity and liabilities</b>	<b>2,297,439,590</b>	<b>4,363,832,000</b>	<b>77,399,713</b>	<b>61,251,944</b>	<b>2,517,079</b>

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

# SONAE - 1H17 RESULTS

	30 Jun 2017				
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	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
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)	(385,868,000)	(10,830,087)	(140,041,147)	(818,678)
	(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)
Other income / expense	-	-	-	-	-
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

	30 Jun 2016		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Joint ventures			
Turnover	98,828,544	733,956,000	2,075,567
Other operating income	15,030,866	9,158,000	12,021
	113,859,410	743,114,000	2,087,588
External supplies and services	(49,174,491)	(90,852,131)	590,284
Amortisation	(555,045)	(204,378,000)	(357,613)
Other operating costs	(25,979,229)	(374,595,325)	(2,329,601)
	(75,708,765)	(669,825,456)	(2,096,930)
Financial income	2,897,109	-	-
Financial expense	(12,000,859)	(21,789,754)	(9,332)
Financial results	(9,103,750)	(21,789,754)	(9,332)
Results of joint ventures and associated companies	55,948,569	-	-
Other income / expense	28,971,628	-	-
Results before taxation	113,967,092	51,498,790	(18,674)
Income taxation	(9,034,300)	(10,591,660)	(3,071)
Consolidated net income/(loss) for the year	104,932,792	40,907,130	(21,745)
Attributable to:			
Equity holders of the Parent Company	59,011,035	20,428,980	(21,745)
Non-controlling interests	45,921,757	20,478,150	-
	104,932,792	40,907,130	(21,745)
Other comprehensive income for the period	47,581,707	(46,817,000)	-
Total comprehensive income for the period	152,514,499	(5,909,870)	(21,745)

## 9.2.2 Associates

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

Associates	30 Jun 2017					
	Sonae Retail				Sonae IM	Others
	Sempre a Postos	Ulabox	S2 Mozambique	Others	Funds	Others
Non-current assets	999,814	1,357,159	3,862,464	762,713	169,176,994	567,092
Current assets	8,522,227	3,049,691	2,753,542	2,457,632	12,528,216	1,546,371
Non-current liabilities	-	2,250,000	99,153	1,790,569	16,250,615	-
Current liabilities	6,393,996	1,478,669	1,551,586	929,180	10,350,973	1,056,086
<b>Equity</b>	<b>3,128,045</b>	<b>678,181</b>	<b>4,965,267</b>	<b>500,596</b>	<b>155,103,622</b>	<b>1,057,377</b>

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

Associates	30 Jun 2017					
	Sonae Retail				Sonae IM	Others
	Sempre a Postos	Ulabox	S2 Mozambique	Others	Funds	Others
Turnover	26,547,125	4,758,931	977,768	364,710	825,348	867,854
Other operating income	1,728,996	192,553	24,112	14,877	-	11,594
Operating costs	(26,865,983)	(6,531,025)	(1,425,479)	(1,569,660)	(1,547,643)	(793,969)
Financial results	3,082	-	106,545	(4,542)	4,692	3,225
Taxation	(319,171)	-	(24,199)	(1,253)	(61,000)	(6,200)
Net income/(loss) for the year	1,094,049	(1,579,541)	(341,253)	(1,195,868)	(778,603)	82,504
Other comprehensive income for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,094,049</b>	<b>(1,579,541)</b>	<b>(341,253)</b>	<b>(1,195,868)</b>	<b>(778,603)</b>	<b>82,504</b>

Associates	30 Jun 2016			
	MOVVO,SA	Sempre a Postos	Ulabox	Others
	Turnover	172,630	24,751,981	3,588,458
Other operating income	-	1,884,819	-	-
Operating costs	(2,080,563)	(25,905,348)	(5,377,076)	(214,924)
Financial results	(24,301)	5,331	-	11,281
Taxation	-	(167,293)	-	-
Net income/(loss) for the year	(1,932,234)	569,490	(1,788,618)	(192,328)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(1,932,234)</b>	<b>569,490</b>	<b>(1,788,618)</b>	<b>(192,328)</b>

### 9.3 Movements occurred in the period

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

	30 Jun 2017			30 Jun 2016		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
<b>Investments in joint ventures</b>						
Initial balance as at 1 January	716,500,627	566,650,040	1,283,150,667	638,605,623	571,752,490	1,210,358,113
Change in consolidation method due the loss of control (Notes 4.1 and 15)	35,237,454	-	35,237,454	250,000	-	250,000
Increases during the period	-	17,829	17,829	-	-	-
Equity method						
Gains or losses in joint ventures	47,928,546	-	47,928,546	39,663,720	-	39,663,720
Distributed dividends	(46,429,241)	-	(46,429,241)	(20,355,320)	-	(20,355,320)
Effect in equity capital and non-controlling interests	(13,914,054)	-	(13,914,054)	(20,647,437)	-	(20,647,437)
	<b>739,323,332</b>	<b>566,667,869</b>	<b>1,305,991,201</b>	<b>637,516,586</b>	<b>571,752,490</b>	<b>1,209,269,076</b>
<b>Investments in associates companies</b>						
Initial balance as at 1 January	75,105,164	4,015,059	79,120,223	2,807,145	1,723,842	4,530,987
Capital increases and supplementary entries during the period	1,834,354	-	1,834,354	1,173,407	-	1,173,407
Transfer of 'Other non-current investments' and change of method (Note 10)	-	-	-	(176,938)	2,140,811	1,963,873
Acquisitions during the period	2,250	-	2,250	-	-	-
Change in consolidation method due to loss of control (Note 4.1)	(1,014,204)	-	(1,014,204)	-	-	-
Equity method						
Gains or losses in associates companies	(1,380,481)	-	(1,380,481)	(436,903)	-	(436,903)
Distributed dividends	(829,823)	-	(829,823)	(352,945)	-	(352,945)
Effect in equity capital and non-controlling interests	(4,962)	-	(4,962)	-	-	-
	<b>73,712,298</b>	<b>4,015,059</b>	<b>77,727,357</b>	<b>3,013,766</b>	<b>3,864,653</b>	<b>6,878,419</b>
<b>Total</b>	<b>813,035,630</b>	<b>570,682,928</b>	<b>1,383,718,558</b>	<b>640,530,352</b>	<b>575,617,143</b>	<b>1,216,147,495</b>

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

The amount of distributed dividends related to Investments in Joint Ventures refers to Sonae Sierra (37,391,100 euro) (12,355,320 euro as at June 2016) and ZOPT (9,012,005 euro) (8,000,000 euro, as at June 2016).

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

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

The consolidated financial statements of ZOPT have a significant exposure to the African market, particularly through financial investments that Group holds in associated companies (Finstar, Mistar, Zap Media)

operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The book value of these associates in the financial statements of ZOPT on 30 June 2017 amounts to approximately Euro 176.9 million, included in the caption "Other non-current assets".

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

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

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

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

## 10 OTHER INVESTMENTS

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

Company	Head office	Percentage of share capital held				Statement of financial position	
		30 Jun 2017		31 Dec 2016		30 Jun 2017	31 Dec 2016
		Direct	Total	Direct	Total		
<b>Sonae Retail</b>							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	925,197
<b>Sonae IM</b>							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	75,069	75,069
StyleSage	Newcastle	5.00%	4.50%	-	-	448,835	-
Probe.ly	Matosinhos	16.67%	15.00%	-	-	200,000	-
<b>Others</b>							
Ed Broking LLP	London	6.68%	3.34%	6.68%	3.34%	-	8,000,000
Other investments						12,132,430	11,774,208
						13,791,507	20,784,450

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

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

As at 30 June 2017 the caption "Other investments" includes, among others, 9,944,258 euro (9,966,231 euro in 31 December 2016) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 23 and 24).

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

	30 Jun 2017		30 Jun 2016	
	Non current	Current	Non current	Current
<b>Other investments</b>				
Fair value (net of impairment losses) as at 1 January	20,784,450	161,050	29,549,661	79,924,887
Acquisitions in the period	1,080,865	-	1,023,760	81,518
Disposals in the period	-	-	(1,069,914)	(64,177,472)
Increase/(Decrease) in fair value	(43,874)	(157,200)	3,863	(15,681,846)
Transfers to "Investments in associates" (Note 9.3)	-	-	(1,963,873)	-
Discontinued operations (Note 4.1)	(8,029,934)	-	-	-
Fair value (net of impairment losses) as at 30 June	13,791,507	3,850	27,543,497	147,087
<b>Derivative financial instruments (Note 18)</b>				
Fair value as at 1 January	-	4,207,972	-	2,506,087
Acquisitions in the period	-	-	-	175,134
Increase/(Decrease) in fair value	-	(3,726,630)	-	(980,046)
Fair value as at 30 June	-	481,342	-	1,701,175
	13,791,507	485,192	27,543,497	1,848,262

As at 30 June 2016 the fair value increase / (decrease) in the caption "Other current investments" is mainly associated to the fair value of NOS investment up to the disposal date in the amount of 15,681,846 euro negative. The fair value of this investment was determined based on the NOS market share price and the respective changes were recorded in the consolidated income statement (Note 8.3). This participation was sold in the second quarter of 2016.

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

## 11 OTHERS NON-CURRENT ASSETS

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

	30 Jun 2017			31 Dec 2016		
	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount
Loans granted to related parties	1,500,000	-	1,500,000	-	-	-
<b>Trade accounts receivable and other debtors</b>						
Legal deposits	795,709	-	795,709	762,246	-	762,246
Cautions	4,846,927	-	4,846,927	5,043,273	-	5,043,273
Special regime for payment of tax and social security debts	6,213,629	-	6,213,629	7,247,481	-	7,247,481
Financial investments debtors	1,000,000	-	1,000,000	40,000	-	40,000
Debt to receive related to Armilar Funds (Note 9.1)	2,778,017	-	2,778,017	2,778,017	-	2,778,017
Amount retained on acquisition of Salsa group	2,463,875	-	2,463,875	2,463,875	-	2,463,875
Others	1,044,735	-	1,044,735	305,524	-	305,524
	19,142,892	-	19,142,892	18,640,416	-	18,640,416
Reinsurer's' share of technical provisions	412,943	-	412,943	412,943	-	412,943
<b>Other non-current assets</b>	335,236	-	335,236	172,807	-	172,807
	21,391,071	-	21,391,071	19,226,166	-	19,226,166

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

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

## 12 TRADE ACCOUNTS RECEIVABLE

As at 30 June 2017 and at 31 December 2016, “Trade accounts receivable” are detailed as follows:

	30 Jun 2017	31 Dec 2016
Trade accounts receivable	118,010,870	126,276,140
Taxes recoverable	73,936,573	70,525,818
Other debtors		
Trade creditors - debtor balances	37,849,649	40,574,473
VAT recoverable on real estate assets and vouchers discounts	2,261,952	3,723,869
Disposal of tangible assets	2,164,230	2,310,866
Vouchers and gift cards	1,376,812	1,924,216
Advances to suppliers	2,181,559	1,122,073
Disposal of financial investments	40,000	21,584,746
Receivables from insurance companies	-	1,456,925
Other current assets	19,474,172	18,863,035
	65,348,374	91,560,203
Other current assets		
Commercial discounts	71,989,923	35,591,922
Invoices to be issued	13,346,415	11,429,811
External supplies and services	23,722,490	10,156,350
Rents	5,871,666	6,160,370
Insurance indemnities	636,943	1,509,212
Other current assets	11,672,586	12,063,651
	127,240,023	76,911,316
Accumulated impairment losses in receivables accounts (Note 23)	(17,541,411)	(17,871,034)
	366,994,429	347,402,443

## 13 DEFERRED TAXES

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

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016 Restated
Difference between fair value and acquisition cost	4,653,193	4,653,193	34,701,179	38,832,129
Temporary differences on tangible assets and intangible	1,814,440	1,811,359	66,307,524	62,768,314
Temporary differences on Badwill	-	-	8,263,418	8,263,418
Provisions and impairment losses not accepted for tax purposes	23,176,493	25,168,714	-	-
Write off of tangible and intangible assets	25,524	25,524	44,232	44,232
Valuation of hedging derivatives	784,292	86,933	107,520	626,051
Non taxed exchange differences	-	-	639,053	639,053
Revaluation of tangible assets	-	-	984,008	1,046,525
Tax losses carried forward	40,421,595	25,442,311	-	-
Reinvested capital gains/(losses)	-	-	316,197	329,611
Tax Benefits	830,337	1,037,115	-	-
Others	3,318,977	3,135,595	373,556	900,944
	75,024,851	61,360,744	111,736,687	113,450,277

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

	30 Jun 2017			31 Dec 2016		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2013	598,314	125,646	2018	595,877	125,646	2018
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	69,902	14,680	2027	90,184	18,939	2027
Generated in 2016	21,549,529	4,525,401	2028	4,847,243	1,017,920	2028
Generated in 2017	55,579,044	11,671,599	2029	-	-	
	78,991,025	16,588,116		6,727,540	1,413,295	
Without limited time use	72,899,371	18,259,333		73,577,733	18,428,924	
With a time limit different from the above mentioned	16,702,256	5,574,146		16,406,949	5,600,092	
	168,592,652	40,421,595		96,712,222	25,442,311	

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

As at 30 June 2017 deferred tax assets related to tax losses generated in current and previous years, by Modelo Continente Hipermercados, S.A. Spanish Branch of Retail operating segment, amount to 14.1 million euro (14.1 million euro as at 31 December 2016). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 30 June 2017 and at 31 December 2016, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

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

	30 Jun 2017			31 Dec 2016		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	4,497,039	944,378	2017	5,299,518	1,112,899	2017
Generated in 2013	2,909,798	611,058	2018	2,888,221	606,526	2018
Generated in 2014	5,893,609	1,237,658	2026	5,957,222	1,251,016	2026
Generated in 2015	2,841,579	596,732	2027	2,841,579	596,732	2027
Generated in 2016	1,518,065	318,794	2028	1,377,324	289,238	2028
Generated in 2017	944,240	198,290	2029	-	-	
	<u>18,604,330</u>	<u>3,906,910</u>		<u>18,363,864</u>	<u>3,856,411</u>	
Without limited time use	328,917,865	83,751,927		310,309,574	79,418,492	
With a time limit different from the above mentioned	79,714,006	20,177,679		99,994,869	25,041,365	
	<u>427,236,201</u>	<u>107,836,516</u>		<u>428,668,307</u>	<u>108,316,268</u>	

## 14 CASH AND CASH EQUIVALENTS

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

	30 Jun 2017	31 Dec 2016
Cash at hand	9,198,938	9,105,344
Bank deposits	197,027,109	207,343,682
Treasury applications	70,124,574	124,471,432
Cash and cash equivalents on the statement of financial position	276,350,621	340,920,458
Bank overdrafts (Note 18)	(20,975,406)	(17,730,231)
Cash and cash equivalents on the statement of cash flows	255,375,215	323,190,227

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

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

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

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

## Share Capital

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

### Cash Settled Equity Swap

On 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 22). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

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

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

Considering the operations mentioned above, the liability recorded amounts to 102,331,181 euro (Note 22) (87,721,109 euro as at 31 December 2016) reflecting the market value of 105,062,814 Sonae SGPS shares (110.341.017 shares as at 31 de December 2016).

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

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

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

## Capital Structure

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

Company	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

## 17 NON-CONTROLLING INTERESTS

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

	30 Jun 2017				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Sonae Retail</b>					
Real Estate Investment Funds	125,250,262	4,470,453	1,641,901	58,603	(65,959)
IVN - Serviços Partilhados, SA (Consolidated)	56,387,408	1,809,643	28,193,704	904,821	(1,050,475)
Others	50,933,769	1,329,153	24,878,617	712,935	-
<b>Sonae IM</b>					
Sonaecom, SGPS, SA (consolidated)	1,005,445,343	13,198,067	101,724,013	1,371,952	(2,442,163)
<b>Others</b>					
MDS, SGPS, SA (consolidated)	-	(1,202,932)	-	(618,611)	-
Others	3,596,652	(66,295)	748,499	(77,705)	(27,938)
<b>Total</b>	<b>1,241,613,434</b>	<b>19,538,089</b>	<b>157,186,734</b>	<b>2,351,995</b>	<b>(3,586,535)</b>
	31 Dec 2016 Restated				
COMPANY	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
<b>Sonae Retail</b>					
Real Estate Investment Funds	125,811,358	25,529,809	2,629,269	533,537	(610,230)
IVN - Serviços Partilhados, SA (Consolidated)	56,990,522	5,930,459	28,495,261	2,965,230	-
Others	49,406,959	4,492,567	22,522,022	1,754,772	21
<b>Sonae IM</b>					
Sonaecom, SGPS, SA (consolidated)	1,017,143,618	52,755,605	102,914,088	5,124,109	(1,809,412)
<b>Others</b>					
MDS, SGPS, SA (consolidated)	20,506,341	(7,145,437)	11,630,167	(3,347,778)	(282,387)
Others	3,952,085	(41,302)	849,379	(109,522)	(28,703)
<b>Total</b>	<b>1,273,810,883</b>	<b>81,521,701</b>	<b>169,040,186</b>	<b>6,920,348</b>	<b>(2,730,711)</b>

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

	30 Jun 2017							Total
	Sonae Retail			Sonae IM		Others		
	Real Estate Investment Funds	IVN - Serviços Partilhados, SA (Consolidated)	Others	Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others		
Opening balance as at 1 January 2017	2,629,269	30,226,941	22,522,022	102,914,088	11,630,167	849,379	170,771,866	
Attribution of fair value to assets acquired	-	(1,731,680)	-	-	-	-	(1,731,680)	
Opening balance as at 1 January 2017 - Restated	2,629,269	28,495,261	22,522,022	102,914,088	11,630,167	849,379	169,040,186	
Distributed dividends	-	(1,050,475)	-	(2,442,163)	-	(27,938)	(3,520,576)	
Distribution of investment income fund	(65,959)	-	-	-	-	-	(65,959)	
Changes of percentage in subsidiaries	(980,014)	-	-	-	-	-	(980,014)	
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	
Obligation fulfilled by share attribution to employees	-	-	(15,198)	-	17,869	(1,506)	1,165	
Changes in hedging reserves	-	(162,049)	(71,356)	-	-	-	(233,405)	
Change in consolidation method (Note 4.1)	-	-	-	-	(13,440,828)	-	(13,440,828)	
Others	2	6,146	268,645	(20,012)	(113,529)	(20)	141,232	
Profit for the period attributable to non-controlling interests	58,603	904,821	712,935	1,371,952	(618,611)	(77,705)	2,351,995	
Closing balance as at 30 June 2017	1,641,901	28,193,704	24,878,617	101,724,013	-	748,499	157,186,734	

	30 Jun 2016 Restated							Total
	Sonae Retail			Sonae IM		Others		
	Fundos de Investimento Imobiliário	IVN - Serviços Partilhados, SA (Consolidated)	Others	Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others		
Opening balance as at 1 January	2,691,601	-	21,366,693	99,303,284	12,599,187	342,956	136,303,721	
Distributed dividends	-	-	(21)	(1,809,412)	-	(57,384)	(1,866,817)	
Distribution of investment income fund	(492,503)	-	-	-	-	-	(492,503)	
Changes of percentage in subsidiaries	134,197	-	-	-	-	-	134,197	
Change in currency translation reserve	-	-	-	47,098	1,835,984	38,741	1,921,823	
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	(2,322,292)	-	-	(2,322,292)	
Acquisition of subsidiaries	-	25,887,826	-	-	-	-	25,887,826	
Obligation fulfilled by share attribution to employees	-	-	-	-	(40,511)	(38,873)	(79,384)	
Changes in hedging reserves	-	-	12,999	-	-	-	12,999	
Others	-	-	19	(5,837)	24,086	-	18,268	
Profit for the period attributable to non-controlling interests	461,760	-	759,744	(340,900)	10,817	299	891,720	
Closing balance as at 30 June 2016 Restated	2,795,055	25,887,826	22,139,434	94,871,941	14,429,563	285,739	160,409,558	

## 18 LOANS

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

	30 Jun 2017		31 Dec 2016	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
<b>Bank loans</b>				
Sonae, SGPS, SA - commercial paper	96,800,000	167,500,000	162,000,000	94,000,000
Sonae SGPS, SA /2016/2023	-	50,000,000	-	50,000,000
Sonae Investimentos, SGPS, SA - commercial paper	150,000,000	230,000,000	148,000,000	121,000,000
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated /2015/2020	-	55,000,000	-	55,000,000
Sonae Investimentos affiliated /2015/2019	5,000,000	35,000,000	5,000,000	35,000,000
Sonae Investimentos 2017/2022	-	31,000,000	-	-
Sonae Holding affiliated /2014/2018	-	40,000,000	-	40,000,000
Sonae Holding affiliated /2014/2021	-	30,000,000	-	30,000,000
1) MDS, SGPS, SA - commercial paper	-	-	6,875,000	13,125,000
1) MDS SGPS, SA affiliated / 2011/2016	-	-	4,081,000	-
Others	5,023,358	21,273,153	6,678,849	20,540,714
	256,823,358	709,773,153	332,634,849	508,665,714
Bank overdrafts (Note 14)	20,975,406	-	17,730,231	-
Up-front fees beard with the issuance of borrowings	-	(644,052)	-	(781,540)
<b>Bank loans</b>	<b>277,798,764</b>	<b>709,129,101</b>	<b>350,365,080</b>	<b>507,884,174</b>
<b>Bonds:</b>				
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	60,000,000
Bonds Sonae Investments BV / 2014/2019	-	200,015,658	-	198,892,884
Bonds Sonae Investimentos/ June 2013/2018	50,000,000	-	-	50,000,000
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos / June 2016/2021	-	95,000,000	-	95,000,000
Bonds Sonae Investimentos / September 2016/2021	3,000,000	12,000,000	3,000,000	12,000,000
Bonds IVN 2016/2023	5,000,000	30,000,000	5,000,000	30,000,000
Up-front fees beard with the issuance of borrowings	(1,483)	(3,248,702)	(1,483)	(5,089,605)
<b>Bonds</b>	<b>57,998,517</b>	<b>648,766,956</b>	<b>7,998,517</b>	<b>695,803,279</b>
Other loans	1,251,558	4,149,269	1,411,067	4,676,660
Derivatives (Note 19)	5,117,814	-	358,117	-
<b>Other loans</b>	<b>6,369,372</b>	<b>4,149,269</b>	<b>1,769,184</b>	<b>4,676,660</b>
Obligations under finance leases	1,105,748	1,134,639	1,079,629	1,463,520
	343,272,401	1,363,179,965	361,212,410	1,209,827,633

1) Discontinued operations (Note 4.1).

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

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

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

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

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

In 30 June 2017, bonds and bank loans bear an average interest rate of 1.29% (1.32% as at 31 December 2016). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

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

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

	30 Jun 2017	31 Dec 2016
N+1 <sup>a)</sup>	338,156,070	360,854,294
N+2	394,285,514	134,813,933
N+3	263,704,721	263,494,503
N+4	271,781,895	334,769,210
N+5	318,863,232	286,814,675
After N+5	128,921,698	207,415,055
	1,715,713,130	1,588,161,670

a) Includes amounts drawn under commercial paper programs.

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

As at 30 June 2017, Sonae has, as detailed below, cash and cash equivalents in the amount of 276 million euro (341 million euro in 31 December 2016) and available credit lines as follows:

	30 Jun 2017		31 Dec 2016	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	137,234,154	332,500,000	109,464,259	439,250,000
Agreed credit facilities	339,455,242	772,500,000	443,580,242	709,625,000

## 19 DERIVATIVES

### Exchange Rate Derivatives

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

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

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 5,117,814 euro as liabilities, and 485,192 euro as assets (358,117 euro as liabilities and 4,207,972 euro as assets, as at 31 December 2016).

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

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

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

#### Interest rate derivatives

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

#### Interest rate and Exchange rate derivatives

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

#### Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Hedging derivatives				
Exchange rate	485,192	4,207,972	5,117,814	358,117
	485,192	4,207,972	5,117,814	358,117

## 20 OTHER NON – CURRENT LIABILITIES

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

	30 Jun 2017	31 Dec 2016
Shareholders loans	444,793	415,382
Fixed assets suppliers	57,500	406,872
Other non-current liabilities	1,793,000	1,720,153
Deferral of the disposal of the extended warranties	15,531,883	15,101,455
Accruals and deferrals	2,871,827	3,913,526
<b>Other non-current liabilities</b>	<b>20,699,003</b>	<b>21,557,388</b>

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

## 21 SHARE-BASED PAYMENTS

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

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

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

	Grant year	Vesting year	Number of participants	Share price on date of assignment	Number of shares	
					30 Jun 2017	31 Dec 2016
Shares						
	2014	2017	-	1.024	-	4,340,464
	2015	2018	242	1.048	3,563,994	3,619,285
	2016	2019	264	0.970	4,501,033	4,964,016
	2017	2020	296	0.974	5,696,874	-
<b>Total</b>					<b>13,761,901</b>	<b>12,923,765</b>

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

	Aggregate number of participants	Number of shares
Balance as at 31 December 2016	763	12,923,765
Grant	294	5,523,775
Vesting	(200)	(4,186,325)
Canceled / extinguished / corrected / transferred (1)	(55)	(499,314)
Closing balance as at 30 June 2017	802	13,761,901

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

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

Grant year	Vesting year	Fair value	
		30 Jun 2017	31 Dec 2016
2014	2017	-	4,210,250
2015	2018	2,603,498	2,340,471
2016	2019	2,557,337	1,605,032
2017	2020	1,849,585	-
Total		7,010,420	8,155,753

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

	30 Jun 2017	31 Dec 2016
Recorded in staff costs in the current period	1,547,631	1,785,772
Recorded in previous years	4,267,743	6,825,062
	5,815,374	8,610,834
Recorded in other liabilities	-	-
Recorded value in Other reserves	5,815,374	8,610,834
	5,815,374	8,610,834

## 22 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

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

	30 Jun 2017	31 Dec 2016
Trade creditors	992,679,731	1,136,655,247
Taxes payable	74,550,840	91,929,635
Other creditors		
Fixed asset suppliers	35,308,915	67,208,877
Related undertakings	134,962	-
Other debts	142,262,571	133,431,355
	177,706,448	200,640,232
Other current liabilities		
Holiday pay and bonuses	128,664,932	122,568,080
Other external supplies and services	36,561,494	32,121,742
Deferred Revenue of warranty extension	46,534,001	45,073,283
Responsibilities assumed on sale of real state	17,255,336	17,558,769
Rentals	7,301,668	8,092,102
Marketing expenses	13,492,545	11,807,052
Advance receipts from trade receivables	9,332,655	10,615,437
Interest payable	2,520,229	2,449,632
Expenses on purchases	6,177,101	6,238,536
Insurance payable	2,731,398	632,982
Others	15,856,451	13,842,767
	286,427,810	271,000,382
	1,531,364,829	1,700,225,496

The caption "Other debts" includes:

- 102,331,181 euro (87,721,109 euro as at 31 December 2016) relating to the fair value of the shares covered by Sonae SGPS financial derivative referred to in Note 16;
- 11,749,400 euro (8,344,127 euro as at 31 December 2016) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 12,567,400 euro (15,042,306 euro as at 31 December 2016) related to vouchers, gift cards and discount tickets not yet redeemed;
- 3,643,076 euro (3,992,919 euro as at 31 December 2016) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 23).

## 23 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

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

Caption	Balance as at 01 Jan 2017	Increase	Decrease	Discontinued operations Note 4.1	Entries in the perimeter	Balance as at 30 June 2017
Accumulated impairment losses on investments (Note 10)	9,054,576	21,906	(11,294)	(8,683,892)	-	381,296
Impairment losses on fixed tangible assets (Note 6)	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 and other debtors (Note 12)	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

Caption	Balance as at 01 Jan 2016 Restated	Increase	Decrease	Entries in the perimeter	Balance as at 30 June 2016 Restated
Accumulated impairment losses on investments	1,886,603	-	(800)	(17,606)	1,868,197
Impairment losses on fixed tangible assets	133,564,363	6,537,130	(16,843,639)	416,568	123,674,422
Impairment losses on intangible assets	1,497,024	-	-	1,497,024	2,994,048
Accumulated impairment losses on trade account receivables and other debtors	18,285,857	1,770,590	(2,484,703)	2,306,165	19,877,909
Non current provisions	39,710,058	3,413,546	(3,254,268)	5,077,750	44,947,086
Current provisions	3,083,990	-	(44,268)	218,500	3,258,222
	198,027,895	11,721,266	(22,627,678)	9,498,401	196,619,884

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

	30 Jun 2017	31 Dec 2016
Technical provisions on reinsurance	875,614	1,061,465
Future liabilities relating to subsidiaries of retail in Brazil sold	8,648,772	8,521,318
Clients guarantees	1,449,195	1,449,195
Judicial claims	2,040,304	2,270,177
Contingent liabilities related to subsidiaries acquired	5,827,570	5,827,750
Others	3,907,149	10,276,921
	22,748,604	29,406,826

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

## 24 CONTINGENT ASSETS AND LIABILITIES

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

### - Guarantees and securities given

	30 Jun 2017	31 Dec 2016
Guarantees given:		
on tax claims	1,141,436,177	1,153,774,789
on judicial claims	407,076	887,275
on municipal claims	8,650,404	8,048,110
contract by proper compliments	14,146,941	21,516,088
other guarantees	7,792,204	9,261,512

#### a) Tax Claims

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

- Some retail operating segment subsidiaries of the Company granted guarantees in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 553.5 million euro (556.7 million euro as at 31 December 2016) related to the period from 2004 to 2013, which the Company has presented, or has the intention of presenting, a tax appeal. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients.
- The caption guarantees given on tax claims include guarantees granted, in the amount of 142.9 million euro (142.9 million euro as at 31 December 2016), in favor of Tax authorities regarding 2007 up to 2013. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisor's assessment, that such appeal will be favourable.
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for corresponding to a prior cover tax losses accumulated by the subsidiary, which has been brought to the cost of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, thus including cover losses upon liquidation of the subsidiary company;
- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group;

- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 17.4 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 44.1 million euro (165.9 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

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

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 and Decree of Law 248-A), the Group made tax payments in the amount of, approximately, 26.3 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 14).

**c) Other contingent liabilities**

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

Following the disposal of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavourably decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2016, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 32.4 million euro at 31 March 2017 (32.4 million euro at 31 December 2016). Furthermore, there are other tax assessments totalling 60.8 million euro (60.8 million euro as at 31 December 2016) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

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

It was not created any provision to cover possible risks related to events/disputes for which guarantees were given for being understanding of the Board of Directors that the resolution of these events / disputes without loss to Sonae.

## 25 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
Parent Company	93,689	117,009	332,966	344,945
Jointly controlled companies	21,450,787	8,910,259	145,789,794	19,788,111
Associated companies	17,400,250	16,106,296	-	1,077,324
Other related parties	26,973,859	27,335,767	8,905,297	9,602,525
	65,918,585	52,469,331	155,028,057	30,812,905

Transactions	Interest income		Interest expenses	
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
Parent Company	-	-	16,651	168,233
Jointly controlled companies	159	-	-	-
Associated companies	4,586	-	-	-
Other related parties	-	-	-	37,446
	4,745	-	16,651	205,679

Balances	Accounts receivable		Accounts payable	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Parent Company	43,102	25,136	304,854	688,294
Jointly controlled companies	10,010,775	29,377,178	43,158,686	15,192,431
Associated companies	5,674,206	6,583,207	1,807	147,945
Other related parties	14,274,613	16,965,780	5,340,939	10,405,360
	30,002,696	52,951,301	48,806,286	26,434,030

Balances	Loans			
	Obtained		Granted	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Jointly controlled companies	-	1,000	-	-
Associated companies	-	-	1,500,000	-
Other related parties	444,295	442,382	243,568	3,570
	444,295	443,382	1,743,568	3,570

## 26 OTHER INCOME

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

	30 Jun 2017	30 Jun 2016 Restated
Supplementary income	335,201,300	310,754,442
Prompt payment discounts obtained	11,753,092	12,056,101
Foreign currency exchange gains	9,870,257	8,966,586
Own work capitalised	7,251,192	6,761,187
Gains on sales of assets (Note 6)	219,600	63,860,700
Impairment losses reversals	1,664,205	3,508,824
Others	2,296,965	3,262,399
	368,256,611	409,170,239

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

## 27 INCOME TAX

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

	30 Jun 2017	30 Jun 2016 Restated
Current tax	(4,913,728)	9,017,044
Deferred tax	(11,863,458)	(8,410,245)
	(16,777,186)	606,799

## 28 EARNINGS PER SHARE

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

	30 Jun 2017		30 Jun 2016 Restated	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations Restated (Note 3)
<b>Net profit</b>				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	63,819,061	9,073,525	75,163,633	1,112,506
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	3,959,126	-	3,852,999	-
<b>Net profit taken into consideration to calculate diluted earnings per share</b>	<b>67,778,187</b>	<b>9,073,525</b>	<b>79,016,632</b>	<b>1,112,506</b>
<b>Number of shares</b>				
Weighted average number of shares used to calculate basic earnings per share	1,889,658,983	1,889,658,983	1,885,261,759	1,885,261,759
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	127,113,527	127,113,527	127,113,527
Outstanding shares related with share based payments	13,649,823	13,649,823	13,392,338	13,392,338
Shares related to performance bonus that can be bought at market price	(8,800,105)	(8,800,105)	(8,198,289)	(8,198,289)
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>2,021,622,228</b>	<b>2,021,622,228</b>	<b>2,017,569,335</b>	<b>2,017,569,335</b>
<b>Earnings per share</b>				
Basic	0.035868	0.004802	0.041913	0.000590
Diluted	0.033527	0.004488	0.039164	0.000551

## 29 PRESENTATION OF CONSOLIDATED INCOME STATEMENTS

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

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including Goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decreases in Goodwill, (iii) negative Goodwill (net of taxes) related to acquisitions in the financial year, (iv) provisions (net of tax) for possible future liabilities, and impairments related to noncore

investments, businesses and discontinued assets (or to be discontinued / repositioned), (v) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (vi) other irrelevant issues.

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

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

	30 Jun 2017			30 Jun 2016 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	2,602,529,163	-	2,602,529,163	2,409,989,229	-	2,409,989,229
Investment income						
Dividends	130,138	-	130,138	1,864,173	1,762,005	102,168
Impairment losses	-	-	-	-	-	-
Others	(7,044)	-	(7,044)	(77,976)	-	(77,976)
Other income						
Impairment losses reversal	1,666,388	-	1,666,388	2,041,820	-	2,041,820
Others	13,125	-	13,125	-	-	-
Others	366,357,498	-	366,357,498	343,283,169	-	343,283,169
Total income	2,970,689,268	-	2,970,689,268	2,757,100,415	1,762,005	2,755,338,410
Total expenses	(2,853,367,328)	(368,111)	(2,852,999,217)	(2,647,574,809)	(508,533)	(2,647,066,276)
Depreciation and amortisation	(96,634,384)	-	(96,634,384)	(85,553,213)	-	(85,553,213)
Non-recurring impairment losses over inventories	(2,320,050)	-	(2,320,050)	(4,070,343)	-	(4,070,343)
Provisions and impairment	-	-	-	-	-	-
Others	(1,581,939)	-	(1,581,939)	(8,200,620)	-	(8,200,620)
<b>Profit before financial results and share of results in associated companies</b>	16,785,567	(368,111)	17,153,678	11,701,430	1,253,472	10,447,958
Non-recurring Profit/(Loss)	(5,167,490)	-	(5,167,490)	55,760,824	-	55,760,824
Gains and losses on investments recorded at fair value through results	-	-	-	(6,318,903)	(6,318,903)	-
Financial profit/(loss)	(17,782,949)	-	(17,782,949)	(24,913,018)	-	(24,913,018)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	32,085,566	16,991,350	15,094,216	29,505,518	16,090,762	13,414,756
Armar Venture Funds	(269,649)	(269,649)	-	-	-	-
ZOPT	16,240,000	-	16,240,000	10,214,490	-	10,214,490
Others	(1,534,478)	-	(1,534,478)	(400,250)	-	(400,250)
<b>Profit before income tax</b>	40,356,567	16,353,590	24,002,977	75,550,091	11,025,331	64,524,760
Income tax	16,777,185	-	16,777,185	(606,800)	-	(606,800)
<b>Profit/(Loss) from continuing operations</b>	57,133,752	16,353,590	40,780,162	74,943,291	11,025,331	63,917,960
<b>Profit/(Loss) from discontinued operations</b>	18,110,829	16,220,165	1,890,664	2,224,568	-	2,224,568
<b>Net profit for the period</b>	75,244,581	32,573,755	42,670,826	77,167,859	(14,570,712)	66,142,528
Attributable to equity holders of Sonae	72,892,586	32,600,812	40,291,774	76,276,139	11,025,331	65,250,808
Non-controlling interests	2,351,995	(27,057)	2,379,052	891,720	-	891,720
<b>"Underlying" EBITDA (b)</b>			115,893,525			106,128,146
<b>Direct EBITDA (a)</b>			142,416,437			187,342,534
<b>Direct EBIT (c)</b>			43,546,452			91,560,178

(a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + share of results in joint ventures and associated undertakings (Sonae Sierra and ZOPT direct results) + unusual results;

- (b) “Underlying” EBITDA = EBITDA – effect of share result in joint ventures and associated undertakings – non-recurrent results;
- (c) EBIT = EBT - financial results;
- (d) EBT = Direct results before non-controlling interests and taxes;
- (e) Direct income = Results excluding contributions to indirect results;
- (f) Indirect income = Includes Sonae Sierra’s results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for noncurrent assets (including Goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued/ repositioned); (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future; and (v) other irrelevant issues.

## 30 SUBSEQUENT EVENTS

As at 25 July 2017, Sonae RP concluded a sale and leaseback operation of 4 food retail assets located in Portugal. This operation totalled 34.7 million euro and generated an estimated capital gain of 10.3 million euro. In fact, Sonae MC's level of freehold assets stood at 48%.

## 31 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 24 August 2017.

## 32 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

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

COMPANY	Head Office	Percentage of capital held			
		30 Jun 2017		31 Dec 2016	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia (Portugal)	HOLDING	HOLDING	HOLDING	HOLDING
<b>Sonae Retail</b>					
Aduanas Caspe, S.L.U.	a) Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Arat Inmuebles, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

1)	Asprela Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	-	-
	Azulino Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	BB Food Service, 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%
	Bom Momento - Restauração, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
2)	Brio – Produtos de Agricultura Biológica, SA	a)	Matosinhos (Portugal)	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%
	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%
	Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
	Continente Hipermercados, SA	a)	Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
3)	Discovery Sports, SA	a)	Matosinhos (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%
	Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fashion Division Canárias, SL	a)	Tenerife (Spain)	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 Imosona e Dois	a)	Maia (Portugal)	98.00%	98.00%	97.91%	97.91%
	Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
2)	Go Well – Promoção de Eventos, Caterings e Consultoria, SA	a)	Lisbon (Portugal)	51.00%	51.00%	-	-
	HighDome PCC Limited (Cell Europe)	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	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%
	Infocfield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Irmãos Vila Nova, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%

	Irmãos Vila Nova III - Imobiliária, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	IVN – Serviços Partilhados, SA	a)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	50.00%	50.00%
	IVN Asia Limited	a)	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 Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
2)	Losan Rusia	a)	Moscow (Russia)	100.00%	100.00%	-	-
	Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
	MCCARE – Serviços de Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	MJB Design, Lda	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%
	Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modelo Continente Hipermercados, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
	Modelo Hiper Imobiliária, SA	a)	Maia (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%
	Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Predicomercial - Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Predilugar- Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Salsa DE GmbH	a)	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Salsa Distribution USA LLC	a)	New York (USA)	100.00%	50.00%	100.00%	50.00%
	Salsa France, S.A.R.L.	a)	Paris (France)	99.99%	50.00%	99.99%	50.00%
	Salsa Luxembourg, Sàrl	a)	Luxembourg	100.00%	50.00%	100.00%	50.00%
1)	SK – Skin Health Cosmetics, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	-	-
	SLS Salsa – Comércio e Difusão de Vestuário, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	SLS Salsa España – Comercio y Difusión de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	50.00%	100.00%	50.00%
	SDSR – Sports Division SR, SA	a)	Matosinhos (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%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	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%
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
4) Sohi Meat Solutions- Distribuição de Carnes, SA	a)	Santarém (Portugal)	50.00%	50.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonae Center Serviços II, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Investimentos, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Sonae SR Malta Holding Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Sonaegeest-Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	90.00%	100.00%	90.00%
Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Worten - Equipamento para o Lar, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Sonae IM</b>						
Bright Development Studio, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%

Bright Ventures Capital SCR	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
Inovretail, Lda	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	89.96%	99.99%	89.96%
5) S21 Sec Ciber Seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21 Sec Gestion, SA	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
5) S21 Sec México, SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21SEC Portugal – Cybersecurity and Intelligence Services, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
Sonaecom-Cyber Security and Int., SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%
Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
Sonae Investment Management - Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
We Do Technologies (UK) Limited	a)	Berkshire (R.U.)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Mexico S. de RL	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
<b>Sonae FS</b>						
SFS – Serviços de Gestão e Marketing, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%

## Others

6)	Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70,00%	35,00%	70,00%	35,01%
6)	Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100,00%	50,00%	100,00%	50,01%
6)	Herco, Consultoria de Risco, SA	a)	Maia (Portugal)	100,00%	50,00%	100,00%	50,01%
6)	HighDome PCC Limited	a)	La Valletta (Malta)	100,00%	50,00%	100,00%	50,01%
6)	Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	a)	Porto (Portugal)	100,00%	50,00%	100,00%	50,01%
	Libra Serviços, Lda	a)	Funchal (Portugal)	100,00%	100,00%	100,00%	100,00%
6)	Larim Corretora de Resseguros Ltda	a)	Rio de Janeiro (Brazil)	99,99%	50,00%	99,99%	50,01%
6)	Lazam/mds Correctora Ltda	a)	São Paulo (Brazil)	100,00%	50,00%	100,00%	50,01%
6)	MDS África, SGPS, SA	a)	Porto (Portugal)	50,00%	25,00%	50,00%	25,05%
6)	MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100,00%	50,00%	100,00%	50,01%
6)	MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50,00%	25,00%	50,01%	25,01%
6)	MDS Malta Holding Limited	a)	La Valletta (Malta)	100,00%	50,00%	100,00%	50,01%
6)	MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100,00%	25,00%	100,00%	25,05%
6)	MDS, SGPS, SA	a)	Maia (Portugal)	50,00%	50,00%	50,01%	50,01%
6)	Moneris Seguros - Mediação de Seguros, Lda	a)	Oeiras (Portugal)	60,00%	30,00%	60,00%	30,01%
	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100,00%	89,97%	100,00%	89,97%
	Público - Comunicação Social, SA	a)	Porto (Portugal)	100,00%	89,97%	100,00%	89,97%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100,00%	100,00%	100,00%	100,00%
	Sonae RE, SA	a)	Luxembourg	99,92%	99,92%	99,92%	99,92%
	Sonaecenter Serviços, SA	a)	Maia (Portugal)	100,00%	100,00%	100,00%	100,00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100,00%	100,00%	100,00%	100,00%
	Tlantic, BV	a)	Amsterdam (Netherlands)	70,71%	70,71%	70,71%	70,71%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100,00%	70,71%	100,00%	70,71%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100,00%	70,71%	100,00%	70,71%

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

a) Control held by majority of voting rights which gives power of relevant activities;

b) Control held by majority of Board members;

1) Company created in the period;

- 2) Company acquired in the period;
- 3) Company merged in SDSR – Sports Division SR, SA;
- 4) On January 3<sup>rd</sup> 2017, was created a Joint Venture between Sonae MC and Hilton Food Group PLC through a capital increase of this Group on Sohi Meat. From this moment, onwards, Sohimeat is consolidated through the equity method;
- 5) Company merged in S21 Sec SA de CV;
- 6) On 31 March 2017, an agreement was signed for the sale of shares of MDS, SGPS, SA to IPLF Holding, SA and the shareholder agreement was changed, and Sonae was given joint control. The non-opposition of the entities that regulate the insurance activity in June 2017, becoming effective the loss of control since that date (Note 4.1)

These entities are consolidated using the full consolidation method.

### 33 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 2017 and 31 December 2016 are as follows:

#### 33.1 Joint ventures

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

	Arrábidashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
2)	Axnae Spain Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	-	-
	Campo Limpo Lda	São Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
	Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
	Cascaishopping Holding I, SGPS, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
	CCCB Caldas da Rainha - Centro Comercial, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
	Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	50.00%	12.53%
	Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
	Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
	DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
	Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	5.00%	100.00%	5.00%
	Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
	Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%
	Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
	Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
	Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
	Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Iberian Assets, SA	Madrid (Spain)	49.81%	12.48%	49.81%	12.48%
	Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	100.00%	5.00%	100.00%	5.00%
	Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
	Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
	Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%

	LCC – Leirishopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%
	Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	5.63%	50.00%	5.63%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%
	Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
	Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
	Microcom Doi, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
2)	Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	1.88%	-	-
	Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Park Avenue Development of Shopping Centers, SA	Athens (Greece)	50.00%	25.00%	100.00%	25.00%
	Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plenerg Srl	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%

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

Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	24.50%	49.00 %	24.50%
Sierra Core Assets Holdings, BV	Amsterdam (Netherlands)	50.00%	25.05%	50.00%	25.05%
Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Developments, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	25.05%	50.10%	25.05%
Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra GP, Limited	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	Milão (Itália)	100.00%	50.00%	100.00%	50.00%
Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Maroc, SARL	Casablanca (Morocco)	100.00%	50.00%	100.00%	50.00%
Sierra Maroc Services, SARL	Casablanca (Morocco)	100.00%	50.00%	100.00%	50.00%
Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Retail Ventures BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istanbul (Turkey)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Solingen Holding GmbH	Dusseldorf (Alemanha)	100.00%	50.00%	100.00%	50.00%
Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	12.53%	100.00%	12.53%

Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
Sonae Sierra, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	22.50%	11.25%	22.50%	11.25%
Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Zenata Commercial Project, SA	Mohammedia (Morocco)	100.00%	5.5%	100.00%	5.5%
<b>ZOPT (NOS)</b>					
Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.69%	20.00%	4.69%
Canal 20 TV, SA	Madrid (Spain)	50.00%	11.73%	50.00%	11.73%
Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.73%	50.00%	11.73%
Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.73%	100.00%	11.73%
East Star Ltd	Port Louis (Mauricias)	30.00%	7.04%	30.00%	7.04%
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	7.04%	30.00%	7.04%
Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Moçambique, Lda	Maputo (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 (Azores)	83.82%	19.66%	83.82%	19.66%
NOS Communications Sarl	Luxembourg	100.00%	23.46%	100.00%	23.46%
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%

NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Madeira Comunicações, SA	Funchal (Madeira)	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	Lisbon (Portugal)	33.33%	7.82%	33.33%	7.82%
Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	23.46%	100.00%	23.46%
Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	7.04%	30.00%	7.04%
ZAP Cinemas, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZAP Media, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZAP Publishing, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%
<b>Sonae IM</b>					
Intelligent Big Data, SL	Gipuzcoa (Spain)	50.00%	44.99%	50.00%	44.99%
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%
<b>Others</b>					
3) Accive Insurance – Corretor de Seguros, SA	Porto (Portugal)	70.00%	35.00%	70.00%	35.01%
3) Herco Consultoria de Risco e Corretora de Seguros, Ltda	Santa Catarina (Brazil)	100.00%	50.00%	100.00%	50.01%
3) Herco, Consultoria de Risco, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.01%
3) HighDome PCC Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.01%
3) Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	Porto (Portugal)	100.00%	50.00%	100.00%	50.01%
3) Larim Corretora de Resseguros Ltda	Rio de Janeiro (Brazil)	99.99%	50.00%	99.99%	50.01%
3) Lazam/mds Correctora Ltda	São Paulo (Brazil)	100.00%	50.00%	100.00%	50.01%
3) MDS África, SGPS, SA	Porto (Portugal)	50.00%	25.00%	50.00%	25.05%
3) MDS - Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.00%	100.00%	50.01%
3) MDS Auto - Mediação de Seguros, SA	Porto (Portugal)	50.00%	25.00%	50.01%	25.01%

3)	MDS Malta Holding Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.01%
3)	MDS RE – Mediador de resseguros, SGPS, SA	Porto (Portugal)	100.00%	25.00%	100.00%	25.05%
3)	MDS, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.01%	50.01%
3)	Moneris Seguros - Mediação de Seguros, Lda	Oeiras (Portugal)	60.00%	30.00%	60.00%	30.01%

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

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

### 33.2 Associated companies

COMPANY	Head Office	Percentage of capital held				
		30 Jun 2017		31 Dec 2016		
		Direct*	Total*	Direct*	Total*	
<b>Sonae Retail</b>						
	Sempre a Postos – Produtos Alimentares e Utilidades, Lda	Lisboa (Portugal)	25.00%	25.00%	25.00%	25.00%
1)	Sonae S2 Africa Limited	La Valletta (Malta)	30.00%	30.00%	-	-
	S2 Mozambique, SA	Maputo (Mozambique)	30.00%	30.00%	30.00%	30.00%
	Ulabox, S.L.	Barcelona (Spain)	40.41%	40.41%	39.18%	39.18%
<b>Sonae IM</b>						
	Armilar Venture Partners - Sociedade de Capital de Risco, SA	Lisbon (Portugal)	35.00%	31.49%	35.00%	31.49%
	Fundo de Capital de Risco Armilar Venture Partners II	Lisbon (Portugal)	50.21%	45.17%	50.21%	45.17%
	Fundo de Capital de Risco Armilar Venture Partners III	Lisbon (Portugal)	41.99%	37.78%	41.99%	37.78%
	Fundo de Capital de Risco Espirito Santo Ventures Inovação e Internacionalização	Lisbon (Portugal)	37.54%	33.77%	37.54%	33.77%
	MOVVO, SA	Porto (Portugal)	25.58%	25.58%	25.58%	25.58%
<b>Others</b>						
	APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22.75%	22.75%	22.75%	22.75%
	Brokerslink Management AG	Zug ((Switzerland))	20.00%	20.00%	20.00%	20.00%
	Filhet Allard España Correduria de Seguros S.L.	Madrid (Spain)	35.00%	17.50%	35.00%	17.50%
2)	Flexben, Lda	Porto (Portugal)	45.00%	45.00%	-	-
	SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	45.00%	40.49%	45.00%	40.49%

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

- 1) Company created in the period;
- 2) Company acquired in the period.

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

#### The Board of Directors

Duarte Paulo Teixeira de Azevedo, Chairman and Co-CEO

Ângelo Gabriel Ribeirinho dos Santos Paupério, Executive Director and Co-CEO

Andrew Eustace Clavering Campbell, Non-Executive Director

Christine Cross, Non-Executive

Dag Johan Skattum, Non-Executive

José Manuel Neves Adelino, Non-Executive

Marcelo Faria de Lima, Non-Executive

Margaret Lorraine Trainer, Non-Executive

Tsega Gebreyes, Non-Executive

## Condensed separate financial statements

## CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2017 AND 2016 AND AT 31 DECEMBER 2016

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

(Amounts expressed in euro)

ASSETS	Notes	30.June.2017	30.June.2016	31.December.2016
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		82,320	78,189	65,375
Intangible assets		33	332	47
Investments in subsidiaries, associates and joint ventures	4	4,081,315,240	3,980,217,640	4,094,293,240
Other investments	5	30,263,892	30,465,254	30,644,385
Deferred taxes		16,045,314	-	966,895
Other non-current assets	6	173,092,867	347,400,000	173,092,867
Total non-current assets		4,300,799,666	4,358,161,415	4,299,062,809
<b>CURRENT ASSETS:</b>				
Trade account receivables and other current assets	7	80,369,726	117,656,130	65,406,578
Cash and cash equivalents	8	383,694	516,686	950,886
Total current assets		80,753,420	118,172,816	66,357,464
<b>TOTAL ASSETS</b>		<b>4,381,553,086</b>	<b>4,476,334,231</b>	<b>4,365,420,273</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,696,124,806	1,613,868,304	1,728,388,031
Profit for the period		52,581,892	32,498,351	61,300,218
<b>TOTAL EQUITY</b>		<b>3,748,706,698</b>	<b>3,646,366,655</b>	<b>3,789,688,249</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	375,766,003	357,094,480	302,040,105
Total non-current liabilities		375,766,003	357,094,480	302,040,105
<b>CURRENT LIABILITIES:</b>				
Loans	10	96,800,000	154,500,776	162,000,000
Trade creditors and other current liabilities	11	160,280,385	318,372,320	111,691,919
Total current liabilities		257,080,385	472,873,096	273,691,919
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,381,553,086</b>	<b>4,476,334,231</b>	<b>4,365,420,273</b>

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

The Board of Directors

**CONDENSED SEPARATE INCOME STATEMENTS FOR THE PERIODS ENDED 30 JUNE 2017 AND 2016**

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

(Amounts expressed in euro)

	Notes	2 <sup>nd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016	30.June.2017	30.June.2016
Services rendered		119,916	117,388	239,831	232,692
Gains or losses on investments	14	7,750,695	17,055,034	56,321,523	28,236,292
Financial income		853,375	7,560,817	1,659,493	14,942,634
Other income		518,576	705,027	990,911	1,301,524
External supplies and services		(883,574)	(944,449)	(1,765,243)	(1,661,233)
Staff costs		(506,807)	(465,460)	(1,055,250)	(985,939)
Depreciation and amortisation		(7,819)	(9,027)	(15,740)	(17,962)
Provisions and impairment losses		-	(1,913)	-	(1,913)
Financial expense		(1,785,005)	(3,449,686)	(3,496,679)	(7,427,634)
Other expenses		(176,455)	(287,581)	(288,978)	(410,390)
Profit/(Loss) before taxation		5,882,902	20,280,150	52,589,868	34,208,071
Taxation		(293,831)	168,328	(7,976)	(1,709,720)
Profit/(Loss) after taxation		5,589,071	20,448,478	52,581,892	32,498,351
Profit/(Loss) per share					
Basic	15	0.002795	0.010226	0.026291	0.016251
Diluted	15	0.002792	0.010222	0.026286	0.016246

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

The Board of Directors

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

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

(Amounts expressed in euro)

	2 <sup>nd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016	30.June.2017	30.June.2016
Net Profit / (Loss) for the period	5,589,071	20,448,478	52,581,892	32,498,351
Changes on fair value of available-for-sale financial assets	(30,619,736)	38,838,033	(13,358,493)	45,061,123
Other comprehensive income for the period	(30,619,736)	38,838,033	(13,358,493)	45,061,123
Total comprehensive income for the period	(25,030,665)	59,286,511	39,223,399	77,559,474

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

The Board of Directors

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

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

(Amounts expressed in euro)

	Share capital	Treasury shares	Legal reserve	Reserves and retained earnings			Net profit/(loss)	Total
				Fair value reserve	Other reserves and retained earnings	Total reserves and retained earnings		
Balance as at 1 January 2016	2,000,000,000	-	244,211,592	260,223,788	1,344,393,827	1,604,617,615	(279,672,410)	3,569,156,797
Total comprehensive income for the period	-	-	-	45,061,123	-	45,061,123	32,498,351	77,559,474
Appropriation of loss of 2015:								
Transfer to retained earnings	-	-	-	-	(279,672,410)	(279,672,410)	279,672,410	-
Obligation fulfilled by a third party	-	(1,118,141)	-	-	-	-	-	(1,118,141)
Shares sold under the terms of annual performance bonus plan and medium term incentive plans	-	1,118,141	-	-	(207,467)	(207,467)	-	910,674
Share-based payments	-	-	-	-	(142,149)	(142,149)	-	(142,149)
Balance as at 30 June 2016	2,000,000,000	-	244,211,592	305,284,911	1,064,371,801	1,369,656,712	32,498,351	3,646,366,655
Balance as at 1 January 2017	2,000,000,000	-	244,211,592	419,542,189	1,064,634,250	1,484,176,439	61,300,218	3,789,688,249
Total comprehensive income for the period	-	-	-	(13,358,493)	-	(13,358,493)	52,581,892	39,223,399
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)
Obligation fulfilled by a third party	-	(466,211)	-	-	-	-	-	(466,211)
Shares sold under the terms of annual performance bonus plan and medium term incentive plans	-	466,211	-	-	(442,900)	(442,900)	-	23,311
Share-based payments	-	-	-	-	237,950	237,950	-	237,950
Balance as at 30 June 2017	2,000,000,000	-	247,276,603	406,183,696	1,042,664,507	1,448,848,203	52,581,892	3,748,706,698

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

The Board of Directors

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

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

(Amounts expressed in euro)

	Notes	2 <sup>nd</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2016	30.June.2017	30.June.2016
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		(1,898,047)	(865,650)	(1,695,783)	(1,689,783)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Tangible and intangible assets		-	584	-	584
Interest and similar income		183,938	535,627	372,768	1,601,874
Dividends		43,685,743	29,304,807	43,685,743	29,304,807
Others		1,511,927	-	1,511,927	-
Loans granted		604,517,000	517,821,000	1,161,011,000	1,077,231,939
		649,898,608	547,662,018	1,206,581,438	1,108,139,204
Cash payments arising from:					
Tangible and intangible assets		(2,695)	(4,085)	(32,668)	(4,085)
Loans granted		(604,517,000)	(517,821,000)	(1,161,011,000)	(1,077,231,939)
		(604,519,695)	(517,825,085)	(1,161,043,668)	(1,077,236,024)
Net cash used in investment activities (2)		45,378,913	29,836,933	45,537,770	30,903,180
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		1,612,916,000	1,567,641,000	2,576,150,000	3,030,806,007
Others		-	382	-	5,998
		1,612,916,000	1,567,641,382	2,576,150,000	3,030,812,005
Cash payments arising from:					
Loans obtained		(1,574,507,000)	(1,591,109,286)	(2,537,653,000)	(3,049,116,293)
Interest and similar charges		(1,600,799)	(6,483,053)	(2,924,183)	(10,783,700)
Dividends		(79,981,996)	-	(79,981,996)	-
		(1,656,089,795)	(1,597,592,339)	(2,620,559,179)	(3,059,899,993)
Net cash used in financing activities (3)		(43,173,795)	(29,950,957)	(44,409,179)	(29,087,988)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		307,071	(979,674)	(567,192)	125,409
Cash and cash equivalents at the beginning of the period		76,623	1,495,584	950,886	390,501
Cash and cash equivalents at the end of the period	8	383,694	515,910	383,694	515,910

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

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 JUNE 2017

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

In case of discrepancies the Portuguese version prevails)

(Amounts expressed in euro)

## 1 INTRODUCTION

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

## 2 BASIS OF PREPARATION

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

## 3 PRINCIPAL ACCOUNTING POLICIES

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

## 4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

Companies	% Held	30.June.2017					Closing balance
		Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	709,210,000	-	-	(12,978,000)	-	696,232,000
Sonaeacom, SGPS, SA	26.02%	206,689,581	-	-	-	-	206,689,581
Sonaeagest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,496,231,545	-	-	-	-	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		4,094,293,240	-	-	(12,978,000)	-	4,081,315,240

31.December.2016

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

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

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

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

## 5 OTHER INVESTMENTS

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

Companies	30.June.2017				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo de Investimento Imobiliário Fechado Imosedo	30,594,505	-	-	(380,493)	30,214,012
Total	30,644,385	-	-	(380,493)	30,263,892

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

## 6 OTHER NON-CURRENT ASSETS

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

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

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

## 7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	30.June.2017	31.December.2016
Trade accounts receivable	215,268	715,428
Group companies		
Dividends	11,123,853	-
Interests	-	44,793
Taxes - Special regime for taxation of groups of companies	50,801,239	41,289,044
Taxes and contributions receivable	14,719,712	20,425,842
Accrued income and prepayments	3,267,326	2,760,665
Others	242,328	170,806
Total	<u>80,369,726</u>	<u>65,406,578</u>

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

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

## 8 CASH AND CASH EQUIVALENTS

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

	30.June.2017	31.December.2016
Cash at hand	2,633	2,233
Bank deposits	381,061	948,653
Cash and cash equivalents on the balance sheet	<u>383,694</u>	<u>950,886</u>
Cash and cash equivalents on the cash flow statement	383,694	950,886

## 9 SHARE CAPITAL

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

## 10 LOANS

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

	30.June.2017	31.December.2016
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	60,000,000
Up-front fees not yet charged to income statement	(1,439,868)	(1,638,448)
Bonds	158,560,132	158,361,552
Sonae SGPS - Commercial paper	167,500,000	94,000,000
Sonae SGPS - bank loans	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(294,129)	(321,447)
Loans	217,205,871	143,678,553
Non-current loans	375,766,003	302,040,105
Sonae SGPS - Commercial paper	96,800,000	162,000,000
Loans	96,800,000	162,000,000
Current loans	96,800,000	162,000,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 107 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	164,000,000	192,500,000
Available credit facilities amounts	82,200,000	25,000,000

The interest rate as at 30 June 2017 of the bonds and bank loans was, in average, 1.02% (0.95% as at 31 December 2016).

### Maturity of Borrowings

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

	30.June.2017	31.December.2016
N+1	96,800,000	162,000,000
N+2	52,500,000	-
N+3	5,500,000	-
N+4	75,500,000	55,000,000
N+5	133,000,000	59,000,000
after N+5	111,000,000	190,000,000

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

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

	30.June.2017	31.December.2016
Trade creditors	699,518	545,724
Group companies:		
Loans	68,839,000	38,642,000
Taxes - Special regime for taxation of groups of companies	83,035,225	53,092,883
Taxes and contributions payable	3,998,291	15,749,775
Accrued expenses	3,572,051	3,473,734
Others	136,300	187,803
Total	<u>160,280,385</u>	<u>111,691,919</u>

## 12 CONTINGENT LIABILITIES

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

	30.June.2017	31.December.2016
Guarantees given:		
on tax claims	142,932,296	142,932,296
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries a)	378,442,769	386,112,500

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

## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	30.June.2017	31.December.2016
Balance:		
Group companies	64,261,481	52,150,959
Jointly controlled companies	325,099	420,628
Other partners in group companies	50,000	98,000
Accounts receivable	<u>64,636,580</u>	<u>52,669,587</u>
Parent company	304,854	688,281
Group companies	85,260,057	63,662,351
Jointly controlled companies	-	85
Other partners in group companies	12,285	6,615
Accounts payable	<u>85,577,196</u>	<u>64,357,332</u>
Group companies	<u>173,092,867</u>	<u>173,092,867</u>
Loans granted	<u>173,092,867</u>	<u>173,092,867</u>
Group companies	<u>68,839,000</u>	<u>38,642,000</u>
Loans obtained	<u>68,839,000</u>	<u>38,642,000</u>

Transactions:	30.June.2017	30.June.2016
Group companies	1,029,289	1,277,495
Jointly controlled companies	109,831	104,775
Other partners in group companies	50,000	50,000
<b>Services rendered and other income</b>	<b>1,189,120</b>	<b>1,432,270</b>
Parent company	332,966	344,945
Group companies	751,989	688,036
Other partners in group companies	25,226	21,477
<b>Purchases and services obtained</b>	<b>1,110,181</b>	<b>1,054,458</b>
Group companies	1,659,493	14,942,634
<b>Interest income</b>	<b>1,659,493</b>	<b>14,942,634</b>
Parent company	-	56,341
Group companies	472,292	1,990,501
<b>Interest expenses</b>	<b>472,292</b>	<b>2,046,842</b>
Group companies	17,418,496	15,880,590
Jointly controlled companies	37,391,100	12,355,320
<b>Dividend income (Note 14)</b>	<b>54,809,596</b>	<b>28,235,910</b>
Group companies	1,511,927	-
<b>Income from investment fund participations units</b>	<b>1,511,927</b>	<b>-</b>

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

## 14 INVESTMENTS INCOME

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

	30.June.2017	30.June.2016
Dividends	54,809,596	28,235,910
Gains / (losses) on sale investments	1,511,927	382
	<b>56,321,523</b>	<b>28,236,292</b>

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

## 15 EARNINGS PER SHARE

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

	30.June.2017	30.June.2016
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	52,581,892	32,498,351
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>52,581,892</u>	<u>32,498,351</u>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings	2,000,000,000	1,999,792,831
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,149,412	1,324,728
Number of shares that could be acquired at average market price	(807,414)	(728,353)
Weighted average number of shares used to calculate diluted earnings per share	<u>2,000,341,998</u>	<u>2,000,389,206</u>
<b>Profit/(Loss) per share</b>		
Basic	0.026291	0.016251
Diluted	<u>0.026286</u>	<u>0.016246</u>

## 16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 24 August 2017.

## 17 INFORMATION REQUIRED BY LAW

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

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

Sonae Investimentos, SGPS, SA

Sonaecom, SGPS, SA

Sontel, BV

Sonae RE, SA

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

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

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

	<u>Closing balance</u>
Sonaecenter, Serviços, SA	32,955,000
Sonae RE, SA	1,585,000
Sontel, BV	34,299,000
Total	<u>68,839,000</u>

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

## SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available at Sonae's institutional website  
[www.sonae.pt](http://www.sonae.pt)

### Media and Investor Contacts

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

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

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

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

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