

SONAE INVESTIMENTOS, SGPS, SA

**Head Office: Rua João Mendonça, 529 – 4464-501 Senhora da
Hora**

Share Capital 1,000,000,000 Euro

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

30 September 2016

Management Report**Sonae Investimentos – S.G.P.S., S.A.**

In accordance with Portuguese Law and the company's articles of association, we hereby present the management report of Sonae Investimentos - S.G.P.S., S.A. for the first nine months of 2016.

Activity evolution for the period

During the course of the first nine months of 2016, the consolidated turnover of Sonae Investimentos totalled 3,765 million euros, which corresponds to an increase of 6.8% when compared to the same period in the previous year. Performance benefited from the increased contributions of MC, Sports & Fashion and Electronics, which have more than compensated the lower turnover of RP, resulting from sale and leaseback (S&LB) transactions over the course of 2015 and in 1Q16. Note that Sonae Sports & Fashion, in addition to the acquisition of Losan in 4Q15, completed in 2Q16 the acquisition of 50% of Salsa's capital, hence starting a promising partnership in an internationally renowned Portuguese jeanswear specialist.

The Company's operating cash-flow (EBITDA) reached 264 million euros, which represents a 6.8% increase versus last year (+17 million euros). This evolution is positively influenced by: the improved contributions from Sonae Sports & Fashion (including Losan and Salsa contribution), Electronics and MaxMat; and Sonae RP retail assets S&LB operations.

EBITDA performance includes a reduction of the contribution of Sonae MC which continued to reinforce its competitive position (L4L¹ +1.8% 9M16) and market share in a very mature and highly competitive market. It has been improving its value proposition, perception on price and quality of perishables, launching innovative price campaigns, and implementing its programme for the expansion of local convenience and close proximity stores.

Overall, EBITDA margin stood at 5.2% of turnover, decreasing 0.5p.p. comparing to 9M15. Operating results (EBIT) amounted to 127 million euros in the period, increasing 6 million euros when compared to the first nine months of 2015, with margin in line with previous year.

Sonae Investimentos consolidated net result in the first nine months of 2016 totalled 85 million euros, 22 million euros above the comparable period of 2015.

By the end of September, Sonae Investimentos operated in an overall portfolio of 1,554 stores, corresponding to a sales area of 1,145 thousand m². During the period, the company continued to evolve its store network in both national and international markets. Sonae Sports & Fashion and Electronics continued to consolidate its store networks and had, in particular, a total of 190 and 51 stores, respectively, outside of Portugal, including 96 under franchising agreements. The store portfolio increase also includes Salsa stores.

¹ Sales on comparable stores universe

Sonae MC also continued to further develop its store network, opening 1 Continente, 14 Continente Bom Dia, 35 Meu Super Stores (all under franchise agreements), 14 Well's (5 of which under franchise agreements), 5 Bom Bocado / Bagga and 4 note!.

In parallel to the expansion effort, the company carried out a refurbishment programme in a number of retail units so as to ensure they remain as a reference in their respective catchment areas. Total investment amounted to 282 million euros during the first nine months of the year (164 million euros in 2015 comparable period).

Outlook

Sonae Investimentos strategic guidelines privilege growth and the strengthening of the value proposition based on a continued investment in efficiency and innovation. This positioning, consistently adopted by the Company, has allowed for the combination of strong growth rhythms with strong profitability benchmarks, and once again will be at the basis of the Company's performance during the course of the next months.

Methodological note

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 figures was not subject to audit procedures.

Maia, 07 of November 2016

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Luís Miguel Mesquita Soares Moutinho

Luis Miguel Vieira de Sá da Mota Freitas

Luis Filipe Campos Dias de Castro Reis

Glossary

Turnover

Sale of articles + services rendered;

EBITDA

total direct income - total direct expenses - reversal of direct impairment losses + Share of results in joint ventures and associated undertakings;

“Underlying” EBITDA

total direct income - total expenses - reversal of impairment losses;

Direct EBIT

Direct EBT - financial results;

Direct EBT

Direct results before non-controlling interests and taxes;

Direct income

Results excluding contributions to indirect income;

Indirect income

Includes arising from: (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.

Investments (CAPEX)

Investments in tangible and intangible assets and investments in acquisitions;

Working Capital

customer debts (receivables derived from the normal course of the Group's activities) – suppliers (amount payable resulting from purchases derived from the normal course of the Group's activities) + inventories (goods booked at acquisition cost, less quantity discounts and impairment losses) + other assets and liabilities (State and other public entities + associated companies + accruals and prepayments + deferred taxes + provisions for risks and charges + fixed asset suppliers + sundry debtors and creditors)

Net Invested capital

Total net debt + total shareholder funds

**Condensed consolidated
financial statements**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2016 AND 2015 AND 31 DECEMBER 2015

(Amounts expressed in euro)

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

ASSETS	Notes	30 September 2016	30 September 2015	31 December 2015
NON-CURRENT ASSETS:				
Tangible assets	8	1,581,070,016	1,650,442,539	1,539,139,683
Intangible assets	9	212,399,494	199,529,913	204,399,410
Goodwill	10	684,067,832	498,933,536	518,417,011
Investments in associates	5	55,201,795	39,036,552	47,582,327
Other investments	6 and 11	10,922,811	11,971,443	12,164,765
Deferred tax assets	14	59,795,105	89,783,552	56,737,847
Other non-current assets	12	12,060,251	27,057,006	11,633,297
Total Non-Current Assets		2,615,517,304	2,516,754,541	2,390,074,340
CURRENT ASSETS:				
Inventories		672,070,503	590,380,776	634,365,983
Trade account receivable and other current assets	13	352,187,067	337,494,997	283,004,706
Investments	11	870,226	533,158	2,506,086
Cash and cash equivalents	15	84,541,521	60,264,493	89,020,049
Total Current Assets		1,109,669,317	988,673,424	1,008,896,824
Assets held for sale	16	-	4,525,381	131,044,139
TOTAL ASSETS		3,725,186,621	3,509,953,346	3,530,015,303
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	17	1,000,000,000	1,000,000,000	1,000,000,000
Own shares		(320,000,000)	(320,000,000)	(320,000,000)
Reserves and retained earnings		(55,264,278)	(86,507,839)	(86,593,045)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		81,145,878	61,364,991	70,039,847
Equity attributable to the equity holders of the Parent Company		705,881,600	654,857,152	663,446,802
Equity attributable to non-controlling interests	18	128,991,681	62,050,702	52,292,885
TOTAL EQUITY		834,873,281	716,907,854	715,739,687
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	19	628,287,165	560,654,545	596,135,078
Other non-current liabilities	21	439,062,682	441,862,997	437,223,223
Deferred tax liabilities	14	62,511,258	87,729,224	70,495,516
Provisions	24	11,350,583	14,877,612	11,585,642
Total Non-Current Liabilities		1,141,211,688	1,105,124,378	1,115,439,459
CURRENT LIABILITIES:				
Loans	19	180,039,554	197,360,586	143,582,795
Trade creditors and other current liabilities	23	1,566,242,148	1,487,122,271	1,552,433,412
Provisions	24	2,819,950	3,438,257	2,819,950
Total Current Liabilities		1,749,101,652	1,687,921,114	1,698,836,157
TOTAL LIABILITIES		2,890,313,340	2,793,045,492	2,814,275,616
TOTAL EQUITY AND LIABILITIES		3,725,186,621	3,509,953,346	3,530,015,303

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

The Board of Directors

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016 AND 2015

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

(Amounts expressed in euro)	Notes	3 rd Quarter 2016	3 rd Quarter 2015	30 September 2016	30 September 2015
Sales		1,392,223,075	1,257,476,339	3,701,221,004	3,481,508,718
Services rendered		19,996,833	15,467,211	64,253,780	42,669,570
Investment income investments recorded at fair value through profit		-	151,242	91,406	(4,583,838)
Financial income		1,634,870	2,358,799	2,726,785	7,850,361
Other income	26	167,979,120	153,985,618	574,998,649	508,119,538
Cost of goods sold and materials consumed		(1,132,256,986)	(1,030,322,161)	(3,068,973,431)	(2,852,134,016)
Changes in stocks of finished goods and work in progress		1,062,558	(106,730)	1,502,495	(91,583)
External supplies and services		(173,283,716)	(152,440,145)	(479,889,780)	(428,954,973)
Staff costs		(165,206,225)	(144,334,872)	(487,540,862)	(449,059,739)
Depreciation and amortisation	8 and 9	(42,434,313)	(40,017,654)	(123,419,017)	(120,133,629)
Provisions and impairment losses		(843,178)	(307,970)	(8,577,857)	(2,309,152)
Financial expense		(15,471,343)	(17,763,878)	(46,710,840)	(54,295,726)
Other expenses		(14,855,817)	(18,165,036)	(46,352,385)	(59,922,895)
Share of results of joint ventures and associated companies	5	102,435	(257,881)	(570,878)	(1,264,846)
Profit/(Loss) before taxation		38,647,313	25,722,882	82,759,069	67,397,790
Taxation	28	3,433,417	6,229,330	2,625,952	(3,429,133)
Profit/(Loss) after taxation		42,080,730	31,952,212	85,385,021	63,968,657
Attributable to:					
Equity holders of the Parent Company		39,781,961	30,570,187	81,145,878	61,364,991
Non-controlling interests	18	2,298,769	1,382,025	4,239,143	2,603,666
Profit/(Loss) per share					
Basic	29	0.044202	0.033967	0.090162	0.068183
Diluted	29	0.044202	0.033967	0.090162	0.068183

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

The Board of Directors

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2016 AND 2015

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

<i>(Amounts expressed in euro)</i>	3 rd Quarter 2016	3 rd Quarter 2015	30 September 2016	30 September 2015
Net Profit / (Loss) for the period	42,080,730	31,952,212	85,385,021	63,968,657
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	238,531	135,829	(534,644)	204,691
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5.3)	(217,044)	(2,320,596)	1,566,882	(3,106,048)
Changes in hedge and fair value reserves	(176,832)	532,875	380,948	(2,209,051)
Deferred taxes related with other components of comprehensive income	112,315	(133,413)	(23,475)	541,767
Others	-	265,519	-	265,519
Other comprehensive income for the period	(43,030)	(1,519,786)	1,389,711	(4,303,122)
Total comprehensive income for the period	42,037,700	30,432,426	86,774,732	59,665,535
Attributable to:				
Equity holders of parent company	39,707,057	29,090,527	82,451,976	57,151,032
Non controlling interests	2,330,643	1,341,899	4,322,756	2,514,503

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

The Board of Directors

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 SEPTEMBER 2016 AND 2015

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

<i>(Amounts expressed in euro)</i>	Attributable to Equity Holders of Parent Company											Non controlling Controlling Interests (Note 18)	Total Equity
	Reserves and Retained Earnings								Net Profit/ (Loss)	Total			
	Share Capital	Own Shares	Legal Reserve	Currency translation Reserve	Hedging Reserve	Legal Reserves in accordance with article 342º CSC	Other Reserves and Retained Earnings	Total					
Balance as at 1 January 2015	1,000,000,000	(320,000,000)	141,237,816	436,045	1,366,865	320,000,000	(574,504,161)	(111,463,435)	70,697,244	639,233,809	80,234,962	719,468,771	
Total comprehensive income for the period	-	-	-	255,244	(1,628,674)	-	(2,840,529)	(4,213,959)	61,364,991	57,151,032	2,514,503	59,665,535	
Appropriation of profit of 2014													
Transfer to legal reserves and retained earnings	-	-	29,702,450	-	-	-	40,994,794	70,697,244	(70,697,244)	-	-	-	
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(873,329)	(40,873,329)	
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(1,527,689)	(1,527,689)	-	(1,527,689)	(19,825,468)	(21,353,157)	
Others	-	-	-	-	-	-	-	-	-	-	34	34	
Balance as at 30 September 2015	1,000,000,000	(320,000,000)	170,940,266	691,289	(261,809)	320,000,000	(577,877,585)	(86,507,839)	61,364,991	654,857,152	62,050,702	716,907,854	
Balance as at 1 January 2016	1,000,000,000	(320,000,000)	170,940,266	1,058,142	(239,492)	320,000,000	(578,351,961)	(86,593,045)	70,039,847	663,446,802	52,292,885	715,739,687	
Total comprehensive income for the period	-	-	-	(568,007)	307,223	-	1,566,882	1,306,098	81,145,878	82,451,976	4,322,756	86,774,732	
Appropriation of profit of 2015													
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	70,039,847	70,039,847	(70,039,847)	-	-	-	
Dividends distributed	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)	(114,810)	(40,114,810)	
Income distribution	-	-	-	-	-	-	-	-	-	-	(610,230)	(610,230)	
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(5,189)	(5,189)	-	(5,189)	11,059	5,870	
Acquisitions of affiliated companies	-	-	-	-	-	-	-	-	-	-	73,090,000	73,090,000	
Others	-	-	-	-	-	-	(11,989)	(11,989)	-	(11,989)	21	(11,968)	
Balance as at 30 September 2016	1,000,000,000	(320,000,000)	170,940,266	490,135	67,731	320,000,000	(546,762,410)	(55,264,278)	81,145,878	705,881,600	128,991,681	834,873,281	

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

The Board of Directors

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2016 AND 2015

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

(Amounts expressed in euro)	Notes	3 rd Quarter 2016	3 rd Quarter 2015	30 September 2016	30 September 2015
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		224,190,605	156,213,091	76,230,207	50,873,847
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Tangible assets and investment properties	8 and 9	512,889	727,645	230,797,052	184,350,256
Interests and similar income		262,982	382,609	1,077,397	1,025,421
Loans granted		-	56,739,000	-	61,239,000
Dividends		-	151,243	455,023	448,086
Others		-	-	1,581	-
		775,871	58,000,497	232,331,053	247,062,763
Cash Payments arising from:					
Investments		(51,200)	-	(65,343,994)	(916,124)
Tangible assets and investment properties		(61,283,244)	(48,851,714)	(199,493,773)	(154,196,468)
Loans granted		-	(57,316,000)	-	(61,762,948)
		(58,783,023)	(106,167,714)	(264,837,767)	(216,875,540)
Net cash used in investment activities (2)		(58,007,152)	(48,167,217)	(32,506,714)	30,187,223
FINANCING ACTIVITIES					
Cash receipts arising from:					
Investments		-	550,056	2,840,683	1,125,403
Loans obtained		1,790,491,878	1,068,348,311	4,456,793,252	3,099,242,750
		1,790,491,878	1,068,898,367	4,459,633,935	3,100,368,153
Cash Payments arising from:					
Investments		(4,062,510)	(200,123)	(6,613,930)	(28,257,238)
Loans obtained		(1,874,530,279)	(1,237,232,098)	(4,443,702,510)	(3,165,421,294)
Interests and similar charges		(6,801,493)	(3,996,426)	(20,257,678)	(18,748,922)
Dividends		(40,138,613)	(40,644,560)	(40,746,481)	(40,757,859)
Others		(484,221)	(745,712)	(944,112)	(1,684,489)
		(1,928,568,536)	(1,282,818,919)	(4,512,264,711)	(3,254,869,802)
Net cash used in financing activities (3)		(138,076,658)	(213,920,552)	(52,630,776)	(154,501,649)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		28,106,795	(105,874,677)	(8,907,283)	(73,440,579)
Effect of foreign exchange rate		(635,488)	(1,636,812)	(683,671)	(1,944,651)
Cash and cash equivalents at the beginning of the period	15	39,475,117	134,440,029	76,441,012	101,698,092
Cash and cash equivalents at the end of the period	15	68,217,400	30,202,164	68,217,400	30,202,164

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

(Amounts expressed in euro)

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

1 INTRODUCTION

Sonae Investimentos, SGPS, SA, has its head-office at Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 6 the Sonae Investimentos Group (“Sonae Investimentos”). Sonae Investimentos’s operations and operating segments are described in Note 30.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended as at 31 December 2015.

Basis of preparation

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 (“IFRS-IC”) or by the previous Standing Interpretations Committee (“SIC”), as adopted by the European Union as at 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, subsidiaries and joint ventures adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for financial instruments which are stated at fair value.

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

Up to the financial statements approval date, the following Standards and Interpretations, some of which become effective in 2016, have been endorsed by the European Union:

With mandatory application from 1 January 2016:	Effective Date (for financial years beginning on or after)
IAS 19 (Amendment) – (Defined benefit Plans: Employee Contributions)	01 Feb 2015
Annual Improvements to IFRS (cycle 2010-2012)	01 Feb 2015
Annual Improvements to IFRS (cycle 2012-2014)	01 Jan 2016
IFRS 11 (Amendment) – (Accounting for Acquisitions of Interests in Joint Operations)	01 Jan 2016
IAS 1 (Amendment) – Presentation of Financial Statements	01 Jan 2016
IAS 16 and IAS 38 (Amendments) – (Clarification of Acceptable Methods of Depreciation and Amortisation)	01 Jan 2016
IAS 16 (Amendment) – Tangible Assets and IAS 41 (Amendments) Bearer Plants	01 Jan 2016
IAS 27 (Amendment) – Equity Method in Separate Financial Statements	01 Jan 2016

These standards were first applied by the Group in 2016. The application of these standards and interpretations had no material effect on the financial statements of the Group as at 30 September 2016.

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

With mandatory application after 2016:	Effective Date (for financial years beginning on or after)
IFRS 15– Revenues from Contracts with Customers	01 Jan 2018
IFRS 10, IFRS 12 and IAS 28 (Amendment) – Investment Entities – Applying the Consolidation Exception	01 Jan 2017

The following standards, interpretations, amendments and revisions haven't been until the date of approval of these financial statements, endorsed by the European Union, whose application is mandatory in future financial years.

With mandatory application after 2016:	Effective Date (for financial years beginning on or after)
IFRS 9 - (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 16 –Leases - (recognition and measurement principles)	01 Jan 2019
IFRS 10 and IAS 28 (Amendment) – (Elimination of the inconsistency between the requirements of these standards when dealing with the sale of contribution of assets between an investor and its associate or joint venture)	Undefined
IAS 12 (Amendment) – (Recognition of deferred tax assets for unrealised losses)	01 Jan 2017
IAS 7 (Amendment) – (Disclosure initiative about Statement of Cash Flows)	01 Jan 2017
IFRS 15 (Amendment) – (Revenues from Contracts with Customers)	01 Jan 2018
IFRS 2 (Amendment) – (Share based Payment transactions – classification and measurement)	01 Jan 2018
IFRS 4 (Amendment) – Applying IFRS 9 (Financial Instruments) with IFRS 4 (Insurance Contracts)	01 Jan 2018

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 September 2016, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group, and with the exception of IFRS 9, IFRS 15 and IFRS 16 important impacts are not to be expected.

3 CHANGES IN ACCOUNTING POLICIES

During the period, it was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after 1ST January 2016 as disclosed in Note 2 and which didn't have any significant impacts on the financial statements as at 30 September 2016.

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The subsidiaries included in the consolidated financial statements, its head offices and percentage of capital held as at 30 September 2016 and 31 December 2015 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 September 2016		31 December 2015	
		Direct*	Total*	Direct*	Total*
Sonae Investimentos, SGPS, SA	Matosinhos	Holding	Holding	Holding	Holding
Sonae MC					
BB Food Service, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bom Momento – Restauração, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
1) Contibomba - Comércio e Distribuição de Combustíveis, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados. SA	a) Lisboa	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a) Matosinhos	75.00%	75.00%	75.00%	75.00%
Farmácia Selecção. SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
2) MCCARE – Serviços de Saúde, SA	a) Matosinhos	100.00%	100.00%	-	-
MJB – Design, Lda	a) Maia	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
1) Modelo.Com – Vendas p/Correspond., SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente. SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
2) Sonae MC S2 Africa Limited	a) La Valeta (Malta)	100.00%	100.00%	-	-
Sports and Fashion					
Aduanas Caspe, S.L.U.	a) Zaragoza (Spain)	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%
Discovery Sports, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
3) Irmãos Vila Nova, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
3) Irmãos Vila Nova III - Imobiliária, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
3) IVN - Serviços Partilhados, SA	a)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	-	-
3) IVN Asia Limited	a)	Hong Kong (China)	100.00%	50.00%	-	-
Losan Colombia, S.A.S.	a)	Bogotá (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 Urun.V E Dis Ticaret, L.S.	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
3) Salsa DE GmbH	a)	Dusseldorf (Germany)	100.00%	50.00%	-	-
3) Salsa Distribution USA LLC	a)	New York (USA)	100.00%	50.00%	-	-
3) Salsa France, S.A.R.L.	a)	Paris (France)	99.99%	50.00%	-	-
3) Salsa Luxembourg, Sàrl	a)	Luxembourg	100.00%	50.00%	-	-
3) SLS Salsa - Comércio e Difusão de Vestuário, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
3) SLS Salsa España - Comercio y Difusión de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	50.00%	-	-
SDSR – Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonae SR – Serviços e Logística, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sport Zone Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	5.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

Sport Zone Sport Maiz.Per.Satis.Ith.Ve tic Ltd Sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
Usebti Textile México S.A. de C.V.	a)	City of Mexico (Mexico)	100.00%	100.00%	100.00%	100.00%
Zippy – Comércio e Distribuição, SA	a)	Matosinhos	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)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution- Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

Worten

HighDome PCC Limited (Cell Europe)	a)	La Valeta (Malta)	100.00%	100.00%	100.00%	100.00%
Infofield – Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonae SR Malta Holding Limited	a)	La Valeta (Malta)	100.00%	100.00%	100.00%	100.00%
Worten Canarias, S.L.	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Worten – Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

Sonae RP

Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos	100,00%	100,00%	100,00%	100,00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	80.40%	80.40%	80.40%	80.40%

Fundo de Investimento Imobiliário Fechado Imosonae Dois	a)	Maia	97.91%	97.91%	97.92%	97.92%
Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Predilugar - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Others						
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
2) SFS – Serviços de Gestão e Marketing, SA	a)	Maia	100.00%	100.00%	-	-
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, SA	a)	Maia	100.00%	100,00%	100.00%	100.00%
4) Sonae Retalho Espanha - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
5) Sonae Specialized Retail. SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a)	Maia	60.00%	60.00%	60.00%	60.00%
Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Tlantic, BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	72.10%	72.10%
Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	100.00%	72.10%	100.00%	72.10%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	72.10%	100.00%	72.10%

*the percentage of ownership" total" represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) subsidiary which owns the stake in question holds the share capital of this company.

a) Control held by majority of voting rights which confer power of relevant activities that influence;

b) Control held by management control.

- 1) Companies merged into Modelo Continente Hipermercados, SA, at 1 January 2016;
- 2) Companies created during the period;
- 3) Companies acquired at 30 June 2016;
- 4) Company liquidated at 21 September 2016;
- 5) Company merged into Sonae MC – Modelo Continente, SGPS, SA, at 1 January 2016.

These entities are consolidated using the full consolidation method, considering that they are controlled by Sonae Investimentos SGPS, SA.

5 ASSOCIATED COMPANIES

5.1 Detail of book value of Investment in associates

Associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held at 30 September 2016 and 31 December 2015 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 September 2016		31 December 2015		30 September 2016	31 December 2015
		Direct*	Total*	Direct*	Total*		
APOR- Agência para a Modernização do Porto, SA	Porto	22.75%	22.75%	22.75%	22.75%	317,069	373,147
MDS SGPS, SA (consolidated)	Maia	47.53%	47.53%	47.53%	47.53%	44,656,260	43,093,084
1) MOVVO, SA	Porto	22.89%	22.89%	16.00%	16.00%	2,702,060	-
2) S2 Mozambique, SA	Maputo	30.00%	30.00%	0.00%	0.00%	1,607,217	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisboa	25.00%	25.00%	25.00%	25.00%	1,301,570	1,236,445
3) Ulabox, S.L.	Barcelona	34.07%	34.07%	28.57%	28.57%	4,617,619	2,879,651
Investments in associated companies						55,201,795	47,582,327

* the percentage of ownership "total" represents the total percentage of interest held by the Group; the percentage of capital held "direct" corresponds to the percentage (s) subsidiary which owns the stake in question holds the share capital of this company.

- 1) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 6);
- 2) Acquisition on July 18, 2016 of 30% passing the Group holds significant influence on this associated;
- 3) Capital increase carried out on April 14, 2016.

Joint ventures and associated companies were included in the consolidated financial statements by the equity method.

5.2 Financial indicators of participations

As at 30 September 2016 and 2015 and 31 December 2015, financial information of associated companies can be analysed as follows:

Associated Companies	30 September 2016				31 December 2015			
	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others
Non-current assets	68,565,759	1,339,461	1,318,147	987,388	64,452,910	1,778,633	1,923,349	18,619
Current assets	21,463,450	11,313,435	3,118,285	3,288,190	22,408,075	10,076,920	2,548,955	1,679,225
Non-current liabilities	25,167,818	965	-	2,240,946	27,481,551	8,594	-	-
Total current liabilities	27,187,189	7,445,652	642,484	977,309	25,670,040	6,901,181	103,517	57,638
Shareholders' funds excluding non-controlling interests	37,674,202	5,206,279	3,793,948	1,057,323	33,709,394	4,945,778	4,368,786	1,640,206

Associated Companies	30 September 2016				30 September 2015			
	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others	MDS SGPS, SA (Consolidated)	Sempre a Postos	Ulabox	Others
Turnover	32,989,329	40,864,158	5,227,655	197,438	32,134,990	39,050,382	2,865,962	53,259
Other operational income	811,747	2,823,050	175,379	70,914	492,581	3,378,889	107,856	-
Operational expenses	(31,723,940)	(41,506,903)	(8,655,271)	(2,439,830)	(33,170,305)	(40,500,625)	(4,348,940)	(204,534)
Net financial expense	(1,071,182)	7,464	-	(8,305)	(1,934,607)	10,445	-	26,301
Share of results of joint ventures and associated companies	(107,813)	-	-	-	-	-	-	-
Taxation	(56,827)	(515,485)	-	(38)	251,529	(460,609)	-	(28)
Consolidated net income/(loss) for the period	841,314	1,672,284	(3,252,237)	(2,179,821)	(2,225,812)	1,478,482	(1,375,122)	(125,001)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	841,314	1,672,284	(3,252,237)	(2,179,821)	(2,225,812)	1,478,482	(1,375,122)	(125,001)

5.3 Movements occurred in the period

During the period ended at 30 September 2016 and 2015, movements in investments in associated companies are as follows:

	30 September 2016			30 September 2015		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Associated companies						
Initial balance as at January,1	21,073,725	26,508,602	47,582,327	6,493,202	34,210,506	40,703,708
Capital increase	3,405,319	-	3,405,319	1,599,541	1,400,759	3,000,300
Acquisitions during the period	1,607,217	-	1,607,217	-	-	-
Transfer of "Other non-current Investments"	(176,938)	2,140,811	1,963,873	-	-	-
Equity method:						
Effect in gain or losses in associated companies	(570,878)	-	(570,878)	(1,264,846)	-	(1,264,846)
Distributed dividends	(352,945)	-	(352,945)	(296,562)	-	(296,562)
Other effects on reserves	1,566,882	-	1,566,882	(3,106,048)	-	(3,106,048)
Total	26,552,382	28,649,413	55,201,795	3,425,287	35,611,265	39,036,552

The effect on "other effects on reserves" is mainly a result of the exchange differences relating to the translation from the functional currencies of companies into Euro.

6 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 30 September 2016 and 31 December 2015 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 September 2016		31 December 2015		30 September 2016	31 December 2015
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Inscó - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	898,197
1) MOVVO, SA	Lisbon	22.89%	22.89%	16.00%	16.00%	-	991,315
2) Solferias- Operadores Turísticos, SA	Lisbon	-	-	11.11%	11.11%	-	133,162
Other investments						9,987,638	10,132,115
						10,922,811	12,164,765

- 1) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 5);

2) Participation disposed in the period.

On 30 September 2016, are included in “Other Investments”, among others 9,976,138 euro (9,996,932 euro as at 31 December 2015) related to deposited amounts on an *Escrow Account* which is invested in investment funds with superior rating and contractual liability guarantees assumed in the disposal of a Sonae Distribuição Brazil and for which provisions were recorded in the applicable situations (Note 24 and 25).

Although in accordance with the deadlines contractually established, the *Escrow Account* should have already been released by the buyer, that didn’t happen as there are some points of disagreement on the use of the *Escrow Account*, namely as whether or not, to retain the *Escrow Account* for on-going fiscal procedures that have not yet been decided (Note 25). It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers that the reason attends to Sonae Investimentos.

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

7 CHANGES IN CONSOLIDATION PERIMETER

During the period ended at 30 September 2016, Sonae Investimentos acquired 50% of the Salsa group and the companies included in this group are:

COMPANY	Head Office	Direct	Total
Sonae SR			
Irmãos Vila Nova, SA	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
Irmãos Vila Nova III - Imobiliária, SA	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
IVN - Serviços Partilhados, SA	Vila Nova de Famalicão (Portugal)	50.00%	50.00%
IVN Asia Limited	Hong Kong (China)	100.00%	50.00%
Salsa DE GmbH	Dusseldorf (Alemanha)	100.00%	50.00%
Salsa Distribution USA LLC	New York (USA)	100.00%	50.00%
Salsa France, S.A.R.L.	Paris (France)	99.99%	50.00%
Salsa Luxembourg, Sàrl	Luxemburgo	100.00%	50.00%
SLS Salsa - Comércio e Difusão de Vestuário, S.A.	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
SLS Salsa España - Comercio y Difusión de Vestuario, S.A.U.	Pontevedra (Spain)	100.00%	50.00%

Sonae Investimentos participates in 50% in IVN – Serviços Partilhados, SA, parent of a group company that sells “Salsa” brand. As at June 2016, these entities are consolidated using the full consolidation method, considering that Sonae Investimentos began to exercise control over the activities of this Group.

The effects of this acquisition on the consolidated financial statements can be analyzed as follows:

	On the date of acquisition	30 September 2016
Net assets		
Tangible and intangible assets (Note 8 and 9)	13,925,978	14,463,795
Inventories	21,955,255	22,520,322
Other assets	18,764,837	17,588,212
Cash and cash equivalents	7,501,069	1,487,859
Loans	(57,408,768)	(52,448,754)
Other liabilities	(26,105,866)	(22,722,664)
	(21,367,495)	(19,111,230)
Goodwill (Note 10)	167,547,490	
Non-controlling interests (Note 18)	(73,090,000)	
Acquisition cost	73,090,000	
Effective cash payment	73,090,000	
	73,090,000	
Net cash-flow arising from acquisition		
Effective cash payment	73,090,000	
Cash and cash equivalents acquired	(7,501,069)	
	65,588,931	
	Since acquisition date	9 months
Sales	29,249,817	84,343,135
Other income	1,168,712	4,250,438
Cost of goods sold and materials consumed	(13,188,548)	(39,451,697)
External supplies and services	(6,288,753)	(18,818,025)
Other expenses	(7,310,916)	(21,875,044)
Net financial expenses	(508,471)	(3,166,773)
Share of results of joint ventures and associated undertakings	-	(352,513)
Profit/(Loss) before taxation	3,121,841	4,929,521
Profit/(Loss) before taxation	(865,581)	(1,590,016)
Profit/(Loss) after taxation	2,256,260	3,339,505

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, their products can be found in about 2,000 points of sale in 32 countries. In 2015, the company recorded a consolidated turnover of 106 million euro, 56% of which is generated out of Portugal.

This acquisition fits in Sonae's strategic pillars, namely international expansion, diversification of investment styles and the reinforcement of the base of assets and competencies. Salsa will continue to rely on the current management team and in line with the terms of the agreement, their results will be included in Sonae Investimentos by the full consolidation method, being reported in the segment of Sports and Fashion of Sonae SR.

Following the acquisition of these companies, a preliminary assessment was made regarding the fair value of the assets acquired and the liabilities assumed. However, given that the transaction occurred on 30 June 2016, it has not yet been possible to complete the fair value allocation and calculation of Goodwill which will be made in the maximum period of 12 months from the date of acquisition. The purchase price allocation can be done within one year of the date of acquisition as allowed by IFRS3 – Business Combinations.

The investment during the period ended at 30 September 2016 and 2015 includes, approximately, 177.7 million euro (102.8 million euro in 2015) of assets acquisition primarily associated with the opening and remodelling of stores;

During the period, several sale and leaseback transactions were accounted. The accounting values of the disposed assets, approximately, 170.1 million euro (134 million euro as at 30 September 2015), corresponds to 16 real estate food retail assets located in Portugal and 3 stores Worten on Spain (15 real estate food retail assets located in Portugal in 2015). These operations resulted in a cash inflow of 230 million euro (184.7 million euro as at 30 September 2015) and generated a net capital gain of approximately, 63.1 million euro (40 million euro as at 30 September 2015) (Note 26).

The most significant values included in the caption “Tangible assets in progress” refer to the following projects:

	30 September 2016	30 September 2015
Refurbishment and expansion of stores located in Portugal	28,476,584	13,099,031
Refurbishment and expansion of stores located in Spain	2,981,488	1,041,222
Projects of stores for which advance payments were made	1,206,000	9,359,900
Others	1,059,016	3,513,076
	33,723,088	27,013,229

The caption “Impairment losses” as at 30 September 2016 can be detailed as follows:

	Land and Buildings	Plant and Machinery	Other tangible assets	Total tangible assets
Impairment losses				
Opening balance as at 1 January 2016	100,289,797	33,179,777	531,381	134,000,955
Impairment losses (Note 24)	6,367,467	-	-	6,367,467
Acquisitions of subsidiaries	416,568	-	-	416,568
Disposals	(14,011,634)	(3,988,102)	(74,855)	(18,074,591)
Transfers	-	(33,341)	(13,220)	(46,561)
Closing balance as at 30 September 2016 (Note 24)	93,062,198	29,158,334	443,306	122,663,838

9 INTANGIBLE ASSETS

During the nine months period ended at 30 September 2016 and 2015, movements in intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Intangible assets			
	Patents and other similar rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets				
Opening balance as at 1 January 2016	104,002,453	284,976,051	26,896,520	415,875,024
Acquisitions	48,000	547,816	23,416,774	24,012,590
Acquisitions of subsidiaries (Note 7)	-	5,818,744	99,731	5,918,475
Disposals	(94,666)	(298,922)	(237,553)	(631,141)
Exchange rate effect	(21,613)	106,293	-	84,680
Transfers	175,966	21,653,860	(22,008,826)	(179,000)
Closing balance as at 30 September 2016	104,110,140	312,803,842	28,166,646	445,080,628
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2016	27,000,338	184,475,276	-	211,475,614
Depreciation of the period	597,194	17,434,078	-	18,031,272
Acquisitions of subsidiaries (Note 7)	-	3,441,212	-	3,441,212
Disposals	(94,666)	(203,337)	-	(298,003)
Exchange rate effect	(16,344)	59,866	-	43,522
Transfers	(47)	(12,436)	-	(12,483)
Closing balance as at 30 September 2016	27,486,475	205,194,659	-	232,681,134
Carrying amount as at 30 September 2016	76,623,665	107,609,183	28,166,646	212,399,494
	Intangible assets			
	Patents and other similar rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets				
Opening balance as at 1 January 2015	103,463,568	234,715,645	36,352,643	374,531,856
Acquisitions	36,990	56,834	29,244,982	29,338,806
Acquisitions of subsidiaries	1,000	-	-	1,000
Disposals	(63,330)	(661,786)	(362,165)	(1,087,281)
Exchange rate effect	(70,441)	(230,091)	-	(300,532)
Transfers	497,283	20,500,398	(21,082,688)	(85,007)
Closing balance as at 30 de September 2015	103,865,070	254,381,000	44,152,772	402,398,842
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2015	25,933,771	163,155,297	-	189,089,068
Depreciation of the period	912,568	13,607,029	-	14,519,597
Disposals	(61,994)	(508,216)	-	(570,210)
Exchange rate effect	(47,742)	(121,761)	-	(169,503)
Transfers	(23)	-	-	(23)
Closing balance as at 30 de September 2015	26,736,580	176,132,349	-	202,868,929
Carrying amount as at 30 September 2015	77,128,490	78,248,651	44,152,772	199,529,913

10 GOODWILL

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

Goodwill is allocated to each operating business segment, Sonae MC and Sonae SR, 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;

On 30 September 2016 and 31 December 2015, the caption "Goodwill" was made up as follows by insignia and country:

	30 September 2016			
	Portugal	Spain	Other countries	Total
Sonae MC	435,108,110	-	-	435,108,110
Sonae SR				
worten	53,422,018	-	-	53,422,018
sports and fashion	174,809,507	16,946,726	692,020	192,448,253
Sonae RP	3,089,451	-	-	3,089,451
	<u>666,429,086</u>	<u>16,946,726</u>	<u>692,020</u>	<u>684,067,832</u>
	31 December 2015			
	Portugal	Spain	Other countries	Total
Sonae MC	435,008,109	-	-	435,008,109
Sonae SR				
worten	53,422,018	-	-	53,422,018
sports and fashion	7,262,018	18,363,680	692,020	26,317,718
Sonae RP	3,669,166	-	-	3,669,166
	<u>499,361,311</u>	<u>18,363,680</u>	<u>692,020</u>	<u>518,417,011</u>

On 30 September 2016 and 2015, the movements in the caption goodwill as well as in the corresponding impairment losses, are as follows:

	30 September 2016	30 September 2015
Gross value:		
Opening balance	526,058,679	505,807,904
Goodwill generated in the period (Note 7)	167,547,490	767,300
Other variations	(1,896,669)	-
Closing balance	<u>691,709,500</u>	<u>506,575,204</u>
Accumulated impairment losses:		
Opening balance	7,641,668	7,641,668
Increases	-	-
Closing balance	<u>7,641,668</u>	<u>7,641,668</u>
Carrying amount	<u>684,067,832</u>	<u>498,933,536</u>

11 OTHER CURRENT AND NON CURRENT INVESTMENTS

During the nine months period ended at 30 September 2016 and 2015, the movements in the caption "Other Investments" can be detailed as follows:

	30 September 2016		30 September 2015	
	Non Current	Current	Non Current	Current
Other investments:				
Opening balance as at 1 January	12,164,765	-	11,572,032	6,123
Increases in the period	1,000,833	-	400,631	147
Transfer to "Associated companies"	(1,963,874)	-	-	-
Decreases in the period	(278,913)	-	-	(6,270)
Increase/(Decrease) in fair value	-	-	(1,221)	-
Closing balance as at 30 September	10,922,811	-	11,971,443	-
Derivative financial instruments				
Fair value as at 1 January	-	2,506,086	-	3,995,221
Increase/(Decrease) in fair value	-	(1,635,860)	-	(3,462,063)
Fair value as at 30 September (Note 20)	-	870,226	-	533,158
Total of Other Investments	10,922,811	870,226	11,971,443	533,158

In other financial investments non-current, are recorded 9,976,138 euro (9,998,825 euro as at 30 September 2015), related to deposited amounts on an *Escrow Account* (Note 6).

12 OTHER NON-CURRENT ASSETS

As at 30 September 2016 and 31 December 2015, "Other non-current assets" are detailed as follows:

	30 September 2016	31 December 2015
Loans granted to related parties	651,119	620,688
Trade accounts receivable and other debtors		
Bails (a)	5,419,327	4,633,112
Legal deposits (b)	730,261	605,316
Special regime for payment of tax and social security debts (c)	5,207,108	5,207,108
Amount receivable for selling the Modelo Cont.Seguros	2,450,000	2,450,000
Amount receivable for selling the Raso SGPS	-	527,618
Others	48,786	36,268
	13,855,482	13,459,422
Accumulated impairment losses in other debtors (Note 24)	(2,450,000)	(2,450,000)
	11,405,482	11,009,422
Other non-current assets	3,650	3,187
	12,060,251	11,633,297

"Loans granted to associated companies" refer to MDS SGPS, SA 651,119 euro (620,688 euro as at 31 December 2015). This loan bears interests at usual market rates and do not have a defined maturity.

Most significant values included in "Trade accounts receivable and other debtors" refers to:

- Amounts related with guarantees of lease contracts in group stores located in Spain, which have not matured until this date;

- b) Amounts related to legal deposits made by a Brazilian subsidiary, for which are recorded the correspondent liabilities in the caption "Other non-current liabilities" (Note 21), with no defined maturity;
- c) The amount disclosed as 'Special regime for payment of tax and social security debts' corresponds to taxes voluntarily paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although following the payment of guarantees previously given where cancelled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favour of Sonae Investimentos.

13 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2016 and 31 December 2015, "Trade accounts receivable and other current assets" are detailed as follows:

	30 September 2016	31 December 2015
Trade accounts receivable	84,967,515	62,290,001
Taxes recoverable	59,836,035	48,839,730
Granted loans to related companies	25,249,111	39,811,954
Other debtors		
Trade suppliers - debtor balances	50,085,983	37,291,228
VAT recoverable on real estate assets	2,774,095	2,560,040
Disposal of investments	573,668	2,482,072
Accounts receivable from the disposal of tangible fixed assets	2,354,537	2,463,910
Vouchers and gift cards	1,224,850	1,214,062
Other debtors	21,017,103	26,808,419
	78,030,236	72,819,731
Other current assets		
Prepayments - Rents	80,447,438	47,661,848
Insurance premiums paid in advance	10,848,748	6,353,493
Condominiums management fee's	7,767,463	6,484,212
Commissions to be received	3,154,878	1,996,911
Software licenses	777,160	892,705
Interests to be received	576,212	836,631
Commercial discounts	722,390	928,439
Other current assets	16,829,420	9,325,279
	121,123,709	74,479,518
Accumulated impairment losses (Note 24)	(17,019,539)	(15,236,228)
	352,187,067	283,004,706

In other accounts receivable from related companies are included about 25.2 million euro (39.8 million euro as at 31 December 2015) of amount receivable from the Sonae SGPS, SA resulting of companies' inclusion in Special Regime of Taxing Groups of Companies.

14 DEFERRED TAX

Deferred tax assets and liabilities as at 30 September 2016 and 31 December 2015 are as follows, taking into consideration its temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Difference between fair value and acquisition cost	5,373,387	6,127,552	13,167,618	20,849,622
Temporary differences on tangible and intangible assets	1,856,531	1,616,131	45,948,352	45,720,732
Provisions and impairment losses not accepted for tax purposes	5,972,577	6,580,316	-	-
Write off of tangible and intangible assets	207	73,408	-	-
Valuation of hedging derivatives	70,336	242,175	183,760	364,824
Revaluation of tangible assets	-	-	1,073,850	1,160,205
Tax losses carried forward	42,964,233	38,050,179	-	-
Reinvested capital gains/(losses)	-	-	346,776	547,219
Tax benefits	509,459	1,030,619	-	-
Others	3,048,375	3,017,467	1,790,902	1,852,914
	59,795,105	56,737,847	62,511,258	70,495,516

In accordance with the tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 September 2016 and 31 December 2015, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 September 2016			31 December 2015		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	273,243	57,381	2027	230,791	48,466	2027
Generated in 2016	317,720	66,721	2028	-	-	
	1,785,199	374,892		1,425,027	299,256	
Without limited time use						
	170,212,506	42,589,341		150,883,958	37,750,923	
	171,997,705	42,964,233		152,308,985	38,050,179	

As at 30 September 2016 and 31 December 2015, deferred tax assets resulting from tax losses carried forward were assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences. This evaluation centered on the business plan of Sonae Investimentos entities, which were reviewed and updated periodically and on the available and identified fiscal opportunities.

As at 30 September 2016, there was tax losses carried forward, amounting to 181.9 million euro (176.6 million euro as at 31 December 2015) for which no deferred tax assets were recognized due to uncertainties of their future use.

	30 September 2016			31 December 2015		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	1,442,389	302,902	2017	3,746,735	786,814	2017
Generated in 2013	809,338	169,961	2018	809,338	169,961	2018
Generated in 2016	-	-	2028	-	-	
	<u>2,251,727</u>	<u>472,863</u>		<u>4,556,073</u>	<u>956,775</u>	
Without limited time use	179,600,866	46,528,383		172,029,996	44,079,419	
With a time limit different from the above mentioned	33,052	6,610		26,561	5,312	
	<u>181,885,645</u>	<u>47,007,856</u>		<u>176,612,630</u>	<u>45,041,506</u>	

15 CASH AND CASH EQUIVALENTS

As at 30 September 2016 and 31 December 2015 "Cash and cash equivalents" can be detailed as follows:

	30 September 2016	31 December 2015
Cash at hand	8,400,718	9,257,191
Bank deposits	76,128,657	79,759,028
Treasury applications	12,146	3,830
Cash and cash equivalents on the statement of financial position	84,541,521	89,020,049
Bank overdrafts (Note 19)	(16,324,121)	(12,579,037)
Cash and cash equivalents on the statement of cash flows	68,217,400	76,441,012

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

16 NON-CURRENT ASSETS HELD FOR SALE

As at 31 December 2015 were transferred to "Non-Current Assets held for sale" 131 million euro which corresponded to the net value of the assets disposed in 2016 but to this date the transactions were already in advanced process of negotiation.

The above-mentioned transactions occurred in the 1st quarter of 2016, and include:

- a sale and leaseback transaction of 12 food retail real estate assets located in Portugal, this operation totalled 164 million euro; and
- a Sale and Leaseback transaction of three Worten stores in Spain, located in Madrid, Barcelona and Valencia, this transaction totalled to 26.8 million euro.

17 SHARE CAPITAL

As at 30 September 2016, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 Euro each.

As at 30 September 2016 and 31 December 2015, the subscribed share capital was held as follows:

Company	30 September 2016	31 December 2015
Sonae, SGPS, S.A.	25.029%	25.029%
Sonaecenter Serviços, SA	51.827%	51.827%
Sonae Investimentos, BV	13.142%	13.142%
Sonae MC-Modelo Continente, SGPS, SA	10.000%	10.000%
Libra Serviços, Lda	0.002%	0.002%

As at 30 September 2016, Efanor Investimentos, SGPS, S.A. and its subsidiaries held 52.48% of the share capital of Sonae, SGPS, S.A., which holds directly and indirectly 100% of the others entities who hold the company's share capital.

As at 30 September 2016 and 31 December 2015, Sonae Investimentos holds 10% of treasury shares. Following the mentioned acquisition free reserves amounting to the cost of the above mentioned shares were made unavailable, in accordance with commercial legislation (Art. 324 of "CSC"). The distribution of this reserve depends on the termination or disposal of the treasury shares.

18 NON-CONTROLLING INTERESTS

As at 30 September 2016 and 31 December 2015, non-controlling interests are detailed as follows:

	30 September 2016				
	Equity	Net Profit/ (Loss)	Statement of financial position	Proportion in income	Dividends/ Income received
Investments Funds	269,945,494	28,392,835	31,265,271	1,474,021	(610,230)
IVN - Serviços Partilhados, SA	(19,111,230)	2,256,260	74,218,131	1,128,131	-
Others	51,708,667	4,011,560	23,508,279	1,636,991	(114,810)
Total	302,542,931	34,660,655	128,991,681	4,239,143	(725,040)

	31 December 2015				
	Equity	Net Profit/ (Loss)	Statement of financial position	Proportion in income	Dividends/ Income received
Investments Funds	270,752,269	28,699,386	30,390,421	1,942,152	(1,522,396)
Others	47,664,617	2,359,356	21,902,464	896,845	(113,299)
Total	318,416,886	31,058,742	52,292,885	2,838,997	(1,635,695)

Movements in non-controlling interests during the periods ended as at 30 September 2016 and 2015 are as follows:

	30 September 2016			
	Investments Funds	IVN - Serviços Partilhados, SA	Others	Total
Balance as at 1 January	30,390,421	-	21,902,464	52,292,885
Dividends distributed	-	-	(114,810)	(114,810)
Income distribution from investment funds	(610,230)	-	-	(610,230)
Changes in shareholding interests	11,059	-	-	11,059
Exchange rate effect	-	-	33,362	33,362
Acquisition of subsidiaries (Note 7)	-	73,090,000	-	73,090,000
Changes in hedge reserves	-	-	50,249	50,249
Others	-	-	23	23
Profit for the period attributable to non-controlling interests	1,474,021	1,128,131	1,636,991	4,239,143
Closing balance	31,265,271	74,218,131	23,508,279	128,991,681

	30 September 2015		
	Investments Funds	Others	Total
Balance as at 1 January	60,290,573	19,944,389	80,234,962
Dividends distributed	(760,031)	(113,298)	(873,329)
Changes in shareholding interests	(19,825,468)	-	(19,825,468)
Exchange rate effect	-	(50,553)	(50,553)
Changes in hedge reserves	-	(38,610)	(38,610)
Others	-	34	34
Profit for the period attributable to non-controlling interests	1,912,036	691,630	2,603,666
Closing Balance	41,617,110	20,433,592	62,050,702

19 LOANS

As at 30 September 2016 and 31 December 2015, “Loans” are made up as follows:

	30 September 2016		31 December 2015	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	105,000,000	141,000,000	60,000,000	160,000,000
Subsidiary of Sonae Investimentos 2014/2020	-	50,000,000	-	50,000,000
Subsidiary of Sonae Investimentos 2015/2020	-	55,000,000	-	55,000,000
Subsidiary of Sonae Investimentos 2015/2019	-	25,000,000	-	25,000,000
Others	24,853,500	15,253,481	17,011,550	5,036,532
	<u>129,853,500</u>	<u>286,253,481</u>	<u>77,011,550</u>	<u>295,036,532</u>
Bank overdrafts (Note 15)	16,324,121	-	12,579,037	-
Up-front fees beared with the issuance of loans	-	(249,151)	-	(343,038)
Bank loans	<u>146,177,621</u>	<u>286,004,330</u>	<u>89,590,587</u>	<u>294,693,494</u>
Bonds				
Bonds Sonae Investimentos/ 2012/ 2017	-	-	50,000,000	95,000,000
Bonds Sonae Investimentos /June 2013/ 2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos SGPS/ December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos SGPS/ May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos SGPS/ December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos SGPS/ June 2016/2021	25,000,000	95,000,000	-	-
Bonds Sonae Investimentos SGPS/ September 2016/2021	3,000,000	12,000,000	-	-
Bonds IVN 2016/2023	5,000,000	30,000,000	-	-
Up-front fees beared with the issuance of loans	(2,176)	(2,174,138)	(37,920)	(2,329,027)
Bonds	<u>32,997,824</u>	<u>339,825,862</u>	<u>49,962,080</u>	<u>297,670,973</u>
Other loans				
Other loans	12,030	1,347,110	26,974	1,347,110
Derivative instruments (Note 20)	294,604	-	860,503	-
Other loans	<u>306,634</u>	<u>1,347,110</u>	<u>887,477</u>	<u>1,347,110</u>
Obligations under finance leases	<u>557,475</u>	<u>1,109,863</u>	<u>3,142,651</u>	<u>2,423,501</u>
	<u>180,039,554</u>	<u>628,287,165</u>	<u>143,582,795</u>	<u>596,135,078</u>

The average interest rate at 30 September 2016 of bonds and loans was 1.53% (2.48% on 31 December 2015). These bonds and bank loans bear interests at variable interest rates indexed to Euribor.

The derivative instruments are recorded at fair value (Note 20).

The repayment schedule of the nominal value of borrowings (including bank loans and obligations under finance leases) is summarized as follows:

	30 September 2016	31 December 2015
N+1	179,747,126	142,760,212
N+2	105,747,688	184,528,813
N+3	16,953,307	57,779,959
N+4	205,645,871	45,873,483
N+5	292,363,588	310,438,521
After N+5	10,000,000	186,367
	<u>810,457,580</u>	<u>741,567,355</u>

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

Under the credit facilities and commercial paper programs with firm commitments, the Group has 380 million euro credit facilities available to meet its liquidity requirements, as follows:

	30 September 2016		31 December 2015	
	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	47,143,007	332,500,000	60,806,401	340,000,000
Agreed credit facilities	168,260,000	520,000,000	142,060,000	535,000,000

Additionally, as at 30 September 2016, Sonae Investimentos has, as detailed in Note 15 "Cash and cash equivalents", the value of 84,541,521 euro (89,020,049 euro on 31 December 2015).

20 DERIVATIVES

Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos essentially uses exchange rate derivatives to hedge future cash flows that occur in the next 12 months.

Sonae Investimentos entered into several exchange rate forwards in order to manage its exchange rate exposure.

As at 30 September 2016 there are no exchange rate derivatives considered of speculation (522,124 euro as at 31 December 2015).

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 294,604 euro as liabilities (860,503 euro as at 31 December 2015) and 870,226 euro as assets (1,983,962 euro as at 31 December 2015).

The computation of the fair value of these financial instruments was made taking into consideration the present value at statement of financial position 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 "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 fair value of derivative instruments when considered speculation is recorded in the income statement under "Other expenses".

Interest rate derivatives

Sonae Investimentos does not have any interest rate hedging derivatives recorded as at 30 September 2016.

Interest rate and exchange rate derivatives

As at 30 September 2016 no contracts existed related to interest rate and exchange rate derivatives at the same time.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Derivatives not qualified as hedging				
Exchange rate	-	522,124	-	-
Hedging derivatives				
Exchange rate	870,226	1,983,962	294,604	860,503
	870,226	2,506,086	294,604	860,503

21 OTHER NON-CURRENT LIABILITIES

As at 30 September 2016 and 31 December 2015, the caption "Other non-current liabilities" is detailed as follows:

	30 September 2016	31 December 2015
Shareholders loans	402,322,783	402,325,936
Other non-current liabilities	1,842,504	1,695,334
Share based payments (Note 22)	1,178,614	2,307,197
Deferred of revenue from the sale of warranties extention	28,799,375	28,196,895
Accruals and deferrals	4,919,406	2,697,861
Other non-current liabilities	439,062,682	437,223,223

The caption "Shareholders loans" includes:

- a subordinate bond loan, with a fixed interest rate, repayable after 10 years issued by Sonae Investimentos at market conditions on 28 December 2010 amounting to 400,000,000 euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each, with a flat rate of 7% and repayment at the end of the loan period. The fair value of this loan on 30 September 2016 is 54,004 euro (56,404 euro as at 31 December 2015) per obligation having been determined based on discounted cash flows method and using as reference stock market values and there is no indication of impairment of the loan; and

- loans in affiliated undertakings related to a shareholders' loan granted by a minority shareholder to a subsidiary that bears interest at usual market rate. The fair value of this loan is similar to its book value with no defined maturity.

As at 30 September 2016, the caption “Other non-current liabilities” includes 595,560 euro (500,156 euro as at 31 December 2015) mainly refers to the estimated amounts to fulfil the legal and tax obligations of a Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption “Other non-current assets” (Note 12).

22 SHARE BASED PAYMENT PLANS

In 2016 and in previous years, Sonae Investimentos Group granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee. The purchase can be exercised during the period between the third anniversary of the grant date and the end of that year. The company has the choice to settle its responsibilities in cash instead of shares. The option can only be exercised if the employee still works for Sonae Group on the vesting date.

Liabilities arising from deferred performance bonuses as at 30 September 2016 and 31 December 2015 are made up as follows:

	Grant year	Vesting year	Number of participants	Number of shares		Fair Value	
				30 September 2016	31 December 2015	30 September 2016	31 December 2015
Shares							
	2013	2016	71	-	4,340,974	-	4,505,516
	2014	2017	60	2,324,951	2,386,903	1,580,967	2,501,474
	2015	2018	73	1,849,732	1,830,764	1,245,920	1,918,641
	2016	2019	81	2,649,103	-	1,807,308	0
Total				6,823,786	8,558,641	4,634,195	8,925,631

As at 30 September 2016 and 31 December 2015 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 September 2016	31 December 2015
Staff costs	(26,423)	4,673,927
Recorded in previous years	2,654,256	2,138,786
	2,627,833	6,812,713
Other non-current liabilities (Note 21)	1,178,614	2,307,197
Other current liabilities (Note 23)	1,449,219	4,505,516
	2,627,833	6,812,713

The share based payment plan costs are recognized during the years between the grant and vesting date as staff costs.

23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2016 and 31 December 2015 the caption "Trade creditors and other current liabilities" can be detailed as follows:

	30 September 2016	31 December 2015
Trade creditors	1,104,799,305	1,143,806,164
Taxes payable	65,713,175	65,321,335
Other creditors		
Tangible asset suppliers	44,524,981	45,731,837
Related undertakings	40,254,927	41,380,237
Other debts	39,664,497	42,688,239
	<u>124,444,405</u>	<u>129,800,313</u>
Other current liabilities		
Holiday pay and bonuses	122,603,645	98,487,910
Other external supplies and services	39,457,789	40,576,691
Deferred of revenue from the sale of warranties extention	29,215,374	24,471,084
Marketing expenses	9,576,491	13,791,241
Charges made on the sale of real estate	18,263,872	10,031,166
Accrued income - rents	9,278,126	6,685,283
Share based payments (Note 22)	1,449,219	4,505,516
Interest payable to parent companies	24,711,111	-
Interest payable to Others	2,983,795	2,893,228
Real estate municipality tax	2,508,475	2,372,162
Others	11,237,365	9,691,320
	<u>271,285,262</u>	<u>213,505,600</u>
	<u>1,566,242,148</u>	<u>1,552,433,412</u>

The caption "Related undertakings" includes 40.3 million euro (41.3 million euro as at 31 December 2015) related to amount payable to Sonae SGPS, SA result of the inclusion companies in Special Regime of Taxing Groups of Companies.

The caption "Other debts" includes:

- 10,321,474 euro (14,219,757 euro as at 31 December 2015), of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 12,414,726 euro (14,365,426 euro as at 31 December 2015) related to means of payments owned by clients as vouchers, gift cards and discount tickets owned by clients; and
- 3,782,931 euro (3,176,938 euro as at 31 December 2015) related to amounts payable to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity.

24 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in “Provisions and impairment losses”, for the nine months period ended as at 30 September 2016 and 2015, were as follows:

Caption	Balance as at 1 January 2016	Increase	Decrease	Changes in consolidation perimeter	Balance as at 30 September 2016
Accumulated impairment losses on tangible assets (Note 8)	134,000,955	6,367,467	(18,121,152)	416,568	122,663,838
Accumulated impairment losses on intangible assets	1,497,024	-	-	-	1,497,024
Accumulated impairment losses on other non current assets (Note 12)	2,450,000	-	-	-	2,450,000
Accumulated impairment losses on trade accounts receivable and other debtors (Note 13)	15,236,228	2,512,742	(2,719,680)	1,990,249	17,019,539
Non current provisions	11,585,642	1,413,807	(1,867,366)	218,500	11,350,583
Current provisions	2,819,950	-	-	-	2,819,950
	167,589,799	10,294,016	(22,708,198)	2,625,317	157,800,934

Caption	Balance as at 1 January 2015	Increase	Decrease	Transfers	Balance as at 30 September 2015
Accumulated impairment losses on investments	10,031,409	-	(2,262,691)	(7,768,718)	-
Accumulated impairment losses on tangible assets	144,059,960	44,502	(6,363,462)	-	137,741,000
Accumulated impairment losses on intangible assets	1,497,101	-	(77)	-	1,497,024
Accumulated impairment losses on other non current assets	2,450,000	-	-	-	2,450,000
Accumulated impairment losses on trade accounts receivable and other debtors	18,346,622	8,861,992	(3,344,452)	-	23,864,162
Non current provisions	22,396,928	-	(7,519,316)	-	14,877,612
Current provisions	3,438,257	-	-	-	3,438,257
	202,220,277	8,906,494	(19,489,998)	(7,768,718)	183,868,055

The caption “Non-current Provisions” and “Current Provisions” includes:

- 8,073,182 euro (6,779,929 euro as at 31 December 2015) relating to non-current contingencies assumed by the company, when selling its subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are incurred, and it is recorded taking into account the best estimate of costs to be incurred which results from a significant number of civil and labour lawsuits of reduced amount. During 2015, the group made an estimate change taking into consideration the outcome of recent lawsuits, with the buyer of the former subsidiary in Brazil, with respect to the related contingencies, having reinforced the provision in 23,700,000 reais (6,505,887 euro). Additionally during the year the Group proceeded with the offsetting of a provision of contingencies in Brazil, with an amount of 9,607,850 euro received during this year from Carrefour. This amount received included accrued interests of amounts wrongly received by that entity as a result of the usage of a bank guarantee in previous periods, which was contested at that time by the group.
- the estimated liabilities incurred by the Group on the sale of warranty extension programs on products traded by Worten operating segment in the amount of 1,495,968 euro (3,363,334 euro as at 31 December 2015). These extensions are granted for a period of one to three years after the end of the legal mandatory warranty provided by the manufacturers.

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

25 CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2016 and 31 December 2015, the major “Contingent liabilities” were guarantees given, which can be detailed as follows:

Guarantees and sureties given	30 September 2016	31 December 2015
on tax claims	971,712,094	929,791,189
on judicial claims	822,154	624,472
on municipal claims	9,232,403	8,268,603
for proper agreement fulfillment	15,323,500	17,165,647
other guarantees	11,824,261	4,940,068

a) Tax claims

The main tax claims, for which bank guarantees or sureties were provided, can be detailed as follows:

- Some retail operating segment subsidiaries of the Company granted guarantees or securities in favour of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 547.5 million euro (520 million euro as at 31 December 2015) 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 (144.3 million euro as at 31 December 2015), in favour of Tax authorities regarding 2007 up to 2012. 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 advisors 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 that period as Tax authorities did not accept the recognition of tax losses incurred after the liquidation of a subsidiary of Sonae Investimentos, since it considered that the cover of losses in that subsidiary should not be part of its acquisition cost, which is not in accordance with previous assessments of Tax Authorities;
- 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, 16.7 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 37.3 million euro (135 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 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 (RERD) e Decree of Law 248-A/2002 (PMFL)), the Group made voluntarily tax payments in the amount of, approximately, 22 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 12).

c) Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale 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 2015, 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 31.4 million at 31 December 2015).

Furthermore, there are other tax assessments totalling 44.5 million euro, 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 Investimentos.

26 OTHER OPERATIONAL INCOME

As at 30 September 2016 and 2015, "Other operational income" is as follows:

	30 September 2016	30 September 2015
Supplementary income	467,113,998	409,948,493
Prompt payment discounts received	18,299,546	17,708,418
Exchange differences	10,839,388	22,919,212
Own work capitalised	7,938,133	7,303,863
Gains on disposal of assets	63,527,618	42,089,565
Impairment losses and provisions reversals	4,354,397	7,369,956
Others	2,925,569	780,031
	574,998,649	508,119,538

The caption "Gains in disposals of assets" includes:

- 13.6 million euro relating to the operations of "Sale and Leaseback" of 4 food retail assets located in Portugal (Note 8); and
- 49.5 million euro from the disposal of assets classified as held for sale in 2015 (Note 16).

27 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Parent company	1,075,945	962,876	1,514,010	1,329,757
Subsidiaries ¹⁾	-	964,035	-	4,630,921
Associated companies	28,942,950	28,571,444	242,508	171,507
Other related parties ²⁾	43,803,960	46,450,785	52,541,096	51,251,332
	73,822,855	76,949,140	54,297,614	57,383,517

Transactions	Interest income		Interest expenses	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Parent company	-	1,661	25,738,473	25,451,881
Subsidiaries ¹⁾	-	331,132	-	-
Associated companies	14,677	202,980	-	-
Other related parties ²⁾	-	-	167,519	83,344
	14,677	535,773	25,905,992	25,535,225

Balances	Accounts receivable		Accounts payable	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Parent company	25,554,112	39,852,783	66,416,162	43,503,785
Associated companies	5,051,554	5,853,840	2,410,633	995,073
Other related parties ²⁾	16,513,717	21,499,121	14,335,622	17,640,121
	47,119,383	67,205,744	83,162,417	62,138,979

Balances	Loans			
	Obtained		Granted	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Parent company (Note 21)	400,000,000	400,000,000	-	-
Associated companies	-	-	651,119	651,119
Other related parties ²⁾	2,335,144	2,414,770	-	-
	402,335,144	402,414,770	651,119	651,119

1) Subsidiary classified as held for sale in 2015;

2) Other related parties are considered to be related party affiliates or companies under joint control of Efanor SGPS. SA those are not included in Sonae Investimentos, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital and minority shareholders of subsidiaries and affiliates of the Group.

The amounts recorded as loans granted from other relating parties represent borrowings from shareholders of subsidiary companies which bear interests at market rates.

Granted loans to associated companies, refer to values of loans granted to associate company MDS, SGPS, SA.

28 INCOME TAX

Income tax for the nine months period ended on 30 September 2016 and 2015 is detailed as follows:

	30 September 2016	30 September 2015
Current tax	6,856,223	14,491,591
Deferred tax	(9,482,175)	(11,062,458)
	(2,625,952)	3,429,133

29 EARNINGS PER SHARE

Earnings per share for the nine months period ended on 30 September 2016 and 2015 were calculated taking into consideration the following amounts:

	30 September 2016	30 September 2015
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	81,145,878	61,364,991
Net profit taken into consideration to calculate diluted earnings per share	81,145,878	61,364,991
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	0.090162	0.068183

On 30 September 2016 and 2015 there is no dilutive effect on the number of shares outstanding.

30 SEGMENT INFORMATION

Sonae Investimentos is a group of retail and has three segments:

- Sonae MC is our food retail unit, operating 548 stores directly and 277 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado, Bagga, Note!, Makenotes and Well's;

- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion market operating 590 stores directly and 109 stores under franchising agreements under the Worten, Sport Zone, MO, Zippy and Losan and Salsa;

- Sonae RP is our retail real estate unit which actively manages retail real estate properties of Sonae Investimentos, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

Sonae IM includes a company that operates in the retail DIY products, building and garden (Maxmat), insurance brokers (MDS), nevertheless the Group decided to include this operating segment in "Others, eliminations and adjustments".

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

The main operating segment information for the periods ended 30 September 2016 and 2015 can be detailed as follows:

Turnover	Inter-segment income		Inter-segment income	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Sonae MC	2,684,565,804	(1,350,759)	2,549,400,554	(1,237,817)
Sonae SR				
Worten	633,867,121	(3,099,228)	625,714,812	(3,411,945)
Sports and Fashion	373,748,770	(19,388,174)	291,225,018	(16,644,331)
Sonae RP	69,211,176	(61,618,355)	92,167,151	(86,683,869)
Others, eliminations and adjustments	4,081,912	-	(34,329,247)	-
Total consolidated	3,765,474,784	(85,456,517)	3,524,178,288	(107,977,962)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Sonae MC	67,094,024	64,109,495	551,039	1,505,739	72,161,234	81,391,305
Sonae SR						
Worten	18,606,866	17,525,388	741,878	274,242	(16,148,546)	(20,229,545)
Sports and Fashion	17,762,336	15,778,431	746,375	523,474	(24,498,383)	(32,055,415)
Sonae RP	17,721,870	20,918,161	6,536,987	-	99,449,650	101,690,127
Others, eliminations and adjustments	2,233,921	1,802,154	1,578	5,697	(3,814,373)	(9,709,769)
Total direct consolidated	123,419,017	120,133,629	8,577,857	2,309,152	127,149,582	121,086,703

	Investment (CAPEX)		Invested capital	
	30 September 2016	30 September 2015	30 September 2016	31 December 2015
Sonae MC	114,481,199	74,224,811	533,156,842	466,999,988
Sonae SR				
Worten	19,658,938	24,553,008	20,566,098	(18,148,441)
Sports and Fashion	98,859,948	22,732,605	400,078,950	189,556,528
Sonae RP	41,957,250	36,373,086	908,757,261	1,046,536,798
Others, eliminations and adjustments	6,899,125	5,613,711	87,438,862	70,161,809
Total consolidated	281,856,460	163,497,221	1,949,998,012	1,755,106,682

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

	Turnover		EBIT	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Inter-segment income	(85,456,517)	(109,750,895)	-	-
Equity method	-	-	(570,878)	(1,264,846)
Contribution from companies not included in the segments	89,538,429	75,421,648	2,474,549	821,908
Others	-	-	(5,718,044)	(9,266,831)
Eliminations and adjustments	4,081,912	(34,329,247)	(3,814,373)	(9,709,769)
	Investment (Capex)		Invested capital	
	30 September 2016	30 September 2015	30 September 2016	31 December 2015
Investments and loans granted to associated companies	-	-	55,852,914	48,203,015
Investment acquisition	5,985,094	2,500,557	-	-
Contribution from companies not included in the segments	611,185	546,389	32,457,311	34,670,458
Others	302,845	2,566,765	(871,364)	(12,711,664)
Others, eliminations and adjustments	6,899,125	5,613,711	87,438,862	70,161,809

Glossary:

Net Invested capital = Total net debt + total shareholder funds;

Other eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment;

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

31 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

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: (i) impairment of real estate assets for retail, (ii) decreases in goodwill, (iii) provisions (net of tax) for possible future liabilities, and impairments related to non-core investments, businesses and discontinued assets (or to 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. The value of EBITDA is only calculated in the direct income component, excluding the indirect contributions.

The reconciliation between consolidated income and direct-indirect income for the periods ended 30 September 2016 and 2015 can be summarised as follows:

	30 September 2016			30 September 2015		
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Indirect income	Direct income
Turnover	3,765,474,784	-	3,765,474,784	3,524,178,288	-	3,524,178,288
Investment income						
Dividends and other adjustments	102,077	-	102,077	151,524	151,524	-
Others	(10,671)	-	(10,671)	(4,735,362)	(4,735,362)	-
Impairment losses reversal	2,496,966	-	2,496,966	3,651,384	-	3,651,384
Others	509,356,870	-	509,356,870	464,638,676	-	464,638,676
Total income	4,277,420,026	-	4,277,420,026	3,987,884,510	(4,583,838)	3,992,468,348
Total expenses	(4,066,725,246)	(508,533)	(4,066,216,713)	(3,771,546,368)	(2,659,710)	(3,768,886,658)
Depreciation and amortisation	(123,419,017)	-	(123,419,017)	(120,133,629)	-	(120,133,629)
Losses on tangible and intangible assets	(7,144,726)	-	(7,144,726)	(7,116,222)	-	(7,116,222)
Provisions and impairment	(8,577,857)	-	(8,577,857)	(2,309,152)	-	(2,309,152)
Profit before financial results and share of results in joint ventures and associated companies	71,553,179	(508,533)	72,061,712	86,779,139	(7,243,548)	94,022,688
Non recurrent items	55,760,823	-	55,760,823	28,328,862	-	28,328,862
Financial profit/(loss)	(43,984,055)	-	(43,984,055)	(46,445,365)	-	(46,445,365)
Share of results in joint ventures and associated undertakings						
MDS	(3,707)	-	(3,707)	(1,277,934)	-	(1,277,934)
Ulabox	(929,164)	-	(929,164)	(328,095)	-	(328,095)
Others	361,993	-	361,993	341,183	-	341,183
Profit before taxation	82,759,069	(508,533)	83,267,602	67,397,790	(7,243,548)	74,641,339
Income tax	2,625,952	-	2,625,952	(3,429,133)	-	(3,429,133)
Profit/(Loss) after taxation	85,385,021	(508,533)	85,893,554	63,968,657	(7,243,548)	71,212,206
Attributable to equity holders of Sonae	81,145,878	(508,533)	81,654,411	61,364,991	(7,243,548)	68,608,539
Non-controlling interests	4,239,143	-	4,239,143	2,603,666	-	2,603,666
"Underlying" EBITDA (b)			208,604,270			219,930,306
Direct EBITDA (a)			263,794,215			246,994,322
Direct EBIT (c)			127,149,582			121,086,704

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

(b) "Underlying EBITDA" = Direct EBITDA - effect of share result in joint ventures and associated undertakings – non recurrent results;

(c) Direct EBIT = Direct EBT - financial results;

(d) Direct EBT = Direct results before non-controlling interests and taxes;

(e) Direct income = Results excluding contributions to indirect income;

(f) Indirect income = Includes results arising from: (i) impairment of real estate assets for retail; (ii) decrease in goodwill; (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, Businesses, discontinued assets (or be discontinued / repositioned); (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

32 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 7 November 2016.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Luís Miguel Mesquita Soares Moutinho

Luis Miguel Vieira de Sá da Mota Freitas

Luis Filipe Campos Dias de Castro Reis

Condensed individual financial statements

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016 AND 2015 AND 31 DECEMBER 2015

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

(Amounts expressed in euro)	Notes	30.September.2016	30.September.2015	31.December.2015
ASSETS				
NON-CURRENT ASSETS:				
Intangible assets		264	502	435
Investments in subsidiaries and associates companies	4	1,655,094,515	1,803,578,745	1,676,827,937
Other non-current assets	5	1,169,836,036	685,943,506	1,194,041,341
Total non-current assets		2,824,930,815	2,489,522,753	2,870,869,713
CURRENT ASSETS:				
Trade account receivables and other current assets	6	1,329,683,082	2,784,769,053	2,119,175,183
Cash and cash equivalents	7	350,957	10,678	131,553
Total current assets		1,330,034,039	2,784,779,731	2,119,306,736
Non-current assets held for sale		-	4,525,381	-
TOTAL ASSETS		4,154,964,854	5,278,827,865	4,990,176,449
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	8	1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		1,758,675,056	1,818,831,465	1,818,831,465
Net Profit / (Loss) for the period		9,107,790	29,067,077	(20,156,409)
TOTAL EQUITY		2,767,782,846	2,847,898,542	2,798,675,056
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9	450,825,862	447,845,727	457,670,973
Other non-current liabilities	10	400,000,000	400,000,000	400,234,375
Deferred tax liabilities		-	26	-
Total non-current liabilities		850,825,862	847,845,753	857,905,348
CURRENT LIABILITIES:				
Loans	9	134,191,492	191,631,010	122,415,679
Trade creditors and other current liabilities	11	402,164,654	1,391,452,560	1,211,180,366
Total current liabilities		536,356,146	1,583,083,570	1,333,596,045
TOTAL EQUITY AND LIABILITIES		4,154,964,854	5,278,827,865	4,990,176,449

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

The Board of Directors

CONDENSED INDIVIDUAL INCOME STATEMENT FOR THE PERIODS ENDED 30 SEPTEMBER 2016 AND 2015

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

(Amounts expressed in euro)	Notes	3 rd quarter 2016	3 rd quarter 2015	30.September.2016	30.September.2015
Gains or losses on investments	14	2,780,707	37,656,714	8,361,800	33,034,651
Financial income	15	14,389,418	7,068,451	48,843,467	60,035,288
Other income		101,398	163,777	293,184	369,793
External supplies and services		(823,184)	(700,476)	(2,438,978)	(2,300,297)
Staff costs		(18,579)	(15,488)	(45,269)	(34,086)
Depreciation and amortisation		(57)	(25)	(171)	(121)
Financial expenses	15	(15,764,906)	(15,529,526)	(50,935,725)	(49,739,391)
Other expenses		(14,424)	(10,916)	(47,859)	(134,105)
Profit/(Loss) before taxation		650,373	28,632,511	4,030,449	41,231,732
Taxation		2,118,563	(7,624,546)	5,077,341	(12,164,655)
Profit/(Loss) after taxation		2,768,936	21,007,965	9,107,790	29,067,077
Profit/(Loss) per share	16	0.0031	0.0233	0.0101	0.0323

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

The Board of Directors

CONDENSED INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2016 AND 2015

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

(Amounts expressed in euro)	3 rd quarter 2016	3 rd quarter 2015	30.September.2016	30.September.2015
Net Profit / (Loss) for the period	2,768,936	21,007,965	9,107,790	29,067,077
Total comprehensive income for the period	2,768,936	21,007,965	9,107,790	29,067,077

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

The Board of Directors

CONDENSED INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED AS AT 30 SEPTEMBER 2016 AND 2015

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

(Amounts expressed in euro)	Share capital	Legal reserve	Other reserves	Total reserves and retained earnings	Net Profit/(Loss)	Total
Balance as at 1 January 2015	1,000,000,000	141,237,816	1,123,544,829	1,264,782,645	594,048,820	2,858,831,465
Total comprehensive income for the period	-	-	-	-	29,067,077	29,067,077
Appropriation of profit of 2014:						
Transfer to legal reserves and other reserves	-	29,702,450	524,346,370	554,048,820	(554,048,820)	-
Dividends distributed	-	-	-	-	(40,000,000)	(40,000,000)
Balance as at 30 September 2015	1,000,000,000	170,940,266	1,647,891,199	1,818,831,465	29,067,077	2,847,898,542
Balance as at 1 January 2016	1,000,000,000	170,940,266	1,647,891,199	1,818,831,465	(20,156,409)	2,798,675,056
Total comprehensive income for the period	-	-	-	-	9,107,790	9,107,790
Appropriation of profit of 2015:						
Transfer to other reserves	-	-	(20,156,409)	(20,156,409)	20,156,409	-
Reserves distributed	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Balance as at 30 September 2016	1,000,000,000	170,940,266	1,587,734,790	1,758,675,056	9,107,790	2,767,782,846

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

The Board of Directors

CONDENSED INDIVIDUAL STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED 30 SEPTEMBER 2016 AND 2015

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

(Amounts expressed in euro)	Notes	3 rd quarter 2016	3 rd quarter 2015	30.September.2016	30.September.2015
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		5,351,835	(5,699,428)	601,001	(3,050,137)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		30,162,652	-	32,702,652	1,435,757,800
Interest and similar income		301,832	332,696	21,341,508	21,988,389
Dividends		-	-	114,810	113,299
Others		-	37,656,714	5,479,445	37,656,714
Loans granted		1,601,799,304	2,328,706,359	3,013,876,903	2,791,203,370
		1,632,263,788	2,366,695,769	3,073,515,318	4,286,719,572
Cash payments arising from:					
Investments		(834,770)	(1,017,761,000)	(12,258,361)	(1,045,142,687)
Loans granted		(699,057,304)	(2,072,835,010)	(2,177,211,469)	(4,001,371,792)
		(699,892,074)	(3,090,596,010)	(2,189,469,830)	(5,046,514,479)
Net cash used in investment activities (2)		932,371,714	(723,900,241)	884,045,488	(759,794,907)
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		2,095,904,696	2,671,507,370	5,453,909,252	6,149,012,990
		2,095,904,696	2,671,507,370	5,453,909,252	6,149,012,990
Cash payments arising from:					
Loans obtained		(2,952,274,392)	(1,905,501,743)	(6,272,067,464)	(5,400,635,012)
Interest and similar charges		(3,306,708)	(3,092,084)	(15,008,942)	(15,963,960)
Dividends		(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)
		(2,995,581,100)	(1,948,593,827)	(6,327,076,406)	(5,456,598,972)
Net cash used in financing activities (3)		(899,676,404)	722,913,543	(873,167,154)	692,414,018
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		38,047,145	(6,686,126)	11,479,335	(70,431,026)
Cash and cash equivalents at the beginning of the period		(38,889,856)	(23,135,126)	(12,322,046)	40,609,774
Cash and cash equivalents at the end of the period	7	(842,711)	(29,821,252)	(842,711)	(29,821,252)

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE INVESTIMENTOS, SGPS, SA, “the Company” or “Sonae Investimentos” it’s a Portuguese Corporation, with head-office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

The Company’s main activity is the management of shareholdings (Note 4).

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 the annual financial statements for the year ended 31 December 2015.

4 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES COMPANIES

As at 30 September 2016 and 31 December 2015, the investments in subsidiaries and associates companies are made up as follows:

Company	30.September.2016		31.December.2015	
	% held	Final balance	% held	Final balance
Apor - Agência para a Modernização do Porto, SA	22.75%	300,000	22.75%	300,000
Azulino - Imobiliária, SA	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	1,565,000	100.00%	1,565,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	112,000	100.00%	112,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	-	100.00%	-
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	100.00%	477,848
Cumulativa - Sociedade Imobiliária, SA	100.00%	1,445,000	100.00%	1,445,000
Elergone Energia, Lda	75.00%	1,118,737	75.00%	1,118,737
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Fundo de Investimento Imobiliário Fechado Imosede	80.40%	103,497,607	80.40%	103,497,607
Fundo de Investimento Imobiliário Imosonae Dois	-	-	18.28%	27,334,891
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	100.00%	1,359,000
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	1,123,885	100.00%	-
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	100.00%	109,736
MDS, SGPS, SA	47.53%	50,196,920	47.53%	50,196,920
MJLF - Empreendimentos Imobiliários, SA	100.00%	190,000	100.00%	190,000
Modelo - Distribuição de Materiais de Construção, SA	50.00%	21,510,614	50.00%	21,510,614
Modelo Hiper Imobiliária, SA	100.00%	10,012,648	100.00%	10,012,648
MOVVO, SA	25.58%	2,702,060	16.00%	991,315
Ponto de Chegada - Promoção Imobiliária, SA	100.00%	100,000	100.00%	50,000
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	100.00%	6,372,293
Predilugar - Sociedade Imobiliária, SA	100.00%	50,000	100.00%	50,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	565,000	100.00%	565,000
SFS - Serviços de Gestão e Marketing, SA	100.00%	50,000	-	-
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	100.00%	550,000
Soliférias - Operadores Turísticos, SA	-	-	11.12%	133,162
Sonae Capital Brasil, Ltda	37.00%	-	37.00%	-
Sonae Center Serviços II, SA	100.00%	58,032,319	100.00%	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	100.00%	1,375,504,275	100.00%	1,375,504,275
Sonae Financial Services, SA	100.00%	15,130,000	100.00%	12,330,000
Sonae SR Malta Holding Limited	-	1	-	1
Sonaegest - Soc. Gest. de Fundos de Investimento, SA	40.00%	384,351	40.00%	384,351
Valor N, SA	100.00%	2,087,315	100.00%	2,087,315
Total		1,655,094,515		1,676,827,937

5 OTHER NON-CURRENT ASSETS

As at 30 September 2016 and 31 December 2015 the other non-current assets were as follows:

	30.September.2016	31.December.2015
Loans granted	1,169,796,036	1,193,513,723
Other debtors	40,000	527,618
Total	1,169,836,036	1,194,041,341

The loans granted have a long term maturity, bear interests at market rates indexed to Euribor and their fair value is similar to their carrying amount.

As at 30 September 2016 and 31 December 2015 the loans granted are no past due.

6 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2016 and 31 December 2015 the trade accounts receivable and other current assets were as follows:

	30.September.2016	31.December.2015
Group companies:		
Short term loans	1,255,571,015	2,062,612,216
Interests charged but not received	81,366	20,752,285
Taxes - Special Regime for taxation of groups of companies	3,447,790	13,148,034
Additional tax payment	17,722	17,722
Special regime for payment of tax and social security debts (DL 248-A/2002, 14 November)	2,795,018	2,795,019
Special regime for payment of tax and social security debts (DL 151-A/2013, 31 October)	788,298	788,298
Receivables on the sale of investments	573,668	2,482,072
Taxes recoverable	9,680,473	8,323,773
Other current assets	56,652,679	8,192,564
Others	75,053	63,200
Total	1,329,683,082	2,119,175,183

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

The amount disclosed as 'Special regime for payment of tax and social security debts' (DL 248-A/2002, of 14 November and DL 151-A/2013, of 31 October) relates to taxes paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although, following the payment, the guarantees previously given were canceled. No impairment loss was recorded since it is Sonae Investimentos understanding that the decisions over the appeals will be favorable to the Company.

The caption accrued income and prepayments include mainly receivables relating to interest, from loans granted to group companies.

7 CASH AND CASH EQUIVALENTS

As at 30 September 2016 and 31 December 2015, cash and cash equivalents can be detailed as follows:

	30.September.2016	31.December.2015
Bank deposits	350,957	131,553
Cash and cash equivalents on the balance sheet	350,957	131,553
Bank overdrafts	(1,193,668)	(12,453,599)
Cash and cash equivalents on the cash flow statement	(842,711)	(12,322,046)

Bank overdrafts are disclosed in the statement of financial position under the caption short term bank loans.

8 SHARE CAPITAL

As at 30 September 2016 and 31 December 2015, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares, with a nominal value of 1 euro each.

A subsidiary company Sonae MC – Modelo Continente, SGPS, SA owns 100,000,000 shares of Sonae Investimentos. These shares are considered as treasury shares under the Commercial Companies Code, reason why the underlying rights to these shares are suspended.

As at 30 September 2016 and 31 December 2015, the subscribed share capital was held as follows:

	30.September.2016	31.December.2015
Sonae, SGPS, SA	25.0287%	25.0287%
Sonae Investimentos BV	13.1419%	13.1419%
Sonae MC - Modelo Continente, SGPS, SA	10.0000%	10.0000%
Sonaecenter Serviços, SA	51.8269%	51.8269%
Libra Serviços, Sociedade Unipessoal, Lda	0.0025%	0.0025%

9 BORROWINGS

As at 30 September 2016 and 31 December 2015, this caption included the following loans:

	30.September.2016	31.December.2015
Bonds Sonae Investimentos / 2012/2017	-	95,000,000
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	-
Bonds Sonae Investimentos/ September 2016/2021	12,000,000	-
Up-front fees not yet charged to income statement	(2,174,138)	(2,329,027)
Bonds loans	309,825,862	297,670,973
Commercial paper	141,000,000	160,000,000
Bank loans	141,000,000	160,000,000
Non-current loans	450,825,862	457,670,973
Bonds Sonae Investimentos / 2012/2017	-	50,000,000
Bonds Sonae Investimentos/ June 2016/2021	25,000,000	-
Bonds Sonae Investimentos/ September 2016/2021	3,000,000	-
Up-front fees not yet charged to income statement	(2,176)	(37,920)
Bonds loans	27,997,824	49,962,080
Commercial paper	105,000,000	60,000,000
Bank overdrafts	1,193,668	12,453,599
Bank loans	106,193,668	72,453,599
Current loans	134,191,492	122,415,679

Under the above mentioned lines of credit and commercial paper programs with firm commitments, the company had 356 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	138,000,000	465,000,000
Available credit facilities amounts	31,833,187	324,000,000

The interest rate as at 30 September 2016 of the bonds and bank loans was, on average, 1.50% (2.73% as at 31 December 2015).

As at 30 September 2016 and 31 December 2015 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	30.September.2016	31.December.2015
N+1	134,193,668	122,453,599
N+2	89,000,000	175,000,000
N+3	3,000,000	50,000,000
N+4	78,000,000	30,000,000
N+5	283,000,000	205,000,000

10 OTHER NON-CURRENT LIABILITIES

As at 30 September 2016 and 31 December 2015 this caption is as follows:

	30.September.2016	31.December.2015
Loans obtained	400,000,000	400,000,000
Other debtors	-	234,375
Total	400,000,000	400,234,375

The amount of 400,000,000 euro recorded in the caption obtained loans is related to a subordinated bond loan, with maturity of 10 years issued at market conditions by Sonae Investimentos, SGPS, SA in 28 December 2010, corresponding to 8,000 bonds with nominal value of 50,000 each, at a fixed rate and repayment at the end of the loan period.

At 30 September 2016 the fair value of this bond loan is 54,004 euro (56,404 euro on 31 December 2015) per bond, and was determined based on discounted cash flows method.

As at 30 September 2016 and 31 December 2015 Sonae, SGPS, SA and Sonae Investments, BV held 6,948 and 1,052 bonds, respectively.

11 TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 September 2016 and 31 December 2015, this heading is made up as follows:

	30.September.2016	31.December.2015
Suppliers	3,529	27,692
Group companies:		
Short term loans	353,255,174	1,187,413,386
Taxes - Special Regime for taxation of groups of companies	4,546,949	14,023,723
Taxes and contributions payable	1,899,120	1,921,801
Accrued expenses	42,155,973	6,144,439
Others	303,909	1,649,325
Total	402,164,654	1,211,180,366

The caption accrued expenses includes mainly accrued interests not yet due relating to loans obtained.

12 CONTINGENT LIABILITIES

As at 30 September 2016 and 31 December 2015 the contingent liabilities were detailed as follows:

	30.September.2016	31.December.2015
Guarantees rendered:		
related to tax claims awaiting outcome		
Guarantees provided by financial institutions	86,763,780	86,763,780
Guarantees provided by parent company	255,152,531	255,152,531
related to local and municipal claims awaiting outcome		
others	-	28,938
others	12,403,113	10,633,113
Guarantees given in favour of subsidiaries (a)	62,974,843	62,926,569

- a) Guarantees given to Tax Authorities in favour of subsidiaries to suspend claims from tax authorities.

The caption Guarantees provided on tax claims includes guarantees granted to Tax Authorities regarding income tax. The most significant amounts relate to an additional tax assessment made by Tax Authorities, relating the taxable period ending 2005, regarding the covering of losses made by the Company in a subsidiary, having Tax Authorities not considered the usage of taxable losses on this operation and subsequent liquidation of the Company's subsidiary, which is not in accordance with previous assessments made by Tax Authorities. The Company has presented an appeal against this tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable.

No provision has been recorded for these additional tax assessments, to which some guarantees were provided, as the Board of Directors considers that their outcome will be favorable, therefore with no additional liabilities to the Company.

Following the disposal of a Brazilian subsidiary company, the group guaranteed to that subsidiary company buyer all the losses it will have as consequence of tax additional assessments as it is described in the Note of Contingent assets and liabilities in the Consolidated financial statements.

13 RELATED PARTIES

Main balances and transactions with related parties are detailed as follows:

Balance:	30.September.2016	31.December.2015
Parent companies	1,957,562	11,600,933
Subsidiaries	56,373,675	29,131,749
Associated companies	34,407	77,645
Accounts receivable	58,365,644	40,810,327
Parent companies	25,725,634	9,494,044
Subsidiaries	18,567,517	8,344,335
Associated companies	-	511,213
Other related parties	191	191
Accounts payable	44,293,342	18,349,783
Subsidiaries	2,425,649,703	3,262,315,137
Associated companies	2,959,263	2,928,832
Loans granted	2,428,608,966	3,265,243,970
Parent companies	400,000,000	400,000,000
Subsidiaries	353,255,174	1,187,413,386
Loans obtained	753,255,174	1,587,413,386

Transactions:	30.September.2016	30.September.2015
Parent companies	1,068,097	1,004,050
Subsidiaries	-	320
Associated companies	19,045	16,797
Other related parties	104	106
Purchases and services obtained	1,087,246	1,021,273
Parent companies	48,493	50,912
Subsidiaries	228,130	275,621
Jointly controlled companies	-	69
Other income	276,623	326,602
Parent companies	-	1,661
Subsidiaries	48,095,600	59,581,091
Associated companies	70,220	262,116
Interest income	48,165,820	59,844,868
Parent companies	25,739,473	25,451,880
Subsidiaries	12,170,930	5,759,009
Other related parties	111,892	24,208
Interest expenses	38,022,295	31,235,097
Subsidiaries	114,810	113,299
Dividend income	114,810	113,299
Subsidiaries	30,162,652	-
Investments disposal	30,162,652	-
Other related parties	47,054	-
Investments acquisition	47,054	-
Subsidiaries	5,479,445	37,656,714
Income from Investment Fund Participation Units	5,479,445	37,656,714

All Sonae, SGPS, S.A. and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements.

During the 9 months ended as at 30 September 2016 and 2015 did not occur any transactions including granted loans to the Company's Directors.

14 INVESTMENT INCOME

As at 30 September 2016 and 2015 investment income is as follows:

	30.September.2016	30.September.2015
Dividends received	114,810	113,299
Income of financial investments	5,479,445	37,656,714
Reverse of impairment losses	-	2,262,690
Impairment losses	-	(6,998,052)
Income on investments sales	2,781,576	-
Losses on investments sales	(14,031)	-
Total	8,361,800	33,034,651

15 FINANCIAL INCOME / EXPENSES

As at 30 September 2016 and 2015, net financial expenses are as follows:

	30.September.2016	30.September.2015
Interest receivable		
related to bank deposits	9,539	7,735
related to loans granted	48,165,820	59,844,869
Others	23,978	173,450
Other financial income	644,130	9,234
Financial income	48,843,467	60,035,288
Interest payable		
related to bank deposits and overdrafts	(1,937,041)	(1,071,322)
related to non convertible bonds	(7,650,519)	(12,934,955)
related to loans obtained	(38,022,295)	(31,235,099)
Other financial expenses		
Up front fees on the issuance of debt	(3,229,195)	(3,567,311)
Others	(96,675)	(930,704)
Financial expenses	(50,935,725)	(49,739,391)

16 EARNINGS PER SHARE

Earnings per share for the periods ended 30 September 2016 and 2015 were calculated taking into consideration the following amounts:

	30.September.2016	30.September.2015
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	9,107,790	29,067,077
Net profit taken into consideration to calculate diluted earnings per share	9,107,790	29,067,077
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	0.0101	0.0323

17 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 7 November 2016.

18 INFORMATION REQUIRED BY LAW

Decree-Law n^{er} 318/94 art. 5th n^{er} 4th

During the period ended as at 30 September 2016 shareholders' loan contracts were signed with the following companies:

Sonae Capital Brasil Ltda

During the period ended as at 30 September 2016, treasury application agreements were signed with the following companies:

Bertimóvel – Sociedade Imobiliária, SA

Chão Verde – Sociedade de Gestão Imobiliária, SA

Contimobe – Imobiliária do Castelo de Paiva, SA

Efanor Investimentos, SGPS, SA

Elergone Energia, Lda

Fashion Division, SA

Imoestrutura – Sociedade Imobiliária, SA

MJLF – Empreendimentos Imobiliários, SA

Pharmacontinente - Saúde e Higiene, SA

Predicomercial – Promoção Imobiliária, SA

Sonae, SGPS, SA

Sonae Financial Services, SA

Tlantic Portugal, SA

Zippy – Comércio e Distribuição, SA

As at 30 September 2016 amounts owed by subsidiaries can be detailed as follows:

<u>Company</u>	<u>30.September.2016</u>
Azulino - Imobiliária, SA	3,270,478
Bertimóvel - Sociedade Imobiliária, SA	39,000
Canasta - Empreendimentos Imobiliários, SA	658,767
Chão Verde - Sociedade de Gestão Imobiliária, SA	9,084,000
Citorres - Sociedade Imobiliária, SA	1,329,608
Cumulativa - Sociedade Imobiliária, SA	499,890
Discovery Sports, SA	3,616,304
Elergone Energia, Lda	763,000
Farmácia Seleção, SA	686,204
Fashion Division, SA	71,689,304
Fozimo – Sociedade Imobiliária, SA	893,127
Igimo – Sociedade Imobiliária, SA	458,243
Iginha – Sociedade Imobiliária, SA	4,870,388
Imoconti – Sociedade Imobiliária, SA	147,304
Imoestrutura - Sociedade Imobiliária, SA	232,743
Imomuro - Sociedade Imobiliária, SA	3,577,304
Imoresultado – Sociedade Imobiliária, SA	511,899
Imosistema - Sociedade Imobiliária, SA	86,243
MJB - Design, Lda	761,500
MJLF - Empreendimentos Imobiliários, SA	2,020,684
Modalfa - Comércio e Serviços, SA	18,083,882
Modalloop - Vestuário e Calçado, SA	2,398,305
Modelo - Distribuição de Materiais de Construção, SA	2,308,144
Modelo Continente Hipermercados, SA	224,793,660
MDS, SGPS, SA	651,119
Pharmaconcept - Actividades em Saúde, SA	2,304
Ponto de Chegada - Sociedade Imobiliária, SA	6,859,000
Predicomercial - Promoção Imobiliária, SA	117,000
Predilugar - Sociedade Imobiliária, SA	9,061,000
SDSR - Sport Division SR, SA	18,234,181
Selifa - Sociedade de Empreendimentos Imobiliários, SA	1,743,473
Sempre à Mão - Sociedade Imobiliária, SA	268,027
Socijofra - Sociedade Imobiliária, SA	3,491,574
Sociloures - Sociedade Imobiliária, SA	446,785
Sonae Capital Brasil, Ltda	5,560,628
Sonae Center Serviços II, SA	37,295,708
Sonae MC - Modelo Continente, SGPS, SA	1,971,920,305
Sonaerp - Retail Properties, SA	15,792,388
Sondis Imobiliária, SA	681,247
Valor N, SA	2,311,636
Zippy - Comércio e Distribuição, SA	804,305
Zyevolution - Investigação e Desenvolvimento, SA	588,305
Total	2,428,608,966

The amounts due to group companies as at 30 September 2016 related to the mentioned contracts were the following:

<u>Company</u>	<u>30.September.2016</u>
BB Food Service, SA	1,446,696
Bertimóvel - Sociedade Imobiliária, SA	12,464,933
Bom Momento - Comércio Retalhista, SA	248,696
Contimobe - Imobiliária do Castelo de Paiva, SA	15,476,501
Continente Hipermercados, S.A.	98,517,696
Chão Verde - Sociedade de Gestão Imobiliária, SA	5,985,757
Infofield - Informática, SA	1,238,696
Modelo Hiper Imobiliária, SA	4,293,696
Pharmacontinente - Saúde e Higiene, SA	2,776,696
Predicomercial - Promoção Imobiliária, SA	19,176,131
Sesagest - Projectos e Gestão Imobiliária, SA	36,849,162
Sonaesr Serviços e Logística, SA	3,217,000
Têxtil do Marco, SA	1,248,819
Tlantic Portugal - Sistemas de Informação, SA	51,000
Worten - Equipamentos para o Lar, SA	150,263,695
Total	353,255,174

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Luís Miguel Mesquita Soares Moutinho

Luis Miguel Vieira de Sá da Mota Freitas

Luis Filipe Campos Dias de Castro Reis