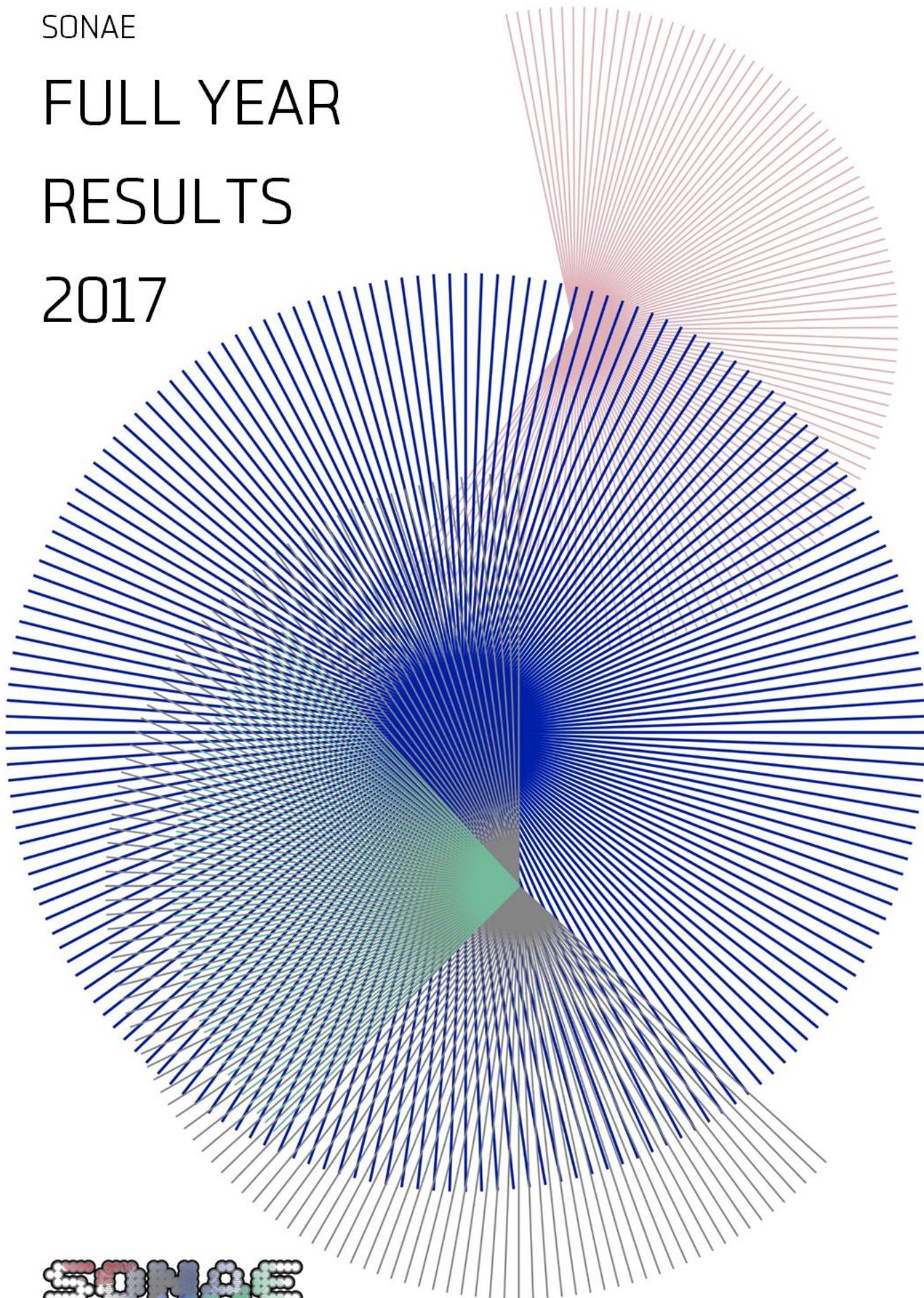


SONAE

FULL YEAR

RESULTS

2017



IMPROVING LIFE

1 HIGHLIGHTS AND CEO MESSAGE

- Sonae maintained a strong turnover evolution by growing 7.1% versus 2016, to €5,710 M in 2017, backed by a turnover increase of 7.8% in the 4Q17
- Underlying EBITDA increased by 6.9% y.o.y., reaching €336 M in 2017
- Equity method results improved by 39.3% in 2017, to €57 M
- Net debt reduced by €103 M versus 2016, totalling €1,112 M in 2017

“2017 was a positive year for Sonae's businesses, which continued to grow at a solid pace and made significant progress in the development of their individual strategies. Overall, we evolved further in the development of a portfolio of more autonomous, focused and flexible businesses, ready to perform in the market with high standards of corporate governance, namely as publicly listed companies or integrating strategic partnerships.

Considering the companies we control or co-control, total aggregated turnover increased by 6.3% to 7.6 billion euros and EBITDA also grew, surpassing one billion euros once again.

In retail, turnover increased by 6.8% to 5.6 billion euros, with a positive contribution from all business areas, particularly the food retail business which grew 5.4%, and Worten which exceeded one billion euros in sales with a year-on-year increase above 10%. It is also worth highlighting the performance of online sales that for the first time surpassed 100 million euros.

Sonae Sierra, besides a good operational performance, continued the development of new shopping centre projects, such as Cúcuta in Colombia or the Málaga Designer Outlet, and strengthened its services business area by creating the ORES Socimi fund in partnership with Bankinter.

In a challenging market environment, NOS continued to overcome expectations by improving its competitive position in all market segments, leading in innovation, growing profitability and demonstrating an increasing ability to generate cash flow.

For Sonae Financial Services, this year was marked by a significant growth of the Universo card base, with over 600,000 cards issued in only two years, accounting for 13.2% of total credit card transactions in Portugal in December.

In the retail and telecommunications technology businesses, Sonae IM added value to its portfolio, strengthened its leadership position in the Iberian cybersecurity market and positioned itself as a preferred partner for technology companies with highly innovative projects.

We continue to invest in our growth avenues, particularly in the health and wellness sector, and to create partnerships that enhance the value of our assets, such as the creation of ISRG (Iberian Sports Retail Group) in the sports sector, completed in the beginning of 2018.

The aggregated investment of the companies that we control or co-control reached 726 million euros, of which 316 million euros was invested by fully consolidated companies.

The Group's sound operational and financial performance enabled a high level of investment and the maintenance of a steadily growing dividend policy, while reinforcing an already robust capital structure, with a net debt reduction of 8.4% coupled with greater maturity and lower cost of debt.

We are therefore prepared and confident to face future challenges, as we are aware of the quality of our team, the value of our culture and the legacy of Belmiro de Azevedo, which we hold as a reference and which we intend to honour, delivering on our mission of creating economic and social value, taking the benefits of progress and innovation to an ever-increasing number of people.”

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae aggregated businesses overview

Million euros	2016	2017	y.o.y.	4Q16	4Q17	y.o.y.
Turnover						
Sonae Retail	5,288	5,646	6.8%	1,473	1,580	7.2%
Sonae Sierra ⁽¹⁾	209	224	7.0%	59	61	4.2%
NOS ⁽¹⁾	1,515	1,562	3.1%	391	399	2.2%
Sonae IM	117	126	7.9%	29	31	8.5%
Sonae FS ⁽²⁾	68	79	16.4%	21	23	8.1%
Underlying EBITDA						
Sonae Retail	330	354	7.3%	111	117	5.3%
Sonae Sierra ⁽¹⁾	98	106	8.3%	26	29	11.6%
NOS ⁽¹⁾	557	581	4.3%	125	129	3.3%
Sonae IM	5	5	0.1%	2	2	39.0%
Sonae FS ⁽²⁾	8	10	35.9%	3	4	30.2%

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

(2) Includes 100% turnover and EBITDA of MDS.

Sonae consolidated results

Million euros	2016 ⁽¹⁾	2017	y.o.y.	4Q16 ⁽¹⁾	4Q17	y.o.y.
Turnover	5,329	5,710	7.1%	1,480	1,595	7.8%
Underlying EBITDA	315	336	6.9%	113	115	2.2%
Underlying EBITDA margin	5.9%	5.9%	0.0 p.p.	7.6%	7.2%	-0.4 p.p.
Equity method results ⁽²⁾	41	57	39.3%	2	9	-
o.w. S. Sierra (direct)	28	32	13.6%	8	10	16.1%
o.w. NOS/Zopt	17	27	59.5%	1	4	-
Non-recurrent items	53	2	-95.9%	-3	-2	40.4%
EBITDA	409	396	-3.1%	112	123	10.2%
EBITDA margin	7.7%	6.9%	-0.7 p.p.	7.5%	7.7%	0.2 p.p.
D&A ⁽³⁾	-197	-214	-8.5%	-52	-62	-18.9%
EBIT	212	182	-14.0%	59	61	2.5%
Net financial results	-45	-36	19.5%	-9	-8	8.0%
EBT	167	146	-12.5%	51	53	4.2%
Taxes	-18	-14	23.3%	-21	-23	-7.5%
Direct results ⁽⁴⁾	148	132	-11.2%	29	30	1.9%
Indirect results	74	42	-42.4%	52	5	-89.7%
Net income	222	174	-21.5%	82	35	-56.8%
Non-controlling interests	-7	-8	-22.2%	-4	-3	-29.0%
Net income group share	215	165.8	-22.9%	78	33	-58.2%

(1) Figures for 2016 were restated. In June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding, MDS started to be consolidated through the Equity Method and was included in Sonae FS. From 1Q16 until June 2017, MDS was registered as a discontinued operation.

(2) Equity method results: Includes direct income related to investments consolidated by the equity method (mainly Sonae Sierra and NOS/Zopt).

(3) Depreciations & amortisations including provisions & impairments;

(4) Direct results before non-controlling interests.

Sonae net invested capital

Million euros	2016	2017	y.o.y.
Net invested capital	3,278	3,248	-0.9%
Sonae shareholders funds	2,063	2,135	3.5%
Sonae net debt ⁽¹⁾	1,215	1,112	-8.4%
Net debt / Invested capital	37.1%	34.3%	-2.8 p.p.

(1) Financial net debt + net shareholder loans.

Sonae businesses highlights

In 2017, all businesses posted turnover growth and improved underlying EBITDA.

From a statutory view, **Sonae consolidated turnover** grew 7.1% y.o.y., supported by the positive evolution of Sonae Retail, Sonae IM and Sonae FS, reaching €5,710 M in 2017.

Sonae Underlying EBITDA stood at €336 M, €22 M above the value registered in 2016, backed by the performance of Sonae Retail, Sonae IM and Sonae FS. Despite the higher contribution of underlying EBITDA and equity method results, **Sonae EBITDA** totalled €396 M, decreasing 3.1% when compared to 2016, due to non-recurrent items registered in 2016 related to the capital gains from sale and leaseback transactions.

Sonae net financial results improved by 19.5% when compared to 2016, driven by the reduction of the average net debt coupled with a decrease of the average interest rate of outstanding debt, which stood at 1.3% in 4Q17.

Despite the higher contribution of underlying EBITDA and net financial results, **Sonae direct results** amounted to €132 M, 11.2% below when comparing to 2016, negatively impacted by the non-recurrent items reported in 2016.

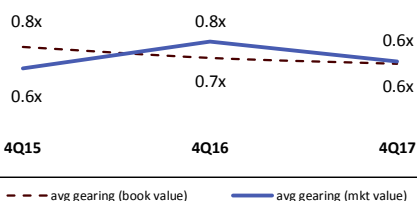
Sonae indirect results totalled €42 M, decreasing in comparison to 2016, mostly due to a lower contribution from Sonae Sierra y.o.y., impacted by the strong asset revaluations in 4Q16 and by the value created with the ParkLake opening in Romania, in 3Q16.

Sonae net income group share amounted to €166 M in 2017, down from €215 M, mainly due to the impact of non-recurrent effects in 2016.

Sonae net debt reduced by 8.4% y.o.y., from €1,215 M in 2016 to €1,112 M in 2017 and **financial leverage** decreased 2.8p.p. to 34.3%.

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Gearing



Million euros	2016	2017	y.o.y.
Financial net debt	1,215	1,112	-8.4%
Retail	676	629	-7.0%
Sonae IM	3	0	-
Holding & other	536	484	-9.7%
Sonae net debt	1,215	1,112	-8.4%

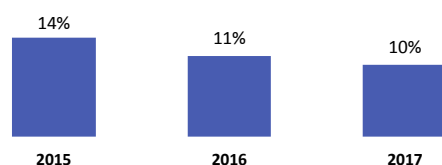
Capital Structure

Net debt to EBITDA - Retail



Capital Structure

Loan-to-value (%) - Holding



Sonae Capex

Million euros	2016	2017	% of Turnover
Capex	437	316	5.5%
Sonae Retail	383	292	5.2%
Sonae MC	167	164	4.2%
Worten	39	45	4.4%
Sonae Sports & Fashion	113	40	6.8%
Sonae RP	62	41	44.7%
Maxmat	1.0	1.4	1.8%
Sonae IM	47	19	15.4%
Sonae FS	0.6	1.6	2.1%

Average gearing at book value decreased from 0.7x in 4Q16 to 0.6x in 4Q17. **Average gearing at market value** reached 0.6x, 0.2x below 4Q16, driven by a reduction at net debt level and by a higher Sonae share price.

Sonae continued to show a **robust capital structure**, optimising funding costs while preserving sufficient back up liquidity and a long maturity profile. The group maintained its practice of being fully financed for the coming 18 months and simultaneously improved its general funding conditions. In 2017, the average maturity profile stood slightly above 4 years.

Retail net debt decreased by €47 M when compared to 2016, totalling €629 M in 2017 and **retail net debt to EBITDA** reached 1.8x, 0.1x above 2016, explained by a lower EBITDA in 2017 when compared to 2016, resulting from the non-recurrent items registered in 2016.

Holding & other net debt totalled €484 M, reducing 9.7% in comparison to 2016, even considering the payment of dividends in 2Q17, which did not occur in 2016. **Loan-to-value** ratio of the Holding stood at 10%, decreasing from 11% registered in 2016, driven by a lower net financial debt and a higher Net Asset Value.

Sonae Capex decreased from €437 M in 2016 to €316 M in 2017. This y.o.y. decrease was primarily driven by a lower level of Capex in Sonae Sports & Fashion due to Salsa's acquisition in 2Q16, coupled with a lower level of Capex in Sonae RP and Sonae IM.

3 SONAE RETAIL RESULTS

Sonae Retail businesses performance

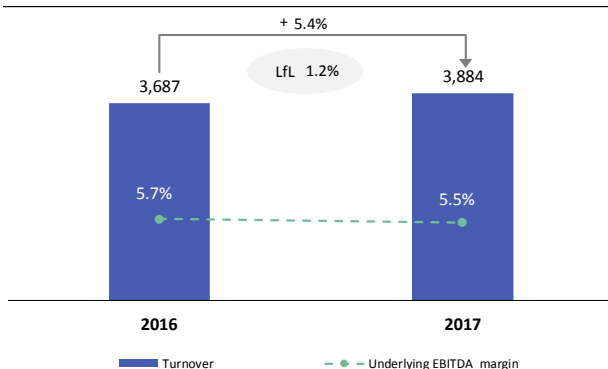
Million euros	2016	2017	y.o.y	4Q16	4Q17	y.o.y
Turnover	5,288	5,646	6.8%	1,473	1,580	7.2%
Sonae MC	3,687	3,884	5.4%	1,002	1,070	6.8%
Worten	910	1,003	10.2%	276	313	13.4%
Sonae Sports & Fashion	527	589	11.7%	154	152	-0.8%
Sonae RP	92	92	0.2%	23	23	3.2%
Maxmat	72	78	9.3%	18	20	12.5%
Underlying EBITDA	330	354	7.3%	111	117	5.3%
Sonae MC	210	213	1.3%	63	67	6.1%
Worten	26	34	29.6%	17	20	16.8%
Sonae Sports & Fashion	8	20	-	10	8	-18.1%
Sonae RP	80	80	0.0%	20	20	-0.3%
Maxmat	5	6	35.0%	1	2	-
Underlying EBITDA margin (%)	6.2%	6.3%	0.0 p.p.	7.5%	7.4%	-0.1 p.p.

Sonae Retail sales reached €5,646 M in 2017, +6.8% versus 2016, backed by the positive evolution of all businesses apart from Sonae RP which stood flat when compared to 2016.

Sonae Retail underlying EBITDA increased by 7.3%, amounting to €354 M in 2017, with the special contribution of Worten and Sonae Sports & Fashion which together contributed with additional €20 M.

SONAE MC

Turnover and underlying EBITDA evolution (€M)



Sonae MC turnover stood at €3,884 M in 2017, growing 5.4% versus 2016. This evolution was boosted by the store network expansion (with the opening of 19 Continente Bom Dia stores and 1 Continente Modelo) and by a **LfL sales growth** of 1.2% as a result of a number of measures implemented with the aim of strengthening Sonae MC's value proposition. Within the implemented measures, it's worth highlighting the continuous work on improving the price perception and the quality and consequently the quality perception of perishables. This operational performance allowed Sonae MC to reinforce once again the market leadership, thus proving the success of its value proposition.

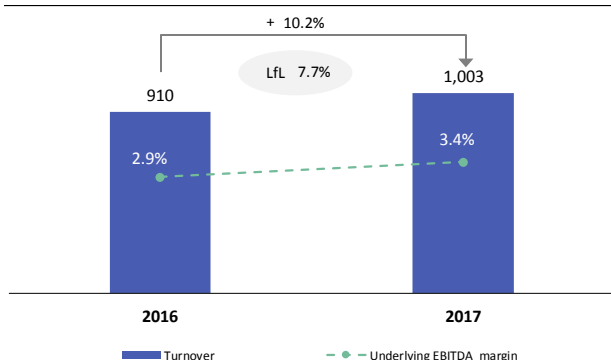
The **underlying EBITDA** margin stood at 5.5% in 2017, decreasing 20 bps comparing to 2016. This y.o.y. performance reflects the new store openings, the competitive environment of the food Portuguese market and the continuous investment in the growth avenues. Nevertheless, in absolute terms, the underlying EBITDA posted an increase of €3 M y.o.y., reaching €213 M in 2017. It's worth noting that in the last quarter of 2017, Sonae MC underlying EBITDA grew 6.1% y.o.y., supported by a stronger sales value.

During 2017 Sonae MC continued reinforcing its presence in the Health and Wellness segment, by taking several steps in order to promote the health and wellbeing of the communities. During 2017 Sonae MC increased the variety of the healthy products in Continente stores, acquired 51% of Go Natural and 100% of Brio' supermarkets - the first organic supermarket chain launched in Portugal - and opened the first Dr. Well's, a clinic specialised in dental and aesthetic medicine. Following the success of the 1st clinic opened in May 2017, Sonae MC has currently 4 clinics in portfolio. The investment in Health and Wellness sector was defined as being of strategic importance for Sonae MC.

3 SONAE RETAIL RESULTS (continued)

WORTEN

Turnover and underlying EBITDA evolution (€M)



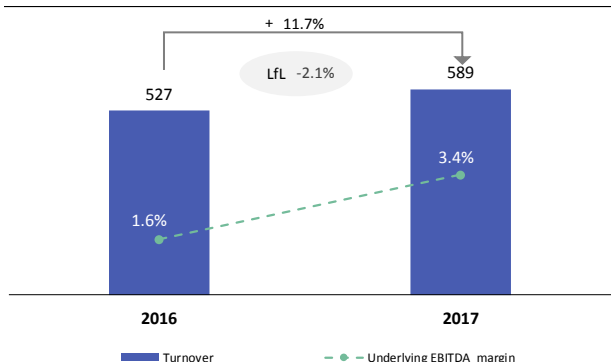
In 2017, **Worten turnover** posted a strong evolution, increasing by 10.2% y.o.y. and surpassing for the first time 1Bn euros. This performance was driven by a **LfL sales growth** of 7.7% in 2017 also supported by a very positive growth of the online operation, which grew by 60% y.o.y.. During 2017, Worten was also able to further improve sales area productivity in result of positive sales performance and store network optimization.

This momentum allowed Worten to further increase its market share in Portugal and Spain both in the offline and online channels.

The **underlying EBITDA** improved by 29.6% to €34 M in 2017, increasing the **margin** by 50 bps to 3.4%.

SONAE SPORTS & FASHION

Turnover and underlying EBITDA evolution (€M)



Sonae Sports & Fashion turnover totalled €589 M in 2017, +11.7% versus the previous year, helped not only by the consolidation of Salsa but also by the positive evolution of the other businesses. In LfL terms, all businesses had positive figures in 2017 apart from Sport Zone.

The 4Q17, was strongly impacted by the weather conditions in October that lead to a late start of the season and consequently affected sales performance and profitability.

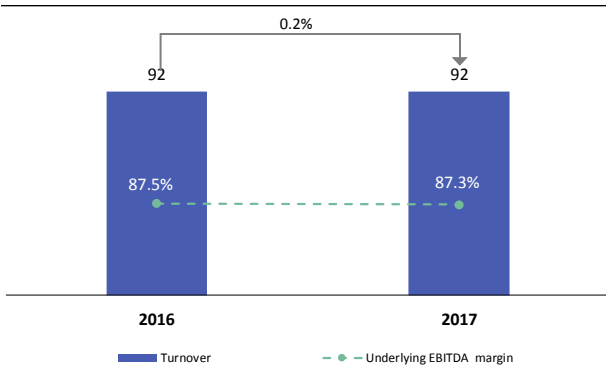
The **underlying EBITDA** increased by €12 M in comparison to 2016, to €20 M, driven by the positive contribution of all businesses in the original portfolio plus the effect of consolidation of Salsa.

Already in January 31st 2018, it was concluded the **agreement for the combination of JD Sprinter and Sport Zone**, creating the **Iberian Sports Retail Group (ISRG)**, the second biggest sports retail group of Iberia.

3 SONAE RETAIL RESULTS (continued)

SONAE RP

Turnover and underlying EBITDA evolution (€M)

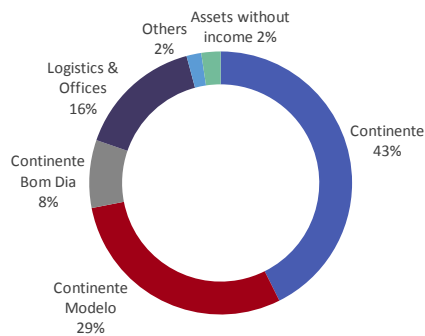


At the end of 2017, Sonae RP portfolio included 20 Continente stores, 60 Continente Modelo stores and 30 Continente Bom Dia stores, corresponding to a **gross book value** of €1,266 M and to a **net book value** of €903 M.

During 2017, Sonae RP concluded two sale and leaseback transaction of 5 food retail assets in the amount of €37 M and with a capital gain of circa €11 M. Consequently, at the end of the year, Sonae MC's freehold stood at 47%. As for specialised retail (Worten and Sonae Sports & Fashion) the freehold was at 20%. Regardless of the freehold reduction comparing to 2016, from 50% in Sonae MC, and from 21% in specialised retail, **Sonae RP turnover** remained in line y.o.y. amounting to €92 M in 2017. The **underlying EBITDA** stood at €80 M, representing an underlying EBITDA margin of 87.3%.

RP Portfolio

as % of Gross Book Value



4 SONAE SIERRA RESULTS

Operational Indicators

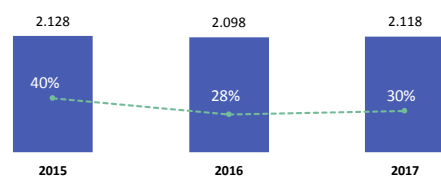
	2016	2017	y.o.y.
Footfall (million visitors)	430	438	1.8%
Europe & New Markets	333	342	2.5%
Brazil	97	96	-0.7%
Occupancy rate (%)	96.6%	96.0%	-0.5 p.p.
Europe	97.1%	97.1%	0.0 p.p.
Brazil	94.8%	92.5%	-2.4 p.p.
Like-for-Like (Lfl) tenant sales			
Europe	3.4%	3.2%	-
Brazil (local currency)	0.9%	6.8%	-
Tenant sales (million euros)	4,495	4,897	8.9%
Europe (million euros)	3,277	3,533	7.8%
Brazil (million euros)	1,211	1,364	12.6%
Brazil (million reais)	4,644	4,899	5.5%
Nº of shopping centres owned and/or managed (EOP)	65	66	1
Europe	55	56	1
Brazil	10	10	0
Nº of shopping centres owned/co-owned (EOP)	45	47	2
Europe	36	38	2
Brazil	9	9	0
GLA under Management ('000 sqm)	2,316	2,423	4.6%
Europe & New Markets	1,835	1,941	5.8%
Brazil	481	481	0.0%

Financial Indicators

Million euros	2016	2017	y.o.y.	4Q16	4Q17	y.o.y.
Turnover	209	224	7.0%	59	61	4.2%
EBIT	97	105	8.5%	26	29	11.5%
EBIT margin	46.1%	46.8%	0.7 p.p.	44.1%	47.3%	3.1 p.p.
Direct results	57	65	14.0%	16	19	17.7%
Indirect results	125	45	-63.6%	72	13	-81.3%
Net results	181	110	-39.3%	89	33	-62.9%
... attributable to Sonae	91	55	-39.3%	44	16	-62.9%

Open Market Value (OMV)⁽¹⁾ and leverage

billion euros



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

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

Sonae Sierra has been continuously seeking for new development opportunities along with reinforcing professional services. Regarding the **development activity**, currently Sonae Sierra has in pipeline the following project: Nuremberg (Germany), Málaga McArthurGlen Designer Outlet (Spain), NorteShopping and Colombo Expansion (Portugal), Jardín Plaza Cucuta (Colombia) and Zenata (Morocco). As for the professional services, in 2017, Sonae Sierra signed 187 new contracts in the amount of €15,9M.

Over the last year Sonae Sierra continued pursuing its capital recycling strategy mainly through partial disposals of its most mature assets. In December, Sonae Sierra reduced its participation from 50.1% to 20.0% in MaiaShopping and GuimarãesShopping and concluded the full disposal of AlbufeiraShopping and Continente Portimão Shopping Centre.

At the same time, Sonae Sierra has made some efforts to acquire additional assets for its portfolio. In February 2017, the Albufeira Retail Park was acquired through the Iberian Coop fund, in which Sonae Sierra holds a 10% participation; in June 2017, 15% of the Área Sur Shopping Centre (Spain) was acquired in a 15/85 partnership with AXA IM - Real Assets. Also in 2017, Sonae Sierra created a joint venture with Bankinter for the incorporation of ORES Socimi, a real estate investment vehicle, which acquired 16 assets in Iberia in the amount of €173 M.

It's worth highlighting that 2017 was very positive for the **refinancing activity**, having been negotiated €729 M in new bank loans in Europe.

In operational terms, Sonae Sierra maintained a strong performance, with high occupancies rates both in Europe and Brazil, having registered a **global occupancy rate** of 96.0% in 2017. In Brazil, the y.o.y. decrease is explained by regular unit rotation movements. **Lfl tenant sales** reached 3.2% in Europe supported by the recovery in Iberia and 6.8% in Brazil, above the average inflation of 3.5%. Total **tenant sales** grew by 8.9%, to €4,897 M in 2017 also helped by the opening of ParkLake.

Sonae Sierra turnover increased by 7.0% y.o.y., to €224 M in 2017. **EBIT** improved by 8.5% versus 2016 amounting to €105 M. **Direct results** reached €65 M, growing 14.0% versus 2016 and **Indirect results** stood at €45 M in 2017, decreasing when compared to 2016, impacted by a lower value created in assets valuations and by the value created with the ParkLake opening in Romania, in 3Q16.

At 31st December 2017, **NAV** totalled €1,432 M, +1.0% comparing to the end of 2016, due to the net results which were partially offset by the dividend payment and the adverse exchange rate effect of Brazilian real (31 Dec. 2017 vs. 31 Dec. 2016). **Loan-to-value** stood at 30%, 2pp higher than 2016.

5 NOS RESULTS

Financial Indicators

Million euros	2016	2017	y.o.y.	4Q16	4Q17	y.o.y.
Operating revenues	1,515	1,562	3.1%	391	399	2.2%
EBITDA	557	581	4.3%	125	129	3.3%
EBITDA margin	36.7%	37.2%	0.4 p.p	32.0%	32.3%	0.4 p.p
Net results	90	124	37.3%	12	19	55.3%
Capex	393	381	-3.1%	100	117	17.0%
Free Cash Flow	-49	31	-	6	-3	-

Operational Indicators

('000)	2016	2017	y.o.y.	4Q16	4Q17	y.o.y.
Total RGUs (Net adds)	612	335	-	135	46	-
Convergent RGUs (Net adds)	533	263	-	114	19	-
Mobile (Net adds)	333	217	-	60	29	-
Pay TV (Net adds)	57	16	-	14	1	-
Total RGUs	9,077	9,412	3.7%	9,077	9,412	3.7%
Convergent RGUs	3,387	3,651	7.8%	3,387	3,651	7.8%
Convergent customers	680	721	6.1%	680	721	6.1%
ARPU/Unique subscriber with fixed access (euros)	43	44	2.4%	43	44	0.7%

NOS published its results on March 12nd 2018, which are available at www.nos.pt.

In 2017, NOS kept the growth trend in all core services while maintaining a robust financial performance.

Operating revenues increased by 3.1% y.o.y., totalling €1,562 M in 2017, backed by the performance of telco, audio-visuals and cinema.

EBITDA amounted to €581 M, improving by €24 M when compared to 2016, and corresponding to a margin of 37.2% in 2017.

Net results grew from €90 M registered in 2016 to €124 M in 2017, +37.3% y.o.y..

Capex reduced by 3.1% when compared to 2016, to €381 M in 2017.

Regarding the operational indicators, in 2017, the number of **total RGUs** increased 3.7% in comparison to 2016, to 9,412 thousand, and the **convergent RGUs** stood at 3,651 thousand, +7.8% y.o.y..

NOS Free Cash Flow, after the dividend of €103 M paid in 2Q17, stood at €31 M, a strong growth comparing to the negative €49 M in 2016.

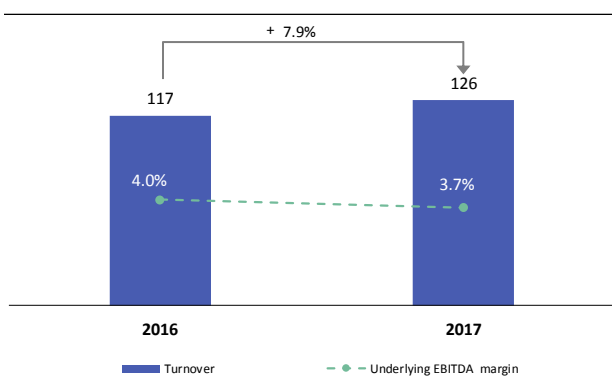
6 SONAE IM RESULTS

Portfolio

Controlling stakes	Minority stakes
WeDo Technologies S21Sec Saphety Bizdirect InovRetail Bright Pixel	AVP Funds Stylesage Probe.ly Ometria Arctic Wolf Secucloud Continuum Security

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

Turnover and underlying EBITDA evolution (€M)



During 2017, Sonae IM entered the capital of, among others, the following companies: **Ometria**, an Artificial Intelligence powered customer marketing platform with the vision to become the central hub that powers all the communication between retailers and their customers; **Arctic Wolf**, a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response, which provides a unique combination of technology and services for clients to quickly detect and contain threats; and **Secucloud**, a Germany-based company that provides a cloud security platform for protecting all devices and operating systems to Telcos & ISPs as a white label solution.

Sonae IM turnover increased 7.9% y.o.y., reaching €126 M in 2017. The **underlying EBITDA** amounted to €5 M, +0.1% when compared to the same period of 2016 and corresponding to an **underlying EBITDA margin** of 3.7%.

Also in 2017, Sonae IM registered **indirect results** in the amount of €4 M, impacted by an upside in the valuation of the AVP funds, which include stakes in Feedzai, a specialist in fraud prevention, and Outsystems, managed by Armilar Venture Partners.

7 SONAE FS RESULTS

Financial Indicators

Million euros	2016	2017	y.o.y.	4Q16	4Q17	y.o.y.
Production	665	819	23.1%	203	248	22.3%
Turnover	18	24	38.9%	5	7	36.3%
Underlying EBITDA	0.4	3.4	-	1.0	1.2	20.2%
Underlying EBITDA margin	2.5%	13.9%	11.5 p.p.	18.8%	16.6%	-2.2 p.p.

Sonae FS turnover reached to €24 M, growing 38.9% when compared to 2016. The **underlying EBITDA** stood at €3.4 M improving €3 M y.o.y. and corresponding to a **margin** of 13.9%.

Concerning the **Universo Card operation**, in 2017, subscribers exceeded 600 thousand and **Universo total production** totalled €580 M, increasing by 41.2% versus 2016.

8 CORPORATE INFORMATION

Main corporate events in the 4Q17

November 3rd 2017

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

Subsequent events

February 1st 2018

Sonae announced that had concluded the agreement with JD Sports Fashion Plc, Balaiko Firaja Invest S.L. and JD Sprinter Holdings 2010, S.L. (JD Sprinter) for the combination of JD Sprinter and Sport Zone, initially announced to the market at September 14th 2017.

9 OUTLOOK AND DIVIDEND PROPOSAL

Outlook for 2018

Sonae will keep pursuing its strategy based on three key pillars, while also providing the necessary autonomy to its businesses in order to make them more agile, thus creating more value to shareholders. As part of Sonae SGPS' strategy of providing more autonomy and focus to its portfolio companies, the Board of Directors is currently analyzing the opportunity of a potential listing of a retail portfolio, in which Sonae SGPS will retain its majority shareholding. At this stage no formal decision has been taken and further details will be provided in due course.

Sonae MC will continue to improve its value proposition, namely by expanding its proximity store network, ensuring price leadership and continuously improving the quality of its perishables. The team will continue to explore opportunities in selected growth avenues, such as Health & Wellness and International expansion.

Worten will continue pursuing its Iberian strategy and expects to further consolidate its market shares in the Iberian Peninsula, benefiting from macro context.

Sonae Sports & Fashion will look for opportunities to profitably expand its network while adjusting its value proposal. Regarding **ISRG**, 2018 will be a year to consolidate this Joint-Venture between Sport Zone and JD Sprinter as well as to look for further business growth.

Sonae IM will keep investing in cybersecurity as well as in tech based companies related with retail and telco.

Sonae FS expects to further strengthen the Universo card operation by growing both the number of customers and transactions.

Sonae RP will take the opportunities than may arise to make selected Sale & Leaseback transactions in order to maintain the target freehold, supporting the expansion of Continente's proximity network.

Sonae Sierra will keep the development of some targeted assets, namely Malaga, in Spain, Parma, in Italy and Cucuta in Colombia, and at the same time will continue releasing capital from the more mature shopping centres while acquiring other assets whenever interesting opportunities arise.

NOS will be an even more relevant player in the Portuguese telecoms market, by growing market share in all segments, investing in service quality and improving efficiency levels.

Distribution of dividends

In view of the Net Results for the financial year 2017 and according to our dividend policy, the Board of Directors will propose at the Shareholders' Annual General Meeting the payment of a gross dividend of 0.042 euros per share, 5% above the dividend distributed in the last year. This dividend corresponds to a dividend yield of 3.7%, based on the closing price as at December 31st 2017 (which stood at €1.126), and to a payout ratio of 64% of the consolidated direct income attributable to equity holders of Sonae.

10 ADDITIONAL INFORMATION

Methodological notes

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

Glossary

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

Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
Net invested capital	Total net debt + total shareholders' funds.
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by independent international entities.
Other loans	Bonds, leasing and derivatives.
RGU	Revenue generating unit.
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.

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

- (i) from 1Q17, Maxmat is reported under "Sonae Retail", together with Sonae MC, Worten, Sonae Sports & Fashion and Sonae RP; and,
- (ii) MDS started to be consolidated through the Equity Method and was included in Sonae FS, in June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding. From 1Q16 until June 2017, MDS was registered as a discontinued operation.

Sonae statement of financial position

Million euros	2016	2017	y.o.y.
TOTAL ASSETS	5,510	5,605	1.7%
Non current assets	4,102	4,183	2.0%
Tangible and intangible assets	1,982	2,019	1.9%
Goodwill	655	634	-3.2%
Investment properties	1	0	-100.0%
Other investments	1,383	1,434	3.7%
Deferred tax assets	61	72	17.1%
Others	19	24	22.8%
Current assets	1,409	1,422	1.0%
Stocks	696	713	2.4%
Trade debtors	116	130	12.1%
Liquidity	345	365	5.6%
Others	251	214	-14.7%
SHAREHOLDERS' FUNDS	2,063	2,135	3.5%
Equity holders	1,894	1,967	3.9%
Attributable to minority interests	169	168	-0.7%
LIABILITIES	3,447	3,470	0.6%
Non-current liabilities	1,371	1,385	1.0%
Bank loans	508	573	12.9%
Other loans	702	647	-7.9%
Deferred tax liabilities	113	132	16.5%
Provisions	26	19	-26.7%
Others	22	13	-37.6%
Current liabilities	2,077	2,085	0.4%
Bank loans	350	208	-40.7%
Other loans	11	61	-
Trade creditors	1,137	1,192	4.9%
Others	579	623	7.7%
SHAREHOLDERS' FUNDS + LIABILITIES	5,510	5,605	1.7%

SAFE HARBOUR

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

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

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

Report available at Sonae's institutional website
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SONAE is listed on the Euronext Stock Exchange.
Information may also be accessed on Reuters
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