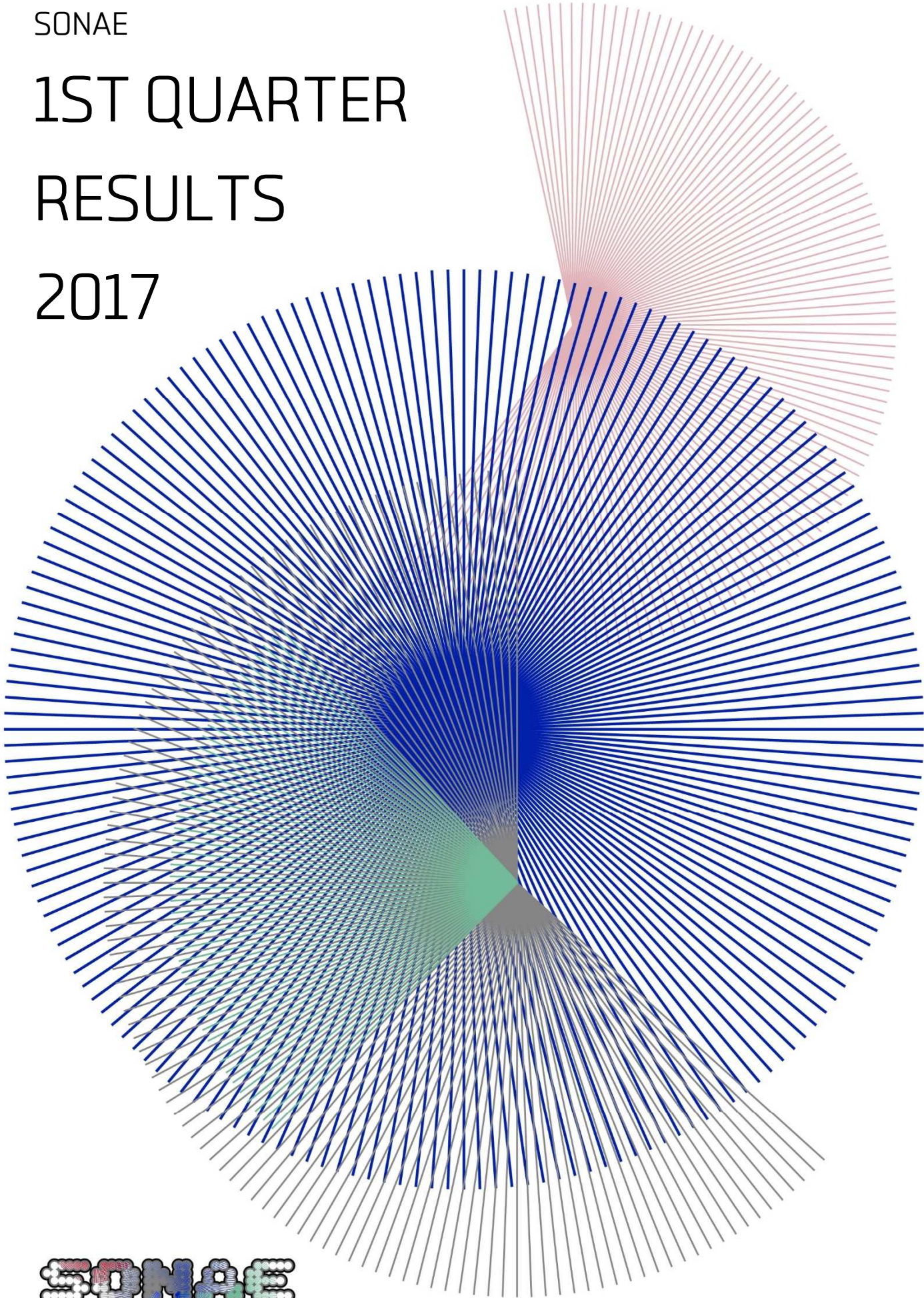


SONAE

1ST QUARTER

RESULTS

2017



1 HIGHLIGHTS AND CEO'S MESSAGE

- Sonae further increased turnover at pace, +6.0% y.o.y. to €1,278 M, despite the adverse calendar effects on retail
- Sonae underlying EBITDA increased to €49 M in 1Q17, +12.7% y.o.y.
- Sonae kept a robust capital structure, with financial leverage ratio decreasing from 41.9% to 40.9%

“The year of 2017 began well for Sonae. In a challenging quarter in year-on-year comparison, we grew in all businesses ensuring a profitability in line with our expectations. On a consolidated basis, turnover increased 6% and the underlying EBITDA grew 12.7%, highlighting the positive evolution in specialised retail.

Along with our positive operating performance, we moved ahead along our strategic growth avenues, concluding the acquisition of Brio, which will afford greater dimension and strengthen competencies in the dynamic area of healthy food. In the same way, in the Sports Fashion sector, we signed an agreement with JD Sprinter to create the 2nd Iberian sports player which, combining the assets and competencies that both Groups enjoy in the sector, will foment redoubled ambition in size and profitability.

We continue to benefit from a solid capital structure, with greater maturity on debt and lower financing costs, thus maintaining favorable conditions for the fulfilment of our growth ambitions and continuous improvement of the value propositions we present our customers.”

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae businesses overview

Million euros	1Q16	1Q17	y.o.y.
Turnover			
Sonae Retail	1,201	1,257	4.7%
Sonae Sierra ⁽¹⁾	51	54	4.4%
NOS ⁽¹⁾	370	381	2.9%
Sonae IM	27	33	24.0%
Sonae FS	4	5	28.8%
Underlying EBITDA			
Sonae Retail	51	55	6.4%
Sonae Sierra ⁽¹⁾	26	25	-1.5%
NOS ⁽¹⁾	138	144	4.2%
Sonae IM	0.5	0.7	29.2%
Sonae FS	-1.2	0.7	-

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

Sonae consolidated results

Million euros	1Q16	1Q17	y.o.y.
Turnover	1,206	1,278	6.0%
Underlying EBITDA	44	49	12.7%
Underlying EBITDA margin	3.6%	3.8%	0.2 p.p.
Equity method results ⁽¹⁾	13	14	12.2%
o.w. S. Sierra (direct results)	7	8	2.0%
o.w. NOS	5	7	46.7%
Non-recurrent items	62	-1	-
EBITDA	119	62	-47.7%
EBITDA margin	9.8%	4.9%	-5.0 p.p.
D&A ⁽²⁾	-50	-48	3.0%
EBIT	69	14	-79.9%
Net financial activity	-14	-8	44.7%
EBT	55	6	-88.8%
Taxes	-11	2	-
Direct results ⁽³⁾	43	9	-80.3%
Indirect results	-15	0	-
Net income	29	9	-70.1%
Non-controlling interests	1	0	-
Net income group share	30	8	-72.1%

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

(2) Depreciations & amortisations including provisions & impairments;

(3) Direct results before non-controlling interests.

Sonae net invested capital

Million euros	1Q16	1Q17	y.o.y.
Net invested capital	3,127	3,375	7.9%
Sonae shareholders funds	1,818	1,995	9.7%
Sonae net debt ⁽¹⁾	1,309	1,380	5.4%
Net debt / Invested capital	41.9%	40.9%	-1.0 p.p.

(1) Financial net debt + net shareholder loans.

Sonae businesses highlights

- All businesses posting a positive top line trend;
- Underlying EBITDA increasing in all businesses (except for Sonae Sierra, due to recent asset sales).

From a statutory standpoint, **Sonae consolidated turnover** amounted to €1,278 M in 1Q17, posting an increase of 6.0% when compared to 1Q16, with all businesses contributing positively to this evolution.

Sonae underlying EBITDA increased by 12.7%, to €49 M, driven by Retail and by Sonae FS. **Sonae underlying EBITDA margin** reached 3.8%, representing an increase of 20bps y.o.y..

Sonae EBITDA totalled €62 M, corresponding to an **EBITDA margin** of 4.9%, down from 9.8% in 1Q16 due to the positive impact, last year, of non-recurrent items (benefiting mostly from the capital gains related to the sale and leaseback transactions completed by Sonae RP in 1Q16), notwithstanding the higher underlying EBITDA and Equity method results in 1Q17.

Sonae net financial activity stood at negative €8 M, improving by €6 M when compared to 1Q16, driven by the y.o.y. decrease in the cost of outstanding debt. The average interest rate of outstanding debt stood at 1.3% on March 31st 2017, maintaining the level registered at the end of 2016, albeit decreasing significantly when compared to 2.0% registered one year ago. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

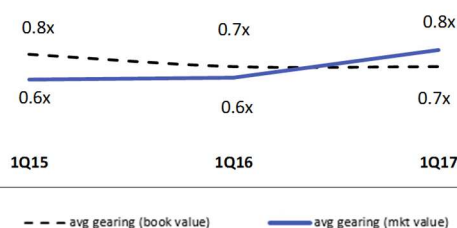
Sonae direct results amounted to €9 M, decreasing by €34 M when compared to the 1Q16, driven by non-recurrent items, as underlying EBITDA, Equity method results, D&A, net financial activity and taxes posted a favourable evolution. **Sonae indirect results** improved by €15 M. It should be noted that **indirect results** line included the negative effect of NOS mark-to-market in 1Q16.

Sonae continued to reinforce its capital structure. **Sonae shareholders' funds** stood at €1,995 M in 1Q17, €177 M above 1Q16 and, importantly, **net debt to invested capital** decreased by 100bps y.o.y., to 40.9%.

Sonae net debt totalled €1,380 M, increasing 5.4% comparing to 1Q16, mostly driven by investment acceleration.

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

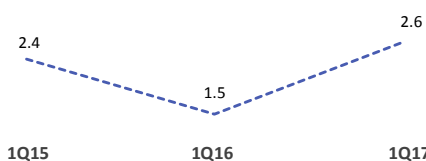
Gearing



Million euros	1Q16	1Q17	y.o.y.
Net financial debt	1,306	1,379	5.6%
Retail	640	857	33.9%
Sonae IM	2	1	-56.9%
Holding & other	664	521	-21.6%
Sonae net debt	1,309	1,380	5.4%

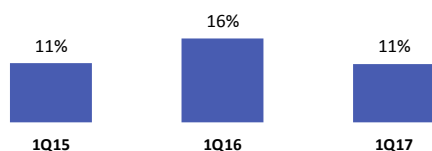
Capital Structure

Net debt to EBITDA - Retail



Capital Structure

Loan-to-value (%) - Holding



Sonae Capex

Million euros	1Q16	1Q17	% of Turnover
Capex	58	54	4.2%
Sonae Retail	57	51	4.0%
Sonae MC	35	28	3.3%
Worten	6	6	2.8%
Sports and Fashion	7	8	5.3%
Sonae RP	9	8	36.9%
Maxmat	0.1	0.3	2.1%
Sonae IM	2	3	7.4%
Sonae FS	0.03	0.03	0.6%

Average gearing at book value reached 0.7x, slightly decreasing in comparison with 1Q16. **Average gearing at market value** stood at 0.8x, increasing by 0.2x y.o.y. driven by Sonae's share price decrease (from €1.059, at the end of 1Q16, to €0.948, at the end of 1Q17, after recovering from a minimum of €0.630 in July 2016), notwithstanding the slightly lower average net debt.

Sonae continues to focus on presenting a **robust capital structure**, optimising funding costs whilst maintaining sufficient back up liquidity and an improved maturity profile. Sonae continued to fulfil its practice of being fully financed for the coming 18 months and at the same time improving its general funding conditions. As of 1Q17, the average maturity profile remained above 4 years.

Retail net financial debt reached €857 M in 1Q17, €217 M above 1Q16, mostly due to the absence, this year, of cash-in related to sale and leaseback transactions, as well as the acceleration of investment and the cash-out related to the acquisition of 50% of Salsa, coupled with the consolidation of Salsa's debt. **Retail net debt to EBITDA** stood at 2.6x, driven mostly by Retail net debt evolution.

Holding net debt totalled €521 M, decreasing 21.6% y.o.y. and benefiting from the sale of the direct participation at NOS, which took place in June 2016. **Loan-to-value** ratio of the Holding stood at 11%, benefiting from the lower Holding net debt.

Sonae Capex decreased by €4 M when compared to 1Q16, to €54 M. Sonae Retail, which decreased Capex y.o.y. by 10.5%, to €51 M, contributed significantly for this evolution, namely through Sonae MC, as the remaining divisions kept their investment levels broadly stable.

3 SONAE RETAIL RESULTS

Sonae Retail businesses performance

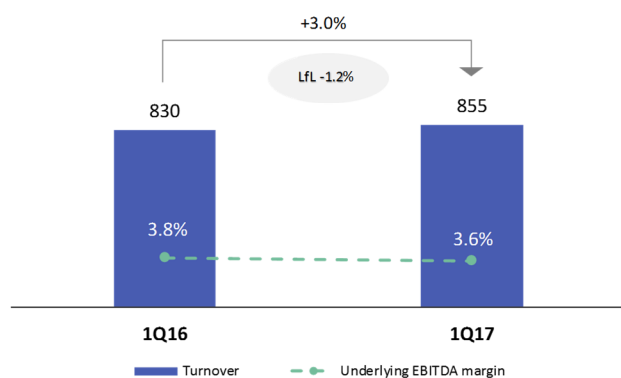
Million euros	1Q16	1Q17	y.o.y
Turnover	1,201	1,257	4.7%
Sonae MC	830	855	3.0%
Worten	216	218	0.6%
Sports & Fashion	115	144	25.9%
Sonae RP	24	23	-6.0%
Maxmat	15	17	10.6%
Underlying EBITDA	51	55	6.4%
Sonae MC	32	30	-3.4%
Worten	2	3	18.0%
Sports & Fashion	-4	1	-
Sonae RP	21	20	-7.0%
Maxmat	0	1	89.4%
Underlying EBITDA margin (%)	4.3%	4.3%	0.1 p.p.

Sonae retail turnover grew by 4.7% in 1Q17, reaching €1,257 M. This was driven by all businesses except for Sonae RP, which was impacted by a lower level of freehold. Most importantly, retail turnover was able to post a positive performance, despite the negative calendar effect in 1Q17 (no Easter, one weekend less and the leap year), which has a strong influence in the sector's performance.

Sonae retail underlying EBITDA increased from €51 M to €55 M, +6.4% y.o.y.. This evolution benefited from Worten, Sports & Fashion and Maxmat, which together more than off-set Sonae MC smaller contribution in the amount of €2 M, together with Sonae RP lower underlying EBITDA.

SONAE MC

Turnover and underlying EBITDA evolution



Sonae MC turnover increased by 3.0% in 1Q17, reaching €855 M and continuing to further increase its market share, which has been growing consistently over the last 6 quarters. The **LfL sales growth** stood at negative 1.2%, driven by the previously mentioned calendar effects. Most importantly, we can say with certainty that the **LfL sales growth** as of April 2017 year-to-date (annulling Easter calendar effect and partially annulling the weekend effect) was positive.

Sonae MC underlying EBITDA margin reached 3.6%, decreasing 20bps when compared to 1Q16. This reflected the still demanding competitive environment, marked by intense promotional activity, Sonae MC continuous investment in improving its value proposition – in which a considerable effort in price perception is included – as well as the store network expansion through convenience formats. It should be noted that the calendar effect has also had a negative effect in profitability evolution.

Already in 2Q17, Sonae reached an agreement to acquire 100% of BRIO's share capital. BRIO is the first organic supermarket chain launched in Portugal and includes 6 stores with convenience locations in Lisbon area. This acquisition represents a further step in **Sonae MC** strategic aim of growing its presence in the Health and Wellness segment and follows the agreement for the acquisition of a 51% stake in Go Natural restaurants and the opening of the first supermarket entirely dedicated to healthy food, both in December 2016. Following this transaction, **Sonae MC** will complete a network of 7 stores in this segment.

3 SONAE RETAIL RESULTS (continued)

WORTEN

Turnover and underlying EBITDA evolution



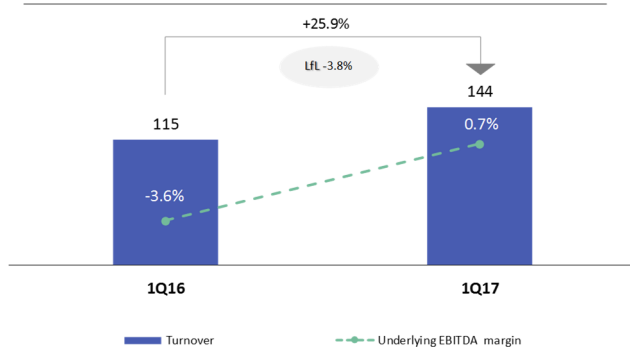
Worten turnover amounted to €218 M in 1Q17, increasing by 0.6% y.o.y., impacted by negative calendar effect, and corresponding to a neutral **Lfl sales growth** performance. Particularly in Portugal, Worten continued to reinforce its leadership with market share gains, both in offline and especially in the online channel. We would like to add that **Worten Lfl sales growth** as of April year-to-date (annulling Easter calendar effect and partially annulling the weekend effect) grew more than 3%.

Regarding its store network, **Worten** continues to work on square metres optimisation, which also encompasses the opening of new stores. It is worth highlighting the very positive performance of the **e-commerce operation**, both in Portugal and Spain, driven by the recently renewed e-commerce platforms. Importantly, the Portuguese e-commerce operation grew by 62% and the Spanish operation grew more than 30% y.o.y. in 1Q17.

Underlying EBITDA performance increased by 18.0% when compared with 1Q16, reaching €3 M in 1Q17, backed by a material improvement in Spain.

SPORTS & FASHION

Turnover and underlying EBITDA evolution



In the **Sports & Fashion** division, **turnover** increased by 25.9% in 1Q17, to €144 M, despite the negative calendar effects, particularly Easter, which affects all the brands, especially Zippy. The top line performance benefited both from the original portfolio, as well as from the contribution of recent acquisitions. Most importantly, the division continued to register a positive trend in sales per sqm.

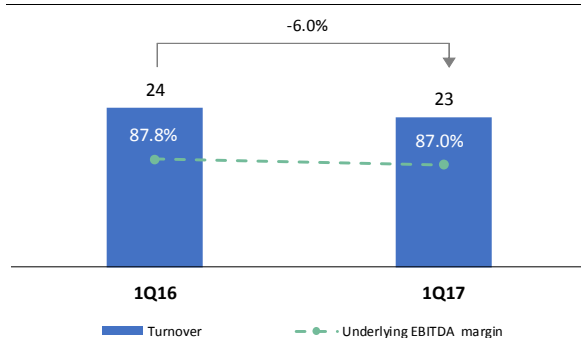
In the original portfolio, **Lfl sales growth** as of April year-to-date (annulling Easter calendar effect and partially annulling the weekend effect) was clearly positive. Also considering the performance as of April year-to-date, it is worth noting the performances of MO, which increased Lfl sales by 10%, and of Zippy, which increased Lfl sales by 8% in Iberia.

The **Sports & Fashion underlying EBITDA** increased €5 M when compared to the same period of 2016, reaching €1 M and benefiting from the positive evolution of all the businesses included in the portfolio, notwithstanding the greater contribution of recent acquisitions.

3 SONAE RETAIL RESULTS (continued)

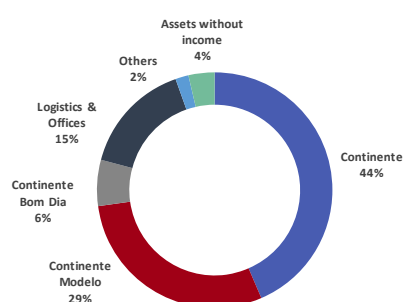
SONAE RP

Turnover and Underlying EBITDA evolution



RP Portfolio

as % of Gross Book Value



Sonae RP is responsible for the management of Sonae's retail real estate portfolio. As of March 31st 2017, its portfolio presented a gross book value amounting to €1,319 M, equivalent to a net book value of €914 M and included 21 Continente stores, 62 Continente Modelo stores and 26 Continente Bom Dia stores.

In the last few years, **Sonae RP** implemented an asset monetisation strategy to reduce freehold levels. Particularly in 1Q16, 3 sale and leaseback transactions in the amount of €230 M were accomplished, equivalent to a capital gain of €64 M (which had a positive impact in non-recurrent items line). In 1Q17, Sonae RP did not complete any sale and leaseback transaction. Accordingly, **Sonae MC's freehold** stood at 50%, keeping the target reached at the end of 2016. In the specialised retail (Worten and Sports & Fashion), the freehold stood at 21%.

Sonae RP turnover totalled €23 M, less €1 M when compared to the 1Q16, posting a small reduction driven mostly from the freehold reduction between the two periods.

The **underlying EBITDA** stood at €20 M, corresponding to an **underlying EBITDA margin** of 87.0%.

4 SONAE SIERRA RESULTS

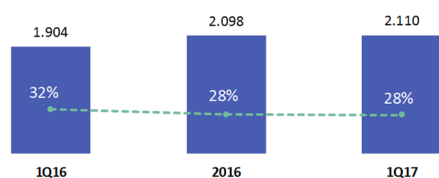
Operational Indicators

	1Q16	1Q17	y.o.y.
Footfall (million visitors)	103	101	-2.0%
Europe & New Markets	78	78	-0.4%
Brazil	25	23	-7.2%
Occupancy rate (%)	95.0%	96.3%	1.3 p.p.
Europe	96.0%	97.0%	1.0 p.p.
Brazil	92.2%	94.3%	2.1 p.p.
Like-for-Like (Lfl) tenant sales			
Europe	5.3%	0.1%	-
Brazil (local currency)	-0.1%	4.6%	-
Tenant sales (million euros)	963	1,058	9.8%
Europe (million euros)	710	736	3.6%
Brazil (million euros)	253	322	27.3%
Brazil (million reais)	1,087	1,077	-0.9%
Nº of shopping centres owned and/or managed (EOP)	68	64	-4
Europe	57	54	-3
Brazil	11	10	-1
Nº of shopping centres owned/co-owned (EOP)	44	46	2
Europe	35	37	2
Brazil	9	9	0
GLA under Management ('000 sqm)	2,333	2,293	-1.7%
Europe & New Markets	1,828	1,811	-0.9%
Brazil	505	481	-4.7%

Financial Indicators

Million euros	1Q16	1Q17	y.o.y.
Turnover	51	54	4.4%
EBIT	25	25	-1.3%
EBIT margin	49.4%	46.7%	-2.7 p.p.
Direct results	15	15	1.7%
Indirect results	2	1	-53.1%
Net results	17	16	-4.2%
... attributable to Sonae	8	8	-4.2%

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 continued its **development activity**, having in pipeline the following projects: Nuremberg (Germany), Málaga McArthurGlen Designer Outlet (Spain), NorteShopping Expansion (Portugal), Colombo Expansion (Portugal), Jardín Plaza Cucuta (Colombia) and Zenata (Morocco). **ORES Socimi**, the property investment vehicle recently launched with Bankinter, began trading and made its first acquisitions in Iberia. Accordingly, in March 31st 2017, the **Investment and Development Properties** attributable to Sonae Sierra reached €2,110 M, €12 M above 2016 year-end, driven by the on-going investments, the latest acquisitions and the positive exchange rate effect in the Brazilian real.

In operational terms, Europe and Brazil continued to deliver a positive performance. In Europe, despite the adverse seasonal effect of Easter, **tenant sales** grew by 3.6%, corresponding to a **Lfl tenant sales** of 0.1%, and in Brazil, -0.9% and 4.6% respectively. The **occupancy rate** improved in both regions, leading to a growth in global **occupancy rate** to 96.3% by the end of March 2017, a value that compares with 95.0% on March 31st 2016.

We would like to highlight that 1Q17 was an important period for **Sonae Sierra's refinancing activity**. The company refinanced more than €230 M in credit lines (corresponding to 2 shopping centres in Portugal) and improved overall credit conditions.

Sonae Sierra turnover totalled €54 M, an increase of 4.4% when compared to the same period of 2016. The **EBIT** performance was nearly flat, reaching €25 M in 1Q17, mostly due to the positive impact of ParkLake, which partially compensates the 2016 assets disposals, corresponding to an **EBIT margin** of 46.7%. **Direct results** reached €15 M, posting a neutral performance when compared with 1Q16. **Indirect results** stood at €1 M in 1Q17. Since Sonae Sierra only values its assets on a semi-annual basis, the **indirect results** were not impacted by real estate valuations.

NAV reached €1,441 M at the end of 1Q17, almost €23 M above December 2016, reflecting the net result of the period and the positive impact of the Brazilian Real appreciation. **Loan-to-value** stood at 28%, in line with 2016 year-end.

5 NOS RESULTS

Financial Indicators

Million euros	1Q16	1Q17	y.o.y.
Operating revenues	370	381	2.9%
EBITDA	138	144	4.2%
EBITDA margin	37.2%	37.7%	0.5 p.p
Net results	24	31	28.7%
Capex	95	87	-8.4%

Operational Indicators

('000)	1Q16	1Q17	y.o.y.
Total RGUs (Net adds)	130	78	-
Convergent RGUs (Net adds)	134	111	-
Mobile (Net adds)	50	31	-
Pay TV (Net adds)	18	8	-
Total RGUs	8,595	9,155	6.5%
Convergent RGUs	2,988	3,498	17.1%
Convergent customers	615	697	13.5%
ARPU/Unique subscriber with fixed access (euros)	44	45	2.2%

NOS published its results on April 27th 2017, which are available at www.nos.pt.

NOS continued to present a solid growth in the main areas of the business.

Operating revenues increased by €11 M in 1Q17, to €381 M, sustaining the positive top line performance across all segments.

EBITDA amounted to €144 M in 1Q17, improving by 4.2% versus 1Q16 and corresponding to an EBITDA margin of 37.7%.

Net results registered a significant increase, improving by 28.7% when compared to the same period of 2016, to €31 M.

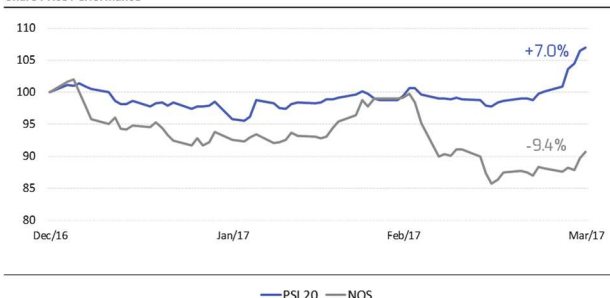
NOS continued to grow its customer base and the number of **RGUs**, which increased by 6.5%, to 9,155 thousand, as a result of growth in all segments. **Convergent RGUs** increased to 3,498 thousand, + 17.1% y.o.y..

NOS Free Cash Flow reached €58 M in 1Q17, performing a considerable increase when compared to €10 M generated in 1Q16 (and €6 M in 4Q16). This was the result of a stronger Operating Cash Flow, coupled with the positive effect of the sale of Optimus FttH network to Vodafone in the amount of €24 M.

During the 1Q17, **NOS** market capitalisation decreased by 9.4%, corresponding to a share price decrease from €5.64 to €5.11.

The PSI-20, the main Portuguese index, increased its market capitalisation by 7.0% in the same period.

Share Price Performance

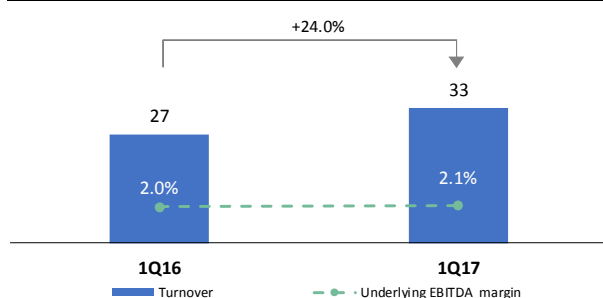


6 SONAE IM RESULTS

Portfolio

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

Turnover and Underlying EBITDA evolution



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

Sonae IM's core areas of interest include business analytics solutions, mobility solutions for retail, in-store technologies, fraud assurance and cybersecurity solutions.

Turnover increased by 24.0%, to €33 M, in 1Q17. **Underlying EBITDA** increased by €0.2 M, to €0.7 M, reaching an **underlying EBITDA margin** of 2.1%.

7 SONAE FS RESULTS

Financial Indicators

Million euros	1Q16	1Q17	y.o.y.
Production	151	180	19.2%
Turnover	4	5	28.8%
Underlying EBITDA	-1.2	0.7	-
Underlying EBITDA margin	-27.9%	12.2%	40.1 p.p.

Sonae FS was created at the end of 2015 with the objective of fostering financial services in Sonae retail. Sonae FS offer includes: Credit, mostly through the Universo credit card, with special payment options at Sonae stores while having global acceptance across the Mastercard network. Additionally, Universo grants access to the several loyalty cards of Sonae retail banners. Credit offer also includes personal loans, store credit to customers and products sale at Universo online store; pre-paid cards (Cartões Dá), with B2B and B2C offers; Continente Money Transfer, a reliable service for money transfers across the globe; and insurance, presently focused on credit insurance. **Sonae FS** also includes MDS (which will be accounted for using the equity method), a global insurance & reinsurance brokerage and associated risk consulting services with direct operations in Iberia, Brazil and Portuguese speaking countries in Africa. MDS is the largest broker in Portugal and the largest independent broker in Brasil.

Sonae FS turnover increased by 28.8%, to €5 M, in 1Q17. **Underlying EBITDA** reached €0.7 M, representing an EBITDA margin of 12.2%.

In a period of slightly more than one year after its launching, **Universo card** operation has been growing considerably major key performance indicators such as the **number of subscribers**, which increased by 83.0%, surpassing 455 thousand subscribers, and the **total production**, which stood at €124 M, increasing by 45.3% y.o.y..

8 CORPORATE INFORMATION

Main corporate events in the 1Q17

March 9th 2017

Sonae agreed with JD Sports Fashion Plc (JD Group), and JD Sprinter Holdings (JD Sprinter), a Memorandum of Understanding (MoU) which would see the combination of the JD Group's existing businesses in Iberia and JD Sprinter, with Sport Zone's business.

This MoU establishes the key parameters for the creation of an Iberian Sports Retail Group that will have as shareholders the JD Group, Sonae and the family shareholder of JD Sprinter, with shareholdings of approximately 50%, 30% and 20%, respectively.

March 17th 2017

Sonae Sierra and Bankinter launched their recently created Socimi on the Alternative Stock market. This listed real estate investment company was created in December 2016 on a 50:50 basis, and its major investment focus is on hypermarkets and supermarkets, retail parks and high street retail. Shopping centres will not be included in the asset portfolio.

Subsequent events

April 26th 2017

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

April 28th 2017

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

May 3rd 2017

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

9 ADDITIONAL INFORMATION

Methodological notes

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

Glossary

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

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

Note: Sonae implemented, this quarter, the following changes in its reporting structure: (i) MDS will start to be consolidated through the Equity Method and included in Sonae FS after the formalisation of a single share transaction; (ii) Maxmat is reported under "Sonae Retail", together with Sonae MC, Worten, Sports & Fashion and Sonae RP; and (iii) Media and Tlantic are reported under "Others + E&A". In order to assure comparability, the 'Profit and Loss Statement' historical figures were restated accordingly.

Sonae statement of financial position

Million euros	1Q16	1Q17	y.o.y.
TOTAL ASSETS	5,072	5,489	8.2%
Non current assets	3,742	4,037	7.9%
Tangible and intangible assets	1,791	1,969	10.0%
Goodwill	601	624	3.8%
Investment properties	1	0	-
Other investments	1,252	1,357	8.4%
Deferred tax assets	66	68	3.8%
Others	33	19	-41.6%
Current assets	1,330	1,453	9.2%
Stocks	617	693	12.3%
Trade debtors	102	118	15.6%
Liquidity	269	286	6.2%
Others	343	357	4.2%
SHAREHOLDERS' FUNDS	1,818	1,995	9.7%
Equity holders	1,686	1,825	8.2%
Attributable to minority interests	132	170	29.0%
LIABILITIES	3,254	3,494	7.4%
Non-current liabilities	1,430	1,580	10.5%
Bank loans	576	723	25.6%
Other loans	706	703	-0.5%
Deferred tax liabilities	72	111	55.0%
Provisions	39	21	-45.4%
Others	37	22	-42.1%
Current liabilities	1,824	1,914	5.0%
Bank loans	249	239	-4.1%
Other loans	56	11	-80.6%
Trade creditors	985	1,027	4.3%
Others	534	638	19.5%
SHAREHOLDERS' FUNDS + LIABILITIES	5,072	5,489	8.2%

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Condensed consolidated financial statements

SONAE - 1Q17 RESULTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017 AND 2016 AND 31 DECEMBER 2016

(Amounts expressed in euro)

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

ASSETS	Notes	31 Mar 2017	31 Mar 2016 Restated Note 3	31 Dec 2016
NON-CURRENT ASSETS:				
Tangible assets	5	1,610,093,787	1,521,501,596	1,612,469,478
Intangible assets	6	358,811,411	244,353,129	373,509,488
Investment properties		-	896,874	879,263
Goodwill	7	623,592,149	619,577,718	653,752,668
Investments in joint ventures and associates	8	1,344,167,461	1,221,647,622	1,362,270,890
Other investments	9	12,734,203	29,881,803	20,784,450
Deferred tax assets	12	68,234,654	65,539,005	61,360,744
Other non-current assets	10	19,001,445	32,537,991	19,226,166
Total Non-Current Assets		4,036,635,110	3,735,935,738	4,104,253,147
CURRENT ASSETS:				
Inventories		692,668,545	616,934,131	696,297,968
Trade account receivables and other debtors	11	402,196,721	378,682,893	347,402,443
Investments	9	732,331	65,323,999	4,369,022
Cash and cash equivalents	13	284,832,538	268,286,125	340,920,458
Total Current Assets		1,380,430,135	1,329,227,148	1,388,989,891
Assets available for sale	14	72,431,356	-	19,522,549
TOTAL ASSETS		5,489,496,601	5,065,162,886	5,512,765,587
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	15	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	15	(111,459,703)	(116,574,389)	(114,738,086)
Reserves and retained earnings		(71,900,015)	(227,086,880)	(206,669,555)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		8,379,992	30,081,899	215,073,949
Equity attributable to the equity holders of the Parent Company		1,825,020,274	1,686,420,630	1,893,666,308
Equity attributable to non-controlling interests	16	170,119,240	131,863,164	170,771,866
TOTAL EQUITY		1,995,139,514	1,818,283,794	2,064,438,174
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	17	1,425,965,357	1,281,960,851	1,209,827,633
Other non-current liabilities	19	21,502,777	37,163,729	21,557,388
Deferred tax liabilities	12	111,197,947	65,687,710	114,370,917
Provisions	22	21,358,071	38,193,127	25,848,118
Total Non-Current Liabilities		1,580,024,152	1,423,005,417	1,371,604,056
CURRENT LIABILITIES:				
Loans	17	249,880,728	305,609,310	361,212,410
Trade creditors and other liabilities	21	1,619,095,353	1,515,214,583	1,700,225,496
Provisions	22	3,208,566	3,049,782	3,558,708
Total Current Liabilities		1,872,184,647	1,823,873,675	2,064,996,614
Liabilities available for sale	14	42,148,288	-	11,726,743
TOTAL LIABILITIES		3,494,357,087	3,246,879,092	3,448,327,413
TOTAL EQUITY AND LIABILITIES		5,489,496,601	5,065,162,886	5,512,765,587

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

The Board of Directors

SONAE - 1Q17 RESULTS

CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017 AND 2016

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

(Amounts expressed in euro)	Notes	31 Mar 2017	31 Mar 2016 Restated Note 14
Sales	4	1,235,665,235	1,168,928,849
Services rendered	4	42,413,425	37,018,426
Gains and losses on investments		-	(30,923)
Investment income investments recorded at fair value through profit	9	-	(15,263,369)
Financial income		1,835,442	1,363,390
Other income	25	170,352,048	228,554,345
Cost of goods sold and materials consumed		(1,025,076,431)	(979,128,774)
Changes in stocks of finished goods and work in progress		(31,362)	64,391
External supplies and services		(172,353,169)	(158,222,170)
Staff costs		(187,211,728)	(174,752,489)
Depreciation and amortisation	5 and 6	(48,114,492)	(42,059,926)
Provisions and impairment losses		(501,383)	(7,776,368)
Financial expense		(9,554,859)	(15,332,816)
Other expenses		(15,824,607)	(16,660,851)
Share of results of joint ventures and associated companies	8.3	14,093,368	12,934,541
Profit/(Loss) before taxation from continuing operations		5,691,487	39,636,256
Taxation	26	2,428,976	(11,491,118)
Profit/(Loss) after taxation from continuing operations		8,120,463	28,145,138
Profit/(Loss) from discontinued operations after taxation	14	510,095	744,659
Consolidated profit/(Loss) for the period		8,630,558	28,889,797
Attributable to equity holders of the Parent Company:			
Continuing operations		8,124,434	29,709,494
Discontinued operations		255,558	372,404
		8,379,992	30,081,898
Attributable to non-controlling interests			
Continuing operations		(3,971)	(1,564,356)
Discontinued operations		254,537	372,255
	16	250,566	(1,192,101)
Profit/(Loss) per share			
From continuing operations			
Basic	27	0.005485	0.016851
Diluted	27	0.005118	0.015684
From discontinued operations			
Basic	27	0.000135	0.000197
Diluted	27	0.000126	0.000184

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

The Board of Directors

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2017 AND 2016

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

(Amounts expressed in euro)	31 Mar 2017	31 Mar 2016
Net Profit / (Loss) for the period	8,630,558	28,889,797
Items that maybe reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	100,107	(4,485,741)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 8.3)	2,731,134	(6,176,019)
Changes in hedge and fair value reserves	(2,922,343)	(2,112,050)
Deferred taxes related with other components of comprehensive income	619,787	515,237
Others	(30,808)	(8,328)
Other comprehensive income for the period	497,877	(12,266,901)
Total comprehensive income for the period	9,128,435	16,622,896
Attributable to:		
Equity holders of parent company	8,797,231	21,134,901
Non controlling interests	331,204	(4,512,005)

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

The Board of Directors

SONAE - 1Q17 RESULTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2017 AND 2016

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

	Reserves and Retained Earnings								Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 16)	Total Equity	
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings						
<i>(Amounts expressed in euro)</i>														
	Attributable to Equity Holders of Parent Company													
Balance as at 1 January 2016	2,000,000,000	(123,493,932)	244,211,592	1,135,801	-	272,950	22,313,000	(661,255,246)	(393,321,903)	175,306,228	1,658,490,393	136,303,721	1,794,794,114	
Total comprehensive income for the period	-	-	-	(2,464,733)	-	(1,555,216)	-	(4,927,048)	(8,946,997)	30,081,898	21,134,901	(4,512,005)	16,622,896	
Appropriation of consolidated net profit of 2015														
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	-	175,306,228	175,306,228	(175,306,228)	-	-	-	
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	(87,285)	(87,285)	
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	-	(117,386)	(117,386)	-	(117,386)	24,536	(92,850)	
Cash Settled Equity Swap early partial termination (Note 15)	-	6,919,543	-	-	-	-	-	(45,886)	(45,886)	-	6,873,657	-	6,873,657	
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	-	39,065	39,065	-	39,065	134,197	173,262	
Balance as at 31 March 2016	2,000,000,000	(116,574,389)	244,211,592	(1,328,932)	-	(1,282,266)	22,313,000	(491,000,273)	(227,086,879)	30,081,898	1,686,420,630	131,863,164	1,818,283,794	
Balance as at 1 January 2017	2,000,000,000	(114,738,086)	244,211,592	3,845,889	-	1,948,405	22,313,000	(478,988,441)	(206,669,555)	215,073,949	1,893,666,308	170,771,866	2,064,438,174	
Total comprehensive income for the period	-	-	-	(30,690)	-	(2,249,523)	-	2,697,452	417,239	8,379,992	8,797,231	331,204	9,128,435	
Appropriation of consolidated net profit of 2016														
Transfer to legal reserves and retained earnings	-	-	3,065,011	-	-	-	-	212,008,938	215,073,949	(215,073,949)	-	-	-	
Dividends distributed	-	-	-	-	-	-	-	(80,000,000)	(80,000,000)	-	(80,000,000)	(27,938)	(80,027,938)	
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	-	230,970	230,970	-	230,970	24,123	255,093	
Partial cancellation of Cash Settled Equity Swap (Note 15)	-	3,278,383	-	-	-	-	-	(664,756)	(664,756)	-	2,613,627	-	2,613,627	
Percentage change in subsidiaries	-	-	-	-	-	-	-	(287,862)	(287,862)	-	(287,862)	(980,015)	(1,267,877)	
Balance as at 31 March 2017	2,000,000,000	(111,459,703)	247,276,603	3,815,199	-	(301,118)	22,313,000	(345,003,699)	(71,900,015)	8,379,992	1,825,020,274	170,119,240	1,995,139,514	

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

The Board of Directors



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017 AND 2016

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

(Amounts expressed in euro)	Notes	31 Mar 2017	31 Mar 2016
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		(110,353,863)	(167,779,636)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	11	21,009,032	-
Tangible and Intangible assets	5	1,373,343	229,741,711
Interests and similar income		481,672	514,372
Loans granted		600	-
Dividends		-	1,614
Others		12,468,535	1,100,433
		35,333,182	231,358,130
Cash Payments arising from:			
Investments		(2,250)	(374,015)
Tangible and Intangible assets		(84,215,434)	(69,472,338)
Loans granted		(487,043)	-
Others		(8,893,714)	(188,880)
		(93,598,441)	(70,035,233)
Net cash used in investment activities (2)		(58,265,259)	161,322,897
FINANCING ACTIVITIES			
Cash receipts arising from:			
Investments		537,500	173,261
Loans obtained		1,693,542,870	1,951,392,532
Others		-	5,616
		1,694,080,370	1,951,571,409
Cash Payments arising from:			
Investments		(1,370,397)	-
Loans obtained		(1,571,252,631)	(1,946,899,538)
Interests and similar charges		(4,575,323)	(7,579,769)
Others		(303,134)	(502,486)
		(1,577,501,485)	(1,954,981,793)
Net cash used in financing activities (3)		116,578,885	(3,410,384)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(52,040,237)	(9,867,123)
Effect of foreign exchange rate		(107,832)	140,243
Effect of discontinued operations	14	7,417,521	-
Cash and cash equivalents at the beginning of the period	13	323,190,227	270,140,463
Cash and cash equivalents at the end of the period	13	263,840,301	260,133,097

The accompanying notes are part of these condensed financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 31 and 32 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 4.

2 PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparations

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

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

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

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

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

Effective date (for
financial years
beginning on or
after)

With mandatory application after 2017:

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

IFRS 15 – Revenue from customer contracts (introduces a principles-based revenue recognition framework based on a template to apply to all contracts with customers) 01 jan 2018

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 31 March 2017, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group.

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

Effective date (for
financial years
beginning on or
after)

With mandatory application after 2017:

IFRS 14 – (Regulatory deferral accounts) 01 jan 2016

IFRS 16 – Leases (Principles of recognition and measurement) 01 jan 2019

IFRS 10 e IAS 28 (amendments) – (Elimination of the inconsistency between the requirements of these standards when dealing with the sale or contribution of assets between an investor and its associate or joint venture) To be defined

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

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

IFRS 15 (amendment) - Revenue from contracts with customers (various clarifications are introduced in the standard to eliminate the possibility of divergent interpretations of various topics) 01 jan 2018

IFRS 2 (amendment) - Share-based payments (various clarifications are included in the standard relating to the recording of cash-settled share-based payment transactions, (ii) recording changes to share-based payment transactions (of net settled to equity settlement), (iii) the classification of transactions with net settlement characteristics).	01 jan 2018
IFRS 4 (amendment) - Insurance contracts (provides guidance on the application of IFRS 4 in together with IFRS 9)	01 jan 2018
IAS 40 (amendment) - Investment properties (clarifies that the change in classification from or to investment property should only be made when there is evidence of a change in the use of the asset)	01 jan 2018
Annual Improvements to IFRS (cycle 2014-2016)	01 jan 2017 e 01 jan 2018
IFRIC 22 - Transactions in foreign currency and advances (establishes the date of the initial recognition of the advance or deferred income as the date of the transaction for determining the exchange rate of the recognition of the revenue)	01 jan 2018

The Group did not proceed with the early implementation of any of these standards in the financial statements for the period ended on 31 March 2017 since their application is not mandatory, lying in the process of analyzing expected effects of those standards that, with exception of IFRS 16 are not expected to reflect significant impacts.

3 RESTATMENT OF FINANCIAL STATEMENT

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

Given the proximity of the acquisition to the end of the year 2015, only in 2016 was it possible to complete the fair value allocation exercise and Goodwill calculation. The impact of the restatement in the statement of financial position of the Group as at 31 March 2016 can be analysed as follows:

Amounts in thousands of euros	31 Mar 2016		
	Before the restatement	Adjustments to fair value	After the restatement
Assets			
Tangible and intangible assets	1,766,752	24,691	1,791,443
Goodwill	619,578	(18,960)	600,618
Investments	1,251,529	-	1,251,529
Deferred tax assets	65,539	225	65,764
Other non-current assets	32,538	-	32,538
Non-current assets	3,735,936	5,956	3,741,892
Current assets			
Inventories	616,934	-	616,934
Trade account receivables	102,209	(400)	101,809
Other debtors	276,474	1,417	277,891
Investments	65,324	-	65,324
Cash and cash equivalents	268,286	-	268,286
Current assets	1,329,227	1,017	1,330,244
Total assets	5,065,163	6,973	5,072,136
Liabilities			
Borrowings	1,281,961	-	1,281,961
Other non-current liabilities	37,164	-	37,164
Deferred tax liabilities	65,688	6,073	71,761
Provisions	38,193	900	39,093
Non-current liabilities	1,423,005	6,973	1,429,978
Borrowings	305,609	-	305,609
Trade creditors and other current liabilities	1,518,264	-	1,518,264
Total current liabilities	1,823,874	-	1,823,874
Total liabilities	3,246,879	6,973	3,253,852
Shareholders' funds excluding non-controlling interests	1,686,421	-	1,686,421
Non-controlling interests	131,863	-	131,863
Total shareholders' funds	1,818,284	-	1,818,284
Total shareholders' funds and liabilities	5,065,163	6,973	5,072,136

The fair value was determined through various valuation methodologies for each type of asset or liability, based on the best information available. The main adjustments to fair value made under this process were:

- (i) wholesale and franchise portfolio (+13.1 million euro) valued based on the discounted cash-flow methodology, using for this purpose the discount rates based on the weighted average cost of capital of the segment of the companies (11%) and considering an average customer retention (84% based in historic date). These portfolios will be amortized on a straight-line basis based on the estimated average retention period of the clients (10 years);
- (ii) Losan brand (+11.6 million euro) was valued based on the methodology of the released royalties, and for which was not estimated a defined useful life; and
- (iii) contingent liabilities relating to present obligations in the amount of 0.9 million euro;

Additionally, as at 31 March 2017, Sonae signed an agreement for the sale of shares of MDS, SGPS, SA and amended the shareholder agreement foreseeing the loss of control of that subsidiary and becoming a joint venture. In view of this fact, the income statement for the period ended 31 March 2016 was restated, with the entire activity of this subsidiary and its subsidiaries being transferred to the heading "Discontinued operations", see impact in Note 14.

4 INFORMATION BY SEGMENTS

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

- In Sonae Retail, the group has five segments:
 - Sonae MC is our food retail unit, operating 41 Continente hypermarkets, 129 Continente Modelo supermarkets, 77 convenience stores Bom Dia, 256 stores operated under franchise Meu Super and 200 parapharmacy Well's;
 - Worten that is included in the top 3 of Iberian electronic players, counting on a portfolio of 233 physical stores in Iberia;
 - Sports and Fashion directly operating 377 own stores of sports and clothing products, combined with a franchise network;
 - Sonae RP is dedicated to optimizing the management of Sonae's retail real estate portfolio;
 - Maxmat operates in the DIY, construction, bathroom and garden market with a network of 30 stores;
- Sonae Sierra is the partnership dedicated to the activity of development and management of shopping centres.
- NOS is the partnership that the Group holds through Zopt dedicated to telecommunications.
- Sonae IM has an active portfolio management strategy, with the clear objective of building and managing a portfolio of technology-based companies related to retail and telecommunications.
- Sonae FS aims to boost retail financial services.

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

The list of Group companies and their businesses are detailed in Notes 31 and 32.

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

31 Mar 2017	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	854,715,239	23,720,639	92,641	5,773,815	-	-
Worten	217,706,859	6,529,882	185,913	(5,258,512)	-	-
Sports & Fashion	144,396,413	8,368,229	350,248	(8,907,818)	-	-
Sonae RP	22,921,431	6,097,838	-	13,957,097	-	-
Maxmat	16,994,235	458,239	-	188,072	-	-
Retail	1,256,734,177	45,174,827	628,802	5,752,654	(11,861,772)	(1,930,505)
Sonae Sierra	-	-	-	7,537,282	-	-
NOS	-	-	-	7,133,578	-	-
Sonae IM	32,922,350	2,440,507	3,586	(1,923,227)	164,190	(246,379)
Sonae FS	5,327,861	123,566	-	404,792	(15)	(180,598)
Outros, eliminações e ajustamentos	(16,905,728)	375,592	(131,005)	(5,031,537)	3,978,180	(71,494)
Total consolidated	1,278,078,660	48,114,492	501,383	13,873,542	(7,719,417)	(2,428,976)

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31 Mar 2016	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	829,682,081	21,867,449	6,817,234	8,258,392	-	-
Worten	216,493,836	6,064,784	95,372	(6,191,099)	-	-
Sports & Fashion	114,727,340	5,565,991	449,133	(10,805,131)	-	-
Sonae RP	24,395,643	5,889,902	-	72,592,989	-	-
Maxmat	15,367,778	503,278	-	(161,089)	-	-
Retail	1,200,666,678	39,891,404	7,361,739	63,694,062	(7,233,004)	11,364,912
Sonae Sierra	-	-	-	7,387,681	-	-
NOS	-	-	-	4,863,490	-	-
Sonae IM	26,558,608	1,931,001	405,519	(1,683,227)	(584,301)	(1,022,678)
Sonae FS	4,136,648	155,417	-	(1,385,214)	(633)	(479,604)
Outros, eliminações e ajustamentos	(25,414,659)	82,104	9,110	(3,957,355)	(6,151,488)	1,628,488
Total consolidated	1,205,947,275	42,059,926	7,776,368	68,919,437	(13,969,426)	11,491,118

	Net debt ⁽²⁾	
	31 Mar 2017	31 Dec 2016
Sonae Retalho	857,148,942	675,852,425
Sonae IM	35,954,617	38,424,321
Sonae FS	-	-
Holding ⁽¹⁾	486,426,160	500,726,313
Total consolidated	1,379,529,719	1,215,003,059

¹⁾ Includes Sonae separate financial statements;

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

	Investment (CAPEX)		Net invested capital	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Dec 2016
Sonae Retalho				
Sonae MC	28,292,422	34,917,109	754,942,027	629,840,098
Worten	6,031,500	5,672,532	(25,907,272)	(53,491,326)
Sports & Fashion	7,699,229	7,144,755	380,027,369	372,504,176
Sonae RP	8,450,769	8,938,718	913,901,992	930,735,887
Maxmat	349,741	105,823	34,790,278	33,050,597
Sonae IM	2,436,356	1,766,677	106,845,851	108,088,618
Sonae FS	32,904	33,101	1,989,311	3,503,912
Other, eliminations and adjustments	282,686	(162,262)	1,208,079,695	1,255,209,288
Total consolidated	53,575,607	58,416,453	3,374,669,251	3,279,441,250

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

Turnover	31 Mar 2017	31 Mar 2016
	Inter-segment	Inter-segment
Sonae Retail		
Sonae MC	(567,175)	(440,435)
Worten	(1,703,558)	(1,066,811)
Sports and Fashion	(10,124,503)	(8,218,044)
Sonae RP	(21,108,226)	(21,791,956)
Maxmat	-	-
Sonae IM	(2,961,077)	(1,825,682)
Sonae FS	-	-
Other, eliminations and adjustments	(102,952)	(379,179)
Total consolidated	(36,567,491)	(33,722,107)

The caption "Eliminations Adjustments and Others" can be analyzed as follows:

	Turnover		EBIT	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Inter-segment intra-groups	(36,567,491)	(33,722,107)	-	-
Contributions of entities not included in the segments	19,661,763	8,307,448	(3,585,488)	(1,595,933)
Others	-	-	(1,446,048)	(2,361,421)
Other, eliminations and adjustments	(16,905,728)	(25,414,659)	(5,031,536)	(3,957,355)

	Investment		Invested capital	
	31 Mar 2017	31 Dec 2016	31 mar 2017	31 dez 2016
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	282,686	(162,262)	54,514,473	31,168,918
Investments in joint ventures and associated companies	-	-	1,275,240,669	1,293,795,248
Other investments	-	-	9,956,041	17,966,231
Cash settled equity swap ⁽³⁾	-	-	(88,859,076)	(87,721,109)
Distributed dividends	-	-	(80,163,511)	-
Dividends available	-	-	37,391,100	-
	282,686	(162,262)	1,208,079,696	1,255,209,288

³⁾ Financial Instrument reported in Note 15.

All performance measures are reconciled to the financial statements in note 28.

Glossary:

Net Invested capital = Total net debt + total shareholder funds

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

Other eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments as they do not fit in any reportable segment, ie in addition to Sonae SGPS, the companies identified as "Other" in Note 31 are included;

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

Regarding the financial information of Sonae Sierra and See details in Note 8.

5 TANGIBLE ASSETS

During the periods ended as at 31 March 2017 and 2016, the movements in tangible assets as well as accumulated depreciation and impairment losses are made up as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2017	1,371,092,975	1,438,240,754	217,886,293	30,984,493	3,058,204,515
Transfers to "Discontinued operations" (Note 14)	(489,027)	(2,845,887)	(4,087,435)	(618,694)	(8,041,043)
Investment	673,905	765,188	583,687	39,270,410	41,293,190
Disposals	-	(14,324,342)	(1,417,666)	(999,052)	(16,741,060)
Exchange rate effect	14,554	11,352	15,427	2,667	44,000
Transfers	1,955,718	32,865,402	4,175,654	(39,977,047)	(980,273)
Closing balance as at 31 March 2017	1,373,248,125	1,454,712,467	217,155,960	28,662,777	3,073,779,329
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2017	397,973,790	881,497,880	166,152,543	110,824	1,445,735,037
Transfers to "Discontinued operations" (Note 14)	(225,509)	(1,716,060)	(3,288,285)	-	(5,229,854)
Depreciation of the period	5,609,894	27,474,929	4,483,317	-	37,568,140
Disposals	-	(13,425,911)	(1,336,257)	-	(14,762,168)
Exchange rate effect	8,142	5,009	5,305	-	18,456
Transfers	607,689	(38,772)	(212,986)	-	355,931
Closing balance as at 31 March 2017	403,974,006	893,797,075	165,803,637	110,824	1,463,685,542
Carrying amount as at 31 March 2017	969,274,119	560,915,392	51,352,323	28,551,953	1,610,093,787
Gross assets:					
Opening balance as at 1 January 2016	1,340,030,432	1,331,776,248	195,582,841	24,254,854	2,891,644,375
Investment	809,416	52,148	497,727	48,279,135	49,638,426
Disposals	(30,748,984)	(11,488,892)	(1,141,045)	(1,902,778)	(45,281,699)
Exchange rate effect	43,427	13,276	28,783	58	85,544
Transfers	6,991,198	28,215,771	3,755,371	(38,281,027)	681,313
Closing balance as at 31 March 2016	1,317,125,489	1,348,568,551	198,723,677	32,350,242	2,896,767,959
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2016	367,362,670	828,106,124	153,060,794	-	1,348,529,588
Depreciation of the period	4,888,514	25,722,829	4,060,054	-	34,671,397
Impairment losses of the period	6,600,000	-	-	-	6,600,000
Disposals	(3,936,186)	(9,478,634)	(1,073,802)	-	(14,488,622)
Exchange rate effect	43,552	3,537	12,245	-	59,334
Transfers	346,629	(284,065)	(167,898)	-	(105,334)
Closing balance as at 31 March 2016	375,305,179	844,069,791	155,891,393	-	1,375,266,363
Carrying amount as at 31 March 2016	941,820,310	504,498,760	42,832,284	32,350,242	1,521,501,596

The investment in the period ended 31 March 2017 and 2016 includes mainly the acquisition of assets of approximately 40.9 million euro (49.5 million euro in 2016), associated with the opening and remodeling of stores of Sonae retail operating segments.

During the period ended 31 March 2017, several sale and leaseback transactions were accounted for by the Group. The accounting values of the disposed assets, approximately, 170.1 million euro, correspond to 16 real estate food retail assets located in Portugal and 3 Worten stores in Spain. These operations resulted in a cash inflow of 230 million euro and generated a net capital gain of approximately, 63.1 million euro (Note 25).

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

	31 Mar 2017	31 Mar 2016
Refurbishment and expansion of stores in the retail businesses located in Portugal	24,878,161	27,278,839
Refurbishment and expansion of stores in the retail businesses located in Spain	1,131,165	437,825
Projects of "Continente" stores for which advance payments were made	1,196,000	2,743,500
Others	1,346,627	1,890,574
	28,551,953	32,350,240

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

	Land and buildings	Plant and machinery	Others tangible assets	Total tangible assets
Impairment losses				
Opening balance as at 1 January 2017	90,436,703	28,067,641	595,877	119,100,221
Disposals	-	(2,592,563)	(31,708)	(2,624,271)
Transfers	-	2,943	(34,948)	(32,005)
Closing balance as at 31 March 2017 (Note 22)	90,436,703	25,478,021	529,221	116,443,945

6 INTANGIBLE ASSETS

During the three-month period ended at 31 March 2017 and 2016, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Opening balance as at 1 January 2017	181,013,190	493,383,747	28,060,990	702,457,927
Transfers to "Discontinued operations" (Note 14)	(1,991,834)	(36,666,313)	(89,933)	(38,748,080)
Investment	9,740	325,402	10,043,644	10,378,786
Disposals	(92,263)	(7,398)	(383,671)	(483,332)
Exchange rate effect	(102,988)	363,507	(6,638)	253,881
Transfers	78,332	4,462,674	(4,839,779)	(298,773)
Closing balance as at 31 March 2017	178,914,177	461,861,619	32,784,613	673,560,409
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2017	40,763,712	288,184,727	-	328,948,439
Transfers to "Discontinued operations" (Note 14)	(1,056,990)	(24,789,479)	-	(25,846,469)
Depreciation of the period	665,552	10,867,982	-	11,533,534
Impairment losses of the period	-	191,070	-	191,070
Disposals	(54,663)	(133,595)	-	(188,258)
Exchange rate effect	(93,562)	246,870	-	153,308
Transfers	(293,133)	250,507	-	(42,626)
Closing balance as at 31 March 2017	39,930,916	274,818,082	-	314,748,998
Carrying amount as at 31 March 2017	138,983,261	187,043,537	32,784,613	358,811,411

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	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Opening balance as at 1 January 2016	117,792,364	381,046,154	30,117,801	528,956,319
Purchase price allocation (Note 3)	11,559,000	13,132,000	-	24,691,000
Opening balance as at 1 January 2016 Restated	129,351,364	394,178,154	30,117,801	553,647,319
Investment	52,103	346,318	8,352,206	8,750,627
Disposals	(90,464)	(22,993)	(185,983)	(299,440)
Exchange rate effect	(269,918)	787,120	(100,228)	416,974
Transfers	83,178	6,399,059	(7,019,123)	(536,886)
Closing balance as at 31 March 2016 Restated	129,126,263	401,687,658	31,164,673	561,978,594
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2016	38,817,721	245,688,249	-	284,505,970
Purchase price allocation (Note 3)	-	-	-	-
Opening balance as at 1 January 2016 Restated	38,817,721	245,688,249	-	284,505,970
Depreciation of the period	347,026	7,932,192	-	8,279,218
Disposals	(90,464)	(3,676)	-	(94,140)
Exchange rate effect	(237,885)	465,733	-	227,848
Transfers	-	15,569	-	15,569
Closing balance as at 31 March 2016 Restated	38,836,398	254,098,067	-	292,934,465
Carrying amount as at 31 March 2016 Restated	90,289,865	147,589,591	31,164,673	269,044,129

7 GOODWILL

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

- Sonae Retail - Goodwill is allocated to each operating business segment, Sonae MC, Worten and Sports & Fashion, being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment and country, distributed by country and each of the properties in case of operating segment Sonae RP;

- Sonae IM - Goodwill at 31 March 2017 in this segment is related to the Technology business and at 31 December 2016, it also includes the insurance business including amounts generated prior to the adoption of IFRS and supported by the valuation of the customer portfolio (Portugal) as well as the one generated by the subsequent merger operation (Brazil) in 2016, but this business was transferred in the period ended 31 March 2017 to the caption "Non-current assets held for sale" (Note 14).

As at 31 March 2017 and 2016, the caption "Goodwill" was made up as follows by insignia and country:

Insignia	31 Mar 2017				Total
	Portugal	Spain	Brazil	Other countries	
Sonae Retail	478,307,362	-	-	-	478,307,362
Sonae MC					
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	63,058,745	95,497	-	-	63,154,242
Sonae RP	2,651,846	-	-	-	2,651,846
Sonae IM					
Technology	2,686,758	-	7,090	11,501,319	14,195,167
MDS	-	-	-	-	-
	611,988,243	95,497	7,090	11,501,319	623,592,149

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Insignia	31 Dec 2016				Total
	Portugal	Spain	Brazil	Other countries	
Sonae Retail	478,307,362	-	-	-	478,307,362
Sonae MC					
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	63,058,745	95,497	-	-	63,154,242
Sonae RP	2,651,846	-	-	-	2,651,846
Sonae IM					
Technology	2,686,758	-	7,090	11,533,124	14,226,972
MDS	8,363,810	-	21,764,904	-	30,128,714
	620,352,053	95,497	21,771,994	11,533,124	653,752,668

During the three-month period ended in 31 March 2017 and 2016, movements occurred in Goodwill as well as in the corresponding impairment losses, are as follows:

	31 Mar 2017	31 Mar 2016 Restated
Gross value:		
Opening balance	669,955,930	639,617,793
Purchase price allocation (Note 14)	-	(18,960,060)
Opening balance Restated	669,955,930	620,657,733
Transfers to "Non-current assets held for sale"	(36,002,699)	-
Other variations	-	(1,141,363)
Currency translation	307,675	(4,058,476)
Closing balance	634,260,906	615,457,894
Accumulated impairment losses:		
Opening balance	16,203,262	15,074,024
Transfers to "Non-current assets held for sale" (Note 14)	(5,528,441)	-
Currency translation	(6,064)	(233,644)
Closing balance	10,668,757	14,840,380
Carrying amount	623,592,149	600,617,514

8 JOINT VENTURES AND ASSOCIATED COMPANIES

8.1 Detail of book value of Investment in joint ventures and associates

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

COMPANY	31 Mar 2017	31 Dec 2016
Sonae Sierra		
Sonae Sierra SGPS, SA (consolidated)	578,974,014	605,762,434
ZOPT (NOS)		
ZOPT, SGPS, S.A. (consolidated)	684,016,917	676,799,309
Sonae Retail		
1) Sohi Meat Solutions - Distribuição de Carnes, SA	2,782,243	-
Sonae IM		
Intelligent Big Data, S.L.	-	-
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.	-	-
Unipress - Centro Gráfico, Lda	591,820	588,925
Investments in joint ventures	1,266,364,994	1,283,150,668
Sonae Retail		
APOR - Agência para a Modernização do Porto, S.A.	1,399,099	323,193
MOVVO, S.A.	267,518	2,793,649
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	3,245,071	1,338,322
S2 Mozambique, SA	2,657,529	1,406,710
Ulabox, S.L.	1,306,458	3,817,381
Sonae IM		
2) Brokerslink Management AG	-	124,834
2) Flexben, Lda	-	-
2) Filhet Allard España Correduria de Seguros S.L.	-	840,494
Armilar Venture Partners - Sociedade de Capital de Risco, SA	64,270	1
Fundo de Capital de Risco Armilar Venture Partners II	35,151,836	35,416,004
Fundo de Capital de Risco Armilar Venture Partners III	26,483,392	26,173,814
Fundo de Capital de Risco Espírito Santo Ventures Inovação e Internacionalização	7,227,294	6,885,820
Investment in associated companies	77,802,467	79,120,222
Total	1,344,167,461	1,362,270,890

1) A partnership agreement was signed in 2016, which took place in January 2017, and this subsidiary will be accounted for using the equity method, given the loss of control (Note 14);

2) Associates transferred to "Non-current assets held for sale" (Note 14).

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

approval by Banco de Portugal, the transaction was completed on 13 December 2016. In the period ended on 31 March 2017, Sonae IM increased its participation in more 0.41% in the Armilar III fund, with a position in the period ended on 31 March 2017 of 42.40% (note 3c).

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

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

Within the scope of this transaction, the debt of Armilar II and Armilar III funds was also acquired from Espírito Santo Ventures – Sociedade de Capital de Risco (currently called "Armillar Venture Partners"), in the amount of Euro 1,503,660 and Euro 1,274,357, respectively, recorded in the caption "Other non-current assets" (note 10).

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

8.2 Financial indicators of participations

8.2.1 Joint Ventures

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

	31 Mar 2017			
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Sohimeat, SA	Others
Joint ventures				
Assets				
Investment properties	806,154,769	663,000	-	-
Tangible assets	1,690,331	1,193,151,000	15,400,314	652,005
Intangible assets	2,222,157	593,649,327	579,704	-
Goodwill	4,273,688	1,747,005,673	-	-
Investments in joint ventures and associates	1,181,483,183	197,302,000	-	-
Other non-current assets	130,192,345	137,279,000	131,503	97
Non-current assets	2,126,016,473	3,869,050,000	16,111,521	652,102
Cash and cash equivalents	143,362,477	2,981,000	5,062,657	33,656
Other current assets	65,374,717	491,592,000	44,368,194	1,605,566
Current assets	208,737,194	494,573,000	49,430,851	1,639,222
Total assets	2,334,753,667	4,363,623,000	65,542,372	2,291,324
Liabilities				
Loans	359,745,311	1,031,565,000	-	12,500
Other non-current liabilities	140,705,957	270,970,000	277,829	898,834
Non-current liabilities	500,451,268	1,302,535,000	277,829	911,334
Loans	53,083,484	175,319,000	-	26,262
Other current liabilities	84,492,798	524,159,000	60,058,322	417,560
Total current liabilities	137,576,282	699,478,000	60,058,322	443,822
Total liabilities	638,027,550	2,002,013,000	60,336,151	1,355,156
Equity attributable to the equity holders of the Parent Company	1,180,616,037	1,189,280,000	5,206,221	936,168
Non-controlling interests	516,110,080	1,172,330,000	-	-
Total equity	1,696,726,117	2,361,610,000	5,206,221	936,168
Total equity and liabilities	2,334,753,667	4,363,623,000	65,542,372	2,291,324
	31 Dec 2016			
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others	
Joint ventures				
Assets				
Investment properties	805,733,400	663,000	-	
Tangible assets	2,009,354	1,205,070,385	821,056	
Intangible assets	2,000,546	601,491,621	-	
Goodwill	4,273,688	1,749,001,673	-	
Investments in joint ventures and associates	1,169,527,759	194,168,879	-	
Other non-current assets	94,653,928	139,012,122	97	
Non-current assets	2,078,198,675	3,889,407,680	821,153	
Cash and cash equivalents	149,628,277	7,094,383	61,807	
Other current assets	87,289,259	527,340,846	1,587,807	
Current assets	236,917,536	534,435,229	1,649,614	
Total assets	2,315,116,211	4,423,842,909	2,470,767	
Liabilities				
Loans	367,154,873	1,035,508,000	25,000	
Other non-current liabilities	139,138,153	275,899,909	1,043,985	
Non-current liabilities	506,293,026	1,311,407,909	1,068,985	
Loans	52,995,528	224,692,000	26,262	
Other current liabilities	87,932,125	537,188,000	445,143	
Total current liabilities	140,927,653	761,880,000	471,405	
Total liabilities	647,220,679	2,073,287,909	1,540,390	
Equity attributable to the equity holders of the Parent Company	1,159,410,669	1,192,361,000	930,377	
Non-controlling interests	508,484,863	1,158,194,000	-	
Total equity	1,667,895,532	2,350,555,000	930,377	
Total equity and liabilities	2,315,116,211	4,423,842,909	2,470,767	

SONAE - 1Q17 RESULTS

	31 Mar 2017			
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Sohimeat, SA	Others
Joint ventures				
Turnover	48,062,995	377,083,000	60,555,808	663,617
Other operating income	727,941	3,915,000	7,607,068	2,644
	48,790,936	380,998,000	68,162,876	666,261
External supplies and services	(25,728,524)	(44,804,000)	(1,936,361)	(179,539)
Amortisation	(239,767)	(108,543,000)	(307,018)	(169,050)
Other operating costs	(13,512,990)	(193,941,000)	(65,708,590)	(310,864)
	(39,481,281)	(347,288,000)	(67,951,969)	(659,453)
Financial income	1,616,765	-	37	-
Financial expense	(3,629,092)	(3,174,000)	-	(733)
Financial results	(2,012,327)	(3,174,000)	37	(733)
Results of joint ventures and associated companies	18,316,278	-	-	-
Other income / expense	-	-	-	-
Results before taxation	25,613,606	30,536,000	-	-
Income taxation	(2,215,560)	(2,637,000)	(48,174)	(5,983)
Consolidated net income/(loss) for the year	23,398,046	27,899,000	162,770	92
Attributable to:				
Equity holders of the Parent Company	15,901,224	14,328,000	162,770	92
Non-controlling interests	7,496,822	13,571,000	-	-
	23,398,046	27,899,000	162,770	92
Other comprehensive income for the period	5,432,000	(337,996)	-	-
Total comprehensive income for the period	28,830,046	27,561,004	162,770	92

	31 Mar 2016		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Joint ventures			
Turnover	53,545,898	366,175,000	995,468
Other operating income	2,786,095	4,128,000	6,048
	56,331,993	370,303,000	1,001,516
External supplies and services	(27,142,037)	(44,653,000)	(292,787)
Amortisation	(284,956)	(100,568,000)	(178,684)
Other operating costs	(13,381,267)	(197,998,000)	(468,762)
	(40,808,260)	(343,219,000)	(940,233)
Financial income	1,575,075	-	-
Financial expense	(6,542,935)	(5,301,000)	(2,083)
Financial results	(4,967,860)	(5,301,000)	(2,083)
Results of joint ventures and associated companies	14,985,859	13,000	-
Other income / expense	7,878,437	-	-
Results before taxation	33,420,169	21,796,000	59,200
Income taxation	(3,293,568)	(2,314,000)	(96)
Consolidated net income/(loss) for the year	30,126,601	19,482,000	59,104
Attributable to:			
Equity holders of the Parent Company	16,538,376	9,727,000	59,104
Non-controlling interests	13,588,225	9,755,000	-
	30,126,601	19,482,000	59,104
Other comprehensive income for the period	12,905,361	5,636,000	-
Total comprehensive income for the period	43,031,962	25,118,000	59,104

8.2.2 Associates

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

Associates	31 Mar 2017					
	Sempre a Postos	Sonae Retail			Sonae IM	
		Ulabox	S2 Mozambique	Others	Fundos	Others
Non-current assets	1,100,968	1,249,773	3,669,342	985,923	169,176,994	573,938
Current assets	10,230,366	1,206,126	2,615,865	3,371,241	12,528,216	1,477,187
Non-current liabilities	-	-	94,196	2,240,946	16,250,615	-
Current liabilities	5,734,938	1,609,023	1,474,007	1,007,149	10,350,973	1,029,834
Equity	5,596,396	846,876	4,717,004	1,109,069	155,103,622	1,021,291

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

Associates	31 Mar 2017					
	Sempre a Postos	Sonae Retail			Sonae IM	
		Ulabox	S2 Mozambique	Others	Fundos	Others
Turnover	12,279,909	2,361,562	1,783,914	216,896	825,348	384,097
Other operating income	723,466	99,522	46,364	21,697	-	5,862
Operating costs	(12,690,830)	(3,364,452)	(2,740,915)	(1,115,791)	(1,547,643)	(372,996)
Financial results	1,813	-	204,866	(4,994)	4,692	6
Taxation	(71,250)	-	(46,530)	-	(61,000)	-
Net income/(loss) for the year	243,108	(903,368)	(752,301)	(882,191)	(778,603)	16,969
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	243,108	(903,368)	(752,301)	(882,191)	(778,603)	16,969

Associates	31 Mar 2016		
	Sempre a Postos	Sonae Retail	
		Ulabox	Others
Turnover	11,657,044	1,639,863	10,815
Other operating income	882,216	-	-
Operating costs	(12,307,530)	(2,468,849)	(89,401)
Financial results	2,991	-	-
Taxation	(53,371)	-	-
Net income/(loss) for the year	181,350	(828,986)	(78,586)
Other comprehensive income for the period	-	-	-
Total rendimento integral do exercício	181,350	(828,986)	(78,586)

8.3 Movements occurred in the period

During the period ended at 31 March 2017 and 2016, movements in investments in joint ventures and associates are as follows:

	31 Mar 2017			31 Mar 2016		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Investments in joint ventures						
Initial balance as at 1 January	716,500,627	566,650,040	1,283,150,667	638,605,623	571,752,490	1,210,358,113
Change in consolidation method due to loss of control	2,703,451	-	2,703,451	-	-	-
Equity method						
Gains or losses in joint controlled and associated companies	15,165,878	-	15,165,878	13,168,436	-	13,168,436
Distributed dividends	(37,391,100)	-	(37,391,100)	-	-	-
Effect in equity capital and non-controlling interests	2,736,098	-	2,736,098	(6,176,019)	-	(6,176,019)
	699,714,954	566,650,040	1,266,364,994	645,598,040	571,752,490	1,217,350,530
Investments in associates companies						
Initial balance as at 1 January	75,105,164	4,015,059	79,120,223	2,807,145	1,723,842	4,530,987
Increases during the period	727,296	-	727,296	-	-	-
Transfer to assets held for sale (Note 14)	(967,578)	-	(967,578)	-	-	-
Equity method						
Gains or losses in joint controlled and associates	(1,072,510)	-	(1,072,510)	(233,895)	-	(233,895)
Effect in equity capital and non-controlling interests	(4,964)	-	(4,964)	-	-	-
	73,787,408	4,015,059	77,802,467	2,573,250	1,723,842	4,297,092
Total	773,502,362	570,665,099	1,344,167,461	648,171,290	573,476,332	1,221,647,622

The effect on equity and non-controlled interests results fundamentally from the exchange rate conversion effect of companies with functional currencies other than the euro.

The amount of distributed dividends related to Investments in Joint Ventures refers to Sonae Sierra.

The value of the "Change in consolidation method for the loss of control" in the amount of 2,703,451 euro refers to Sohi Meat Solutions- Distribuição de Carnes, SA. This company results from the agreement signed on 3 January 2017, the date on which a Joint Venture was formed between Sonae MC and Hilton Food Group PLC through a capital increase of this Group in Sohimeat. Since then, Sohimeat has been consolidated using the equity method (Note 14).

The consolidated financial statements of ZOPT have a significant exposure to the African market, particularly through financial investments that Group holds in associated companies (Finstar, Mistar, Zap Media) operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The book value of these associates in the financial statements of ZOPT on 31 March 2017 amounts to approximately Euro 174 million, included in the caption "Other non-current assets".

The Group made impairment tests for those assets, which are denominated in the currencies of those countries, Kwanzas and Meticals, respectively, considering the business plans (internal valuation using the discounted cash flow method, compared to researches) approved by the Board of Directors for a five years period, which include average growth rates of revenue for that period of 13% (Angola) and 14% (Mozambique). These revenue growth rates reflects: (i) the best estimate for the growth of the customer base, reflecting an expectation of new clients and chum estimated rates, when considered prudent, and (ii) an annual price increase which corresponds, over the period 2017 to 2021, to an average of 75% of the inflation rate, since, considering the nature of the activity carried out by the companies, especially in

Angola and in line with the price increases in previous years, it is not expected that companies will be able to reflect in their prices the total inflation in the country.

The business plans consider yet a growth rate in perpetuity of 7.7% (Angola) and 5.6% (Mozambique) and a discount rate ('wacc') in perpetuity of 17.5% (Angola) and 19.1% (Mozambique). The discount rate, over the period 2017 to 2021 ranged from a maximum of 31.5% to a minimum of 17.5% (in 2021), for Angola, and from a maximum of 30.9% to a minimum of 19.21% (2021) in Mozambique, in line with the most appropriate inflation forecasts (source: The Economist Intelligence Unit (EIU)).

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

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

9 OTHER INVESTMENTS

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

Company	Head office	Percentage of share capital held				Statement of financial position	
		31 Mar 2017		31 Dec 2016		31 Mar 2017	31 Dec 2016
		Direct	Total	Direct	Total		
Sonae Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	925,197
Sonae IM							
Ed Broking LLP	London	6.68%	3.34%	6.68%	3.34%	-	8,000,000
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	75,069	75,069
Other investments						11,723,961	11,774,208
						12,734,203	20,784,450

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

On 31 March 2017, the financial interest in Ed Broking LLP was transferred to non-current assets held for sale (Note 14).

As at 31 March 2017 the caption "Other investments" includes, among others, 9,956,041 euro (9,966,231 euro in 31 December 2016) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 22 and 23).

As at 31 March 2017 and 2016, the movements in "Other investments" made up as follows:

	31 Mar 2017		31 Mar 2016	
	Non current	Current	Non current	Current
Other investments				
Fair value (net of impairment losses) as at 1 January	20,784,450	161,050	29,549,661	79,924,887
Acquisitions in the period	11,778	-	336,084	81,518
Disposals in the period	-	-	-	(49,740)
Increase/(Decrease) in fair value	(27,957)	(116,837)	(3,942)	(15,280,600)
Transfers to "Non-current assets held for sale" (Note 14)	(8,034,068)	-	-	-
Fair value (net of impairment losses) as at 31 March	12,734,203	44,213	29,881,803	64,676,065
Derivative financial instruments (Note 18)				
Fair value as at 1 January	-	4,207,972	-	2,506,087
Increase/(Decrease) in fair value	-	(3,519,854)	-	(1,858,153)
Fair value as at 31 March	-	688,118	-	647,934
	12,734,203	732,331	29,881,803	65,323,999

As at 31 March 2017 the amount of transfers to non-current assets held for sale related to the financial interest in Ed Broking LLP (Note 14).

As at 31 March 2016 the fair value increase / (decrease) in the caption "Other current investments" is mainly associated to the fair value of NOS investment up to the disposal date in the amount of 15,681,846 euro negative. The fair value of this investment was determined based on the NOS market share price and the respective changes were recorded in the consolidated income statement (Note 8.3). This participation was sold in the second quarter of 2016.

The Other non-current financial Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The heading of "Other non-current Investments" includes 2,778,157 euro (4,639,784 euro in 31 March 2016) of investments recorded at the cost net of impairment losses for the same reasons.

The Other non-current Investments are net of impairment losses amounting to 381,296 euro (370,685 euro in 31 December 2016) (Note 22).

10 OTHERS NON-CURRENT ASSETS

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

	31 Mar 2017			31 Dec 2016		
	Gross Value	Accumulated impairment losses (Note 22)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 22)	Carrying Amount
Trade accounts receivable and other debtors						
Legal deposits	781,044	-	781,044	762,246	-	762,246
Cautions	4,938,783	-	4,938,783	5,043,273	-	5,043,273
Special regime for payment of tax and social security debts	6,213,629	-	6,213,629	7,247,481	-	7,247,481
Financial investments debtors	40,000	-	40,000	40,000	-	40,000
Debt to receive related to Armilar Funds	2,778,017	-	2,778,017	2,778,017	-	2,778,017
Amount retained on acquisition of Salsa group	2,463,875	-	2,463,875	2,463,875	-	2,463,875
Others	439,455	-	439,455	305,524	-	305,524
	17,654,803	-	17,654,803	18,640,416	-	18,640,416
Reinsurer's' share of technical provisions	412,943	-	412,943	412,943	-	412,943
Other non-current assets	933,699	-	933,699	172,807	-	172,807
	19,001,445	-	19,001,445	19,226,166	-	19,226,166

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

The amounts included in "Reinsurer's' share of technical provisions" refer to a Sonae's subsidiary whose activity is non-life reinsurance. The amount of the provision is related to provisions for claims declared (Note 22).

11 TRADE ACCOUNTS RECEIVABLE

As at 31 March 2017 and at 31 December 2016, "Trade accounts receivable" are detailed as follows:

	31 Mar 2017	31 Dec 2016
Trade accounts receivable	127,778,007	126,276,140
Taxes recoverable	75,837,029	70,525,818
Other debtors		
Trade creditors - debtor balances	41,140,660	40,574,473
Dividends to be received of jointly controlled companies	37,391,100	-
VAT recoverable on real estate assets and vouchers discounts	4,427,002	3,723,869
Disposal of tangible assets	2,327,293	2,310,866
Vouchers and gift cards	1,264,453	1,924,216
Advances to suppliers	1,680,345	1,122,073
Disposal of financial investments	40,000	21,584,746
Receivables from insurance companies	-	1,456,925
Other current assets	17,144,412	18,863,035
	105,415,265	91,560,203
Other current assets		
Commercial discounts	64,369,458	35,591,922
Invoices to be issued	13,942,829	11,429,811
External supplies and services	13,835,492	10,156,350
Rents	6,377,120	6,160,370
Insurance indemnities	1,771,822	1,509,212
Other current assets	10,312,240	12,063,651
	110,608,961	76,911,316
Accumulated impairment losses in receivables accounts (Note 22)	(17,442,541)	(17,871,034)
	402,196,721	347,402,443

12 DEFERRED TAXES

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

	Deferred tax assets		Deferred tax liabilities	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Difference between fair value and acquisition cost	4,653,193	4,653,193	35,921,827	39,752,769
Temporary differences on tangible assets and intangible	1,813,109	1,811,359	64,349,547	62,768,314
Temporary differences on Badwill	-	-	8,263,418	8,263,418
Provisions and impairment losses not accepted for tax purposes	23,116,518	25,168,714	-	-
Write off of tangible and intangible assets	25,524	25,524	44,232	44,232
Valuation of hedging derivatives	102,616	86,933	21,948	626,051
Non taxed exchange differences	-	-	639,053	639,053
Revaluation of tangible assets	-	-	1,011,817	1,046,525
Tax losses carried forward	34,408,876	25,442,311	-	-
Reinvested capital gains/(losses)	-	-	322,855	329,611
Tax Benefits	1,009,123	1,037,115	-	-
Others	3,105,695	3,135,595	623,250	900,944
	68,234,654	61,360,744	111,197,947	114,370,917

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

	31 Mar 2017			31 Dec 2016		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2013	478,477	100,480	2018	595,877	125,646	2018
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	90,184	18,939	2027	90,184	18,939	2027
Generated in 2016	4,847,239	1,017,920	2028	4,847,243	1,017,920	2028
Generated in 2017	41,630,671	8,742,442	2029	-	-	
	48,240,807	10,130,571		6,727,540	1,413,295	
Without limited time use	73,658,132	18,450,258		73,577,733	18,428,924	
With a time limit different from the above mentioned	16,982,741	5,828,047		16,406,949	5,600,092	
	138,881,680	34,408,876		96,712,222	25,442,311	

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

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

As at 31 March 2017, there are reportable tax losses, whose deferred tax assets are not recorded for prudence purposes and are analysed as follows:

	31 Mar 2017			31 Dec 2016		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	5,186,959	1,089,261	2017	5,299,518	1,112,899	2017
Generated in 2013	2,888,221	606,526	2018	2,888,221	606,526	2018
Generated in 2014	5,944,511	1,248,347	2026	5,957,222	1,251,016	2026
Generated in 2015	2,841,579	596,732	2027	2,841,579	596,732	2027
Generated in 2016	1,521,293	319,472	2028	1,377,324	289,238	2028
Generated in 2017	508,403	106,765	2029	-	-	
	18,890,966	3,967,103		18,363,864	3,856,411	
Without limited time use	324,275,537	82,887,762		310,309,574	79,418,492	
With a time limit different from the above mentioned	80,228,467	20,153,244		99,994,869	25,041,365	
	423,394,970	107,008,109		428,668,307	108,316,268	

13 CASH AND CASH EQUIVALENTS

As at 31 March 2017 and at 31 December 2016, Cash and cash equivalents are as follows:

	31 Mar 2017	31 Dec 2016
Cash at hand	8,850,586	9,105,344
Bank deposits	165,863,906	207,343,682
Treasury applications	110,118,046	124,471,432
Cash and cash equivalents on the statement of financial position	284,832,538	340,920,458
Bank overdrafts (Note 17)	(20,992,237)	(17,730,231)
Cash and cash equivalents on the statement of cash flows	263,840,301	323,190,227

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

14 NON-CURRENT ASSETS AND LIABILITIES AVAILABLE FOR SALE

As at 31 March 2017, Sonae signed an agreement for the sale of 1,773 shares of MDS SGPS to IPLF Holding, SA. This transaction also includes a change in the shareholder agreement of the company, causing MDS, SGPS to cease to be controlled by Sonae and Jointly controlled by the Sonae Group and IPLF Holding, SA. This transaction waits for the approval of the ASF - Insurance Supervision Authority to become effective.

As at 31 March 2017, the assets and liabilities related to this segment were transferred to the assets and liabilities items held for sale. The transactions included in the Consolidated Statement of Income were also reclassified to "Discontinued Operations". The detail of these values are as follows:

Amounts in euros	31 Mar 2017
Assets	
Tangible and intangible assets (Note 5 and 6)	15,712,800
Goodwill (Nota 7)	30,474,258
Investments (Note 8 and 9)	9,001,646
Other non-current assets	3,370,225
Non-current assets	58,558,929
Current assets	
Trade account receivables and other current assets	6,454,906
Cash and cash equivalents	7,417,521
Current assets	13,872,427
Assets available for sale	72,431,356
Liabilities	
Borrowings	13,125,000
Other non-current liabilities	1,043,983
Non-current liabilities	22,237,497
Borrowings	9,378,876
Other current liabilities	10,531,915
Total current liabilities	19,910,791
Liabilities available for sale	42,148,288

Profit/(Loss) from discontinued operations	31 Mar 2017	31 March 2016 Restated
Services rendered	(11,204,213)	(9,416,134)
Other income	(99,271)	(142,550)
	(11,303,484)	(9,558,684)
External supplies and services	4,083,103	3,432,367
Staff costs	4,838,251	3,960,862
Depreciation and amortisation	992,683	896,559
Provisions and impairment losses	199,725	21,658
Other expenses	450,466	151,979
	739,256	1,095,259
Financial expense	35,736	45,562
Financial income	(295,678)	(399,321)
Income from Investments	3,689	32,505
	483,003	774,005
Taxation	27,092	(29,346)
Total	510,095	744,659

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

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

15 SHARE CAPITAL

Share Capital

As at 31 March 2017, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

Cash Settled Equity Swap

On 15th November 2007, Sonae Holding sold 132,856,072 Sonae Holding shares directly owned by the Company. The shares were sold in a market operation at the unit price of 2.06 euro per share and resulted on a cash inflow (net of brokerage commissions) of 273,398,877 euro.

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132.800.000 Sonae Holding shares, representative of 6.64% of its capital.

This transaction has strictly financial liquidation, without any duty or right for the Company or any of its associated companies in the purchase of these shares. This transaction allows Sonae Investments BV to totally maintain the economic exposure to the sold shares.

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 21). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

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

In November 2014, was made a renewal for an additional period of one year renewable automatically, keeping the remaining conditions unchanged. During the year of 2016 the Group requested the partial termination of the Cash Settled Equity Swap for 8,322,338 Sonae SGPS shares.

Considering the operations mentioned above, the liability recorded amounts to 88,859,076 euro (Note 21) (87,721,109 euro as at 31 December 2016) reflecting the market value of 107,188,270 Sonae Holding shares (110.341.017 shares as at 31 de December 2016).

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

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

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

Capital Structure

As at 31 March 2017, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

16 NON-CONTROLLING INTERESTS

As at 31 March 2017 and 31 December 2016, "Non-controlling interests" are detailed as follows:

	31 Mar 2017				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
Sonae Retail					
Real Estate Investment Funds	128,059,385	2,248,028	1,678,726	29,469	-
IVN - Serviços Partilhados, SA (Consolidated)	61,048,619	676,094	30,524,310	338,047	-
Others	9,237,671	(8,958)	2,514,513	86,885	-
Sonae IM					
Sonaecom, SGPS, SA (consolidated)	1,021,133,997	4,268,296	103,337,650	452,177	-
MDS, SGPS, SA (consolidated)	19,624,325	(1,251,578)	11,166,281	(639,244)	-
Others	41,217,481	(227,733)	20,762,504	(24,742)	-
Others	2,549,583	131,805	135,256	7,974	(27,938)
Total	1,282,871,061	5,835,954	170,119,240	250,566	(27,938)
	31 Dec 2016				
COMPANY	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
Sonae Retail					
Real Estate Investment Funds	125,811,358	25,529,809	2,629,269	533,537	(610,230)
IVN - Serviços Partilhados, SA (Consolidated)	60,453,882	5,930,459	30,226,941	2,965,230	-
Others	9,152,769	2,570,584	2,404,163	793,781	21
Sonae IM					
Sonaecom, SGPS, SA (consolidated)	1,017,143,618	52,755,605	102,914,088	5,124,109	(1,809,412)
MDS, SGPS, SA (consolidated)	20,506,341	(7,145,437)	11,630,167	(3,347,778)	(282,387)
Others	41,492,754	1,445,220	20,812,117	821,336	-
Others	2,713,521	435,461	155,121	30,133	(28,703)
Total	1,277,274,243	81,521,701	170,771,866	6,920,348	(2,730,711)

Movements in non-controlling interests during the periods ended as at 31 March 2017 and 2016 are as follows:

	31 March 2017							Total
	Sonae Retail			Sonae IM			Others	
	Real Estate Investment Funds	IVN - Serviços Partilhados, SA (Consolidated)	Others	Sonaeacom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	Others	
Opening balance as at 1 January	2,629,269	30,226,941	2,404,163	102,914,088	11,630,167	20,812,117	155,121	170,771,866
Distributed dividends	-	-	-	-	-	-	(27,938)	(27,938)
Changes of increased shareholding by acquisitions	(980,015)	-	-	-	-	-	-	(980,015)
Change in currency translation reserve	-	-	-	(49,427)	178,666	1,556	-	130,795
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	8,432	-	-	-	8,432
Obligation fulfilled by share attribution to employees	-	-	-	-	14,551	9,460	112	24,123
Changes in hedging reserves	-	(40,611)	23,465	-	-	(35,888)	-	(53,034)
Others	3	(67)	-	12,380	(17,859)	1	(13)	(5,555)
Profit for the period attributable to non-controlling interests	29,469	338,047	86,885	452,177	(639,244)	(24,742)	7,974	250,566
Closing balance as at 31 March	1,678,726	30,524,310	2,514,513	103,337,650	11,166,281	20,762,504	135,256	170,119,240

	31 Mar 2016					Total
	Sonae Retail		Sonae IM		Others	
	Real Estate Investment Funds	Others	Sonaeacom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	2,691,601	21,708,783	99,303,284	12,599,187	868	136,303,723
Distributed dividends	-	(57,405)	(29,880)	-	-	(87,285)
Changes of increased shareholding by acquisitions	134,197	-	-	-	-	134,197
Change in currency translation reserve	-	10,092	81,586	(2,012,450)	-	(1,920,772)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	(1,249,336)	-	-	(1,249,336)
Obligation fulfilled by share attribution to employees	-	14,926	-	9,610	-	24,536
Changes in hedging reserves	-	(41,597)	-	-	-	(41,597)
Others	-	-	(282,302)	11,020	163,081	(108,201)
Profit for the period attributable to non-controlling interests	414,988	66,633	(1,554,669)	(119,319)	266	(1,192,101)
Closing balance as at 31 March	3,240,786	21,701,432	96,268,683	10,488,048	164,215	131,863,164

17 LOANS

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

	31 Mar 2017		31 Dec 2016	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
Bank loans				
Sonae, SGPS, SA - commercial paper	107,846,000	145,000,000	162,000,000	94,000,000
Sonae, SGPS, SA	-	50,000,000	-	50,000,000
Sonae Investimentos, SGPS, SA - commercial paper	100,000,000	300,000,000	148,000,000	121,000,000
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated /2015/2020	-	55,000,000	-	55,000,000
Sonae Investimentos affiliated /2015/2019	5,000,000	35,000,000	5,000,000	35,000,000
Sonae Holding affiliated /2014/2018	-	40,000,000	-	40,000,000
Sonae Holding affiliated /2014/2021	-	30,000,000	-	30,000,000
1) MDS, SGPS, SA - commercial paper	-	-	6,875,000	13,125,000
1) MDS SGPS, SA affiliated / 2011/2016	-	-	4,081,000	-
Others	5,135,270	18,787,758	6,678,849	20,540,714
	217,981,270	723,787,758	332,634,849	508,665,714
Bank overdrafts (Note 13)	20,992,237	-	17,730,231	-
Up-front fees beard with the issuance of borrowings	-	(712,796)	-	(781,540)
Bank loans	238,973,507	723,074,962	350,365,080	507,884,174
Bonds:				
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	60,000,000
Bonds Sonae Investments BV / 2014/2019	-	200,015,658	-	198,892,884
Bonds Sonae Investimentos SGPS/ June 2013/2018	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos / June 2016/2021	-	95,000,000	-	95,000,000
Bonds Sonae Investimentos / September 2016/2021	3,000,000	12,000,000	3,000,000	12,000,000
Bonds IVN 2016/2023	5,000,000	30,000,000	5,000,000	30,000,000
Up-front fees beard with the issuance of borrowings	(1,483)	(4,662,531)	(1,483)	(5,089,605)
Bonds	7,998,517	697,353,127	7,998,517	695,803,279
Other loans	1,206,719	4,280,098	1,411,067	4,676,660
Derivatives (Note 18)	663,832	-	358,117	-
Other loans	1,870,551	4,280,098	1,769,184	4,676,660
Obligations under finance leases	1,038,153	1,257,170	1,079,629	1,463,520
	249,880,728	1,425,965,357	361,212,410	1,209,827,633

1) Amounts transferred to "Non-current liabilities held for sale" (Note 14).

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

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

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

The bonds can be converted at the request of the bondholder when the Sonae SGPS, SA share price, in accordance with the technical data sheet, exceeds 1,656 euro per share. This price is subject to adjustments in accordance with the market practices, in particular when the dividend exceeds 0.0287 euro per share.

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

Bonds and bank loans bear an average interest rate of 1.27% (1.32% as at 31 December 2016). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

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

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

	31 Mar 2017	31 Dec 2016
N+1 ^{a)}	249,218,379	360,854,294
N+2	230,267,076	134,813,933
N+3	361,574,218	263,494,503
N+4	333,135,151	334,769,210
N+5	289,143,750	286,814,675
After N+5	227,704,831	207,415,055
	1,691,043,405	1,588,161,670

a) Includes amounts drawn under commercial paper programs when classified as current liabilities.

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

As at 31 March 2017, Sonae has, as detailed below, cash and cash equivalents in the amount of 285 million euro (341 million euro in 31 December 2016) and available credit lines as follows:

	31 Mar 2017		31 Dec 2016	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	125,417,294	273,500,000	109,464,259	439,250,000
Agreed credit facilities	352,955,242	760,000,000	443,580,242	709,625,000

18 DERIVATIVES

Exchange Rate Derivatives

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

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

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 663,832 euro as liabilities (358,117 euro as at 31 December 2016) and 688,118 euro as assets (4,207,972 euro as at 31 December 2016).

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

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

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

Interest rate derivatives

Sonae does not have any interest rate hedging derivatives recorded as at 31 March 2017.

Interest rate and Exchange rate derivatives

As at 31 March 2017 no contracts existed, related to interest rate and exchange rate derivatives simultaneously.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Hedging derivatives				
Exchange rate	688,118	4,207,972	663,832	358,117
	688,118	4,207,972	663,832	358,117

19 OTHER NON – CURRENT LIABILITIES

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

	31 Mar 2017	31 Dec 2016
Shareholders loans	433,787	415,382
Fixed assets suppliers	57,500	406,872
Other non-current liabilities	1,821,613	1,720,153
Deferral of the disposal of the extended warranties	15,304,522	15,101,455
Accruals and deferrals	3,885,355	3,913,526
Other non-current liabilities	21,502,777	21,557,388

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

20 SHARE-BASED PAYMENTS

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

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

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

	Grant year	Vesting year	Number of participants	Share price on date of	Number of shares	
					31 Mar 2017	31 Dec 2016
Shares						
	2014	2017	225	1.024	4,057,442	4,340,464
	2015	2018	248	1.048	3,472,441	3,619,285
	2016	2019	270	0.97	4,380,421	4,964,016
	2017	2020	104	0.970	4,443,440	-
Total					16,353,744	12,923,765

During the period ending 31 March 2017 the movements on the above mentioned share based plans were the following:

	Aggregate number of participants	Number of shares
Balance as at 31 December 2016	768	12,923,765
Grant	106	3,501,603
Vesting	(2)	(303,888)
Excluded from the perimeter of consolidation ⁽¹⁾	(25)	232,264
Closing balance as at 31 March 2017	847	16,353,744

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

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

Grant year	Vesting year	Fair value *	
		31 Mar 2017	31 Dec 2016
2014	2017	3,935,719	4,210,250
2015	2018	2,526,201	2,340,471
2016	2019	2,478,588	1,605,032
2017	2020	1,436,712	-
Total		10,377,220	8,155,753

* Share market value as of 31 September 2016 and 31 December 2015.

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

	31 Mar 2017	31 Dec 2016
Recorded in staff costs in the current period	1,241,875	1,785,772
Recorded in previous years	8,070,996	6,825,062
	9,312,871	8,610,834
Recorded in other liabilities	-	-
Recorded value in Other reserves	9,312,871	8,610,834
	9,312,871	8,610,834

21 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

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

	31 Mar 2017	31 Dec 2016
Trade creditors	1,026,790,209	1,136,655,247
Taxes payable	78,324,868	91,929,635
Other creditors		
Fixed asset suppliers	30,539,793	67,208,877
Related undertakings	80,200,833	-
Other debts	132,657,118	133,431,355
	243,397,744	200,640,232
Other current liabilities		
Holiday pay and bonuses	122,247,511	122,568,080
Other external supplies and services	30,046,298	32,121,742
Deferred Revenue of warranty extension	45,844,601	45,073,283
Responsibilities assumed on sale of real state	17,433,613	17,558,769
Rentals	8,438,626	8,092,102
Marketing expenses	10,867,817	11,807,052
Advance receipts from trade receivables	8,353,900	10,615,437
Interest payable	4,829,567	2,449,632
Expenses on purchases	5,930,172	6,238,536
Insurance payable	426,352	632,982
Others	16,164,075	13,842,767
	270,582,532	271,000,382
	1,619,095,353	1,700,225,496

The caption "Other debts" includes:

- 88,859,076 euro (87,721,109 euro as at 31 December 2016) relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 15;
- 9,373,190 euro (8,344,127 euro as at 31 December 2016) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";
- 13,110,790 euro (15,042,306 euro as at 31 December 2016) related to vouchers, gift cards and discount tickets not yet redeemed;
- 4,052,641 euro (3,992,919 euro as at 31 December 2016) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 22);

22 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and accumulated impairment losses" over the period ended 31 March 2017 and 2016 are as follows:

Caption	Balance as at 01 Jan 2017	Increase	Decrease	Transfers to "Assets and liabilities available for sale"	Balance as at 31 March 2017
Accumulated impairment losses on investments (Note 9)	9,054,576	21,906	(1,068)	(8,694,118)	381,296
Impairment losses on fixed tangible assets (Note 5)	119,100,221	-	(2,656,276)	-	116,443,945
Impairment losses on intangible assets	2,638,761	191,070	(131,088)	(191,070)	2,507,673
Accumulated impairment losses on trade account receivables and other debtors (Note 11)	17,871,034	597,469	(1,010,294)	(15,668)	17,442,541
Non current provisions	25,848,118	297,613	(611,301)	(4,176,359)	21,358,071
Current provisions	3,558,708	135,529	(262,526)	(223,145)	3,208,566
	178,071,418	1,243,587	(4,672,553)	(13,300,360)	161,342,092

Caption	Balance as at 01 Jan 2016 Restated	Increase	Decrease	Balance as at 31 March 2016 Restated
Accumulated impairment losses on investments	1,886,603	-	-	1,886,603
Impairment losses on fixed tangible assets	133,564,363	6,600,000	(15,194,681)	124,969,682
Impairment losses on intangible assets	1,497,024	-	-	1,497,024
Accumulated impairment losses on trade account receivables and other debtors	18,285,857	979,827	(803,055)	18,462,629
Non current provisions	39,710,058	1,745,501	(2,362,432)	39,093,127
Current provisions	3,083,990	-	(34,208)	3,049,782
	198,027,895	9,325,328	(18,394,376)	188,958,847

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

	31 Mar 2017	31 Dec 2016
Technical provisions on reinsurance	875,614	1,061,465
Future liabilities relating to subsidiaries of retail in Brazil sold	8,648,772	8,521,318
Clients guarantees	1,449,195	1,449,195
Judicial claims	2,040,304	2,270,177
Contingent liabilities related to subsidiaries acquired	5,827,570	5,827,750
Others	5,725,182	10,276,921
	24,566,637	29,406,826

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

23 CONTINGENT ASSETS AND LIABILITIES

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

- Guarantees and sureties given

	31 Mar 2017	31 Dec 2016
Guarantees given:		
on tax claims	1,149,513,016	1,153,774,789
on judicial claims	890,504	887,275
on municipal claims	8,378,511	8,048,110
contract by proper compliments	14,464,481	21,516,088
other guarantees	8,001,279	9,261,512

a) Tax Claims

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

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

- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 19.1 million euro (64.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 48.4 million euro (163.6 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

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

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

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 13).

c) Other contingent liabilities

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

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

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

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

24 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Parent Company	46,835	58,507	166,848	162,718
Jointly controlled companies	13,444,543	3,264,210	68,837,581	10,507,008
Associated companies	8,070,258	7,699,846	-	-
Other related parties	13,037,162	14,022,477	4,312,587	6,790,014
	34,598,798	25,045,040	73,317,016	17,459,740

Transactions	Interest income		Interest expenses	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Parent Company	-	-	-	111,892
Jointly controlled companies	135	-	-	-
Other related parties	-	-	3,638	18,723
	135	-	3,638	130,615

Balances	Accounts receivable		Accounts payable	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Parent Company	39,700	25,136	42,124,063	688,294
Jointly controlled companies	51,891,709	29,377,178	41,882,108	15,192,431
Associated companies	5,534,961	6,583,207	624,803	147,945
Other related parties	12,135,497	16,965,780	41,735,511	10,405,360
	69,601,867	52,951,301	126,366,485	26,434,030

Balances	Loans			
	Obtained		Granted	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
Jointly controlled companies	1,000	1,000	-	-
Associated companies	755	-	191,615	-
Other related parties	460,669	442,382	103,569	3,570
	462,424	443,382	295,184	3,570

25 OTHER INCOME

As at 31 March 2017 and 2016, the caption "Other Income" is made up as follow:

	31 Mar 2017	31 Mar 2016 Restated
Supplementary income	154,181,959	145,022,699
Prompt payment discounts obtained	5,992,590	6,404,761
Foreign currency exchange gains	5,471,817	5,935,668
Own work capitalised	2,707,961	2,417,714
Gains on sales of assets	72,846	64,709,554
Impairment losses reversals	977,731	1,681,697
Others	947,144	2,382,252
	170,352,048	228,554,345

In the caption "Gains on disposal of assets" as at 31 March 2016 are includes gains related to operations Sale and Leaseback in the amount of 63.1 million euro (Note 5).

26 INCOME TAX

As at 31 March 2017 and 2016, income tax is made up as follows:

	31 Mar 2017	31 Mar 2016 Restated
Current tax	4,188,688	18,843,452
Deferred tax	(6,617,664)	(7,352,334)
	(2,428,976)	11,491,118

27 EARNINGS PER SHARE

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

	31 Mar 2017		31 Mar 2016	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations Restated (Note 14)
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	8,379,992	255,558	29,709,494	372,404
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	1,968,533	-	1,919,941	-
Net profit taken into consideration to calculate diluted earnings per share	10,348,525	255,558	31,629,435	372,404
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,886,718,512	1,886,718,512	1,877,002,993	1,887,410,072
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	127,113,527	127,113,527	127,113,527
Outstanding shares related with share based payments	16,353,744	16,353,744	17,086,314	17,086,314
Shares related to performance bonus that can be bought at market price	(8,310,732)	(8,310,732)	(4,536,021)	(4,536,021)
Weighted average number of shares used to calculate diluted earnings per share	2,021,875,050	2,021,875,051	2,016,666,813	2,027,073,892
Earnings per share				
Basic	0.005485	0.000135	0.016851	0.000197
Diluted	0.005118	0.000126	0.015684	0.000184

28 PRESENTATION OF CONSOLIDATED INCOME STATEMENTS

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

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

for retail, (ii) decreases in Goodwill, (iii) negative Goodwill (net of taxes) related to acquisitions in the financial year, (iv) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (v) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (vi) other irrelevant issues.

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

The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 31 March 2017 and 2016 can be summarized as follows:

	31 Mar 2017			31 Mar 2016 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	1,278,078,660	-	1,278,078,660	1,205,947,275	-	1,205,947,275
Investment income						
Dividends	-	-	-	(30,923)	-	(30,923)
Impairment losses	-	-	-	-	-	-
Others	-	-	-	-	-	-
Other income						
Impairment losses reversal	993,039	-	993,039	850,575	-	850,575
Others	169,286,152	-	169,286,152	291,577,284	-	291,577,284
Total income	1,448,357,851	-	1,448,357,851	1,498,344,211	-	1,498,344,211
Total expenses	(1,398,481,552)	(194,030)	(1,398,287,522)	(1,454,121,727)	(188,850)	(1,453,932,877)
Depreciation and amortisation	(48,114,492)	-	(48,114,492)	(42,059,926)	-	(42,059,926)
Non-recurring impairment losses over inventories	(545,008)	-	(545,008)	(675,855)	-	(675,855)
Provisions and impairment	-	-	-	-	-	-
Others	(501,383)	-	(501,383)	(7,776,368)	-	(7,776,368)
Profit before financial results and share of results in associated companies	715,416	(194,030)	909,446	(6,289,665)	(188,850)	(6,100,815)
Non-recurring Profit/(Loss)	(1,397,880)	-	(1,397,880)	62,224,175	-	62,224,175
Gains and losses on investments recorded at fair value through results	-	-	-	(15,263,369)	(15,263,369)	-
Financial profit/(loss)	(7,719,417)	-	(7,719,417)	(13,969,426)	-	(13,969,426)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	7,950,612	413,329	7,537,283	8,269,188	881,507	7,387,681
Armar Venture Funds	(171,842)	(171,842)	-	-	-	-
ZOPT	7,133,578	-	7,133,578	4,863,490	-	4,863,490
Others	(818,980)	-	(818,980)	(198,137)	-	(198,137)
Profit before income tax	5,691,487	47,457	5,644,030	39,636,256	(14,570,712)	54,206,968
Income tax	2,428,976	-	2,428,976	(11,491,118)	-	(11,491,118)
Profit/(Loss) from continuing operations	8,120,463	47,457	8,073,006	28,145,138	(14,570,712)	42,715,850
Profit/(Loss) from discontinued operations	510,095	-	510,095	744,659	-	744,659
Net profit for the period	8,630,558	47,457	8,583,101	28,889,797	(14,570,712)	43,460,509
Attributable to equity holders of Sonae	8,379,992	(203,109)	8,583,101	30,081,898	(14,570,712)	44,652,610
Non-controlling interests	250,566	250,566	-	(1,192,101)	-	(1,192,101)
"Underlying" EBITDA (b)			49,077,290			43,559,143
Direct EBITDA (a)			62,041,386			118,581,011
Direct EBIT (c)			13,873,542			68,919,437

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

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

29 SUBSEQUENT EVENTS

On 26th April 2017, Sonae – SGPS, SA, through one of its subsidiaries, has reached an agreement with the shareholders of BRIO – Produtos de Agricultura Biológica, S.A. (BRIO) for the acquisition of 100% of BRIO’s share capital. Founded in 2008, BRIO is the first organic supermarket chain launched in Portugal, and operates 6 supermarkets specialised in organic food, all of them with convenient locations in the Lisbon area.

30 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 15 May 2017.

31 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

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

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2017		31 Dez 2016	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Sonae Retail					

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Aduanas Caspe, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
BB Food Service, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Comercial Losan Polonia SP Z.O.O	a)	Warsaw (Poland)	100.00%	100.00%	100.00%	100.00%
Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a)	Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Discovery Sports, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a)	Matosinhos (Portugal)	75.00%	75.00%	75.00%	75.00%
Farmácia Seleção, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosedo	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonaes Dois	a)	Maia (Portugal)	98.69%	98.69%	97.91%	97.91%
Global Usebti, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
HighDome PCC Limited (Cell Europe)	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Igimo – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Iginha – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoestrutura – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imomuro – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Imoresultado – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Imosistema – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Infocfield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Irmãos Vila Nova, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
Irmãos Vila Nova III - Imobiliária, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%

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IVN – Serviços Partilhados, SA	a)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	50.00%	50.00%
IVN Asia Limited	a)	Hong Kong (China)	100.00%	50.00%	100.00%	50.00%
Losan Colombia, S.A.S	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	100.00%
Losan Overseas Textile, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Losan Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MCCARE – Serviços de Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
MJB Design, Lda	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Espanha)	100.00%	100.00%	100.00%	100.00%
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
Modelo Hiper Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Actividades em Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Ponto de Chegada – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predicomercial - Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Predilugar- Promoção Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Salsa DE GmbH	a)	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Salsa Distribution USA LLC	a)	New York (USA)	100.00%	50.00%	100.00%	50.00%
Salsa France, S.A.R.L.	a)	Paris (France)	99.99%	50.00%	99.99%	50.00%
Salsa Luxembourg, Sàrl	a)	Luxembourg	100.00%	50.00%	100.00%	50.00%
SLS Salsa – Comércio e Difusão de Vestuário, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
SLS Salsa España – Comercio y Difusión de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	50.00%	100.00%	50.00%
SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Socijofra - Sociedade Imobiliária, SA	a)	Gondomar (Portugal)	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

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	Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
1)	Sohi Meat Solutions- Distribuição de Carnes, SA	a)	Santarém (Portugal)	50.00%	50.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae Center Serviços II, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Investimentos, SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Sonae SR Malta Holding Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	90.00%	100.00%	90.00%
	Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
	SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
	Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
	Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	100.00%	100.00%
	Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten Canárias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
	Worten - Equipamento para o Lar, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae IM							
	Bright Development Studio, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Bright Ventures Capital SCR	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
	Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
	Inovretail, Lda	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%

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S21SEC Portugal – Cybersecurity and Intelligence Services, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	89.96%	99.99%	89.96%
S21 Sec Ciber Seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21 Sec Gestion, SA	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
S21 Sec México, SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
Sonaecom-Cyber Security and Int., SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%
Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
Sonae Investment Management - Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
We Do Technologies (UK) Limited	a)	Berkshire (R.U.)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Australia PTY Limited	a)	Sydney (Austrália)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Mexico S. de RL	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
Sonae FS						
SFS – Serviços de Gestão e Marketing, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Others						
2) Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70.00%	35.01%	70.00%	35.01%
2) Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%

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2)	Herco, Consultoria de Risco, SA	a)	Maia (Portugal)	100.00%	50.01%	100.00%	50.01%
2)	HighDome PCC Limited	a)	La Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
2)	Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
2)	Larim Corretora de Resseguros Ltda	a)	Rio de Janeiro (Brazil)	99.99%	50.01%	99.99%	50.01%
2)	Lazam/mds Correctora Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
2)	MDS África, SGPS, SA	a)	Porto (Portugal)	50.00%	25.05%	50.00%	25.05%
2)	MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
2)	MDS Affinity-Sociedade de Mediação Lda	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
2)	MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50.01%	25.01%	50.01%	25.01%
2)	MDS Malta Holding Limited	a)	La Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
2)	MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100.00%	25.05%	100.00%	25.05%
2)	MDS, SGPS, SA	a)	Maia (Portugal)	50.01%	50.01%	50.01%	50.01%
2)	Moneris Seguros - Mediação de Seguros, Lda	a)	Oeiras (Portugal)	60.00%	30.01%	60.00%	30.01%
	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
	Sonaecenter Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Tlantic, BV	a)	Amsterdam (Netherlands))	70.71%	70.71%	70.71%	70.71%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	70.71%	100.00%	70.71%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	70.71%	100.00%	70.71%

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

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

b) Control held by majority of Board members;

- 1) On January 3rd 2017, a Joint Venture was established between Sonae MC and Hilton Food Group PLC through a capital increase of this Group on Sohimeat. From this moment, onwards, Sohimeat is consolidated through the equity method;
- 2) On 31st March 2017, Sonae signed an agreement to sell shares of MDS SGPS to IPLF and changed the shareholder agreement, and Sonae was given joint control on the abovementioned subsidiary (Note 14).

These entities are consolidated using the full consolidation method.

32 JOINT VENTURES AND ASSOCIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Joint ventures and associates, their head offices and percentage of share capital held by Sonae as at 31 March 2017 and 31 December 2016 are as follows:

32.1 Joint ventures

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2017		31 Dec 2016	
		Direct*	Total*	Direct*	Total*
Sonae Retail					
1) Sohi Meat Solutions- Distribuição de Carnes, SA	a) Santarém (Portugal)	50.00%	50.00%	100.00%	100.00%
Sonae Sierra					
3shoppings - Holding, SGPS, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
1) Albufeira RP (Luxembourg) 1, Sarl	Luxembourg	100.00%	5.00%	-	-
1) Albufeira RP (Luxembourg) 2, Sarl	Luxembourg	100.00%	5.00%	-	-
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
1) ALBRP Albufeira Retail Park, Lda	Maia (Portugal)	100.00%	5.00%	-	-
ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
Cascaishopping Holding I, SGPS, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
CCCB Caldas da Rainha - Centro Comercial, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	50.00%	12.53%
Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%



Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	5.00%	100.00%	5.00%
Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%
Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberian Assets, SA	Madrid (Spain)	49.81%	12.48%	49.81%	12.48%
Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	100.00%	5.00%	100.00%	5.00%
Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%
Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	5.63%	50.00%	5.63%
Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%
Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
Microcom Doi, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%

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	Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
1)	Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	1.88%	-	-
	Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Park Avenue Development of Shopping Centers, SA	Athens (Greece)	50.00%	25.00%	100.00%	25.00%
	Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plenerg Srl	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
	Project Guia, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
	Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	5.00%	100.00%	5.00%

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Project Sierra Cúcuta, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Four, SA	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Project Sierra Germany 2 (two), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Project Sierra Two, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Proyecto Cúcuta S.A.S	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	5.63%	50.00%	5.63%
River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Serra Shopping – Centro Comercial, SA	Lisbon (Portugal)	50.00%	5.63%	50.00%	5.63%
Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Sierra Berlin Holding BV	Amsterdam (Netherlands))	100.00%	50.00%	100.00%	50.00%
Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	24.50%	49.00 %	24.50%
Sierra Core Assets Holdings, BV	Amsterdam (Netherlands)	50.00%	25.05%	50.00%	25.05%
Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Developments, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands))	50.10%	25.05%	50.10%	25.05%
Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra GP, Limited	Guernsey (U.K.)	100.00%	50.00%	100.00%	50.00%
Sierra Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%

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Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Investments SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Maroc, SARL	Casablanca (Morocco)	100.00%	50.00%	100.00%	50.00%
Sierra Maroc Services, SARL	Casablanca (Morocco)	100.00%	50.00%	100.00%	50.00%
Sierra Portugal, SA	Lisbon (Portugal)	100.00%	50.00%	100.00%	50.00%
Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Retail Ventures BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istanbul (Turkey)	100.00%	50.00%	100.00%	50.00%
Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	12.53%	100.00%	12.53%
Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Solingen Shopping Center GmbH	Dusseldorf (Germany)	100.00%	25.00%	100.00%	25.00%
Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
Sonae Sierra, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	22.50%	11.25%	22.50%	11.25%
Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%

SONAE – 1Q17 RESULTS

Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Zenata Commercial Project, SA	Mohammedia (Morocco)	100.00%	5.5%	100.00%	5.5%
ZOPT (NOS)					
Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.69%	20.00%	4.69%
Canal 20 TV, SA	Madrid (Spain)	50.00%	11.73%	50.00%	11.73%
Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.73%	50.00%	11.73%
Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.73%	100.00%	11.73%
East Star Ltd	Port Louis (Mauricias)	30.00%	7.04%	30.00%	7.04%
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	7.04%	30.00%	7.04%
Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Moçambique, Lda	Maputo (Mozambique)	100.00%	23.46%	100.00%	23.46%
MSTAR, SA	Maputo (Mozambique)	30.00%	7.04%	30.00%	7.04%
NOS Açores Comunicações, SA	Ponta Delgada (Azores)	83.82%	19.66%	83.82%	19.66%
NOS Communications Sàrl	Luxembourg	100.00%	23.46%	100.00%	23.46%
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Madeira Comunicações, SA	Funchal (Madeira)	77.95%	18.29%	77.95%	18.29%
NOS SGPS, SA	Lisbon (Portugal)	52.15%	23.46%	52.15%	23.46%
NOS Sistemas España, SL	Madrid (Spain)	100.00%	23.46%	100.00%	23.46%
NOS Sistemas, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Technology – Concepção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%

Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
Sport TV Portugal	Lisbon (Portugal)	33.33%	7.82%	33.33%	7.82%
Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	23.46%	100.00%	23.46%
Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	7.04%	30.00%	7.04%
ZAP Cinemas, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZAP Media, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZAP Publishing, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%

Sonae IM

Intelligent Big Data, SL	Guipuzcoa (Spain)	50.00%	44.99%	50.00%	44.99%
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%

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

- 1) On January 3rd 2017, a Joint Venture was established between Sonae MC and Hilton Food Group PLC through a capital increase of this Group on Sohimeat. From this moment, onwards, Sohimeat is consolidated through the equity method;
- 2) Company created in the period.

32.2 Associated companies

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2017		31 Dec 2016	
		Direct*	Total*	Direct*	Total*
Sonae Retail					
APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22,75%	22,75%	22,75%	22,75%
MOVVO, SA	Porto (Portugal)	25,58%	25,58%	25,58%	25,58%
Sempre a Postos – Produtos Alimentares e Utilidades, Lda	Lisbon (Portugal)	25,00%	25,00%	25,00%	25,00%
Ulabox, S.L.	Barcelona (Spain)	39,18%	39,18%	39,18%	39,18%
Sonae IM					
Brokerslink Management AG	Zug (Switzerland)	20,00%	20,00%	20,00%	20,00%
Flexben, Lda	Porto (Portugal)	45,00%	45,00%	-	-

SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	45,00%	40,49%	45,00%	40,49%
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*the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) this participation directly in the share capital of that company.

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

The Board of Directors

Duarte Paulo Teixeira de Azevedo, Chairman and Co-CEO

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

Andrew Eustace Clavering Campbell, Non-Executive Director

Christine Cross, Non-Executive

Dag Johan Skattum, Non-Executive

José Manuel Neves Adelino, Non-Executive

Marcelo Faria de Lima, Non-Executive

Margaret Lorraine Trainer, Non-Executive

Tsega Gebreyes, Non-Executive

Condensed separate financial statements

CONDENSED SEPARATE INDIVIDUAL STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017 AND 2016 AND AT 31 DECEMBER 2016

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

(Amounts expressed in euro)

ASSETS	Notes	31.March.2017	31.March.2016	31.December.2016
NON-CURRENT ASSETS:				
Tangible assets		84,627	84,909	65,375
Intangible assets		40	1,242	47
Investments in subsidiaries, associates and joint ventures	4	4,111,128,779	3,941,779,005	4,094,293,240
Other investments	5	31,070,089	30,065,856	30,644,385
Deferred taxes		9,663,951	-	966,895
Other non-current assets	6	173,092,867	347,400,000	173,092,867
Total non-current assets		4,325,040,353	4,319,331,012	4,299,062,809
CURRENT ASSETS:				
Trade account receivables and other current assets	7	119,241,206	116,885,759	65,406,578
Cash and cash equivalents	8	76,623	1,495,584	950,886
Total current assets		119,317,829	118,381,343	66,357,464
TOTAL ASSETS		4,444,358,182	4,437,712,355	4,365,420,273
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,726,625,567	1,574,899,046	1,728,388,031
Profit for the period		46,992,821	12,049,874	61,300,218
TOTAL EQUITY		3,773,618,388	3,586,948,920	3,789,688,249
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	353,153,054	421,931,080	302,040,105
Total non-current liabilities		353,153,054	421,931,080	302,040,105
CURRENT LIABILITIES:				
Loans	10	107,846,000	132,400,000	162,000,000
Trade creditors and other current liabilities	11	209,740,740	296,432,355	111,691,919
Total current liabilities		317,586,740	428,832,355	273,691,919
TOTAL EQUITY AND LIABILITIES		4,444,358,182	4,437,712,355	4,365,420,273

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

The Board of Directors

CONDENSED SEPARATE INCOME STATEMENTS FOR THE PERIODS ENDED 31 MARCH 2017 AND 2016

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

(Amounts expressed in euro)

	Notes	31.March.2017	31.March.2016
Services rendered		119,915	115,304
Gains or losses on investments	14	48,570,828	11,181,258
Financial income		806,118	7,381,818
Other income		472,335	596,497
External supplies and services		(881,669)	(716,784)
Staff costs		(548,443)	(520,479)
Depreciation and amortisation		(7,921)	(8,935)
Financial expense		(1,711,674)	(3,977,948)
Other expenses		(112,523)	(122,809)
Profit/(Loss) before taxation		46,706,966	13,927,922
Taxation		285,855	(1,878,048)
Profit/(Loss) after taxation		46,992,821	12,049,874
Profit/(Loss) per share			
Basic	15	0.023496	0.006025
Diluted	15	0.023494	0.006024

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

The Board of Directors

**CONDENSED SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED
31 MARCH 2017 AND 2016**

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

(Amounts expressed in euro)

	31. March. 2017	31. March. 2016
Net Profit / (Loss) for the period	46,992,821	12,049,874
Changes on fair value of available-for-sale financial assets	17,261,243	6,223,090
Other comprehensive income for the period	17,261,243	6,223,090
Total comprehensive income for the period	64,254,064	18,272,964

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

The Board of Directors

CONDENSED SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2017 AND 2016

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

(Amounts expressed in euro)

	Share capital	Treasury shares	Legal reserve	Reserves and retained earnings		Total reserves and retained earnings	Net profit/(loss)	Total
				Fair value reserve	Other reserves and retained earnings			
Balance as at 1 January 2016	2,000,000,000	-	244,211,592	260,223,788	1,344,393,827	1,604,617,615	(279,672,410)	3,569,156,797
Total comprehensive income for the period	-	-	-	6,223,090	-	6,223,090	12,049,874	18,272,964
Appropriation of loss of 2015:								
Transfer to retained earnings	-	-	-	-	(279,672,410)	(279,672,410)	279,672,410	-
Obligation fulfilled by a third party	-	(1,118,141)	-	-	-	-	-	(1,118,141)
Shares sold under the terms of Annual Performance Bonus Plan and Medium Term Incentive Plans	-	1,118,141	-	-	(207,467)	(207,467)	-	910,674
Share-based payments	-	-	-	-	(273,374)	(273,374)	-	(273,374)
Balance as at 31 March 2016	2,000,000,000	-	244,211,592	266,446,878	1,064,240,576	1,330,687,454	12,049,874	3,586,948,920
Balance as at 1 January 2017	2,000,000,000	-	244,211,592	419,542,189	1,064,634,250	1,484,176,439	61,300,218	3,789,688,249
Total comprehensive income for the period	-	-	-	17,261,243	-	17,261,243	46,992,821	64,254,064
Appropriation of profit of 2017:								
Transfer to legal reserve	-	-	3,065,011	-	-	-	(3,065,011)	-
Dividends distributed	-	-	-	-	-	-	(58,235,207)	(58,235,207)
Free reserves distributed	-	-	-	-	(21,764,793)	(21,764,793)	-	(21,764,793)
Obligation fulfilled by a third party	-	(466,211)	-	-	-	-	-	(466,211)
Shares sold under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	-	466,211	-	-	(442,900)	(442,900)	-	23,311
Share-based payments	-	-	-	-	118,975	118,975	-	118,975
Balance as at 31 March 2017	2,000,000,000	-	247,276,603	436,803,432	1,042,545,532	1,479,348,964	46,992,821	3,773,618,388

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

CONDENSED SEPARATE CASH FLOW STATEMENTS FOR THE PERIODS ENDED 31 MARCH 2017 AND 2016

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

(Amounts expressed in euro)

	Notes	31. March. 2017	31. March. 2016
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		202,264	(824,133)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		188,830	1,066,247
Loans granted		556,494,000	559,410,939
		556,682,830	560,477,186
Cash Payments arising from:			
Tangible and intangible assets		(29,973)	-
Loans granted		(556,494,000)	(559,410,939)
		(556,523,973)	(559,410,939)
Net cash used in investment activities (2)		158,857	1,066,247
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		963,234,000	1,463,165,007
Others		-	5,616
		963,234,000	1,463,170,623
Cash Payments arising from:			
Loans obtained		(963,146,000)	(1,458,007,007)
Interest and similar charges		(1,323,384)	(4,300,647)
		(964,469,384)	(1,462,307,654)
Net cash used in financing activities (3)		(1,235,384)	862,969
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(874,263)	1,105,083
Cash and cash equivalents at the beginning of the period		950,886	390,501
Cash and cash equivalents at the end of the period	8	76,623	1,495,584

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

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2017

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

In case of discrepancies the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

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

2 BASIS OF PREPARATION

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

3 PRINCIPAL ACCOUNTING POLICIES

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

4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

Companies	31.March.2017						Closing balance
	% Held	Opening balance	Increase	Decrease	Changes in fair value	Impairment loss recognized during the period	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	25.03%	637,971,655	-	-	-	-	637,971,655
Sonae Investments, BV	100.00%	803,200,000	-	-	-	-	803,200,000
Sonae RE, SA	99.92%	583,059	-	-	-	-	583,059
Sonae Sierra SGPS, SA (b)	50.00%	709,210,000	-	-	11,407,000	-	720,617,000
Sonaecom, SGPS, SA	26.02%	206,689,581	-	-	5,428,539	-	212,118,120
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,496,231,545	-	-	-	-	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		4,094,293,240	-	-	16,835,539	-	4,111,128,779

31.December.2016

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

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

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

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

5 OTHER INVESTMENTS

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

Companies	31.March.2017				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo de Investimento Imobiliário Fechado Imosede	30,594,505	-	-	425,704	31,020,209
Total	30,644,385	-	-	425,704	31,070,089

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

6 OTHER NON-CURRENT ASSETS

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

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

As at 31 March 2017 the loans granted to group companies, bear interest at market rates indexed to Euribor, have a long-term maturity and its fair value is similar to its carrying amount.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	31.March.2017	31.December.2016
Trade accounts receivable	215,268	715,428
Group companies		
Dividends	48,570,828	-
Interests	-	44,793
Taxes - Special regime for taxation of groups of companies	47,501,733	41,289,044
Taxes and contributions receivable	20,673,366	20,425,842
Accrued income and prepayments	2,031,447	2,760,665
Others	248,564	170,806
Total	<u>119,241,206</u>	<u>65,406,578</u>

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

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

8 CASH AND CASH EQUIVALENTS

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

	31.March.2017	31.December.2016
Cash at hand	2,433	2,233
Bank deposits	74,190	948,653
Cash and cash equivalents on the balance sheet	<u>76,623</u>	<u>950,886</u>
Cash and cash equivalents on the cash flow statement	<u>76,623</u>	<u>950,886</u>

9 SHARE CAPITAL

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

10 LOANS

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

	31.March.2017	31.December.2016
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	60,000,000
Up-front fees not yet charged to income statement	(1,539,158)	(1,638,448)
Bonds	158,460,842	158,361,552
Sonae SGPS - Commercial paper	145,000,000	94,000,000
Sonae SGPS - bank loans	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(307,788)	(321,447)
Loans	194,692,212	143,678,553
Non-current loans	353,153,054	302,040,105
Sonae SGPS - Commercial paper	107,846,000	162,000,000
Loans	107,846,000	162,000,000
Current loans	107,846,000	162,000,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 104 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	161,500,000	195,000,000
Available credit facilities amounts	53,654,000	50,000,000

The interest rate as at 31 March 2017 of the bonds and bank loans was, in average, 0.99% (0.95% as at 31 December 2016).

Maturity of Borrowings

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

	31.March.2017	31.December.2016
N+1	107,846,000	162,000,000
N+2	50,000,000	-
N+3	3,000,000	-
N+4	58,000,000	55,000,000
N+5	33,000,000	59,000,000
after N+5	211,000,000	190,000,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

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

	31.March.2017	31.December.2016
Trade creditors	370,803	545,724
Group companies:		
Loans	41,884,000	38,642,000
Taxes - Special regime for taxation of groups of companies	66,202,255	53,092,883
Taxes and contributions payable	17,515,161	15,749,775
Accrued expenses	3,171,956	3,473,734
Others	80,596,565	187,803
Total	<u>209,740,740</u>	<u>111,691,919</u>

12 CONTINGENT LIABILITIES

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

	31.March.2017	31.December.2016
Guarantees given:		
on tax claims	142,932,296	142,932,296
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries	a) 379,281,873	386,112,500

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

13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	31.March.2017	31.December.2016
Balance		
Group companies	59,807,779	52,150,959
Jointly controlled companies	37,661,284	420,628
Other partners in group companies	25,000	98,000
Accounts receivable	97,494,063	52,669,587
Parent company	42,124,060	688,281
Group companies	68,097,548	63,662,351
Jointly controlled companies	-	85
Other partners in group companies	5,875	6,615
Accounts payable	110,227,483	64,357,332
Group companies	173,092,867	173,092,867
Loans granted	173,092,867	173,092,867
Group companies	41,884,000	38,642,000
Loans obtained	41,884,000	38,642,000

Transactions	31.March.2017	31.March.2016
Group companies	40,000	549,404
Jointly controlled companies	438,643	52,388
Other partners in group companies	79,915	25,000
Services rendered and other income	558,558	626,792
Parent company	166,848	162,718
Group companies	361,033	358,819
Other partners in group companies	12,309	11,771
Purchases and services obtained	540,190	533,308
Group companies	806,118	7,381,817
Interest income	806,118	7,381,817
Group companies	212,161	1,005,748
Interest expenses	212,161	1,005,748
Group companies	11,179,728	11,181,258
Jointly controlled companies	37,391,100	-
Dividend income (Note 14)	48,570,828	11,181,258

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

14 INVESTMENTS INCOME

As at 31 March 2017 and 2016, investment income can be detailed as follows:

	31.March.2017	31.March.2016
Dividends	48,570,828	11,181,258
	48,570,828	11,181,258

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

15 EARNINGS PER SHARE

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

	31. March. 2017	31. March. 2016
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	46,992,821	12,049,874
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	46,992,821	12,049,874
Number of shares		
Weighted average number of shares used to calculate basic earnings	2,000,000,000	1,999,862,141
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,149,412	1,324,728
Number of shares that could be acquired at average market price	(961,384)	(786,361)
Weighted average number of shares used to calculate diluted earnings per share	2,000,188,028	2,000,400,507
Profit/(Loss) per share		
Basic	0.023496	0.006025
Diluted	0.023494	0.006024

16 SUBSEQUENT EVENTS

At the General Meeting of Shareholders held on 28 April 2017, a resolution was taken to distribute dividends to shareholders in the amount of 80,000,000 euro (paying a gross dividend per share of 0.04 euro) less the total amount of dividends to be distributed to shares that may eventually be acquired by the Company or by any of its subsidiaries up to the distribution date. The amount to be paid is already considered in these financial statements.

17 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 15 May 2017.

18 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 31 March 2017 short-term loan contracts were entered into with the following companies:

Sonae Investimentos, SGPS, SA

Sonaecom, SGPS, SA

As at 31 March 2017, amounts owed by subsidiaries can be summarized as follows:

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

As at 31 March 2017 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonaecenter Serviços, SA	32,775,000
Sonae RE, SA	1,576,000
Sontel, BV	7,533,000
Total	<u>41,884,000</u>

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Andrew Eustace Clavering Campbell

Christine Cross

Dag Johan Skattum

José Manuel Neves Adelino

Marcelo Faria de Lima

Margaret Lorraine Trainer

Tsega Gebreyes

SAFE HARBOUR

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

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

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

Report available at Sonae’s institutional website
www.sonae.pt

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

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