

SONAE

9 MONTHS RESULTS

2016

The SONAE logo is located in the bottom left corner. It consists of the word "SONAE" in a stylized, blue, pixelated font. The letters are composed of small blue squares, giving it a digital or mosaic-like appearance. The logo is positioned over a large, light green circular graphic that features a white outline of a smaller circle in the center.

1 HIGHLIGHTS and CEO's message

- Sonae consolidated turnover increased 6.7%, to €3,882 M
- Sonae MC grew turnover by 5.3% in 9M16, enhanced by a growth of 8.4% in 3Q16
- Worten grew turnover by 1.3% and raised EBITDA by almost €7 M in 9M16
- Sports and Fashion registered a material EBITDA improvement of €10 M in 9M16
- Sonae Sierra successfully opened ParkLake, an innovative Shopping Centre in Bucharest
- NOS increased revenues well ahead of the market
- Sonae refinanced credit facilities in the amount of €780 M since the beginning of 3Q16, further strengthening its balance sheet and improving overall funding conditions

“The third quarter was undeniably positive for Sonae. On a consolidated basis we enjoyed double-digit growth in turnover and EBITDA, we improved the competitive standing of our main businesses and we continued to strengthen our capital structure.”

On a comparable basis, all of our retail businesses grew, most notably Continente which retained its status as the acknowledged price leader in the market.

Sonae Sierra successfully opened ParkLake, the first Sierra shopping centre developed in Romania and maintained high occupancy rates and profitability levels in European and Brazilian operations.

In telecommunications NOS remained as the operator with highest turnover growth in the market, continued to improve profitability and secured a pivotal position in the management of sport content.

In the year-on-year comparison, consolidated debt at the end of the period continued to decline, and currently has a lower cost and extended maturity, reflecting a more robust balance sheet.

All in all, comforted by the success of adopted strategies, and standing on a greater financial strength, we face future challenges with renewed confidence.”

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae Consolidated results						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	3,639	3,882	6.7%	1,310	1,451	10.7%
Sonae MC	2,549	2,685	5.3%	917	993	8.4%
Sonae SR	917	1,008	9.9%	335	394	17.5%
Sonae RP	92	69	-24.9%	28	22	-20.1%
Sonae IM ⁽¹⁾	187	190	1.5%	63	63	-0.3%
E&A ⁽²⁾	-107	-69	-	-33	-22	-
Underlying EBITDA	226	210	-6.8%	94	99	5.2%
Sonae MC	152	147	-3.5%	66	66	0.2%
Sonae SR	-9	8	-	2	15	-
Sonae RP	83	60	-27.3%	25	19	-23.2%
Sonae IM ⁽¹⁾	9	9	-1.6%	5	4	-18.5%
E&A ⁽²⁾	-10	-13	-	-4	-5	-
Underlying EBITDA margin	6.2%	5.4%	-0.8 p.p.	7.2%	6.8%	-0.4 p.p.
Equity method results ⁽³⁾	38	35	-6.3%	14	12	-9.5%
o.w. S. Sierra (direct results)	21	20	-5.1%	8	7	-14.0%
o.w. NOS	16	16	-3.9%	6	6	-0.9%
Non-recurrent items	28	55	95.4%	-6	0	100.0%
EBITDA	292	301	3.1%	101	111	9.9%
EBITDA margin	8.0%	7.8%	-0.3 p.p.	7.7%	7.7%	-0.1 p.p.
D&A ⁽⁴⁾	-135	-146	-8.3%	-47	-49	-4.2%
EBIT	157	155	-1.3%	54	62	14.8%
Net financial activity	-52	-37	27.9%	-16	-12	25.6%
EBT	105	118	11.7%	39	51	30.6%
Taxes	-4	2	-	7	3	-56.7%
Direct results ⁽⁵⁾	102	120	18.1%	46	54	17.4%
Indirect results	44	21	-51.9%	1	10	-
Net income	146	141	-3.0%	47	64	36.4%
Non-controlling interests	-3	-3	-0.4%	-1	-2	-115.5%
Net income group share	142	138	-3.1%	46	61	34.5%

(1) Includes Technology and Partnerships contribution;

(2) Eliminations & adjustments;

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

(4) Depreciations & amortisations including provisions & impairments;

(5) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	9M15	9M16	y.o.y.
Net invested capital	3,157	3,264	3.4%
Technical investment	1,900	1,811	-4.7%
Financial investment	1,302	1,261	-3.1%
Goodwill	605	796	31.7%
Working capital	-649	-634	2.3%
Sonae shareholders funds	1,845	2,016	9.3%
Sonae net debt ⁽¹⁾	1,312	1,248	-4.9%
Net debt / Invested capital	41.6%	38.2%	-3.3 p.p.

(1) Financial net debt + net shareholder loans.

Sonae consolidated turnover stood at €3,882 M, increasing 6.7% when compared to the same period of 2015, benefiting from the positive performance of all the businesses with the exception of RP, driven by the sale and leaseback transactions completed over the course of 2015 and in 1Q16.

Sonae EBITDA increased €9 M, to €301 M, mostly driven by:

- (i) a €17 M recovery of SR underlying EBITDA: amounting to approximately €7 M at Worten and €10 M at Sports and Fashion (which includes the positive contribution of legacy businesses, namely Sport Zone and Zippy, as well as the integration of the acquired companies Losan and Salsa); and,
- (ii) the impact of MC investment in price and store network expansion, which has resulted in a €5 M reduction in underlying EBITDA.

Driven by the combination of the lower average net debt and in particular by the lower cost of outstanding debt, **Sonae net financial activity** improved by €15 M, registering a negative €37 M in 9M16. Sonae average interest rate of outstanding debt continued to decrease and reached 1.4% on September 30th 2016. It should be noted that Sonae financial results exclude Sonae Sierra and NOS businesses.

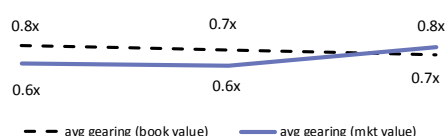
Sonae direct results amounted to €120 M, increasing 18.1% on a yearly basis. This was driven by less negative net financial activity and taxes, notwithstanding the lower EBIT.

Sonae indirect results reached €21 M, including the positive effect of the valuation of Sierra's assets in 1H16, the opening of ParkLake in Romania in 3Q16 and the capital gain related to the sale of the 2.14% direct stake in NOS on June 15th 2016. It should be noted that the mark-to-market effect of NOS is included in indirect results until the completion of its sale to Zopt.

Sonae shareholders' funds stood at €2,016 M at the end of 9M16, €171 M above 9M15. **Sonae net debt** reached €1,248 M, decreasing 4.9% in comparison to 9M15.

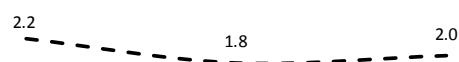
2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Gearing		
3Q14	3Q15	3Q16

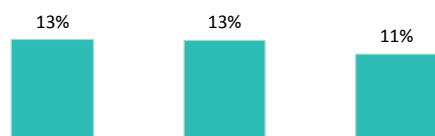


Net debt			
Million euros	9M15	9M16	y.o.y.
Net financial debt	1,303	1,244	-4.5%
MC, SR and RP	695	726	4.5%
IM	19	2	-90.5%
Holding & other	589	517	-12.3%
Sonae net debt	1,312	1,248	-4.9%

Capital Structure - MC, SR and RP		
Net debt to EBITDA		
3Q14	3Q15	3Q16



Capital Structure		
Loan-to-value (%) - Holding		
9M14	9M15	9M16



Sonae Capex			
Million euros	9M15	9M16	% of Turnover
Capex	171	293	7.5%
Sonae MC	74	114	4.3%
Sonae SR	47	119	11.8%
Sonae RP	36	42	60.6%
Sonae IM	7	15	7.7%

Average gearing at book value reached 0.7x, remaining broadly flat in comparison with last year. **Average gearing at market value** stood at 0.8x, increasing y.o.y. driven by Sonae's market price, as net debt decreased.

Sonae continues to focus on presenting a robust capital structure, optimising funding costs whilst maintaining sufficient back up liquidity and an improved maturity profile (which is currently above 4 years). Sonae started in the 3Q16 an **ambitious program to further strengthen the capital structure** by launching a formal tender with local and international banks for the refinancing of its facilities, having already refinanced more than **€430 M** in long-term facilities and around **€350 M** in short-term facilities. Accordingly, Sonae totally fulfilled its practice of being fully financed for the next 18 months and at the same time improved its general funding conditions.

Net financial debt of MC, SR and RP stood at €726 M in 9M16, €31 M above 9M15, driven by the cash-out related to the acquisition of 50% of Salsa, coupled with the consolidation of Salsa's debt. The **net debt to EBITDA** at MC, SR and RP stood at 2.0x, increasing when compared to 9M15, driven by the higher net debt.

Holding net debt reached €517 M, decreasing 12.3% y.o.y. and benefiting from the sale of the direct participation at NOS. **Loan-to-value** ratio of the holding stood at 11%, decreasing in relation to 9M15, benefiting from the lower holding net debt.

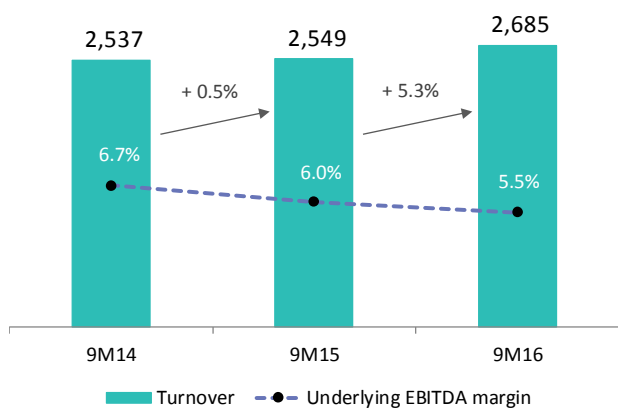
Sonae Capex increased from €171 M to €293 M, mostly due to Sonae SR:

- **MC Capex** increased €40 M to €114 M, motivated by the acceleration of the store network expansion, which includes the opening of 14 Continente Bom Dia stores, 1 Continente hypermarket and 14 Well's stores;
- **SR Capex** reached €119 M in 9M16, growing materially y.o.y. mostly impacted by the Capex related to the acquisition of Salsa, which occurred on June 30th 2016;
- **RP Capex** totalled €42 M in 9M16, growing by €6 M y.o.y. mostly driven by MC store network expansion and future developments;
- **IM Capex** reached €15 M in 9M16, increasing €8 M when compared to 9M15, impacted by the technology area.

3 SONAE MC RESULTS

Turnover and underlying EBITDA						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	2,549	2,685	5.3%	917	993	8.4%
Lfl sales (%)	-2.2%	1.8%	-	-2.9%	4.1%	-
Underlying EBITDA	152	147	-3.5%	66	66	0.2%
Underlying EBITDA margin	6.0%	5.5%	-0.5 p.p.	7.2%	6.7%	-0.5 p.p.

Turnover and Underlying EBITDA evolution



Over the last quarters, **MC** has been focused on the implementation of various measures aimed at improving Continente value proposition, which included price perception, communicating the distinctive products' offer (especially for perishables and exclusive brands) and also launching innovative promotions. **MC Lfl sales** performance totalled 4.1% in 3Q16 and 1.8% in 9M16. It is worth highlighting that DECO, the Portuguese Consumers' Association, has recently published the results of its most recent price survey covering the entire country, ranking Continente again as the price leader in Portugal.

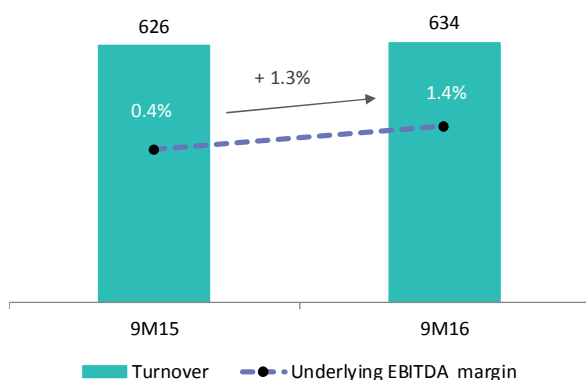
At the same time, **MC** remained focused on implementing its strategy of **store network expansion** through convenience formats, namely Continente Bom Dia - proximity own stores with average sales area slightly below 1 thousand sqm, and Meu Super - franchised local food stores with average sales area around 300 sqm. Accordingly, **MC** opened 14 Continente Bom Dia stores and 54 Meu Super stores in 9M16, which has contributed towards a **MC turnover** increase of 5.3% y.o.y., to €2,685 M, which includes a material growth of 8.4% in 3Q16. This strategy has allowed MC not only to defend but also to increase its leading market share.

Despite this strong expansion effort combined with a continuous price investment to face the still strong competitive environment, **MC underlying EBITDA margin** reached 5.5%, 50bps below 9M15.

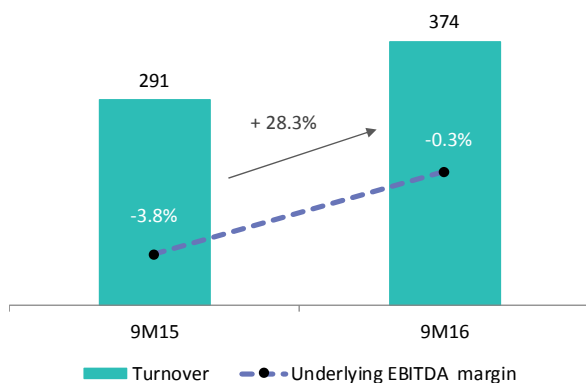
4 SONAE SR RESULTS

Performance per business						
	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover (million €)	917	1,008	9.9%	335	394	17.5%
Worten	626	634	1.3%	227	229	1.2%
Sports and Fashion	291	374	28.3%	108	164	51.5%
EBITDA (million €)	-9	8	-	2	15	-
Worten	2	9	-	2	6	253.2%
Sports and Fashion	-11	-1	88.6%	1	9	-
EBITDA margin (%)	-1.0%	0.7%	1.7 p.p.	0.6%	3.8%	3.2 p.p.
Worten	0.4%	1.4%	1.0 p.p.	0.7%	2.5%	1.8 p.p.
Sports and Fashion	-3.8%	-0.3%	3.5 p.p.	0.5%	5.7%	5.3 p.p.
LFL (%)	-1.4%	2.0%	-	-3.5%	4.8%	-
Worten	-0.7%	2.9%	-	-2.4%	6.7%	-
Sports and Fashion	-2.8%	0.1%	-	-5.2%	1.1%	-

Worten Turnover and Underlying EBITDA evolution



Sports and Fashion Turnover and Underlying EBITDA evolution



Worten division continued to be focused on increasing its **EBITDA**, which raised from €2 M to €9 M y.o.y., benefiting from the improvement of the results in all operations: Portugal, Spain mainland, Canary Islands and omni-channel, thus reinforcing its position in the Iberian market.

Operationally, the team further implemented its omni-channel strategy in Iberia, leveraging on its physical store network and e-commerce presence. Accordingly, **omni-channel sales** maintained the increasing trend fuelled by a significant growth of online sales close to 20%. Importantly, it should be noted that **Worten** posted **Lfl sales growth** of 6.7% in 3Q16.

Importantly, during 9M16, **Worten** store network was reinforced particularly driven by refurbishments, especially in Spain, allowing to reach important goals in sales area productivity. The **sales per sqm** continued to grow, increasing by 7% y.o.y..

In what concerns the **Sports and Fashion** division, which includes Sport Zone, Mo and Zippy, as well as the acquired businesses: Losan – a wholesale player specialised in kids wear, and Salsa – a recognised jeanswear brand, **turnover** grew by 28.3% in 9M16, to €374. This growth benefited from the positive contribution of Zippy and Sport Zone, but also from the consolidation of Losan and Salsa results. Both acquired brands have a strong international presence as well as a proven track record and will contribute towards reinforcing **Sports and Fashion** competencies.

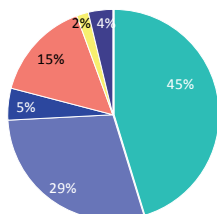
The **Sports and Fashion EBITDA** improved significantly by €10 M in 9M16, to negative €1 M, reaching €9 M in 3Q16. The legacy businesses, namely Sport Zone and Zippy, had a positive contribution to this evolution. It should be noted that Sport Zone in Spain continued to register a positive y.o.y. EBITDA contribution. Regarding Mo, despite the recent efforts in rebalancing its value proposition, the performance of this brand was still below expectations.

SR turnover stood at €1,008 M in 9M16, posting an increase of 9.9% when compared to 9M15, backed by both Worten and Sports and Fashion divisions. As for **SR EBITDA**, it stood at €8 M in 9M16, posting a material improvement y.o.y., driven by both SR divisions.

5 SONAE RP RESULTS

RP Portfolio as % of Gross Book Value

- Continente
- Continente Modelo
- Continente Bom Dia
- Logistics & Offices
- Others
- Assets without income



Turnover and Underlying EBITDA

Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	92	69	-24.9%	28	22	-20.1%
Underlying EBITDA	83	60	-27.3%	25	19	-23.2%
Underlying EBITDA margin	90.1%	87.2%	-2.9 p.p.	89.4%	85.9%	-3.5 p.p.

RP manages Sonae's retail real estate portfolio and currently includes real estate assets with a net book value amounting to €909 M.

RP completed 3 sale and leaseback transactions in the amount of €230 M in 9M16, equivalent to a capital gain of approximately €63 M. This strategy enabled releasing capital from mature real estate assets while also maintaining adequate operational flexibility. MC's freehold is now at 51%, moving closer to the stated target freehold level. At the end of 9M16, MC's real estate portfolio included 22 Continente stores, 62 Continente Modelo stores and 21 Continente Bom Dia stores. As for SR's freehold, it stood at 22% as of 9M16.

RP turnover decreased 24.9%, to €69 M, driven mostly by freehold reduction at MC, from 62% in 9M15, to 51% at the end of 9M16. The **underlying EBITDA** amounted to €60 M, corresponding to an **underlying EBITDA margin** of 87.2%.

It should be noted that **RP** has been responsible for a considerable part of MC's convenience store network expansion. Accordingly, **RP Capex** as of 9M16 stood at €42 M and grew by €6 M y.o.y..

6 SONAE IM RESULTS

Technology portfolio

WeDo Technologies	Movvo
Saphety	Brightpixel
Bizdirect	InovRetail
S21Sec	

IM has an active portfolio strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail and telecommunications, aiming to develop innovative solutions and with an international focus. **IM** core areas of interest include business analytics solutions, mobility solutions for retail, in-store technologies, fraud assurance and cybersecurity solutions.

Turnover and Underlying EBITDA performance

Turnover and underlying EBITDA

Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	89	88	-0.8%	29	27	-6.3%
Underlying EBITDA	6	3	-50.6%	2	1	-48.2%
Underlying EBITDA margin	7.1%	3.6%	-3.6 p.p.	8.2%	4.5%	-3.7 p.p.

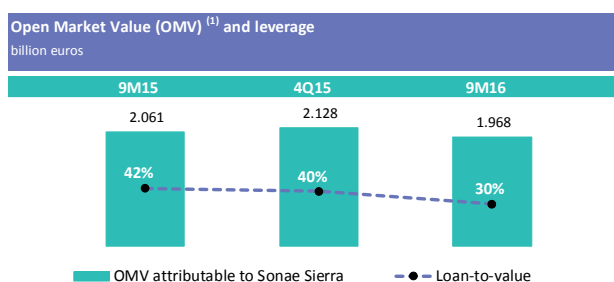
In the Technology arm, **IM turnover** reached €88 M, decreasing 0.8% when compared to 9M15. **Underlying EBITDA** amounted to €3 M, which translates into an **Underlying EBITDA margin** of 3.6%.

Note: For consolidation purposes, Sonae IM also includes some Partnerships - MDS, Maxmat, Tlantic and Público - which reached a turnover of €102.6 M and an underlying EBITDA of €6.6 M in 9M16.

7 SONAE SIERRA RESULTS

Operational Indicators			
	9M15	9M16	y.o.y.
Footfall (million visitors)	319	313	-1.8%
Europe & New Markets	242	242	0.2%
Brazil	77	71	-8.3%
Occupancy rate (%)	95.1%	96.4%	1.3 p.p.
Europe	96.0%	97.1%	1.1 p.p.
Brazil	92.6%	94.5%	1.9 p.p.
Like-for-Like (Lfl) tenant sales			
Europe	2.6%	3.3%	0.7 p.p.
Brazil (local currency)	5.1%	0.4%	-4.7 p.p.
Tenant sales (million euros)	3,194	3,107	-2.7%
Europe (million euros)	2,231	2,286	2.5%
Brazil (million euros)	963	821	-14.7%
Brazil (million reais)	3,354	3,236	-3.5%
Nº of shopping centres owned and managed (EOP)	67	66	-1
Europe	56	56	0
Brazil	11	10	-1
Nº of shopping centres owned/co-owned (EOP)	46	45	-1
Europe	36	36	0
Brazil	10	9	-1
GLA under Management ('000 sqm)	2,374	2,288	-3.6%
Europe & New Markets	1,852	1,888	1.9%
Brazil	522	481	-7.8%

Financial Indicators						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Turnover	162	150	-7.2%	54	51	-6.0%
EBIT	76	71	-7.7%	26	23	-11.1%
EBIT margin	47.2%	46.9%	-0.3 p.p.	48.9%	46.3%	-2.6 p.p.
Direct results	42	40	-5.0%	16	13	-13.6%
Indirect results	52	52	-0.3%	0	20	-
Net results	95	93	-2.4%	15	34	116.4%
... attributable to Sonae	47	46	-2.4%	8	17	116.4%



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

Sierra has been further implementing its recycling capital strategy by reducing exposure to more mature shopping malls and reinvesting in developing others:

- ParkLake was opened in September 1st and is the **first Sierra's development in Romania**. It represents an investment of €180 M and comprises over 200 stores in 70 thousand sqm. The results so far exceed our best expectations. **Indirect results** in 3Q16 reached €20 M, benefiting from the positive effect of the value created in the Parklake development. Additionally, Sierra has 5 projects under development: Nuremberg (Germany), Zenata (Morocco), Malaga Designer Outlet (Spain), NorteShopping Expansion (Portugal) and Cucuta (Colombia).
- Over the last 12 months, Sonae Sierra sold Colombo Tower (Portugal), Zubiarte (Spain), Loop 5 (Germany), Boavista Shopping (Brazil), diluted 25% in the Sierra Portugal Fund and also reduced the ownership of AlgarveShopping, Estação Viana Shopping and Luz del Tajo (following the closing of a partnership with CBRE Global Investment Partners). Consequently, on September 30th 2016, the **Investment and Development Properties** attributable to Sierra reached €1.968 bn, €160 M below the 2015 year-end, driven by the effect of the disposals, which more than off-set the investments in projects under development, the positive exchange rate effect in the Brazilian real (closing rate 9M16 vis-à-vis closing rate 12M15) and assets revaluation.

On the **operational side**, Sierra further proved the quality of its assets:

- In **Europe**, tenant sales increased 2.5%, to €2,286 M, corresponding to an increase in Lfl tenant sales of 3.3% and occupancy rates increased further to 97.1%;
- In **Brazil**, tenant sales reached 0.4% in Lfl terms, returning to a positive trend although declining 3.5% y.o.y. to 3,236 M reais, due to the still challenging macroeconomic environment. Despite this, **occupancy rates** are already registering a small recovery.

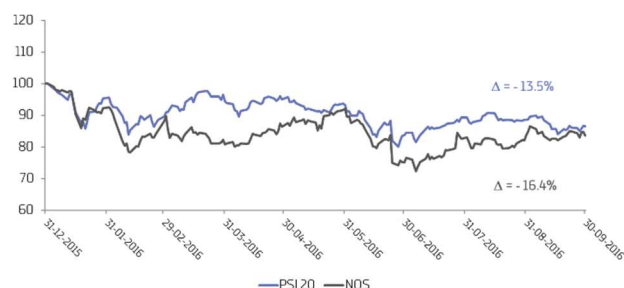
Sierra's turnover reached €150 M, a decrease of 7.2% when compared to 9M15, only driven by the asset disposals already mentioned. The **EBIT** stood at €71 M, less 7.7% y.o.y., corresponding to an **EBIT margin** of 46.9%. Excluding the portfolio changes and the exchange rate effect mentioned previously, EBIT increased 5% as a consequence of higher rental income and higher services rendered mainly to clients outside Sierra's shopping centre portfolio.

NAV (Net Asset Value) reached €1.286 bn at the end of 9M16, €107 M above December 2015, reflecting both the direct and indirect results of the period, the favourable exchange rate effect less the dividends payment. **Loan-to-value** stood at 30% in 9M16, compared to a value of 42% in 9M15.

8 NOS RESULTS

Financial Indicators						
Million euros	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Operating revenues	1,068	1,124	5.3%	368	381	3.5%
EBITDA	410	432	5.3%	144	145	1.2%
EBITDA margin	38.4%	38.4%	0.0 p.p	39.0%	38.1%	-0.9 p.p
Net results	74	78	6.6%	26	28	4.8%
Capex	295	293	-0.7%	98	97	-1.4%

Operational Indicators						
('000)	9M15	9M16	y.o.y.	3Q15	3Q16	y.o.y.
Total RGUs (Net adds)	651	477	-	247	195	-
Convergent RGUs (Net adds)	812	417	-	222	114	-
Mobile (Net adds)	382	273	-	164	125	-
Pay TV (Net adds)	45	42	-	20	12	-
Total RGUs	8,277	8,942	8.0%	8,277	8,942	8.0%
Convergent RGUs	2,665	3,271	22.7%	2,665	3,271	22.7%
Convergent customers	556	661	19.0%	556	661	19.0%
ARPU/Unique subscriber with fixed access (euros)	42	43	3.4%	42	43	2.0%



NOS published its results on November 7th 2016, which are available at www.nos.pt.

NOS continued to show a very solid operating and financial performance.

The **operating revenues** increased 5.3% y.o.y to €1,124 M, in 9M16, maintaining the positive top line performance.

EBITDA registered €432 M, improving 5.3% when compared to 9M15 and corresponding to an EBITDA margin of 38.4%.

Net results grew by 6.6%, to €78 M.

Total RGUs grew by 8.0%, to 8,942 M and **convergent RGUs** increased to 3,271 M, +22.7% y.o.y..

ARPU continued to grow, reaching 43 euros in 9M16, increasing 3.4% when compared to 9M15.

During 9M16, NOS market capitalisation decreased 16.4%, corresponding to a share price decrease from €7.246 to €6.057.

The PSI-20, the main Portuguese index, decreased its market capitalisation 13.5% in the same period.

9 CORPORATE INFORMATION

Main corporate events in the 3Q16

On **September 21st 2016**, Sonae announced that in the context of a partnership with Satya Capital, Sonae MC and Satya Capital, acquired 2 food retail stores in Mozambique. The total investment amounted to \$6M, divided between Sonae MC and Satya with a 30/70 ratio respectively.

10 ADDITIONAL INFORMATION

Methodological notes

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

Glossary

CAPEX	Investments in tangible and intangible assets and investments in acquisitions.
Direct results	Results excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results (Sonae Sierra direct results and ZOPT net results) + non-recurrent items.
EBITDA margin	EBITDA / turnover.
(Direct) EBT	Direct results before non-controlling interests and taxes.
E&A (Eliminations & adjustments)	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
EoP	End of period.
Free Cash Flow (FCF)	EBITDA - CAPEX - change in working capital - financial results - income taxes.
Financial net debt	Total net debt excluding shareholders' loans.
FMCG	Fast-Moving Consumer Goods.
Gearing (book value)	The average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
Gearing (market value)	The 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).
LTM	Last twelve months.
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.
Other income	Dividends.
Other loans	Bonds, leasing and derivatives.
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by independent international entities.
Return on Invested Capital (RoIC)	EBIT (LTM) / net invested capital.
Return on equity (ROE)	Total net income n (equity holders) / shareholders' funds n-1 (equity holders).
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

Number of stores and sales area

	Nr. of Stores						Sales Area ('000 sqm)					
	31 Dec 2015	Stores Opened	M&A	Banner Changed	Stores Closed	30 Sept 2016	31 Dec 2015	Stores Opened (3)	M&A	Banner Changed	Stores Closed	30 Sept 2016
Sonae MC	746	100	0	0	-21	825	673	32	0	0	-4	701
Company Operated ⁽¹⁾	509	41	0	0	-2	548	619	22	0	0	-1	640
Continente	40	1	0	0	0	41	283	0	0	0	0	283
Continente Modelo	123	0	0	0	0	123	246	0	0	0	0	246
Continente Bom Dia	52	14	0	0	0	66	58	19	0	0	0	77
Well's	152	14	0	0	0	166	16	1	0	0	0	17
Bom Bocado / Bagga	111	6	0	0	-1	116	6	0	0	0	0	7
Note! / Makenotes	25	4	0	0	0	29	6	1	0	0	0	7
Other ⁽²⁾	6	2	0	0	-1	7	4	0	0	0	-1	3
Franchising	237	59	0	0	-19	277	54	10	0	0	-3	61
Continente Modelo	7	0	0	0	0	7	17	0	0	0	0	17
Meu Super	205	54	0	0	-19	240	35	10	0	0	-3	42
Well's	15	5	0	0	0	20	1	0	0	0	0	2
Bom Bocado / Bagga	5	0	0	0	0	5	0	0	0	0	0	0
Note!	5	0	0	0	0	5	1	0	0	0	0	1
Sonae SR	596	36	94	0	-27	699	381	11	9	0	-13	389
Company Operated ⁽¹⁾	516	26	67	0	-19	590	360	9	7	0	-11	365
Electronics	227	10	0	0	-10	227	189	3	0	0	-7	185
Portugal	177	3	0	0	-4	176	118	0	0	0	0	118
Worten	138	3	0	0	-1	140	116	0	0	0	0	116
Worten Mobile	39	0	0	0	-3	36	1	0	0	0	0	1
Spain	50	7	0	0	-6	51	72	3	0	0	-7	67
Worten	50	7	0	0	-6	51	72	3	0	0	-7	67
Sports	108	14	0	0	-1	121	95	7	0	0	-1	101
Portugal	75	5	0	0	0	80	62	2	0	0	0	65
Sport Zone	75	5	0	0	0	80	62	2	0	0	0	65
Spain	33	9	0	0	-1	41	33	5	0	0	-1	36
Sport Zone	33	9	0	0	-1	41	33	5	0	0	-1	36
Fashion	181	2	67	0	-8	242	76	-1	7	0	-3	79
Portugal	147	2	42	0	-2	189	66	-1	5	0	-1	69
Mo	108	1	0	0	-1	108	54	-1	0	0	0	53
Zippy ⁽⁴⁾	39	1	0	0	-1	39	12	0	0	0	0	12
Salsa	0	0	42	0	0	42	0	0	5	0	0	5
Spain	34	0	15	0	-6	43	10	0	1	0	-2	9
Zippy	24	0	0	0	-6	18	7	0	0	0	-2	5
Losan	10	0	0	0	0	10	3	0	0	0	0	3
Salsa	0	0	15	0	0	15	0	0	1	0	0	1
France	0	0	8	0	0	8	0	0	1	0	0	1
Salsa	0	0	8	0	0	8	0	0	1	0	0	1
Germany	0	0	1	0	0	1	0	0	0	0	0	0
Salsa	0	0	1	0	0	1	0	0	0	0	0	0
Luxembourg	0	0	1	0	0	1	0	0	0	0	0	0
Salsa	0	0	1	0	0	1	0	0	0	0	0	0
Franchising	80	10	27	0	-8	109	21	2	3	0	-2	24
Electronics	4	0	0	0	0	4	2	0	0	0	0	2
Portugal	4	0	0	0	0	4	2	0	0	0	0	2
Worten	4	0	0	0	0	4	2	0	0	0	0	2
Sports	9	3	0	0	0	12	4	1	0	0	0	5
Portugal	4	0	0	0	0	4	2	0	0	0	0	2
Sport Zone	4	0	0	0	0	4	2	0	0	0	0	2
Other Countries ⁽⁵⁾	5	3	0	0	0	8	2	1	0	0	0	3
Fashion	67	7	27	0	-8	93	15	1	3	0	-2	17
Portugal (Mo)	5	0	0	0	0	5	1	0	0	0	0	1
Other Countries	62	7	27	0	-8	88	14	1	3	0	-2	16
Zippy ⁽⁶⁾	50	5	0	0	-6	49	10	1	0	0	-1	10
Mo ⁽⁷⁾	12	1	0	0	-2	11	4	0	0	0	-1	3
Losan ⁽⁸⁾	0	1	0	0	0	1	0	0	0	0	0	0
Salsa ⁽⁹⁾	0	0	27	0	0	27	0	0	3	0	0	3
Sonae IM	30	0	0	0	0	30	54	0	0	0	0	54
Maxmat	30	0	0	0	0	30	54	0	0	0	0	54

(1) Includes Joint-Ventures;

(2) Includes outlet;

(3) Includes changes in sales area due to refurbishments;

(4) Includes a pop up store opened in 2014 converted into a permanent store;

(5) Includes India, France and Spain;

(6) Includes Turkey, Saudi Arabia, Egypt, Kazakhstan, Azerbaijan, Dominican Republic, Venezuela, Morocco, Lebanon, Qatar, St. Maarten (2015), Jordan (2015), Armenia, Chile (2015), Georgia, Equator, Cyprus, Kurdistan, Libya, Tunisia, Philippines, and Mozambique;

(7) Includes Spain, Mozambique, Saudi Arabia and Cambodia;

(8) Bahrein;

(9) Includes Saudi Arabia, Qatar, Kuwait, United Arab Emirates, Lebanon, Bahrein, Morocco, Slovenia, Martinique and Angola.

Sonae Consolidated Profit and Loss Account

Sonae profit and loss account			
Million euros	9M15	9M16	y.o.y.
Turnover	3,639	3,882	6.7%
Underlying EBITDA	226	210	-6.8%
Underlying EBITDA margin	6.2%	5.4%	-0.8 p.p.
EBITDA	292	301	3.1%
EBITDA margin	8.0%	7.8%	-0.3 p.p.
Depreciations & amortisations ⁽¹⁾	-135	-146	-8.3%
EBIT	157	155	-1.3%
Net financial activity	-52	-37	27.9%
EBT	105	118	11.7%
Taxes	-4	2	-
Direct results	102	120	18.1%
Indirect results ⁽²⁾	44	21	-51.9%
Net income	146	141	-3.0%
Minority interests	-3	-3	-0.4%
Net income group share	142	138	-3.1%

(1) Includes provisions and impairments; (2) Includes: (i) Sonae's Sierra indirect income contribution; (ii) NOS mark to market effect; (iii) other asset provisions for possible future liabilities in non-core and/or discontinued operations and (iv) non-cash impairments for operational assets.

Sonae Consolidated Statement of Financial Position

Sonae statement of financial position			
Million euros	9M15	9M16	y.o.y.
TOTAL ASSETS	5,165	5,430	5.1%
Non current assets	3,869	4,010	3.6%
Tangible and intangible assets	1,890	1,840	-2.6%
Assets available for sale	5	0	-
Goodwill	605	796	31.7%
Investment properties	1	1	-6.0%
Other investments	1,232	1,272	3.2%
Deferred tax assets	99	67	-31.8%
Others	37	33	-10.6%
Current assets	1,297	1,420	9.5%
Stocks	591	672	13.8%
Trade debtors	82	117	43.9%
Liquidity	250	346	38.4%
Others	375	285	-24.1%
SHAREHOLDERS' FUNDS	1,845	2,016	9.3%
Equity holders	1,706	1,807	5.9%
Attributable to minority interests	139	209	50.8%
LIABILITIES	3,321	3,413	2.8%
Non-current liabilities	1,395	1,347	-3.5%
Bank loans	516	531	2.8%
Other loans	700	671	-4.1%
Deferred tax liabilities	90	65	-27.7%
Provisions	39	40	1.5%
Others	50	40	-20.8%
Current liabilities	1,925	2,067	7.3%
Bank loans	294	368	25.2%
Other loans	55	31	-44.3%
Trade creditors	1,053	1,121	6.4%
Others	523	547	4.6%
SHAREHOLDERS' FUNDS + LIABILITIES	5,165	5,430	5.1%

Condensed consolidated financial statements

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

(Amounts expressed in euro)

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

ASSETS	Notes	30 Sep 2016	30 Sep 2015	31 Dec 2015
NON-CURRENT ASSETS:				
Tangible assets	8	1,586,397,484	1,654,227,457	1,543,114,788
Intangible assets	9	253,359,038	239,943,055	244,450,349
Investment properties		885,133	941,880	919,609
Goodwill	10	796,199,877	604,698,617	624,543,913
Investments in joint ventures and associates	5	1,244,338,412	1,201,442,440	1,214,889,100
Other investments	6 and 11	27,537,601	30,938,406	29,549,661
Deferred tax assets	14	67,498,221	98,994,547	63,869,618
Other non-current assets	12	33,368,875	37,340,203	31,610,627
Total Non-Current Assets		4,009,584,641	3,868,526,605	3,752,947,665
CURRENT ASSETS:				
Inventories		672,269,418	590,722,119	634,764,894
Trade account receivables and other debtors	13	401,796,929	370,400,554	340,621,061
Investments	11	1,018,735	81,831,091	82,430,974
Cash and cash equivalents	15	344,975,386	249,283,076	282,751,583
Total Current Assets		1,420,060,468	1,292,236,840	1,340,568,512
Assets available for sale	16	-	4,525,381	131,044,138
TOTAL ASSETS		5,429,645,109	5,165,288,826	5,224,560,315
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	17	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	17	(114,798,078)	(127,047,254)	(123,493,932)
Reserves and retained earnings		(216,387,289)	(309,629,475)	(393,321,903)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		137,974,720	142,384,377	175,306,228
Equity attributable to the equity holders of the Parent Company		1,806,789,353	1,705,707,648	1,658,490,393
Equity attributable to non-controlling interests	18	209,392,074	138,897,573	136,303,721
TOTAL EQUITY		2,016,181,427	1,844,605,221	1,794,794,114
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	19	1,202,273,680	1,216,187,070	1,272,864,874
Other non-current liabilities	21	39,566,933	49,987,728	36,028,880
Deferred tax liabilities	14	65,083,534	90,031,579	72,759,772
Provisions	24	39,637,172	39,044,393	38,810,058
Total Non-Current Liabilities		1,346,561,319	1,395,250,770	1,420,463,584
CURRENT LIABILITIES:				
Loans	19	399,019,142	349,127,121	314,262,928
Trade creditors and other liabilities	23	1,664,781,741	1,572,618,577	1,691,955,699
Provisions	24	3,101,480	3,687,137	3,083,990
Total Current Liabilities		2,066,902,363	1,925,432,835	2,009,302,617
TOTAL LIABILITIES		3,413,463,682	3,320,683,605	3,429,766,201
TOTAL EQUITY AND LIABILITIES		5,429,645,109	5,165,288,826	5,224,560,315

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

The Board of Directors

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

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

(Amounts expressed in euro)	Notes	3 rd Quarter 2016	3 rd Quarter 2015	30 Sep 2016	30 Sep 2015
Sales	30	1,399,247,719	1,265,361,509	3,726,319,680	3,504,293,837
Services rendered	30	51,415,957	44,636,414	155,748,216	134,670,375
Gains and losses on investments		(364,656)	151,277	1,487,296	(3,041,984)
Investment income investments recorded at fair value through profit	11	-	2,169,469	(6,318,903)	23,511,756
Financial income		2,882,226	2,368,480	4,981,852	9,700,154
Other income	27	169,718,427	155,252,039	579,244,106	511,715,806
Cost of goods sold and materials consumed		(1,139,123,576)	(1,039,494,391)	(3,090,634,968)	(2,871,613,581)
Changes in stocks of finished goods and work in progress		1,062,558	(106,730)	1,502,495	(91,583)
External supplies and services		(185,655,857)	(162,775,912)	(520,962,729)	(470,640,677)
Staff costs		(183,911,080)	(161,671,466)	(541,534,701)	(498,698,859)
Depreciation and amortisation	8 and 9	(45,657,036)	(42,821,988)	(132,719,424)	(128,676,641)
Provisions and impairment losses		(1,048,394)	(96,616)	(9,270,724)	(2,870,520)
Financial expense		(14,516,209)	(18,011,237)	(42,244,884)	(61,362,202)
Other expenses		(15,527,620)	(18,612,672)	(48,240,453)	(61,555,027)
Share of results of joint ventures and associated companies	5	22,293,641	13,496,457	61,520,458	63,975,425
Profit/(Loss) before taxation		60,816,100	39,844,633	138,877,317	149,316,279
Taxation	28	2,995,738	6,923,785	2,348,605	(3,692,341)
Profit/(Loss) after taxation		63,811,838	46,768,418	141,225,922	145,623,938
Attributable to:					
Equity holders of the Parent Company:		61,452,356	45,673,444	137,974,720	142,384,377
Non-controlling interests	18	2,359,482	1,094,974	3,251,202	3,239,561
Profit/(Loss) per share					
Basic	29	0.033575	0.025335	0.076208	0.078994
Diluted	29	0.031404	0.024270	0.071202	0.075734

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

The Board of Directors

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

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

(Amounts expressed in euro)	3 rd Quarter 2016	3 rd Quarter 2015	30 Sep 2016	30 Sep 2015
Net Profit / (Loss) for the period	63,811,837	46,768,418	141,225,922	145,623,938
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(218,195)	(4,413,075)	2,877,284	(5,946,328)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 5.4)	3,045,621	(35,330,499)	(8,331,814)	(39,825,703)
Changes in hedge and fair value reserves	(176,831)	532,876	380,949	(2,209,050)
Deferred taxes related with other components of comprehensive income	112,315	(133,413)	(23,475)	541,767
Others	9,578,784	501,744	9,524,762	430,962
Other comprehensive income for the period	12,341,694	(38,842,367)	4,427,706	(47,008,352)
Total comprehensive income for the period	76,153,532	7,926,051	145,653,628	98,615,586
Attributable to:				
Equity holders of parent company	74,008,773	9,389,159	142,986,351	98,166,752
Non controlling interests	2,144,759	(1,463,108)	2,667,277	448,834

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

The Board of Directors

9 MONTHS RESULTS 2016

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

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

	Share Capital	Own Shares	Reserves and Retained Earnings						Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 18)	Total Equity
			Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings					
(Amounts expressed in euro)													
			Attributable to Equity Holders of Parent Company										
Balance as at 1 January 2015 - Restated	2,000,000,000	(136,273,735)	196,260,390	3,375,818	(1,124,124)	1,366,866	22,313,000	(557,725,640)	(335,533,690)	143,838,207	1,672,030,782	160,200,533	1,832,231,315
Total comprehensive income for the period	-	-	-	(2,885,218)	-	(1,628,673)	-	(39,703,734)	(44,217,625)	142,384,377	98,166,752	448,834	98,615,586
Appropriation of consolidated net profit of 2014													
Transfer to legal reserves and retained earnings	-	-	47,951,202	-	-	-	-	95,887,005	143,838,207	(143,838,207)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	(68,258,971)	(68,258,971)	-	(68,258,971)	(2,348,701)	(70,607,672)
Acquisition of own shares	-	9,226,481	-	-	-	-	-	-	-	-	9,226,481	-	9,226,481
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	-	(7,201,039)	(7,201,039)	-	(7,201,039)	(22,075)	(7,223,114)
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	-	(1,720,527)	(1,720,527)	-	(1,720,527)	(19,377,952)	(21,098,479)
Others	-	-	-	-	-	-	-	3,464,170	3,464,170	-	3,464,170	(3,066)	3,461,104
Balance as at 30 September 2015	2,000,000,000	(127,047,254)	244,211,592	490,600	(1,124,124)	(261,807)	22,313,000	(575,258,736)	(309,629,475)	142,384,377	1,705,707,648	138,897,573	1,844,605,221
Balance as at 1 January 2016	2,000,000,000	(123,493,932)	244,211,592	1,135,801	-	272,950	22,313,000	(661,255,246)	(393,321,903)	175,306,228	1,658,490,393	136,303,721	1,794,794,114
Total comprehensive income for the period	-	-	-	1,079,554	-	307,223	-	3,624,854	5,011,631	137,974,720	142,986,351	2,667,277	145,653,628
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	-	-	-	-	-	-	-	-	-	-	-	(2,120,481)	(2,120,481)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	-	(492,503)	(492,503)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	-	(2,880,703)	(2,880,703)	-	(2,880,703)	(53,862)	(2,934,565)
Partial cancellation of Cash Settled Equity Swap (Note 17)	-	8,695,854	-	-	-	-	-	(404,740)	(404,740)	-	8,291,114	-	8,291,114
Percentage change in subsidiaries	-	-	-	-	-	-	-	(97,802)	(97,802)	-	(97,802)	(2,078)	(99,880)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	73,090,000	73,090,000
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2016	2,000,000,000	(114,798,078)	244,211,592	2,215,355	-	580,173	22,313,000	(485,707,409)	(216,387,289)	137,974,720	1,806,789,353	209,392,074	2,016,181,427

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

The Board of Directors

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

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

(Amounts expressed in euro)	Notes	3 rd Quarter 2016	3 rd Quarter 2015	30 Sep 2016	30 Sep 2015
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		230,025,160	153,078,205	65,868,477	46,394,746
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments	11	-	-	83,186,984	-
Tangible and Intangible assets	8	724,145	728,592	230,889,517	184,356,254
Interests and similar income		518,494	699,118	1,594,733	1,986,388
Loans granted		-	33,797,000	1,535	38,147,098
Dividends		10,311,947	8,651,177	45,077,135	17,805,340
Others		6,544,311	713,977	13,480,008	8,521,962
		18,098,897	44,589,864	374,229,912	250,817,042
Cash Payments arising from:					
Investments		(1,205,891)	-	(66,844,822)	(1,161,653)
Tangible and Intangible assets		(63,182,207)	(49,864,260)	(202,616,828)	(156,592,545)
Loans granted		-	(34,373,722)	-	(38,420,948)
Others		(26,461,941)	(304,568)	(26,844,749)	(937,701)
		(90,850,039)	(84,542,550)	(296,306,399)	(197,112,847)
Net cash used in investment activities (2)		(72,751,142)	(39,952,686)	77,923,513	53,704,195
FINANCING ACTIVITIES					
Cash receipts arising from:					
Investments		-	550,056	3,641,405	1,125,403
Loans obtained		2,781,555,787	1,027,518,548	6,722,518,314	2,394,401,113
Disposal of own shares		-	-	-	4,072,868
Others		-	-	296,059	-
		2,781,555,787	1,028,068,604	6,726,455,778	2,399,599,384
Cash Payments arising from:					
Investments		(3,914,602)	(209,705)	(6,717,039)	(28,266,822)
Loans obtained		(2,886,373,784)	(1,222,834,618)	(6,771,825,606)	(2,714,269,986)
Interests and similar charges		(10,754,002)	(14,663,693)	(32,862,641)	(51,527,370)
Dividends		(358,455)	(758,631)	(2,687,953)	(75,211,712)
Purchase of own shares		-	-	-	(139,401)
Others		(607,611)	(602,262)	(1,322,780)	(1,836,861)
		(2,902,008,454)	(1,239,068,909)	(6,815,416,019)	(2,871,252,152)
Net cash used in financing activities (3)		(120,452,667)	(211,000,305)	(88,960,241)	(471,652,768)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		36,821,351	(97,874,786)	54,831,749	(371,553,827)
Effect of foreign exchange rate		(616,490)	(1,116,635)	(1,044,559)	(1,229,222)
Cash and cash equivalents at the beginning of the period	15	288,578,930	314,705,158	270,140,463	588,271,612
Cash and cash equivalents at the end of the period	15	326,016,771	217,947,007	326,016,771	217,947,007

The accompanying notes are part of these condensed financial statements.

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

(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 4 to 6 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 30.

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 2015.

2.1 Basis of preparation

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

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

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

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

Up to the financial statements approval date, the following standards interpretations, some of which become mandatory during 2016, have been endorsed by the European Union.

With mandatory application in 2016:	Effective date (for financial years beginning on or after)
IAS 19 (amendment) – (Employee benefits)	01 Feb 2015
Improvements of international financial reporting standards (2010-2012 cycle)	01 Feb 2015
Improvements of international financial reporting standards (2012-2014 cycle)	01 Jan 2016
IFRS 11 (amendment) – Accounting for acquisitions of interests in Joint Operations	01 Jan 2016
IAS 1 – (amendment) – Presentation of financial statements	01 Jan 2016
IAS 16 and IAS 38 – (amendment) – (Clarification of acceptable methods of depreciation and amortization)	01 Jan 2016
IAS 16 – (amendment) – Tangible Assets and IAS 41 (amendments) – Bearer Plants	01 Jan 2016
IAS 27 – (amendment) – Equity method in separate financial statements	01 Jan 2016

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

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

With mandatory application after 2016:	Effective date (for financial years beginning on or after)
IFRS 15 – Revenue from contracts with customers	01 Jan 2018
IFRS 10, IFRS 12 and IAS 28 - (amendment) - clarification of various aspects related to the application of the exception for consolidation by investment entities	01 Jan 2017

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

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

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

3 CHANGES IN ACCOUNTING POLICIES

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

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

COMPANY	Head Office	Percentage of capital held			
		30 Sep 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Retail					
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) Varsaw (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%
1) Contibomba - Comércio e Distribuição de Combustíveis, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a) Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
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 Selecção, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia (Portugal)	97.91%	97.91%	97.92%	97.92%
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%
Imoconti – 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%
Infofield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
2) Irmãos Vila Nova, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
2) Irmãos Vila Nova III - Imobiliária, SA	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
2) IVN - Serviços Partilhados, SA	a)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	-	-
2) IVN Asia Limited	a)	Hong Kong (China)	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)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
3) MCCARE – Serviços de Saúde, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	-	-
MJB Design, Lda	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

	Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
1)	Modelo.com - Vendas p/Correspond., 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%
2)	Salsa DE GmbH	a)	Dusseldorf (Germany)	100.00%	50.00%	-	-
2)	Salsa Distribution USA LLC	a)	New York (USA)	100.00%	50.00%	-	-
2)	Salsa France, S.A.R.L.	a)	Paris (France)	99.99%	50.00%	-	-
2)	Salsa Luxembourg, Sàrl	a)	Luxembourg	100.00%	50.00%	-	-
2)	SLS Salsa - Comércio e Difusão de Vestuário, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	-	-
2)	SLS Salsa España - Comercio y Difusión de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	50.00%	-	-
	SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	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%
3)	Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	-	-
4)	Sonae Retalho España - Servicios Generales, SA	a)	Madrid (Spain)	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%
5)	Sonae Specialized Retail, SGPS, 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)	Istambul (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)	Istambul (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						
	Accive Insurance – Consultoria e Franchising, Lda	a)	Porto (Portugal)	100.00%	35.01%	100.00%	35.01%
	Accive Insurance – Corretor de Seguros, SA	a)	Porto (Portugal)	70.00%	35.01%	70.00%	35.01%
6)	ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
3)	Bright Development Studio, S.A.	a)	Maia (Portugal)	100.00%	89.97%	-	-
3)	Bright Ventures Capital SCR	a)	Maia (Portugal)	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%
	Hercó Consultoria de Risco e Corretora de Seguros, Ltda	a)	Santa Catarina (Brazil)	100.00%	50.01%	100.00%	50.01%
	Hercó, Consultoria de Risco, SA	a)	Maia (Portugal)	100.00%	50.01%	100.00%	50.01%
	HighDome PCC Limited	a)	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%	-	-
2)	Inovretail, Lda.	a)	Maia (Portugal)	100.00%	89.97%	-	-
7)	S21SEC Portugal - Cybersecurity Intelligence Services, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
	Larim Corretora de Resseguros Ltda	a)	Rio de Janeiro (Brazil)	99.99%	50.01%	99.99%	50.01%
	Lazam/MDS Correctora Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
8)	MDS África, SGPS, SA	a)	Porto (Portugal)	50.00%	25.05%	100.00%	50.01%

	MDS - Corretor de Seguros, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Affinity-Sociedade de Mediação Lda	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Auto - Mediação de Seguros, SA	a)	Porto (Portugal)	50.01%	25.01%	50.01%	25.01%
4)	Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS Malta Holding Limited	a)	Valletta (Malta)	100.00%	50.01%	100.00%	50.01%
	MDS RE – Mediador de resseguros, SGPS, SA	a)	Porto (Portugal)	100.00%	50.01%	100.00%	50.01%
	MDS, SGPS, SA	a)	Maia (Portugal)	50.01%	50.01%	50.01%	50.01%
	Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
	PCJ-Público, Comunicação e Jornalismo, 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%
	Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%
6)	RSI Corretora de Seguros, Ltda	a)	São Paulo (Brazil)	100.00%	50.01%	100.00%	50.01%
	S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	89.96%	99.99%	69.98%
	S21 Sec Cyber Seguridad SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	69.86%
	S21 Sec Gestion, SA	a)	Navarra (Spain)	100.00%	89.97%	77.80%	69.99%
	S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	89.97%	100.00%	69.99%
	S21 Sec México, SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	99.87%	69.89%
	S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	99.99%	69.98%
	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 BV	a)	Amsterdam (Netherlands)	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%
	Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
2)9)	Sysvalue – Consultoria, Integração e Segurança em Sistemas de Informação, SA	a)	Lisbon (Portugal)	100.00%	89.97%	-	-
	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
	Tlantic, BV	a)	Amsterdam (Netherlands)	72.10%	72.10%	72.10%	72.10%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	72.10%	100.00%	72.10%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	72.10%	100.00%	72.10%

	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
	We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
4)	We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
	We Do Tecnologias Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
	We Do Technologies Mexico S. de RL	a)	Cidade do México (México)	100.00%	89.97%	100.00%	89.97%
	We Do Tecnologias BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
	Others						
	Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
3)	SFS – Serviços de Gestão e Marketing, SA	a)	Maia (Portugal)	100.00%	100.00%	-	-
	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%
	Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

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

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

b) Control held by Management control;

- 1) Companies merged into Modelo Continente Hipermercados, SA, at 1 January 2016;
- 2) Company acquired during the period;
- 3) Company created during the period;
- 4) Company liquidated during the period;
- 5) Company incorporated by merger in Sonae MC – Modelo Continente, SGPS SA at 1 January 2016;
- 6) Company incorporated by merger in Lazam/MDS Correctora Ltda at 1 January 2016;
- 7) Ex Itrust – Ciber Security and Intelligence, SA;
- 8) On May 6, 2016, the share capital of MDS Africa, SGPS, SA was increased, through the issuance of the new shares subscribed by a new shareholder. Now this company is a joint venture (Note 5);
- 9) Company incorporated by merger in S21SEC Portugal - Cybersecurity Intelligence Services, SA at August 2016.

These entities are consolidated using the full consolidation method.

5 JOINT VENTURES AND ASSOCIATED COMPANIES

5.1 Detail of book value of investment in joint ventures and associates

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

COMPANY	30 Sep 2016	31 Dec 2015
Sonae Sierra		
Sonae Sierra SGPS, SA (consolidated)	557,488,762	499,327,197
ZOPT (NOS)		
ZOPT, SGPS, S.A. (consolidated)	675,289,097	710,450,710
Sonae IM		
Intelligent Big Data, S.L.	-	-
1) MDS Africa SGPS, S.A.	243,368	-
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.	-	-
Unipress - Centro Gráfico, Lda	656,507	580,205
Investments in joint ventures	1,233,677,734	1,210,358,112
Retail		
APOR - Agência para a Modernização do Porto, S.A.	317,069	373,147
2) MOVVO, S.A.	2,702,060	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,301,570	1,236,445
3) S2 Mozambique, SA	1,607,217	-
4) Ulabox, S.L.	4,617,619	2,879,651
Sonae IM		
Brokerslink Management AG	115,143	41,745
Investment in associated companies	10,660,678	4,530,988
Total	1,244,338,412	1,214,889,100

- 1) On May 6, 2016, the share capital of MDS Africa, SGPS, SA was increased, through the issuance of the new shares subscribed by a new shareholder, through this subsidiary to form a joint venture changing the consolidation method the full method to the equity method (Note 4);
- 2) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 6);
- 3) Acquisition of 30%, on July 18, 2016. Through this operation, the Group now holds significant influence on this associated;
- 4) Capital increase carried out on April 14, 2016.

5.2 Detail of joint ventures and associated companies

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

5.2.1 Joint ventures

COMPANY	Head Office	Percentage of capital held			
		30 Sep 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
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%	23.75%	100.00%	23.75%
1) Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
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%	25.05%	100.00%	25.05%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Beralands BV	Amsterdam (Netherlands))	100.00%	50.00%	100.00%	50.00%
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)	50.00%	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%
1)	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%	25.05%	100.00%	25.05%
	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%	23.75%	100.00%	23.75%
	Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
	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)	49.78%	12.48%	49.78%	12.48%
2)	Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	25.05%	-	-
	Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
	Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
	Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
	LCC – Leirishopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	5.00%
	Loop 5 - Shopping Centre GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	11.88%	50.00%	11.88%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	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%
1)	Münster Arkaden, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	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%
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)	100.00%	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 Campinas 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%
PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	23.75%	100.00%	23.75%
2) Project Guia, SA	Maia (Portugal)	100.00%	50.00%	-	-
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%	25.05%	100.00%	25.05%
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%
2)	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%	11.88%	50.00%	11.88%
	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%	11.88%	50.00%	11.88%
	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 Asia Limited	Hong Kong (China)	100.00%	50.00%	100.00%	50.00%
	Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
	Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
	Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	24.50%	49.00 %	24.50%
	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	Guernesey (U.K.)	100.00%	50.00%	100.00%	50.00%
	Sierra Greece, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%

	Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
	Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
2)	Sierra Maroc Services SARL	Casablanca (Marroco)	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 Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istambul (Turkey)	100.00%	50.00%	100.00%	50.00%
	Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Services Holland 2 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%
2)	Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100.00%	25.05%	-	-
	Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra VdG Holding BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	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	47.50%	23.75%	47.50%	23.75%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	12.53%	50.00%	12.53%
	Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%

Zenata Commercial Project, SA	Mohammedia (Marroco)	100.00%	5.50%	100.00%	5.50%
ZOPT (NOS)					
Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.50%	20.00%	4.50%
Canal 20 TV, SA	Madrid (Spain)	50.00%	11.25%	50.00%	11.25%
Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.25%	50.00%	11.25%
Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.25%	100.00%	11.25%
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	6.75%	30.00%	6.75%
Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	11.25%	99.87%	11.25%
Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	22.47%	99.87%	22.47%
Lusomundo Moçambique, Lda	Maputo (Mozambique)	100.00%	22.50%	100.00%	22.50%
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Sistemas, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Sistemas España, SL	Madrid (Spain)	100.00%	22.50%	100.00%	22.50%
MSTAR, SA	Maputo (Mozambique)	30.00%	6.75%	30.00%	6.75%
NOS Açores Comunicações, SA	Ponta Delgada (Azores) (Portugal)	83.82%	18.86%	83.82%	18.86%
NOS Communications Sàrl	Luxembourg	100.00%	22.50%	100.00%	22.50%
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Madeira Comunicações, SA	Funchal (Madeira)	77.95%	17.54%	77.95%	17.54%
NOS Technology – Conceção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
NOS SGPS, SA	Lisbon (Portugal)	52.15%	22.50%	52.15%	22.50%
NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	22.50%	100.00%	22.50%
Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%
Sport TV Portugal	Lisbon (Portugal)	50.00%	11.25%	50.00%	11.25%
Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	22.50%	100.00%	22.50%

Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	22.50%	100.00%	22.50%
Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	6.75%	30.00%	6.75%
ZAP Cinemas, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZAP Media, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZAP Publishing, SA	Luanda (Angola)	100.00%	6.75%	100.00%	6.75%
ZON Finance BV	Amsterdam (Netherlands)	100.00%	22.50%	100.00%	22.50%
ZOPT, SGPS, SA	Porto (Portugal)	50.01%	44.98%	50.01%	44.98%
Sonae IM					
Intelligent Big Data, SL	Gipuzcoa (Spain)	50.00%	44.99%	50.00%	35.00%
SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	45.00%	40.49%	45.00%	40.49%
Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%

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

- 1) Company liquidated during the period;
- 2) Company created during the period.

5.2.2 Associated companies

COMPANY	Head Office	Percentage of capital held			
		30 Jun 2016		31 Dec 2015	
		Direct*	Total*	Direct*	Total*
Retail					
APOR – Agência para a Modernização do Porto, S.A.	Porto	22.75%	22.75%	22.75%	22.75%
1) MOVVO, SA	Porto	22.89%	22.89%	16.00%	16.00%
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%
2) Ulabox, S.L.	Barcelona (Spain)	34.07%	34.07%	28.57%	28.57%
Sonae IM					
Brokerslink Management AG	Zug (Switzerland)	20.00%	20.00%	20.00%	20.00%

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

- 1) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 6).
- 2) Capital increase carried out on April 14, 2016.

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

5.3 Financial indicators of participations

5.3.1 Joint ventures

The aggregated values of main financial indicators of joint ventures can be summarized as follows:

Joint ventures	30 Sep 2016		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Assets			
Investment properties	293,027,230	684,000	-
Tangible assets	1,690,331	1,196,629,574	1,059,080
Intangible assets	2,222,157	616,720,327	9,592
Goodwill	4,273,688	1,749,506,673	-
Investments in joint ventures and associates	938,324,061	191,895,475	-
Other non-current assets	130,421,963	141,197,375	9,789
Non-current assets	1,369,959,430	3,896,633,424	1,078,461
Cash and cash equivalents	141,520,652	6,718,169	139,979
Other current assets	48,534,376	545,300,625	2,463,552
Current assets	190,055,028	552,018,794	2,603,531
Assets classified as available for sale	595,375,045	-	-
Total assets	2,155,389,503	4,448,652,218	3,681,992
Liabilities			
Loans	265,655,311	1,110,706,151	37,500
Other non-current liabilities	40,288,588	285,265,851	1,194,402
Non-current liabilities	305,943,899	1,395,972,002	1,231,902
Loans	19,900,457	154,402,457	26,262
Other current liabilities	97,935,207	555,337,207	1,136,430
Total current liabilities	117,835,664	709,739,664	1,162,692
Liabilities directly associated with assets classified as available for sale	209,716,947	-	-
Total liabilities	633,496,510	2,105,711,666	2,394,594
Equity attributable to the equity holders of the Parent Company	1,054,563,881	1,188,832,023	1,287,398
Non-controlling interests	467,329,112	1,154,108,529	-
Total equity	1,521,892,993	2,342,940,552	1,287,398
Total equity and liabilities	2,155,389,503	4,448,652,218	3,681,992

	31 Dec 2015		
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Assets			
Investment properties	286,938,906	697,557	-
Tangible assets	1,230,400	1,218,762,526	1,557,119
Intangible assets	2,705,989	639,261,319	13,213
Goodwill	4,273,686	1,749,506,673	-
Investments in joint ventures and associates	905,893,688	264,465,220	-
Other non-current assets	120,895,811	145,726,069	97
Non-current assets	1,321,938,480	4,018,419,364	1,570,429
Cash and cash equivalents	73,040,437	21,504,911	71,511
Other current assets	47,206,085	465,454,752	1,908,042
Current assets	120,246,522	486,959,663	1,979,553
Assets classified as available for sale	870,360,745	-	-
Total assets	2,312,545,747	4,505,379,027	3,549,982
Liabilities			
Loans	171,839,762	979,421,660	1,698,657
Other non-current liabilities	40,582,022	257,648,405	5,306
Non-current liabilities	212,421,784	1,237,070,065	1,703,963
Loans	60,196,509	180,262,683	26,262
Other current liabilities	158,012,185	582,696,254	1,233,012
Total current liabilities	218,208,694	762,958,937	1,259,274
Liabilities directly associated with assets classified as available for sale	424,352,495	-	-
Total liabilities	854,982,973	2,000,029,002	2,963,237
Equity attributable to the equity holders of the Parent Company	938,240,752	1,258,356,499	586,745
Non-controlling interests	519,322,022	1,246,993,526	-
Total equity	1,457,562,774	2,505,350,025	586,745
Total equity and liabilities	2,312,545,747	4,505,379,027	3,549,982

	30 Sep 2016		
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Turnover	142,799,277	1,060,685,000	3,130,095
Other operating income	16,428,327	63,409,000	29,761
	159,227,604	1,124,094,000	3,159,856
External supplies and services	(72,331,214)	(139,086,257)	(952,032)
Amortisation	(803,422)	(308,327,166)	(536,616)
Other operating costs	(38,661,064)	(564,712,030)	(1,425,262)
	(111,795,700)	(1,012,125,453)	(2,913,910)
Financial income	4,527,059	-	5,071
Financial expense	(17,305,570)	(31,698,540)	(4,396)
Financial results	(12,778,511)	(31,698,540)	675
Results of joint ventures and associated companies	122,195,450	-	-
Other income / expense	-	-	-
Results before taxation	156,848,843	80,270,007	-
Income taxation	(11,090,835)	(17,537,990)	(5,983)
Consolidated net income/(loss) for the year	145,758,008	62,732,017	240,638
Attributable to:			
Equity holders of the Parent Company	92,553,669	31,646,762	240,638
Non-controlling interests	53,204,339	31,085,255	-
	145,758,008	62,732,017	240,638
Other comprehensive income for the period	49,060,666	(47,453,212)	-
Total comprehensive income for the period	194,818,674	15,278,805	240,638

	30 Sep 2015		
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	Others
Joint ventures			
Turnover	140,583,222	1,057,459,000	2,902,055
Other operating income	45,196,506	10,438,000	(872,573)
	185,779,728	1,067,897,000	2,029,482
External supplies and services	(68,585,997)	(135,534,883)	(912,038)
Amortisation	(755,956)	(283,473,166)	(584,440)
Other operating costs	(38,696,089)	(531,076,192)	(1,379,597)
	(108,038,042)	(950,084,241)	(2,876,075)
Financial income	3,929,752	-	372
Financial expense	(16,845,399)	(27,021,631)	(8,431)
Financial results	(12,915,647)	(27,021,631)	(8,059)
Results of joint ventures and associated companies	108,693,940	-	813,148
Results before taxation	173,519,979	90,791,128	(41,504)
Income taxation	(18,421,389)	(24,900,552)	(1,922)
Consolidated net income/(loss) for the year	155,098,590	65,890,576	(43,426)
Attributable to:			
Equity holders of the Parent Company	94,854,416	32,945,342	43,426
Non-controlling interests	60,244,174	32,945,234	-
	155,098,590	65,890,576	43,426
Other comprehensive income for the period	(84,601,991)	17,489,310	-
Total comprehensive income for the period	70,496,599	83,379,886	43,426

5.3.2 Associated companies

The aggregated values of main financial indicators of associated companies can be summarized as follows:

	30 Sep 2016			31 Dec 2015		
	Sempre a Postos	Ulabox	Others	Sempre a Postos	Ulabox	Others
Associates						
Non-Current Assets	1,339,461	1,318,147	987,388	1,778,633	1,923,349	18,619
Current Assets	11,313,435	3,118,285	3,288,190	10,076,920	2,548,955	1,679,225
Non-Current Liabilities	965	-	2,240,946	8,594	-	-
Current Liabilities	7,445,652	642,484	977,309	6,901,181	103,517	57,638
Equity attributable to the equity holders of the Parent Company	5,206,279	3,793,949	1,057,323	4,945,778	4,368,787	1,640,206
	30 Sep 2016			30 Sep 2015		
Associates	Sempre a Postos	Ulabox	Others	Sempre a Postos	Ulabox	Others
Turnover	40,752,955	5,403,034	197,438	39,050,382	2,973,818	53,060
Other operational income	2,934,252	-	70,914	3,378,879	-	199
Operational expenses	(41,506,903)	(8,655,271)	(2,439,830)	(40,500,615)	(4,348,940)	(204,534)
Net financial expense	7,464	-	(8,304)	10,444	-	26,301
Taxation	(515,485)	-	(38)	(460,609)	-	(28)
Consolidated profit/(loss) for the period	1,672,283	(3,252,237)	(2,179,820)	1,478,481	(1,375,122)	(125,002)
Other comprehensive income for the period	-	-	-	-	-	-
Other comprehensive income for the period	1,672,283	(3,252,237)	(2,179,820)	1,478,481	(1,375,122)	(125,002)

5.4 Movements occurred in the period

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

	30 Sep 2016			30 Sep 2015		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Joint ventures						
Opening balance as at 1 January	638,605,623	571,752,490	1,210,358,113	621,439,679	579,547,428	1,200,987,107
Change of consolidation method	250,000	-	250,000	-	-	-
Equity method:						
Gains or losses in joint controlled and associated companies	62,087,629	-	62,087,629	63,962,337	-	63,962,337
Distributed dividends	(30,686,194)	-	(30,686,194)	(28,037,732)	-	(28,037,732)
Effect in equity capital and non-controlling interests	(8,331,814)	-	(8,331,814)	(39,825,703)	-	(39,825,703)
	661,925,244	571,752,490	1,233,677,734	617,538,581	579,547,428	1,197,086,009
Investments in associates companies						
Opening balance as at 1 January	2,807,145	1,723,842	4,530,987	1,502,111	137,494	1,639,605
Acquisitions during the period	1,607,217	-	1,607,217	1,599,541	1,400,759	3,000,300
Capital increase in associated companies	2,840,529	-	2,840,529	-	-	-
Transfer of "Other non-current investments" and change method	461,250	2,140,811	2,602,061	-	-	-
Equity method:						
Gains or losses in joint controlled and associates companies	(567,171)	-	(567,171)	13,088	-	13,088
Distributed dividends	(352,945)	-	(352,945)	(296,562)	-	(296,562)
	6,796,025	3,864,653	10,660,678	2,818,178	1,538,253	4,356,431
Total	668,721,269	575,617,143	1,244,338,412	620,356,759	581,085,681	1,201,442,440

The value of the "Effect of equity and non-controlling interests" mainly results of the effect of currency translation figures of companies with a functional currency different from euro and from the sale of the direct participation in NOS (2.14%).

As established in the shareholder's agreement between Sonaecom, Kento Holding Limited and Jadeium BV (currently named Unitel International Holdings, BV), on 14 June 2016, Sonaecom sold all its direct participation in NOS (2.14%) to ZOPT by the amount of euro 82,840,847 (Note 11). This transaction generated a capital gain of 18,725,887, being 50% of the capital gain annulled through Reserves and the other 50% registered in Gains and losses on financial assets at fair value through profit or loss. In addition, the transaction also gave impact on equity equivalence recorded through reserves by reducing the fair value of 2.14% of non-controlling interests.

6 OTHER NON – CURRENT INVESTMENTS

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

Company	Head office	Percentage of share capital held				Statement of financial position	
		30 Sep 2016		31 Dec 2015		30 Sep 2016	31 Dec 2015
		Direct	Total	Direct	Total		
Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	898,197
1) MOVVO, S.A.	Porto	22.89%	22.89%	16.00%	16.00%	-	991,315
2) Solferias- Operadores Turísticos, SA	Lisbon	-	-	11.11%	11.11%	-	133,162
Sonae IM							
3) Ed Broking LLP	London	6.68%	3.34%	9.72%	4.86%	15,249,229	15,249,229
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	75,069	75,069
Other investments						11,278,130	12,192,713
Total (Note 11)						27,537,601	29,549,661

- 1) On May 27, 2016, the group proceeded to an increase of capital in MOVVO, now holds significant influence on that subsidiary allowing the latter to be included in consolidated by the equity method (Note 5);
- 2) Participation disposed in the period;
- 3) Ex Cooper Gay Sweet & Crawford, Ltd.

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

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

Financial investment in ED Broking LLP (Ex Cooper Gay Sweet & Crawford, Ltd) maintained its fair value at 31 December 2015 as it was considered that there are no material valuation differences. The financial participation in Cooper Gay Sweet & Crawford Ltd was measured at its fair value as at 31 December 2015 taking into consideration the multiples of EBITDA or multiples of sales by region and the transaction price of the United States of America operation sold in February 2016. The value of Ed Broking LLP is net of impairment in the value of 1,517,355 euro.

7 CHANGES IN CONSOLIDATION PERIMETER

During the period ended at 30 September 2016, were acquired the following companies:

COMPANY	Head Office	Percentage of share capital held	
		Direct	Total
Retail			
Irmãos Vila Nova, SA	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
Irmãos Vila Nova III - Imobiliária, SA	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
IVN - Serviços Partilhados, SA	Vila Nova de Famalicão (Portugal)	50.00%	50.00%
IVN Asia Limited	Hong Kong (China)	100.00%	50.00%
Salsa DE GmbH	Dusseldorf (Germany)	100.00%	50.00%
Salsa Distribution USA LLC	New York (USA)	100.00%	50.00%
Salsa France, S.A.R.L.	Paris (France)	99.99%	50.00%
Salsa Luxembourg, Sàrl	Luxembourg	100.00%	50.00%
SLS Salsa - Comércio e Difusão de Vestuário, S.A.	Vila Nova de Famalicão (Portugal)	100.00%	50.00%
SLS Salsa España - Comercio y Difusión de Vestuario, S.A.U.	Pontevedra (Spain)	100.00%	50.00%
Sonae IM			
Sysvalue-Consult.,Int. e seg. em S.I.,SA	Mexico City (Mexico)	100.00%	89.97%
Iberosegur-Soc. Ibérica Med. Seguros,Lda	Porto (Portugal)	100.00%	50.01%
Inovretail, Lda	Maia (Portugal)	100.00%	89.97%

The effects of these acquisitions on the consolidated financial statements can be analyzed as follows:

Amounts in euro	Retail		Sonae IM	
	At acquisition date	30 Sep 2016	At acquisition date	30 Sep 2016
Net acquired assets				
Tangible and intangible assets (Notes 8 and 9)	13,925,984	14,463,795	564,077	567,274
Inventories	21,955,255	22,520,322	-	-
Other assets	18,764,837	17,588,212	1,097,100	723,882
Cash and cash equivalents	7,501,069	1,487,859	213,376	69,459
Non recurrent loans	(57,408,768)	(52,448,754)	(372,865)	(26,617)
Other liabilities	(26,105,867)	(22,722,664)	(1,238,896)	(877,212)
Total net acquired assets	(21,367,490)	(19,111,230)	262,792	456,786
Goodwill (Note 10)	167,547,490		2,609,853	
Non-controlling interests (Note 18)	73,090,000		-	
Financial actualisation	-		(139,593)	
Acquisition price	73,090,000		3,012,238	
Effective cash paid	73,090,000		1,469,267	
Future cash paid	-		1,542,971	
	73,090,000		3,012,238	
Net cash flow resulting from the acquisition				
Effective cash paid	(73,090,000)		(1,469,267)	
Cash and cash equivalents acquired	7,501,069		213,376	
	(65,588,931)		(1,255,891)	

Valores em euros	Retail		Sonae IM	
	Since acquisition date	9 months	Since acquisition date	9 months
Sales and services	29,249,817	84,343,135	300,813	1,452,603
Other income	1,168,712	4,250,438	174,825	119,439
Cost of sales	(13,188,548)	(39,451,697)	(69,595)	(434,294)
External supplies and services	(6,288,753)	(18,818,025)	(102,048)	(544,031)
Other expenses and losses	(7,310,916)	(21,875,044)	(300,824)	(909,513)
Net financial income	(508,471)	(3,166,773)	(3,717)	143,330
Income related to associated companies	-	(352,513)	-	-
Profit/loss before taxation	3,121,841	4,929,521	(546)	(172,466)
Taxation	(865,581)	(1,590,016)	(81)	(1,561)
Net Income	2,256,260	3,339,505	(627)	(174,027)

IVN – Serviços Partilhados, SA holds the brand Salsa which is a Portuguese brand of jeanswear of international renown, recognized for its entrepreneurial spirit and the development of innovative products. Being a truly international company, their products can be found in about 2,000 points of sale in 32 countries. In 2015, the company recorded a consolidated turnover of 106 million euro, 56% of which is generated out of Portugal.

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

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

8 TANGIBLE ASSETS

During the nine month period ended as at 30 September 2016 and 2015, movements in tangible assets as well as depreciation and accumulated 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 2016	1,340,030,432	1,331,776,249	195,582,343	24,255,352	2,891,644,376
Investment	16,330,834	943,635	1,626,259	160,737,410	179,638,138
Acquisitions of subsidiaries (Note 7)	22,251,402	12,095,241	7,966,926	54,012	42,367,581
Disposals	(31,857,386)	(35,682,608)	(4,718,757)	(1,247,388)	(73,506,139)
Exchange rate effect	112,115	71,707	326,373	12,199	522,394
Transfers	22,172,141	113,968,355	13,479,439	(149,450,784)	169,151
Closing balance as at 30 September 2016	1,369,039,538	1,423,172,579	214,262,583	34,360,801	3,040,835,501
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2016	367,362,667	828,106,126	153,060,796	-	1,348,529,589
Depreciation of the period	15,586,819	79,024,866	11,697,892	-	106,309,577
Impairment losses of the period (Note 24)	6,536,987	-	143	-	6,537,130
Acquisitions of subsidiaries (Note 7)	16,826,334	7,758,727	6,320,357	-	30,905,418
Disposals	(5,030,921)	(28,100,214)	(4,462,690)	-	(37,593,825)
Exchange rate effect	110,199	26,124	214,712	-	351,035
Transfers	118,557	(685,784)	(33,680)	-	(600,907)
Closing balance as at 30 September 2016	401,510,642	886,129,845	166,797,530	-	1,454,438,017
Carrying amount as at 30 September 2016	967,528,896	537,042,734	47,465,053	34,360,801	1,586,397,484
Gross assets:					
Opening balance as at 1 January 2015	1,668,538,078	1,286,938,925	184,269,466	27,306,514	3,167,052,983
Investment	5,073,785	1,033,533	848,970	96,877,613	103,833,901
Disposals	(170,080,638)	(44,454,099)	(6,547,844)	(2,782,408)	(223,864,989)
Exchange rate effect	(378,140)	(116,019)	(1,051,689)	40	(1,545,808)
Transfers	6,057,915	74,171,653	12,840,395	(94,167,084)	(1,097,121)
Closing balance as at 30 September 2015	1,509,211,000	1,317,573,993	190,359,298	27,234,675	3,044,378,966
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2015	432,793,307	783,680,414	148,631,381	-	1,365,105,102
Depreciation of the period	18,122,855	78,130,444	10,270,125	-	106,523,424
Impairment losses of the period	-	44,502	-	-	44,502
Disposals	(36,704,228)	(36,504,413)	(6,273,516)	-	(79,482,157)
Exchange rate effect	(342,796)	(84,625)	(825,895)	-	(1,253,316)
Transfers	4,753	(479,188)	(311,611)	-	(786,046)
Closing balance as at 30 September 2015	413,873,891	824,787,134	151,490,484	-	1,390,151,509
Carrying amount as at 30 September 2015	1,095,337,109	492,786,859	38,868,814	27,234,675	1,654,227,457

The investment during the period ended at 30 September 2016 and 2015 includes, approximately, 177.7 million euro (103 million euro in 2015) of assets acquisition primarily associated with the opening and remodeling of stores of Sonae retail operating segments.

During the period ended as at 30 September 2016 and 2015, several sale and leaseback transactions were accounted. The accounting values of the disposed assets, approximately, 170.1 million euro (134 million euro as at 30 September 2015), corresponds to 16 real estate food retail assets located in Portugal and 3 stores Worten on Spain (15 real estate food retail assets located in Portugal on 30 September 2015). These operations resulted in a cash inflow of 230 million euro (184.7 million euro as at 30 September 2015) and

generated a net capital gain of approximately, 63.1 million euro (40 million euro as at 30 September 2015 (Note 27)).

Major amounts included under the caption "Tangible assets in progress" refer to the following projects:

	30 Sep 2016	30 Sep 2015
Refurbishment and expansion of stores in the retail businesses located in Portugal	28,476,584	13,099,031
Refurbishment and expansion of stores in the retail businesses located in Spain	2,981,488	1,041,222
Projects of "Continente" stores for which advance payments were made	1,206,000	9,359,900
Others	1,696,729	3,734,522
	34,360,801	27,234,675

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 2016	99,853,204	33,179,776	531,383	133,564,363
Impairment losses of the period (Note 24)	6,536,987	-	143	6,537,130
Acquisition of subsidiary	416,568	-	-	416,568
Disposals	(14,181,296)	(3,988,102)	(74,855)	(18,244,253)
Transfers	-	(33,341)	(13,220)	(46,561)
Closing balance as at 30 September 2016 (Note 24)	92,625,463	29,158,333	443,451	122,227,247

9 INTANGIBLE ASSETS

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

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Opening balance as at 1 January 2016	117,783,711	385,338,394	33,660,059	536,782,164
Investment	75,089	1,843,497	29,076,904	30,995,490
Acquisitions of subsidiaries (Note 7)	-	6,535,338	192,515	6,727,853
Disposals	(94,666)	(336,989)	(237,553)	(669,208)
Exchange rate effect	(156,647)	3,776,779	(49,131)	3,571,001
Transfers	175,986	25,687,451	(25,975,852)	(112,415)
Closing balance as at 30 September 2016	117,783,473	422,844,470	36,666,942	577,294,885
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2016	38,812,220	253,519,595	-	292,331,815
Depreciation of the period	963,994	25,463,464	-	26,427,458
Acquisitions of subsidiaries (Note 7)	-	3,699,955	-	3,699,955
Disposals	(94,666)	(201,609)	-	(296,275)
Exchange rate effect	(133,418)	2,263,601	-	2,130,183
Transfers	(47)	(357,242)	-	(357,289)
Closing balance as at 30 September 2016	39,548,083	284,387,764	-	323,935,847
Carrying amount as at 30 September 2016	78,235,390	138,456,706	36,666,942	253,359,038

	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Opening balance as at 1 January 2015	116,610,221	330,979,840	37,819,101	485,409,162
Investment	50,714	1,548,687	33,120,906	34,720,307
Disposals	(63,330)	(661,786)	(362,165)	(1,087,281)
Exchange rate effect	350,389	(8,082,806)	60,382	(7,672,035)
Transfers	509,607	25,190,924	(25,074,495)	626,036
Closing balance as at 30 September 2015	117,457,601	348,974,859	45,563,729	511,996,189
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2015	37,123,054	217,326,220	-	254,449,274
Depreciation of the period	1,645,368	20,489,524	-	22,134,892
Disposals	(61,994)	(508,216)	-	(570,210)
Exchange rate effect	301,283	(4,317,293)	-	(4,016,010)
Transfers	5,565	49,623	-	55,188
Closing balance as at 30 September 2015	39,013,276	233,039,858	-	272,053,134
Carrying amount as at 30 September 2015	78,444,325	115,935,001	45,563,729	239,943,055

10 GOODWILL

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

- Retail - Goodwill is allocated to each operating segment, Sonae MC and Sonae SR, being afterwards distributed by each homogenous group of cash generating units, namely to each insignia within each segment and country, distributed by country and each of the properties in case of Sonae RP segment;
- Sonae IM - This segment's Goodwill is mainly related to: (i) Information Systems; (ii) Insurance business including values generated previous to the date of the adoption of IFRS and supported by the value of the customer portfolio (Portugal) as well as with the subsequent business combination acquired in Brazil.

As at 30 September 2016 and 31 December 2015, the caption "Goodwill" was as follows by insignia and country:

Insignia	30 Sep 2016				Total
	Portugal	Spain	Brazil	Other countries	
Sonae MC	478,307,362	-	-	-	478,307,362
Sonae SR					
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	187,241,821	16,946,726	-	692,021	204,880,568
Sonae RP	2,651,900	-	-	-	2,651,900
Sonae IM					
MDS	9,354,504	-	21,178,593	-	30,533,097
Information Systems and Multimedia	2,223,371	-	7,090	12,312,957	14,543,418
	745,062,490	16,946,726	21,185,683	13,004,978	796,199,877

	31 Dec 2015				Total
	Portugal	Spain	Brazil	Other countries	
Insignia					
Sonae MC	478,207,362	-	-	-	478,207,362
Sonae SR					
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	19,694,331	18,363,680	-	692,021	38,750,032
Sonae RP	2,906,853	-	-	-	2,906,853
Sonae IM					
MDS	9,096,498	-	17,693,326	-	26,789,824
Information Systems and Multimedia	778,944	-	7,090	11,820,276	12,606,310
	575,967,520	18,363,680	17,700,416	12,512,297	624,543,913

During the nine month periods ended as at 30 September 2016 and 2015, movements in Goodwill as well as in the corresponding impairment losses, are as follows:

	30 Sep 2016	30 Sep 2015
Gross value:		
Opening balance	639,617,937	625,358,011
Goodwill generated in the period (Note 7)	170,157,343	1,136,701
Other variations	(1,561,830)	(326,434)
Currency translation	3,415,627	(6,702,114)
Write-off	(540,273)	-
Closing balance	811,088,804	619,466,164
Accumulated impairment losses:		
Opening balance	15,074,024	14,767,547
Increases	355,176	-
Write-off	(540,273)	-
Closing balance	14,888,927	14,767,547
Carrying amount	796,199,877	604,698,617

11 OTHERS INVESTMENTS

On 30 September 2016 and 2015 the movements in caption "Other Investments" can be detailed as follows:

	30 Sep 2016		30 Sep 2015	
	Non current	Current	Non current	Current
Other investments				
Fair value (net of impairment losses) as at 1 January	29,549,661	79,924,887	30,566,117	57,667,740
Acquisitions in the period	1,025,977	81,518	400,000	125,104
Disposals in the period	(1,079,275)	(64,114,961)	-	(7,116)
Increase/(Decrease) in fair value	5,111	(15,742,935)	(27,711)	23,512,204
Transfers	(1,963,873)	-	-	-
Fair value (net of impairment losses) as at 30 September	27,537,601	148,509	30,938,406	81,297,932
Derivative financial instruments (Note 19)				
Fair value as at 1 January	-	2,506,087	-	3,995,221
Increase/(Decrease) in fair value	-	(1,635,861)	-	(3,462,062)
Fair value as at 30 September	-	870,226	-	533,159
	27,537,601	1,018,735	30,938,406	81,831,091

Under the caption "Other non-current financial investments" an amount of 9,976,138 euro (9,998,825 euro in 30 September 2015) is recorded related to deposited amounts on an *Escrow Account* (Note 6)

The amount of increase / (decrease) in fair value under the caption “Other current investments” on current asset, is mainly associated with the registration to the fair value of the participation on NOS in the amount of - 15,681,846 euros (23,511,756 euros in 30 September 2015). The fair value of this investment is determined based on the price of NOS shares and the respective changes are recorded in the consolidated income statement.

At 30 September 2016, the decreases of the investment in NOS shares correspond to the sold of all the direct participation of Sonaecom in NOS (2.14%) to ZOPT, as mentioned in the note 5.4. For the determination of the fair value of NOS shares at the date of sale, was used the share price of the day 14 of June of 2016 (5.822) for the 11,012,532 treasury shares at the moment of the sale.

The Other non-current 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 2,312,199 euro (4,172,822 euro in 30 September 2015) of investments recorded at acquisition cost net of impairment losses for the same reasons.

12 OTHER NON – CURRENT ASSETS

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

	30 Sep 2016			31 Dec 2015		
	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount
Trade accounts receivable and other debtors						
Legal deposits	722,160	-	722,160	605,316	-	605,316
Cautions	5,419,327	-	5,419,327	4,633,112	-	4,633,112
Special regime for payment of tax and social security debts	6,240,960	-	6,240,960	6,240,960	-	6,240,960
Financial investments debtors	-	-	-	527,618	-	527,618
Others	404,647	-	404,647	456,286	-	456,286
	12,787,094	-	12,787,094	12,463,292	-	12,463,292
Reinsurer's' share of technical provisions	20,581,781	-	20,581,781	19,103,740	-	19,103,740
Other non-current assets	-	-	-	43,595	-	43,595
	33,368,875	-	33,368,875	31,610,627	-	31,610,627

The amount disclosed as “Special regime for payment of tax and social security debts” corresponds to taxes voluntarily paid which were previously disputed and subject to reimbursement claims of Income Taxes. The tax litigations are still in progress, although following the payment of guarantees previously given where canceled. No impairment loss was recorded since it's the Board of Directors understanding that the decisions over the appeals will be in favor of Sonae.

The Reinsurer's' share of technical provisions refer to non-life insurance ceded to reinsurance companies by a captive subsidiary. The value of the provisions is related to outstanding claims declared (Note24).

13 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	30 Sep 2016	31 Dec 2015
Trade accounts receivable	127,931,349	103,297,115
Taxes recoverable	72,519,825	78,953,427
Granted loans and other receivables to related companies	28,934	22,061
Other debtors		
Trade creditors - debtor balances	49,266,834	37,379,130
Dividends to be received of jointly controlled companies	-	12,192,750
Disposal of financial investments	628,168	2,642,097
VAT recoverable on real estate assets	2,774,095	2,560,040
Disposal of tangible assets	2,300,037	2,304,243
Receivables from insurance companies	2,823,289	3,047,910
Vouchers and gift cards	1,104,947	1,214,062
Advances to suppliers	3,316,173	852,495
Other current assets	20,544,282	27,857,801
	82,757,825	90,050,528
Other current assets		
Commercial discounts	80,390,322	47,174,036
Invoices to be issued	17,304,613	10,390,059
External supplies and services	17,589,898	11,503,748
Rents	6,463,998	6,155,172
Commissions to be received	722,390	928,439
Other current assets	15,882,751	10,432,333
	138,353,972	86,583,787
Accumulated impairment losses in receivables accounts (Note 24)	(19,794,976)	(18,285,857)
	401,796,929	340,621,061

14 DEFERRED TAX

Deferred tax assets and liabilities as at 30 September 2016 and 31 December 2015 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Difference between fair value and acquisition cost	5,373,387	6,127,552	16,988,510	24,586,821
Temporary differences on tangible assets and intangible	1,856,531	1,622,953	44,250,434	43,830,296
Provisions and impairment losses not accepted for tax purposes	8,418,730	9,009,843	-	-
Write off of tangible and intangible assets	207	73,408	-	-
Valuation of hedging derivatives	70,336	242,174	183,760	364,824
Revaluation of tangible assets	-	-	1,080,269	1,166,623
Tax losses carried forward	48,123,085	41,618,697	-	-
Reinvested capital gains/(losses)	-	-	346,776	547,219
Tax Benefits	620,605	2,222,202	-	-
Others	3,035,340	2,952,789	2,233,785	2,263,989
	67,498,221	63,869,618	65,083,534	72,759,772

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

	30 Sep 2016			31 Dec 2015		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2014	1,194,236	250,790	2026	1,194,236	250,790	2026
Generated in 2015	273,243	57,381	2027	230,791	48,466	2027
Generated in 2016	317,720	66,721	2028	-	-	
	1,785,199	374,892		1,425,027	299,256	
Without limited time use	170,918,658	42,765,879		151,590,107	37,927,462	
With a time limit different from the above mentioned	14,716,171	4,982,314		10,258,659	3,391,979	
	187,420,028	48,123,085		163,273,793	41,618,697	

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

As at 30 September 2016 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 38.8 million euro (35.1 million euro as at 31 December 2015). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 30 September 2016 and 31 December 2015, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies

As at 30 September 2016 there was tax losses carried forward, for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarized as follows:

	30 Sep 2016			31 Dec 2015		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2012	4,696,498	986,264	2017	8,379,732	1,759,744	2017
Generated in 2013	3,508,112	736,703	2018	3,957,748	831,127	2018
Generated in 2014	5,744,083	1,206,257	2026	5,856,149	1,229,791	2026
Generated in 2015	2,689,419	564,778	2027	2,629,640	552,224	2027
Generated in 2016	647,611	135,999	2028	-	-	
	17,285,723	3,630,001		20,823,269	4,372,886	
Without limited time use	197,404,536	51,249,211		189,969,957	48,704,159	
With a time limit different from the above mentioned	111,331,448	27,865,857		101,948,790	25,518,479	
	326,021,707	82,745,069		312,742,016	78,595,524	

15 CASH AND CASH EQUIVALENTS

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

	30 Sep 2016	31 Dec 2015
Cash at hand	8,473,056	9,325,162
Bank deposits	212,404,964	115,357,583
Treasury applications	124,097,366	158,068,838
Cash and cash equivalents on the statement of financial position	344,975,386	282,751,583
Bank overdrafts (Note 19)	(18,958,615)	(12,611,120)
Cash and cash equivalents on the statement of cash flows	326,016,771	270,140,463

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

16 NON - CURRENT ASSETS HELD FOR SALE

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

The above-mentioned transactions occurred in 2016, and include:

- a sale and leaseback transaction of 12 food retail real estate assets located in Portugal, this operation totaled 164 million euro;
- a Sale and Leaseback transaction of 3 Worten stores in Spain, located in Madrid, Barcelona and Valencia, this transaction totaled to 26.8 million euro.

17 SHARE CAPITAL

Share Capital

As at 30 September 2016, 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 23). 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.

Considering the operations mentioned above, the amount of the liability recorded amounts to 82,578,235 euro (Note 23) (103,602,523 euro as at 31 December 2015) reflecting the market value of 110,398,710 Sonae Holding shares (118,663,355 shares as at 31 December 2015).

The value of these liabilities is adjusted at the end of each month by the effect of Sonae Holding share price variation being recognized an asset / liabilities current 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 Euribor 1 month are recognized in the income statement.

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

Capital Structure

As at 30 September 2016, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA e suas filiais	52.48

18 NON – CONTROLLING INTEREST

As at 30 September 2016 and 31 December 2015, Non-controlling interests can be detailed as follows:

COMPANY	30 Sep 2016				
	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
Retail					
Real Estate Investment Funds	123,646,301	23,364,752	2,698,459	509,914	(492,503)
IVN - Serviços Partilhados, SA (Consolidated)	(19,111,228)	2,256,262	74,218,130	1,128,130	-
Others	51,777,096	3,922,492	23,113,416	1,529,828	(28,682)
Sonae IM					
Sonaeacom, SGPS, SA (consolidated)	968,852,197	6,127,079	94,867,930	(340,714)	(1,809,412)
MDS, SGPS, SA (consolidated)	27,068,005	791,285	14,492,961	423,733	(282,387)
Others					
Others	1,472,955	389,073	1,178	311	-
Total	1,153,705,326	36,850,943	209,392,074	3,251,202	(2,612,984)
COMPANY	31 Dec 2015				
	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
Retail					
Real Estate Investment Funds	129,481,158	22,506,516	2,691,601	727,499	(1,031,352)
Others	47,902,622	2,420,670	21,708,781	863,507	(56,603)
Sonae IM					
Sonaeacom, SGPS, SA (consolidated)	1,003,586,540	34,567,046	99,283,284	2,035,502	(1,418,022)
MDS, SGPS, SA (consolidated)	23,077,858	(4,395,487)	12,619,188	(2,157,187)	(94,943)
Others					
Others	1,083,881	500,468	867	402	-
Total	1,205,132,059	55,599,213	136,303,721	1,469,723	(2,600,920)

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

	30 Sep 2016						Total
	Retail		Others	Sonae IM		Others	
	Real Estate Investment Funds	IVN - Serviços Partilhados, SA (Consolidated)		Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	2,691,601	-	21,708,781	99,283,284	12,619,187	867	136,303,720
Distributed dividends	-	-	(28,682)	(1,809,412)	(282,387)	-	(2,120,481)
Distribution of investment income fund	(492,503)	-	-	-	-	-	(492,503)
Changes of increased shareholding by acquisitions	(10,553)	-	-	8,475	-	-	(2,078)
Change in currency translation reserve	-	-	33,364	106,516	1,657,850	-	1,797,730
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	(2,338,982)	-	-	(2,338,982)
Acquisition of subsidiaries (Note 7)	-	73,090,000	-	-	-	-	73,090,000
Obligation fulfilled by share attribution to employees	-	-	(23,978)	-	(29,884)	-	(53,862)
Changes in hedging reserves	-	-	50,250	-	-	-	50,250
Others	-	-	(156,147)	(41,237)	104,462	-	(92,922)
Profit for the period attributable to non-controlling interests	509,914	1,128,130	1,529,828	(340,714)	423,733	311	3,251,202
Closing balance as at 30 September	2,698,459	74,218,130	23,113,416	94,867,930	14,492,961	1,178	209,392,074

	30 Sep 2015						Total
	Retail		Others	Sonae IM		Others	
	Real Estate Investment Funds	Others		Sonaecom, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Others	
Opening balance as at 1 January	33,627,820	19,341,826	99,447,776	7,782,645	466	160,200,533	
Distributed dividends	(815,737)	34	(1,418,021)	(114,977)	-	(2,348,701)	
Changes of increased shareholding by acquisitions	(20,961,889)	182,782	342,290	105,227	-	(20,331,590)	
Change in currency translation reserve	-	(50,554)	51,399	(3,062,977)	-	(3,062,132)	
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	310,013	-	-	310,013	
Obligation fulfilled by share attribution to employees	(12,807)	100,920	-	(110,188)	-	(22,075)	
Changes in hedging reserves	-	(38,610)	-	-	-	(38,610)	
Changes in percentage for shares disposal	953,639	-	-	-	-	953,639	
Others	(12)	89,955	(93,013)	4	-	(3,066)	
Profit for the period attributable to non-controlling interests	1,058,898	618,235	2,612,734	(1,050,829)	524	3,239,562	
Closing balance as at 30 September	13,849,912	20,244,588	101,253,178	3,548,905	990	138,897,573	

As at 30 September 2016 the acquisitions had the following impacts at the level of the financial statements:

	Acquisitions		
	IVN - Serviços Partilhados, SA (Consolidated)	Others	Total
Additional percentage acquired	50.00%		
Share of the acquired equity	73,090,000	(2,078)	73,087,922
Acquisition cost	(73,090,000)	(134,197)	(72,990,120)
Impact on equity	-	(136,275)	97,802

19 LOANS

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

	30 Sep 2016		31 Dec 2015	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
Bank loans				
Sonae, SGPS, SA - commercial paper	205,500,000	130,000,000	159,300,000	180,000,000
Sonae Investimentos, SGPS, SA - commercial paper	105,000,000	141,000,000	60,000,000	160,000,000
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	-	25,000,000	-	25,000,000
Sonae Holding affiliated /2014/2018	-	40,000,000	-	40,000,000
Sonae Holding affiliated /2014/2021	-	30,000,000	-	30,000,000
MDS, SGPS, SA - commercial paper	5,250,000	14,950,000	5,250,000	14,950,000
MDS SGPS, SA affiliated / 2011/2016	3,866,380	276,170	3,131,055	3,247,020
Others	24,879,052	15,253,481	18,363,593	8,631,589
	<u>344,495,432</u>	<u>501,479,651</u>	<u>246,044,648</u>	<u>566,828,609</u>
Bank overdrafts (Note 15)	18,958,615	-	12,611,120	-
Up-front fees beard with the issuance of borrowings	-	(467,933)	-	(521,997)
Bank loans	<u>363,454,047</u>	<u>501,011,718</u>	<u>258,655,767</u>	<u>566,306,612</u>
Bonds:				
Bonds Sonae SGPS/ 2014/2018	-	-	-	60,000,000
Bonds Sonae SGPS/ 2014/2020	-	-	-	50,000,000
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	-
Bonds Sonae Investments BV / 2014/2019	-	197,783,654	-	194,535,791
Bonds Sonae Investimentos SGPS/ 2012/2017	-	-	50,000,000	95,000,000
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	25,000,000	95,000,000	-	-
Bonds Sonae Investimentos / September 2016/2021	3,000,000	12,000,000	-	-
Bonds IVN 2016/2023	5,000,000	30,000,000	-	-
Up-front fees beard with the issuance of borrowings	(2,176)	(5,518,163)	(37,919)	(6,973,692)
Bonds	<u>32,997,824</u>	<u>694,265,491</u>	<u>49,962,081</u>	<u>697,562,099</u>
Other loans	<u>1,222,547</u>	<u>5,354,147</u>	<u>1,092,795</u>	<u>5,764,682</u>
Derivatives (Note 20)	294,604	-	860,503	-
Other loans	<u>1,517,151</u>	<u>5,354,147</u>	<u>1,953,298</u>	<u>5,764,682</u>
Obligations under finance leases	1,050,121	1,642,324	3,691,782	3,231,481
	<u>399,019,142</u>	<u>1,202,273,680</u>	<u>314,262,928</u>	<u>1,272,864,874</u>

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 issued.

The fair value of the Equity component as at the subscription date has arise to 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 Bonds were issued at par with a nominal value of 100,000 euro (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 quote of Sonae SGPS, SA, in accordance with the technical data sheet, exceeds 1.656 euros per share, which price is subject to

adjustments in accordance with market practices, in particular when the dividend exceeds 0.0287 euros 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 flow methodology, except for 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 1.40% as at 30 September 2016 (2.05% as at 31 December 2015). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

The derivatives are recorded at fair value (Note 20).

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

	30 Sep 2016	31 Dec 2015
N+1 ^{a)}	398,726,714	313,440,343
N+2	147,471,572	225,888,798
N+3	282,631,738	193,792,207
N+4	211,500,669	331,879,992
N+5	388,960,826	377,426,614
After N+5	190,411,316	167,337,163
	1,619,702,835	1,609,765,117

a) Includes the amounts drawn under commercial paper programs.

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

As at 30 September 2016, Sonae has, as detailed below, "Cash and cash equivalents" in the amount of 345 million euro (283 million euro on 31 December 2015) and available credit lines as follows:

	30 Sep 2016		31 Dec 2015	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	95,581,443	447,500,000	122,683,306	341,050,000
Agreed credit facilities	366,940,242	790,250,000	293,260,890	732,250,000

20 DERIVATIVES

Exchange rate derivatives

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

Thus Sonae entered into several exchange rate "forwards" and options 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 294,604 euro as liabilities (860,503 euro as at 31 December 2015) and 870,226 euro as assets (1,983,962 euro as at 31 December 2015).

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

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

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

Interest rate derivatives

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

Interest rate and exchange rate derivatives

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

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Hedging derivatives				
Exchange rate	870,226	1,983,963	294,604	860,503
Derivatives not qualified as hedging				
Exchange rate	-	522,124	-	-
Other derivatives	-	-	-	-
	870,226	2,506,087	294,604	860,503

21 OTHER NON – CURRENT LIABILITIES

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

	30 Sep 2016	31 Dec 2015
Shareholders loans	2,742,635	2,780,947
Fixed assets suppliers	662,357	604,822
Other non-current liabilities	2,264,359	2,095,698
Deferral of the disposal of the extended warranties	28,799,375	28,196,895
Accruals and deferrals	5,098,207	2,350,518
Other non-current liabilities	39,566,933	36,028,880

The caption "Shareholders loans" relates to loans in affiliated undertakings in the Retail and Sonae IM operating segments. These liabilities do not have a defined vesting date and bear interests at variable market rates.

22 SHARE BASED PAYMENTS

In 2016 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 30 September 2016, 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 2016, 2015 and 31 December 2014. Share-based payments costs are recognized on a straight-line basis between the grant and the settlement date.

As at 30 September 2016 and 31 December 2015, 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	
					30 Sep 2016	31 Dec 2015
Shares						
	2013	2016	-	0.701	-	5,404,038
	2014	2017	235	1.343	4,477,771	4,306,697
	2015	2018	260	1.278	3,895,880	3,784,460
	2016	2019	284	0.970	5,036,081	-
Total					13,409,732	13,495,195

During the period ending 30 September 2016 the movements on the above mentioned share based plans were the following:

	Aggregate number of participants	Number of shares
Balance as at 31 December 2015	625	13,495,195
Grant	284	5,809,735
Vesting	(98)	(5,610,617)
Canceled /extinct / corrected / transferred ⁽¹⁾	(32)	(284,581)
Closing balance as at 30 September 2016	779	13,409,732

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

As at 30 September 2016 and 31 December 2015, the fair value of total liabilities on the date of allocation arising from share based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value *	
		30 Sep 2016	31 Dec 2015
2013	2016	-	5,663,432
2014	2017	3,981,485	3,008,946
2015	2018	2,204,419	1,322,038
2016	2019	1,221,250	-
Total		7,407,154	9,994,416

* Share market value as of 30 September 2016 and 31 December 2015.

As at 30 September 2016 and 31 December 2015 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	30 Sep 2016	31 Dec 2015
Recorded in staff costs in the current period	2,931,975	2,024,040
Recorded in previous years	6,171,665	6,312,164
	9,103,640	8,336,204
Recorded in other liabilities	-	-
Recorded value in Other reserves	9,103,640	8,336,204
	9,103,640	8,336,204

23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2016 and 31 December 2015, "Trade creditors and other current liabilities" were made up as follows:

	30 Sep 2016	31 Dec 2015
Trade creditors	1,120,702,468	1,161,697,200
Taxes payable	89,455,379	92,269,879
Other creditors		
Fixed asset suppliers	44,586,666	44,750,697
Other debts	131,571,808	154,763,112
	176,158,474	199,513,809
Other current liabilities		
Holiday pay and bonuses	132,093,926	111,077,895
Other external supplies and services	36,121,222	41,018,028
Deferred Revenue of warranty extension	29,215,374	24,471,084
Responsibilities assumed on sale of real state	18,263,872	10,031,166
Rentals	9,508,138	6,773,465
Marketing expenses	10,066,684	14,159,475
Advance receipts from trade receivables	9,336,315	8,407,899
Interest payable	4,926,806	5,022,010
Expenses on purchases	8,497,898	5,270,530
Insurance payable	5,139,516	1,745,005
Others	15,295,669	10,498,254
	278,465,420	238,474,811
	1,664,781,741	1,691,955,699

The caption "Other debts" includes:

- 82,578,235 euro (103,602,523 euro as at 31 December 2015) relating to the fair value of the shares covered by Sonae Holding financial derivative referred to in Note 17;
- 10,321,474 euro (14,219,757 euro as at 31 December 2015) of attributed discounts not yet redeemed related to loyalty card "Cartao Cliente";
- 12,414,726 euro (14,365,559 euro as at 31 December 2015) related to vouchers, gift cards and discount tickets not yet redeemed.

24 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the period ended 30 September 2016 and 2015 are as follows:

Caption	Balance as at 01 Jan 2016	Increase	Decrease	Entries on the perimeter	Balance as at 30 September 2016
Accumulated impairment losses on investments (Note 11)	1,886,603	-	(4,540)	-	1,882,063
Impairment losses on fixed tangible assets (Note 8)	133,564,363	6,537,130	(18,290,814)	416,568	122,227,247
Impairment losses on intangible assets	1,497,024	-	-	-	1,497,024
Accumulated impairment losses on trade account receivables and other debtors (Note 13)	18,285,857	2,521,006	(3,042,592)	2,030,705	19,794,976
Non current provisions	38,810,058	4,313,945	(3,705,331)	218,500	39,637,172
Current provisions	3,083,990	63,306	(45,816)	-	3,101,480
	197,127,895	13,435,387	(25,089,093)	2,665,773	188,139,962

Caption	Balance as at 01 Jan 2015	Increase	Decrease	Transfers	Balance as at 30 September 2015
Accumulated impairment losses on investments	6,301,835	36,663	(2,266,056)	(3,765,883)	306,559
Impairment losses on fixed tangible assets	143,623,367	446,068	(6,765,027)	-	137,304,408
Impairment losses on intangible assets	1,497,101	-	(77)	-	1,497,024
Accumulated impairment losses on trade account receivables and other debtors	22,496,541	9,091,013	(3,516,523)	-	28,071,031
Non current provisions	36,489,900	11,000,357	(8,445,864)	-	39,044,393
Current provisions	3,724,196	72,370	(109,429)	-	3,687,137
	214,132,940	20,646,471	(21,102,976)	(3,765,883)	209,910,552

As at 30 September 2016 and 31 December 2015, provision's details can be analyzed as follows:

	30 Sep 2016	31 Dec 2015
Technical provisions on reinsurance	21,115,176	20,463,598
Future liabilities relating to subsidiaries of retail in Brazil sold	8,073,182	6,779,929
Clients guarantees	1,495,968	3,363,334
Judicial claims	1,873,003	3,558,791
Others	10,181,323	7,728,396
	42,738,652	41,894,048

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

25 CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2016 and 31 December 2015, major contingent liabilities were guarantees given and can be detailed as follows:

- Guarantees and sureties given

	30 Sep 2016	31 Dec 2015
Guarantees given:		
on tax claims	1,145,408,531	1,083,444,776
on judicial claims	892,920	695,238
on municipal claims	9,232,403	8,268,603
contract by proper compliments	20,072,532	17,445,799
other guarantees	10,036,131	4,824,720

a) Tax Claims

The main tax claims were bank guarantees given or sureties as follows:

- Retail operating segment subsidiaries of the Company granted guarantees or securities in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 547.5 million euro (520 million euro as at 31 December 2015) related 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 149.2 million euro (144.3 million euro in 2015), in favor of Tax authorities regarding 2007 to 2012. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisor's assessment, that such appeal will be favorable;
- 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 income tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 16.7 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 37.3 million euro (135 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

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

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 e Decree of Law 248-A, the Group made tax payments in the amount of, approximately, 28.5 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

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

c) Other contingent liabilities

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (on the 13rd December 2005) and that exceed 40 million euro. On the 31 December 2015, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 31.4 million euro. Furthermore, there are other tax assessments totaling 44.5 million euro for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

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.

26 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
Parent Company	175,525	140,044	530,492	597,256
Jointly controlled companies	13,445,296	13,775,430	31,908,110	36,305,348
Associated companies	25,804,295	25,054,452	11,688	1,272,017
Other related parties	42,826,120	46,506,522	18,206,084	14,636,286
	82,251,236	85,476,448	50,656,374	52,810,907
Transactions	Interest income		Interest expenses	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
Parent Company	-	-	168,233	24,208
Jointly controlled companies	-	332,379	-	-
Other related parties	-	-	55,627	247,982
	-	332,379	223,860	272,190
Balances	Accounts receivable		Accounts payable	
	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Parent Company	58,268	65,568	502,795	611,479
Jointly controlled companies	6,999,712	16,621,469	10,044,799	10,403,025
Associated companies	3,034,743	4,024,521	1,071	1,868,694
Other related parties	16,113,464	17,816,186	5,756,242	7,431,116
	26,206,187	38,527,744	16,304,907	20,314,314
			Loans	
Balances	Obtained		Granted	
	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
Jointly controlled companies	1,000	1,000	-	-
Other related parties	2,335,145	2,887,573	-	3,570
	2,336,145	2,888,573	-	3,570

27 OTHER INCOME

As at 30 September 2016 and 2015, the caption "Other Income" is made up as follow:

	30 Sep 2016	30 Sep 2015
Supplementary income	467,710,535	410,490,654
Prompt payment discounts obtained	18,313,015	17,737,783
Foreign currency exchange gains	10,844,701	22,927,484
Own work capitalised	9,222,203	8,821,588
Gains on sales of assets	64,061,501	42,174,234
Impairment losses reversals	4,412,881	7,520,227
Others	4,679,270	2,043,836
	579,244,106	511,715,806

As at 30 September 2016, the caption "Gains on disposal of assets" included:

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

28 INCOME TAX

As at 30 September 2016 and 2015, income tax is made up as follows:

	30 Sep 2016	30 Sep 2015
Current tax	8,916,094	15,253,584
Deferred tax	(11,264,699)	(11,561,243)
	(2,348,605)	3,692,341

29 EARNINGS PER SHARE

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

	30 Sep 2016	30 Sep 2015
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	137,974,720	142,384,377
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	5,808,659	5,652,686
Net profit taken into consideration to calculate diluted earnings per share	143,783,379	148,037,063
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,886,718,512	1,874,018,458
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	71,142,333
Outstanding shares related with share based payments	13,409,732	13,674,341
Shares related to performance bonus that can be bought at market price	(7,881,223)	(4,145,610)
Weighted average number of shares used to calculate diluted earnings per share	2,019,360,547	1,954,689,522
Earnings per share		
Basic	0.076208	0.078994
Diluted	0.071202	0.075734

30 SEGMENT INFORMATION

Sonae is mostly a retail company with two major partnerships in the areas of Shopping Centres (Sonae Sierra) and Telecommunications (NOS). The following operating segments were identified:

In retail, the group has three segments:

- Sonae MC is our food retail unit, operating 548 stores and 277 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado / Bagga, Note!, Makenotes and Wells;
- Sonae SR is our specialised retail unit, with a presence in the electronics, sports and fashion directly operating 590 stores and 109 stores operated under franchise agreements under the Worten, Sport Zone, MO, Zippy, Losan and Salsa;
- Sonae RP is our retail real estate unit which actively manages properties of Sonae, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

Sonae IM includes Bizdirect, Saphety, Wedo Technologies, S21sec and Brightpixel (Telecommunications Technology), Inovretail and Movvo (Retail Technology), Maxmat (bricolage and construction materials), MDS (insurance broker), Tlantic (retail software) and Publico (media).

In addition to the operating segments above mentioned Sonae still has two major partnerships Sonae Sierra and Zopt (includes NOS) whose relevant information is disclosed in Note 5.

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 main operating segment information can be detailed as follows:

Turnover	30 Sep 2016	Inter-segment income	30 Sep 2015	Inter-segment income
Sonae MC	2,684,565,804	(1,350,759)	2,549,400,554	(1,237,817)
Sonae SR				
Worten	633,867,121	(3,099,228)	625,714,812	(3,411,945)
Sports & Fashion	373,748,770	(19,388,174)	291,225,018	(20,056,277)
Sonae RP	69,211,176	(61,618,355)	92,167,151	(86,768,439)
Sonae IM	190,023,298	(10,488,923)	187,280,226	(12,834,956)
Other, eliminations and adjustments	(69,348,273)	(82,500)	(106,823,549)	(120,000)
Total consolidated	3,882,067,896	(96,027,939)	3,638,964,212	(124,429,434)

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
Sonae MC	67,094,024	60,524,757	551,039	1,505,739	72,161,234	81,391,305
Sonae SR						
Worten	18,606,866	13,325,325	741,878	274,242	(16,148,546)	(20,229,545)
Sports & Fashion	17,762,336	14,698,007	746,375	523,474	(24,498,383)	(32,055,415)
Sonae RP	17,721,870	29,573,008	6,536,987	-	99,449,650	101,690,127
Sonae IM	10,929,491	10,484,182	487,174	567,065	(3,798,532)	(1,388,019)
Other, eliminations and adjustments ⁽¹⁾	604,837	71,362	207,271	-	27,774,322	27,519,413
Total direct consolidated	132,719,424	128,676,641	9,270,724	2,870,520	154,939,745	156,927,866

	Net financial expenses ⁽²⁾		Income tax ⁽²⁾	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
Retail	(43,866,155)	(46,496,613)	2,589,517	(4,163,534)
Sonae IM	(1,864,814)	(1,907,707)	2,154,357	(293,806)
Holding ⁽¹⁾	8,467,937	(3,257,728)	(2,395,269)	764,999
Total consolidated	(37,263,032)	(51,662,048)	2,348,605	(3,692,341)

	Investment (CAPEX)		Net invested capital	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	31 Dec 2015
Sonae MC	114,481,199	74,224,811	600,212,321	533,730,705
Sonae SR				
Worten	19,658,938	24,553,008	20,566,098	(18,148,441)
Sports & Fashion	98,859,948	22,732,605	400,078,950	189,556,528
Sonae RP	41,957,250	36,373,086	908,757,261	1,046,536,798
Sonae IM	14,713,821	7,174,123	140,938,687	132,664,890
Other, eliminations and adjustments ⁽¹⁾	3,336,114	5,488,216	1,193,160,601	1,203,292,497
Total consolidated	293,007,270	170,545,849	3,263,713,918	3,087,632,977

	Total net debt	
	30 Sep 2016	31 Dec 2015
Retail	725,672,918	643,978,322
Sonae IM	49,339,576	39,546,259
Holding ⁽¹⁾	472,519,979	609,314,264
Total consolidated	1,247,532,473	1,292,838,845

¹⁾ Includes Sonae Individual accounts;

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

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

	Turnover		EBIT	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
Inter-segment income	(96,027,939)	(124,429,434)	-	-
Contributos das empresas não incluídas nos segmentos	-	-	(7,177,074)	(9,851,594)
Equity method	-	-	35,357,424	37,735,026
Others	26,679,666	17,605,885	(406,028)	(364,019)
Other, eliminations and adjustments	(69,348,273)	(106,823,549)	27,774,322	27,519,413

	Investment		Invested capital	
	30 Sep 2016	30 Sep 2015	30 Sep 2016	31 Dec 2015
Inter-segment income and contributions from companies non individualized as segments	3,336,114	3,225,526	31,400,424	79,931,177
Investments	-	2,262,690	1,244,338,412	1,214,889,100
Cash settled equity swap ⁽³⁾	-	-	(82,578,235)	(103,720,530)
Dividends available	-	-	-	12,192,750
Inter-segment income and others	-	-	-	-
Other, eliminations and adjustments	3,336,114	5,488,216	1,193,160,601	1,203,292,497

³⁾ Financial Instrument reported in Note 16.

All performance measures are reconciled to the financial statements in note 31.

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 in 2015, and other long term financial applications;

Others, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Others" in Note 4;

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

31 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 regarding the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decreases in goodwill, (iii) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues. The value of EBITDA and EBIT are only calculated in the direct income component, excluding the indirect contributions.

The reconciliation between the two formats for the consolidated income statement for the periods ended 30 September 2016 and 2015 can be summarised as follows:

	30 Sep 2016			30 Sep 2015		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	3,882,067,896	-	3,882,067,896	3,638,964,212	-	3,638,964,212
Investment income						
Dividends	1,865,006	1,762,005	103,001	1,542,101	1,542,101	-
Impairment losses	-	-	-	(4,735,362)	(4,735,362)	-
Others	(377,710)	-	(377,710)	151,277	-	151,277
Other income						
Impairment losses reversal	2,545,516	-	2,545,516	3,778,169	-	3,778,169
Others	512,829,789	-	512,829,789	464,347,377	-	464,347,377
Total income	4,398,930,497	1,762,005	4,397,168,492	4,104,047,774	(3,193,261)	4,107,241,035
Total expenses	(4,184,747,733)	(508,533)	(4,184,239,200)	(3,880,383,436)	(2,659,710)	(3,877,723,726)
Depreciation and amortisation	(132,719,424)	-	(132,719,424)	(128,676,641)	-	(128,676,641)
Non-recurring impairment losses over inventories	(6,611,152)	-	(6,611,152)	(6,954,893)	-	(6,954,893)
Provisions and impairment	(9,270,724)	-	(9,270,724)	(2,870,520)	-	(2,870,520)
Profit before financial results and share of results in associated companies	65,581,464	1,253,472	64,327,992	85,162,284	(5,852,971)	91,015,255
Non-recurring Profit/(Loss)	55,357,330	-	55,357,330	28,328,862	-	28,328,862
Gains and losses on investments recorded at fair value through results	(6,318,903)	(6,318,903)	-	23,511,756	23,511,756	-
Financial profit/(loss)	(37,263,032)	-	(37,263,032)	(51,662,048)	-	(51,662,048)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	46,276,835	26,163,034	20,113,801	47,427,208	26,240,399	21,186,809
ZOPT	15,823,381	-	15,823,381	16,472,670	-	16,472,670
Others	(579,758)	-	(579,758)	75,547	-	75,547
Profit before income tax	138,877,317	21,097,603	117,779,714	149,316,279	43,899,184	105,417,095
Income tax	2,348,605	-	2,348,605	(3,692,341)	-	(3,692,341)
Net profit for the period	141,225,922	21,097,603	120,128,319	145,623,938	43,899,184	101,724,754
Attributable to equity holders of Sonae	137,974,720	21,554,851	116,419,869	142,384,377	43,899,184	98,485,193
Non-controlling interests	3,251,202	(457,248)	3,708,450	3,239,562	-	3,239,562
"Underlying" EBITDA (b)			210,280,775			225,739,140
Direct EBITDA (a)			300,995,529			291,803,028
Direct EBIT (c)			154,939,745			156,927,866

- (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;
- (d) EBT = Direct results before non-controlling interests and taxes;
- (e) Direct income = Results excluding contributions to indirect income;
- (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 regarding the portfolio of Sonae: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued / repositioned), (iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

32 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 08 November 2016.

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

**Condensed individual
financial statements**

Condensed Individual Statement of Financial Position as at 30 September 2016 and 2015 and as at 31 December 2015

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

(Amounts expressed in euro)

ASSETS	Notes	30.September.2016	30.September.2015	31.December.2015
NON-CURRENT ASSETS:				
Tangible assets		69,591	97,276	90,243
Intangible assets		55	2,983	2,153
Investments in subsidiaries, associates and joint ventures	4	4,033,818,826	2,415,312,472	3,936,004,695
Other investments	5	30,881,367	29,961,099	29,617,075
Deferred taxes		-	-	-
Other non-current assets	6	347,400,000	347,400,000	347,400,000
Total non-current assets		<u>4,412,169,839</u>	<u>2,792,773,830</u>	<u>4,313,114,166</u>
CURRENT ASSETS:				
Trade account receivables and other current assets	7	72,628,301	1,908,881,218	72,845,986
Cash and cash equivalents	8	726,182	21,343	390,501
Total current assets		<u>73,354,483</u>	<u>1,908,902,561</u>	<u>73,236,487</u>
TOTAL ASSETS		<u>4,485,524,322</u>	<u>4,701,676,391</u>	<u>4,386,350,653</u>
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,668,019,373	1,900,848,684	1,848,829,207
Profit for the period		34,214,784	14,907,245	(279,672,410)
TOTAL EQUITY		<u>3,702,234,157</u>	<u>3,915,755,929</u>	<u>3,569,156,797</u>
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	288,262,263	377,265,587	387,406,442
Total non-current liabilities		<u>288,262,263</u>	<u>377,265,587</u>	<u>387,406,442</u>
CURRENT LIABILITIES:				
Loans	10	208,038,764	139,975,695	159,300,000
Trade creditors and other current liabilities	11	286,989,138	268,679,180	270,487,414
Total current liabilities		<u>495,027,902</u>	<u>408,654,875</u>	<u>429,787,414</u>
TOTAL EQUITY AND LIABILITIES		<u>4,485,524,322</u>	<u>4,701,676,391</u>	<u>4,386,350,653</u>

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

The Board of Directors

Condensed Individual Income Statements for the periods ended 30 September 2016 and 2015

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

(Amounts expressed in euro)

	Notes	3 rd Quarter 2016	3 rd Quarter 2015	30.September.2016	30.September.2015
Services rendered		81,971	119,094	314,663	357,282
Gains or losses on investments	14	(444)	(34,999,359)	28,235,848	(7,980,074)
Financial income		7,597,019	5,535,521	22,539,653	58,237,166
Other income		563,995	544,576	1,865,519	1,630,573
External supplies and services		(880,102)	(839,792)	(2,541,335)	(2,519,460)
Staff costs		(481,804)	(475,548)	(1,467,743)	(1,695,684)
Depreciation and amortisation		(8,874)	(8,893)	(26,836)	(25,358)
Provisions and impairment losses		-	-	(1,913)	-
Financial expense		(4,429,025)	(5,423,944)	(11,856,659)	(25,869,672)
Other expenses		(90,671)	(162,898)	(501,061)	(639,597)
Profit/(Loss) before taxation		2,352,065	(35,711,243)	36,560,136	21,495,176
Taxation		(635,632)	1,541,095	(2,345,352)	(6,587,931)
Profit/(Loss) after taxation		1,716,433	(34,170,148)	34,214,784	14,907,245
Profit/(Loss) per share					
Basic	15	0.000857	(0.017172)	0.017108	0.007491
Diluted	15	0.000856	(0.017164)	0.017102	0.007488

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

The Board of Directors

Condensed Individual Statements of Comprehensive Income for the periods ended 30 September 2016 and 2015

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

(Amounts expressed in euro)

	3 rd Quarter 2016	3 rd Quarter 2015	30.September.2016	30.September.2015
Net Profit / (Loss) for the period	1,716,433	(34,170,148)	34,214,784	14,907,245
Changes on fair value of available-for-sale financial assets	54,019,844	(17,700,876)	99,080,967	58,384,691
Other comprehensive income for the period	54,019,844	(17,700,876)	99,080,967	58,384,691
Total comprehensive income for the period	55,736,277	(51,871,024)	133,295,751	73,291,936

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

The Board of Directors

Condensed Individual Statements of Changes in Equity for the periods ended 30 September 2016 and 2015

(Translation of condensed 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 2015	2,000,000,000	(6,857,332)	196,260,390	176,990,899	583,589,490	760,580,389	959,024,034	3,909,007,481
Total comprehensive income for the period	-	-	-	58,384,691	-	58,384,691	14,907,245	73,291,936
Appropriation of profit of 2014:								
Transfer to legal reserves and retained earnings	-	-	47,951,202	-	838,072,832	838,072,832	(886,024,034)	-
Dividends distributed	-	-	-	-	5,215	5,215	(73,000,000)	(72,994,785)
Purchase of treasury shares	-	(139,401)	-	-	-	-	-	(139,401)
Sale of treasury shares	-	5,912,942	-	-	241,601	241,601	-	6,154,543
Share based payments	-	1,083,791	-	-	(647,636)	(647,636)	-	436,155
Balance as at 30 September 2015	2,000,000,000	-	244,211,592	235,375,590	1,421,261,502	1,656,637,092	14,907,245	3,915,755,929
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	-	-	-	99,080,967	-	99,080,967	34,214,784	133,295,751
Appropriation of profit 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 the Annual Performance Bonus Plan and Medium Term Incentive Plans	-	1,118,141	-	-	(207,467)	(207,467)	-	910,674
Share based payments	-	-	-	-	(10,924)	(10,924)	-	(10,924)
Balance as at 30 September 2016	2,000,000,000	-	244,211,592	359,304,755	1,064,503,026	1,423,807,781	34,214,784	3,702,234,157

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

The Board of Directors

Condensed Individual Cash Flow Statements for the periods ended 30 September 2016 and 2015

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

(Amounts expressed in euro)

	Notes	3 rd Quarter 2016	3 rd Quarter 2015	30. September. 2016	30. September. 2015
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		(9,360,977)	(1,034,169)	(11,050,760)	(3,424,447)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		2,102	-	2,102	1,815,901,002
Tangible and intangible assets		-	-	584	2
Interest and similar income		494,609	188,580	2,096,483	4,048,590
Dividends		11,123,853	11,123,852	40,428,660	14,826,535
Loans granted		675,226,000	484,979,472	1,752,457,939	2,102,246,372
		686,846,564	496,291,904	1,794,985,768	3,937,022,501
Cash Payments arising from:					
Tangible and intangible assets		-	(6,986)	(4,085)	(8,066)
Loans granted		(675,226,000)	(461,854,359)	(1,752,457,939)	(3,779,468,147)
		(675,226,000)	(461,861,345)	(1,752,462,024)	(3,779,476,213)
Net cash used in investment activities (2)		11,620,564	34,430,559	42,523,744	157,546,288
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		1,770,794,000	636,764,000	4,801,600,007	1,823,405,286
Sale of treasury shares		-	-	-	4,072,868
Others		-	-	5,998	-
		1,770,794,000	636,764,000	4,801,606,005	1,827,478,154
Cash Payments arising from:					
Loans obtained		(1,771,939,000)	(655,721,653)	(4,821,055,293)	(2,162,889,023)
Interest and similar charges		(3,443,079)	(10,092,595)	(14,226,779)	(38,968,660)
Dividends		-	(36)	-	(72,978,386)
Purchase of treasury shares		-	-	-	(139,401)
		(1,775,382,079)	(665,814,284)	(4,835,282,072)	(2,274,975,470)
Net cash used in financing activities (3)		(4,588,079)	(29,050,284)	(33,676,067)	(447,497,316)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(2,328,492)	4,346,106	(2,203,083)	(293,375,475)
Cash and cash equivalents at the beginning of the period		515,910	(5,300,458)	390,501	292,421,123
Cash and cash equivalents at the end of the period	8	(1,812,582)	(954,352)	(1,812,582)	(954,352)

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

The Board of Directors

SONAE, SGPS, SA

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

(Translation of the condensed individual financial statements originally issued in Portuguese.
In case of discrepancies 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.

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 2015.

4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 30 September 2016 and 31 December 2015 the company held investments in the following companies:

		30.September.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	-	-	53,251,500	-	643,145,000
Sonaecom, SGPS, SA	26.02%	167,717,536	-	-	44,562,631	-	212,280,167
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	-	-	97,814,131	-	4,033,818,826

		31.December.2015					
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%	557,372,500	-	-	32,521,000	-	589,893,500
Sonaecom, SGPS, SA	26.02%	117,483,298	-	-	50,234,238	-	167,717,536
Sonaegest, SA	20.00%	159,615	-	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	1,836,500,000	-	-	(341,000,000)	1,496,231,545
Sontel, BV	35.87%	240,141,099	-	-	-	-	240,141,099
Total		2,357,749,457	1,836,500,000	-	82,755,238	(341,000,000)	3,936,004,695

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

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

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

5 OTHER INVESTMENTS

As at 30 September 2016 and 31 December 2015 other investments are as follows:

		30.September.2016				
Companies		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	-	-	1,266,838	30,831,487
Total		29,617,075	-	(2,546)	1,266,838	30,881,367

31.December.2015

Companies	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 Imosedo	29,086,999	-	-	477,650	29,564,649
Total	29,139,425	-	-	477,650	29,617,075

6 OTHER NON-CURRENT ASSETS

As at 30 September 2016 and 31 December 2015 the amount recognized under this caption refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos, SGPS, SA at market conditions in 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period.

In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

As at 30 September 2016 and 31 December 2015, the Company held 6,948 bonds.

The fair value of these bonds as at 30 September 2016 is 54,004 euro (56,404 euro as at 31 December 2015) per bond, having been determined based on the discounted cash flow method and using as reference market values. There is no evidence of impairment on this loan.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	30.September.2016	31.December.2015
Trade accounts receivable	205,369	500,159
Group companies		
Dividends	-	12,192,750
Interests	-	709,630
Taxes - Special regime for taxation of groups of companies	41,783,206	31,251,889
Taxes and contributions receivable	6,428,231	25,714,649
Accrued income and prepayments	24,045,595	2,166,828
Others	165,900	310,081
Total	72,628,301	72,845,986

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.

The caption "Accrued income and prepayments" mainly includes receivables relating to interests from loans granted to group companies.

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

8 CASH AND CASH EQUIVALENTS

As at 30 September 2016 and 31 December 2015 cash and cash equivalents are detailed as follows:

	30.September.2016	31.December.2015
Cash at hand	1,965	1,086
Bank deposits	724,217	389,415
Cash and cash equivalents on the balance sheet	<u>726,182</u>	<u>390,501</u>
Bank overdrafts	(2,538,764)	-
Cash and cash equivalents on the cash flow statement	<u>(1,812,582)</u>	<u>390,501</u>

9 SHARE CAPITAL

As at 30 September 2016 and 31 December 2015 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

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

	30.September.2016	31.December.2015
Bonds Sonae, SGPS 2014/2018	-	60,000,000
Bonds Sonae, SGPS 2014/2020	-	50,000,000
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	-
Up-front fees not yet charged to income statement	(1,737,737)	(2,593,558)
Bonds	<u>158,262,263</u>	<u>207,406,442</u>
Sonae SGPS - Commercial paper	130,000,000	180,000,000
Bank loans	130,000,000	180,000,000
Non-current loans	<u>288,262,263</u>	<u>387,406,442</u>
Bank overdrafts	2,538,764	-
Sonae SGPS - Commercial paper	205,500,000	159,300,000
Bank loans	208,038,764	159,300,000
Current loans	<u>208,038,764</u>	<u>159,300,000</u>

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 152 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	176,500,000	245,000,000
Available credit facilities amounts	37,000,000	115,000,000

The interest rate as at 30 September 2016 of the bonds and bank loans was, in average, 0.90% (1.76% as at 31 December 2015).

Maturity of Borrowings

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

	<u>30.September.2016</u>	<u>31.December.2015</u>
N+1	208,038,764	159,300,000
N+2	35,000,000	35,000,000
N+3	-	80,000,000
N+4	-	70,000,000
N+5	95,000,000	60,000,000
after N+5	160,000,000	145,000,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2016 and 31 December 2015, trade creditors and other current liabilities are detailed as follows:

	<u>30.September.2016</u>	<u>31.December.2015</u>
Trade creditors	302,913	403,764
Group companies		
Loans	235,673,161	201,328,447
Taxes - Special regime for taxation of groups of companies	29,517,235	42,710,114
Taxes and contributions payable	18,672,438	20,205,511
Accrued expenses	2,691,045	5,721,569
Others	132,346	118,009
Total	<u>286,989,138</u>	<u>270,487,414</u>

12 CONTINGENT LIABILITIES

As at 30 September 2016 and 31 December 2015, contingent liabilities are detailed as follows:

	<u>30.September.2016</u>	<u>31.December.2015</u>
Guarantees given:		
on tax claims	143,018,289	128,624,001
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries	a) 386,112,500	359,213,603

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

13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Balance	30.September.2016	31.December.2015
Group companies	64,850,488	34,281,214
Jointly controlled companies	362,522	12,398,109
Other partners in group companies	75,000	98,000
Accounts receivable	65,288,010	46,777,323
Parent company	502,773	611,470
Group companies	30,736,541	45,526,331
Other partners in group companies	7,229	13,588
Accounts payable	31,246,543	46,151,389
Group companies	347,400,000	347,400,000
Loans granted	347,400,000	347,400,000
Group companies	235,673,161	201,328,447
Loans obtained	235,673,161	201,328,447
Transactions	30.September.2016	30.September.2015
Group companies	1,824,781	1,630,210
Jointly controlled companies	157,163	267
Other partners in group companies	75,000	237,962
Services rendered and other income	2,056,944	1,868,439
Parent company	530,492	597,256
Group companies	1,038,676	1,021,774
Other partners in group companies	28,373	12,269
Purchases and services obtained	1,597,541	1,631,299
Group companies	22,535,717	58,147,610
Interest income	22,535,717	58,147,610
Parent company	56,341	-
Group companies	3,152,971	5,656,859
Interest expenses	3,209,312	5,656,859
Group companies	15,880,590	14,826,535
Jointly controlled companies	12,355,320	12,192,750
Dividend income (Note 14)	28,235,910	27,019,285
Group companies	-	3,070,964
Jointly controlled companies	-	946,797
Other partners in group companies	-	55,107
Sale of treasury shares	-	4,072,868

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

14 INVESTMENTS INCOME

As at 30 September 2016 and 2015, investment income can be detailed as follows:

	<u>30.September.2016</u>	<u>30.September.2015</u>
Dividends	28,235,910	27,019,285
Impairment losses	-	(35,000,000)
Gains / (losses) on sale investments	<u>(62)</u>	<u>641</u>
	<u>28,235,848</u>	<u>(7,980,074)</u>

Dividends were distributed from Sonae Investimentos, SGPS, SA (11,123,853 euro), Sonaegest, SA (57,405 euro), Sonae Sierra, SGPS, SA (12,355,320 euro) and Sonaecom, SGPS, SA (4,699,332 euro).

15 EARNINGS PER SHARE

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

	<u>30.September.2016</u>	<u>30.September.2015</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	34,214,784	14,907,245
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>34,214,784</u>	<u>14,907,245</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings	1,999,954,552	1,989,939,564
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,324,728	1,531,948
Number of shares that could be acquired at average market price	<u>(683,231)</u>	<u>(585,302)</u>
Weighted average number of shares used to calculate diluted earnings per share	<u>2,000,596,049</u>	<u>1,990,886,210</u>
Profit/(Loss) per share		
Basic	0.017108	0.007491
Diluted	<u>0.017102</u>	<u>0.007488</u>

16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 8 November 2016.

17 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 September 2016 short-term loan contracts were entered into with the following companies:

Efanor Investimentos, SGPS, SA

Sonae Investimentos, SGPS, SA

Sonae RE, SA

Sonaecom, SGPS, SA

Sontel, BV

As at 30 September 2016, there were no amounts owed by subsidiaries.

As at 30 September 2016 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonaecenter Serviços, SA	32,731,161
Sonae RE, SA	1,609,000
Sontel, BV	201,333,000
Total	<u>235,673,161</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

ADVERTÊNCIAS

Este documento pode conter informações e indicações futuras, baseadas em expectativas atuais ou em opiniões da gestão. Indicações futuras são meras indicações, não devendo ser interpretados como factos históricos.

Estas indicações futuras estão sujeitas a um conjunto de fatores e de incertezas que poderão fazer com que os resultados reais difiram materialmente daqueles mencionados como indicações futuras, incluindo, mas não limitados, a alterações na regulação, indústria, da concorrência e nas condições económicas. Indicações futuras podem ser identificadas por palavras tais como “acredita”, “espera”, “antecipa”, “projeta”, “pretende”, “procura”, “estima”, “futuro” ou expressões semelhantes.

Embora estas indicações reflitam as nossas expectativas atuais, as quais acreditamos serem razoáveis, os investidores e analistas e, em geral, todos os destinatários deste documento, são advertidos de que as informações e indicações futuras estão sujeitas a vários riscos e incertezas, muitos dos quais difíceis de antecipar e para além do nosso controlo, e que poderão fazer com que os resultados e os desenvolvimentos difiram materialmente daqueles mencionados, subentendidos ou projetados pelas informações e indicações futuras. Todos os destinatários são advertidos a não dar uma inapropriada importância às informações e indicações futuras. A Sonae não assume nenhuma obrigação de atualizar qualquer informação ou indicação futura.

Relatório disponível no Website Institucional da Sonae
www.sonae.pt

Contactos para os Media e Investidores

Patrícia Vieira Pinto
Diretora de Relação com Investidores
pavpinto@sonae.pt
Tel.: + 351 22 010 4794

Catarina Oliveira Fernandes
Diretora de Comunicação, Marca e Responsabilidade Corporativa
catarina.fernandes@sonae.pt
Tel.: + 351 22 010 4775

Maria João Oliveira
Comunicação Externa
mjfoliveira@sonae.pt
Tel.: + 351 22 010 4745

Sonae
Lugar do Espido Via Norte
4471-909 Maia
Portugal
Tel.: +351 22 948 7522
Fax: +351 22 940 4634

A SONAE encontra-se admitida à cotação na Euronext Stock Exchange. Informação pode ainda ser obtida na Reuters com o símbolo **SONP.IN** e na Bloomberg com o símbolo **SON PL**