

SONAE 1ST QUARTER RESULTS 2018



IMPROVING LIFE

1 HIGHLIGHTS AND CEO'S MESSAGE

- Sonae turnover posted a solid evolution, increasing 8.7% y.o.y., to €1,342 M in 1Q18 (+6.7% in aggregated terms)
- Sonae underlying EBITDA totalled €57 M, improving 11.0% versus 1Q17
- Sonae EBITDA reached €70 M, growing 9.5% versus 1Q17 (+6.0% in aggregated terms)
- Sonae net debt decreased by 8.2% y.o.y., to €1,266 M in the first quarter of 2018

“Sonae recorded a good start to the year of 2018, with Q1 consolidated turnover growing by 8.7% and profitability (EBITDA) by 9.5%. The performance of our food retail business and of Worten were particularly strong, both in terms of absolute growth but also in terms of LFL sales, (recording LFL growth of 5.3% and 8.8% respectively), well above what the calendar effect can explain. Including the remaining co-controlled companies, which performance also showed a favorable trend, turnover and EBITDA in aggregated terms reached 1.8 billion euros (+6.7%) and 230 million euros (+6.0%), respectively.

In addition to these encouraging results, we continued the execution of our different businesses' strategies and management of our portfolio, namely through the creation of the Iberian Sports Retail Group, materialised in the beginning of February, which is a result of the combination of Sport Zone with Sprinter and JD's Iberian operations and whose impact will start to be seen in our accounts from the next quarter onwards.

We also managed to maintain a significant level of investment, particularly into our growth avenues, at the same time as we reduced the cost and amount of our group debt and optimized our capital structure that supports our shareholder remuneration policy through dividends, which have grown at 5% a year since 2012.”

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae aggregated businesses overview			
Million euros	1Q17	1Q18	y.o.y.
Turnover			
Sonae Retail ⁽¹⁾	1,211	1,321	9.1%
Sonae Sierra ⁽²⁾	54	54	0.1%
NOS ⁽²⁾	380	383	0.7%
Sonae IM	33	33	1.0%
Sonae FS ⁽³⁾	18	22	20.5%
Underlying EBITDA			
Sonae Retail ⁽¹⁾	56	61	10.0%
Sonae Sierra ⁽²⁾	25	27	7.6%
NOS ⁽²⁾	142	147	3.0%
Sonae IM	1	1	36.8%
Sonae FS ⁽³⁾	1	3	-

(1) Sonae Retail does not include Sport Zone figures. Due to the creation of Iberian Sports Retail Group in January 31st 2018, Sport Zone was registered as discontinued operation;

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

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

Sonae consolidated results			
Million euros	1Q17 ⁽¹⁾	1Q18 ⁽¹⁾	y.o.y.
Turnover	1,234	1,342	8.7%
Underlying EBITDA	51	57	11.0%
Underlying EBITDA margin	4.2%	4.2%	0.1 p.p.
Equity method results ⁽²⁾	14	15	7.7%
o.w. S. Sierra (direct results)	8	8	12.5%
o.w. NOS	7	8	16.7%
Non-recurrent items	-1	-2	-
EBITDA	64	70	9.5%
EBITDA margin	5.2%	5.2%	0.0 p.p.
D&A ⁽³⁾	-46	-50	-9.3%
EBIT	18	20	10.0%
Net financial results	-7	-8	-8.4%
EBT	11	12	11.1%
Taxes	1	2	48.4%
Direct results ⁽⁴⁾	12	14	15.6%
Indirect results	-4	7	-
Net income	9	21	145.7%
Non-controlling interests	0	-1	-
Net income group share	8	20	138.7%

(1) Due to the creation of Iberian Sports Retail Group in January 31st 2018, Sport Zone was registered as discontinued operation. In June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding, MDS started to be consolidated through the Equity Method and was included in Sonae FS. From 1Q16 until June 2017, MDS was registered as a discontinued operation;

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

(3) Depreciations & amortisations including provisions & impairments;

(4) Direct results before non-controlling interests.

Sonae net invested capital			
Million euros	1Q17	1Q18	y.o.y.
Net invested capital	3,373	3,332	-1.2%
Sonae shareholders funds	1,993	2,065	3.6%
Sonae net debt ⁽¹⁾	1,380	1,266	-8.2%
Net debt / Invested capital	40.9%	38.0%	-2.9 p.p.

(1) Financial net debt + net shareholder loans.

In the first quarter of 2018, all businesses registered a positive evolution, increasing turnover and improving underlying EBITDA in comparison with the 1Q17.

From a statutory point, **Sonae consolidated turnover** reached €1,342 M in 1Q18, an increase of 8.7% when compared to the same period of last year, mainly driven by Sonae Retail, that benefited especially from the performances of Sonae MC and Worten.

Sonae consolidated EBITDA grew by 9.5% versus 1Q17, amounting to €70 M in 1Q18, underpinned by a higher underlying EBITDA, that increased by 11.0% y.o.y., and by a higher contribution of the equity method results, particularly driven by strong performances of NOS and Sonae Sierra.

Sonae net financial results show a slight deterioration when compared to last year, and the average interest rate of outstanding debt slightly decreased to 1.2% in the 1Q18.

The lower contribution from D&A and from the net financial results were more than offset by the higher contribution of EBITDA and consequently **Sonae direct results** stood at €14 M, + 15.6% versus 1Q17.

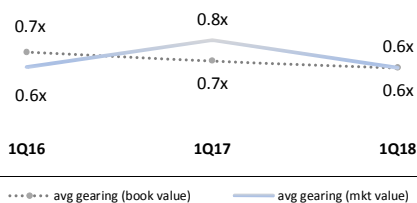
Sonae indirect results amounted to €7 M, growing versus 1Q17, driven by the capital gains of Sport Zone's merger with JD Sprinter.

Sonae net income group share more than doubled in comparison to the 1Q17, benefiting from higher contributions both direct and indirect results, reaching €20 M in 1Q18.

Sonae net debt decreased by €113 M in comparison to 1Q17, to €1,266 M in 1Q18 and **financial leverage** stood at 38.0%, less 2.9 p.p. versus 1Q17.

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE (continued)

Gearing



The **average gearing at book value** decreased from 0.7x in the 1Q17, to 0.6x in 1Q18, and **the average gearing at market value** decreased 0.2x when compared to last year, to 0.6x in the 1Q18, resulting from a decrease in net debt combined with an increase of Sonae's share price.

In 1Q18, Sonae sustained a solid capital structure, having optimised funding costs and preserved sufficient back-up liquidity and a long maturity profile. The average maturity profile remained stable at circa 4 years. The group maintained its practice of being fully financed for the coming 18 months and at the same time improved its general funding conditions.

Million euros	1Q17	1Q18	y.o.y.
Net financial debt	1,379	1,267	-8.2%
Retail	857	780	-9.0%
Sonae IM	1	0	-94.0%
Holding & other	521	487	-6.6%
Sonae net debt	1,380	1,266	-8.2%

Retail net debt amounted to €780 M, a reduction of €77 M compared with 1Q17 and **retail net debt to EBITDA** stood at 2.2x, decreasing 0.4x versus 1Q17, due not only to a decrease in retail net debt but also to an improvement of profitability.

Capital Structure

Net debt to EBITDA - Retail

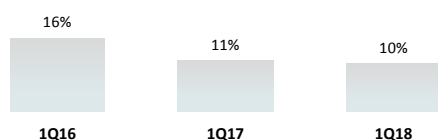


The **Holding & other net debt** reduced by 6.6% when compared to the last year, to €487 M and the **loan-to-value ratio of the Holding** decreased to 10%.

Sonae Capex amounted to €71 M, €17 M above the value registered in the 1Q17, mostly motivated by the higher capex level of Sonae MC, while the remaining businesses kept the capex levels relatively stable.

Capital Structure

Loan-to-value (%) - Holding

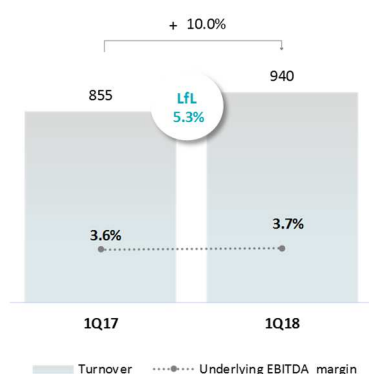


Sonae Capex			
Million euros	1Q17	1Q18	% of Turnover
Capex	54	71	5.3%
Sonae Retail	47	64	4.8%
Sonae MC	28	42	4.5%
Worten	6	5	2.3%
Sonae Sports & Fashion	4	5	5.4%
Sonae RP	8	10	44.7%
Maxmat	0	1	3.1%
Sonae IM	2	3	9.9%
Sonae FS	0.0	0.3	5.0%

3 SONAE RETAIL RESULTS

SONAE MC

Turnover and underlying EBITDA mg evolution (€M; %)



In the 1Q18, **Sonae MC turnover** reached €940 M, growing 10.0% y.o.y., supported by a LfL sales growth of 5.3%. Even excluding the favourable effect of an early Easter, LfL sales growth registered a very positive figure.

This strong performance allowed Sonae MC to reinforce its market leadership and is the result of the continuous efforts made over the last quarters in order to strengthen its value proposition. During this quarter Sonae MC kept working on improving the quality of the perishables and improving its price perception. Additionally, Sonae MC continued the store network expansion through convenience formats, namely Continente Bom Dia.

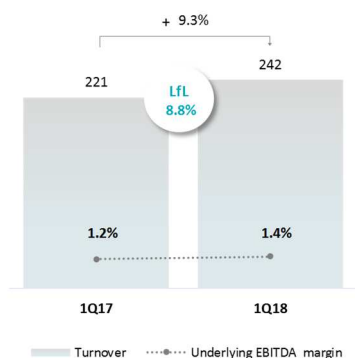
The **underlying EBITDA** reached €34 M, +12.7% versus 1Q17. The underlying EBITDA margin increased 10 bps y.o.y. despite the impact of the store network expansion and the very intense competitive environment.

Throughout the first quarter, Sonae MC remained focused on enlarging its position in the Health and Wellness segment, having opened 4 Well's parapharmacies. Already in the 2Q18, Sonae MC opened the first Go Natural supermarket in Oporto, and acquired Amor Bio, 2 organic convenience supermarkets located in Lisbon, thus having, currently, a portfolio of 10 supermarkets entirely dedicated to healthy food. Additionally, during the 1Q18, Sonae MC opened 2 Dr. Wells clinics in Lisbon and Oporto.

3 SONAE RETAIL RESULTS (continued)

WORTEN

Turnover and underlying EBITDA mg evolution (€M; %)

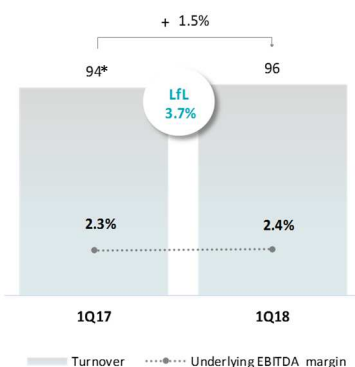


Worten turnover reached €242 M in 1Q18, an increase of 9.3% in comparison with last year, supported by **LfL sales growth** of 8.8% and strong performance of the e-commerce, which kept the positive trend observed in previous quarters. This sales performance was above the market evolution, both in Portugal and in Spain where market share increased across all channels (physical stores and e-commerce).

Underlying EBITDA amounted to €3 M in 1Q18, +27.5% versus 1Q17, corresponding to an underlying EBITDA margin of 1.4%.

SONAE SPORTS & FASHION

Turnover and underlying EBITDA mg evolution (€M; %)



*Restated fashion accounts. In 2017 there were no fashion accounts reported.

SONAE FASHION

In 1Q18, **Sonae Fashion turnover** reached €96 M, increasing 1.5% compared with the same period of 2017, and registered a **LfL sales growth** of 3.7%. A positive performance despite the unusual weather conditions that impacted the performance of the quarter.

We highlight the good performance of the online operation that continued to grow both in the original portfolio and at Salsa. It is worth mentioning Zippy's online operation which grew 68% and, MO which more than doubled its online sales y.o.y..

The **underlying EBITDA** improved versus 1Q17, reaching €2 M, +5.0% y.o.y., corresponding to an underlying EBITDA margin of 2.4%, 10 bps above 1Q17.

IBERIAN SPORTS RETAIL GROUP

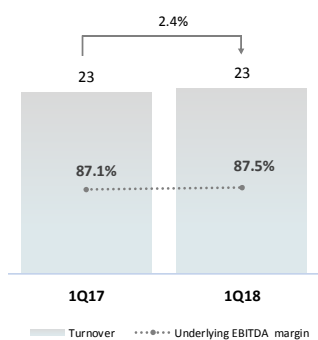
In January 31st 2018, the **agreement for the combination of JD Sprinter and Sport Zone was concluded**, creating the **Iberian Sports Retail Group (ISRG)**, the second largest sports retail group in Iberia. ISRG will be equity consolidated from 2Q18 onwards.

SONAE 1Q18 RESULTS

3 SONAE RETAIL RESULTS (continued)

SONAE RP

Turnover and underlying EBITDA mg evolution (€M; %)

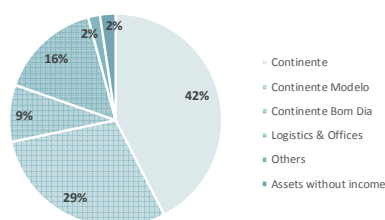


On March 31st, Sonae RP portfolio corresponded to a **gross book value** of €1,275 M and a **net book value** of €908M, comprising 20 Continente stores, 60 Continente Modelo stores and 30 Continente Bom Dia stores.

During the first quarter Sonae RP did not complete any sale and leaseback transaction and consequently, Sonae MC's freehold stood at 47%, a value that compares with 50% in 1Q17.

Sonae RP turnover increased by 2.4% when compared to the same period of last year, despite the freehold reduction y.o.y., amounting to €23 M in 1Q18 and the **underlying EBITDA** stood at €21 M, corresponding to an underlying EBITDA margin of 87.5%.

RP Portfolio – as of % of Gross Book Value



4 SONAE FS RESULTS

Financial Indicators			
Million euros	1Q17	1Q18	y.o.y.
Production	180	219	21.1%
Turnover	5	7	29.5%
Underlying EBITDA	0.7	1.2	83.8%
Underlying EBITDA margin	12.2%	17.3%	5.1 p.p.

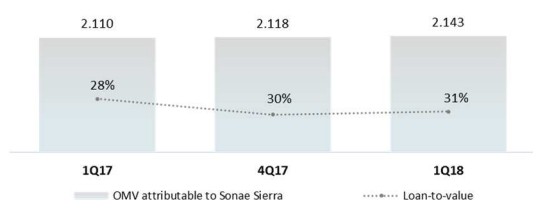
Sonae FS turnover grew by 29.5% compared to the same period of last year, to €7 M in 1Q18. The **underlying EBITDA** amounted to €1.2 M, corresponding to an underlying EBITDA margin increase from 12.2% in 1Q17 to 17.3% in 1Q18.

With regards to **Universo's operation**, the first three months of this year continued to present a growth trend, increasing both the number of subscribers, that reached 637 thousand, and production, which grew 30.7% in relation to 1Q17.

5 SONAE SIERRA RESULTS

Operational Indicators			
	1Q17	1Q18	y.o.y.
Footfall (million visitors)	101	107	5.9%
Europe & New Markets	78	85	8.2%
Brazil	23	23	-1.6%
Occupancy rate (%)	96.3%	95.6%	-0.7 p.p.
Europe	97.0%	96.5%	-0.5 p.p.
Brazil	94.3%	92.7%	-1.6 p.p.
Like-for-Like (LFL) tenant sales			
Europe	0.1%	4.2%	-
Brazil (local currency)	4.6%	4.8%	-
Tenant sales (million euros)	1,058	1,061	0.3%
Europe (million euros)	736	778	5.7%
Brazil (million euros)	322	283	-12.1%
Brazil (million reais)	1,077	1,129	4.8%
Nº of shopping centres owned and/or managed (EOP)	64	65	1
Europe	54	55	1
Brazil	10	10	0
Nº of shopping centres owned/co-owned (EOP)	46	45	-1
Europe	37	36	-1
Brazil	9	9	0
GLA under Management ('000 sqm)	2,293	2,440	6.4%
Europe & New Markets	1,811	1,966	8.5%
Brazil	481	475	-1.4%

Financial Indicators			
Million euros	1Q17	1Q18	y.o.y.
Turnover	54	54	0.1%
EBIT	25	27	7.8%
EBIT margin	46.7%	50.3%	3.6 p.p.
Direct results	15	17	12.6%
Indirect results	1	-2	-
Net results	16	15	-3.4%
... attributable to Sonae	8	8	-3.4%

Open Market Value (OMV)⁽¹⁾ and leverage (€Bn)

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

In the first quarter, Sonae Sierra reinforced its **development activity** by signing in February a 50/50 joint-venture agreement with Impresa Pizzarotti to develop a new shopping district in **Parma**. This shopping with a total GLA of 74,000 sqm is scheduled to be inaugurated in Autumn 2019 and represents an investment of circa €200 M. Further projects in the pipeline include: Designer Outlet McArthurGlen in Málaga (Spain) and Jardín Plaza in Cucuta (Colombia) as well as the expansion of NorteShopping and Colombo (Portugal).

Pursuing its **recycling strategy**, Sonae Sierra reduced its share in SerraShopping from 11.25% to 5% and continued to make acquisitions in the total amount of €94 M through ORES Socimi, the real estate investment vehicle joint-venture with Bankinter, in Portugal and Spain.

In term of **services**, Sonae Sierra signed this quarter a total of 77 new contracts for development, investment management and property management services in the total amount of €5.2M. In addition, and following the recent disposals in Portugal, 3 services contracts were renewed in the total amount of €1.8M.

Shopping centre operational performance recorded a **global occupancy rate** of 95.6% in 1Q18, 0.7pp below 1Q17, mostly due to temporary effects.

In Europe, **LFL tenant sales** increased by 4.2%, mainly impacted by the early Easter and the improved performance in Iberia and Romania, which combined with portfolio changes led to a tenant sales growth of 5.7% to €778 M. In Brasil, LFL tenant sales grew by 4.8% and **tenant sales** in local currency grew also 4.8% to R\$ 1,129 M. Total tenant sales only grew 0.3% to €1,061 M due the adverse impact of the depreciation in the Brazilian real.

Sonae Sierra turnover totalled €54 M, remaining flat when compared to the 1Q17. **EBIT** increased by 7.8% in comparison to the same period of last year, corresponding to an EBIT margin of 50.3% and **direct results** stood at €17 M, +12.6% versus 1Q17. The y.o.y. decrease in the **indirect results** is mainly due to lower results on sales of properties.

At the end of March, **NAV** amounted to €1,441 M, +0.6% above the value recorded at 31st December, mostly explained by the net result of the period which was partially offset by the adverse impact of the depreciation in the Brazilian real. In 1Q18, **loan-to-value** stood in line with the 4Q17, at 31%.

6 NOS RESULTS

Financial Indicators			
Million euros	1Q17	1Q18	y.o.y.
Operating revenues	380	383	0.7%
EBITDA	142	147	3.0%
EBITDA margin	37.4%	38.3%	0.9 p.p
Net results	33	34	3.0%
Capex	86	88	1.4%
Free Cash Flow	58	35	-

Operational Indicators			
('000)	1Q17	1Q18	y.o.y.
Total RGUs (Net adds)	78	43	-
Convergent RGUs (Net adds)	122	82	-
Mobile (Net adds)	31	31	-
Pay TV (Net adds)	8	-2	-
Total RGUs	9,155	9,454	3.3%
Convergent RGUs	3,509	3,732	6.4%
Convergent customers	698	740	6.0%
ARPU/Unique subscriber with fixed access (euros)	45	44	-

NOS published its results on May 10th 2018, which are available at www.nos.pt.

In the 1Q18, **NOS operating revenues** reached €383 M, +0.7% when compared to the same period of 2017, growing telco revenues by 0.9% y.o.y..

NOS EBITDA increased by €4 M versus 1Q17, amounting to €147 M and representing an EBITDA margin of 38.3%.

Net results totalled €34 M in 1Q18, 3.0% above the value registered in 1Q17.

NOS capex stood in line with the 1Q17, at €88 M.

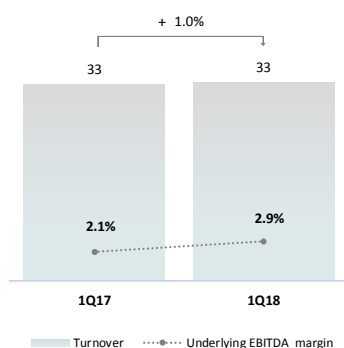
Regarding the operational indicators, **total RGUs** grew by 3.3% in comparison with the 1Q17, reaching 9,454 thousand while the **convergent RGUs** stood at 3,732 thousand, +6.4% versus 1Q17.

7 SONAE IM RESULTS

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

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

Turnover and underlying EBITDA mg evolution (€M; %)



Sonae IM turnover totalled €33 M in the 1Q18, +1.0% above the 1Q17, and the **underlying EBITDA margin** stood at 2.9%, increasing 70 bps in relation to last year.

8 CORPORATE INFORMATION

Main corporate events in the 1Q18

February 1st 2018

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

March 15th 2018

Sonae published its FY17 Results and announced that it is currently analysing the opportunity of a potential listing of a retail portfolio, in which Sonae SGPS will retain a majority shareholding. At this stage, no formal decision has been taken and further details will be provided in due course.

Subsequent events

May 3rd 2018

In the Annual General Assembly, which took place on May 3rd 2018, the company's shareholders approved, amongst other items, the distribution of a gross dividend per share, relative to the 2017 financial year, in the amount of 0.042 euros. This dividend, which will be paid on May 30th 2018, corresponded to a dividend yield of 3.7%, based on the closing price as at December 31st 2017, and to a payout ratio of 64% of the consolidated direct income attributable to equity holders of Sonae.

9 ADDITIONAL INFORMATION

Methodological notes

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

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions.
Direct results	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
(Direct) EBT	Direct results before taxes.
EBITDA margin	EBITDA / turnover.
EoP	End of period.
Financial net debt	Total net debt excluding shareholders' loans.
Gearing (book value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
Gearing (market value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / equity value considering the closing price of Sonae shares on the last day of each quarter.
GLA	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
Indirect results	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sonae Sierra.
Liquidity	Cash & equivalents + current investments.

SONAE 1Q18 RESULTS

Like for Like sales (Lfl)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to value (LTV) - Holding	Holding net debt / investment portfolio gross asset value; gross asset value based on market multiples, real estate NAV and market capitalisation for listed companies.
Loan to value (LTV) - Shopping Centres	Net debt / (investment properties + properties under development).
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, and other long-term financial applications.
Net invested capital	Total net debt + total shareholders' funds.
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by independent international entities.
Other loans	Bonds, leasing and derivatives.
RGU	Revenue generating unit.
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortisations.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.

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

- (i) from 1Q17, Maxmat is reported under "Sonae Retail", together with Sonae MC, Worten, Sonae Sports & Fashion and Sonae RP; and,
- (ii) MDS started to be consolidated through the Equity Method and was included in Sonae FS, in June 2017, after the sale of 1,773 shares from MDS SGPS to IPLF Holding. From 1Q16 until June 2017, MDS was registered as a discontinued operation;
- (iii) From 1Q17 until January 2018, Sport Zone figures were reported under discontinued operation.

Sonae statement of financial position			
Million euros	1Q17	1Q18	y.o.y.
TOTAL ASSETS	5,487	5,567	1.5%
Non current assets	4,034	4,197	4.0%
Tangible and intangible assets	1,965	1,974	0.5%
Goodwill	625	631	0.9%
Other investments	1,357	1,496	10.3%
Deferred tax assets	68	74	7.8%
Others	19	23	19.6%
Current assets	1,453	1,370	-5.7%
Stocks	693	629	-9.2%
Trade debtors	118	130	10.3%
Liquidity	286	347	21.7%
Others	357	264	-26.2%
SHAREHOLDERS' FUNDS	1,993	2,065	3.6%
Equity holders	1,825	1,898	4.0%
Attributable to minority interests	168	167	-0.5%
LIABILITIES	3,493	3,502	0.2%
Non-current liabilities	1,579	1,551	-1.8%
Bank loans	723	738	2.1%
Other loans	703	648	-7.9%
Deferred tax liabilities	110	133	20.2%
Provisions	21	19	-12.7%
Others	22	14	-36.3%
Current liabilities	1,914	1,951	1.9%
Bank loans	239	180	-24.8%
Other loans	11	61	-
Trade creditors	1,027	1,068	4.0%
Others	638	642	0.7%
SHAREHOLDERS' FUNDS + LIABILITIES	5,487	5,567	1.5%

Condensed consolidated financial statements

SONAE 1Q18 RESULTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018 AND 2017 AND 31 DECEMBER 2017

(Amounts expressed in euro)

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

ASSETS	Notes	31 Mar 2018	31 Mar 2017 Restated	31 Dec 2017
NON-CURRENT ASSETS:				
Tangible assets	6	1,612,185,268	1,605,709,787	1,650,873,072
Intangible assets	7	361,614,042	358,811,411	367,924,247
Goodwill	8	630,667,125	625,323,829	634,363,213
Investments in joint ventures and associates	9	1,475,024,657	1,344,167,461	1,414,450,837
Other investments	10	21,414,658	12,734,203	19,423,775
Deferred tax assets	13	73,582,563	68,234,654	71,883,593
Other non-current assets	11	22,725,397	19,001,445	23,611,943
Total Non-Current Assets		4,197,213,710	4,033,982,790	4,182,530,680
CURRENT ASSETS:				
Inventories		629,250,369	692,668,545	713,253,625
Trade account receivables and other debtors	12	393,258,855	402,196,721	343,316,395
Investments	10	158,413	732,331	179,881
Cash and cash equivalents	14	347,290,481	284,832,538	364,589,115
Total Current Assets		1,369,958,118	1,380,430,135	1,421,339,016
Assets available for sale	15	-	72,431,356	782,540
TOTAL ASSETS		5,567,171,828	5,486,844,281	5,604,652,236
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	16	2,000,000,000	2,000,000,000	2,000,000,000
Own shares	16	(108,567,192)	(111,459,703)	(108,567,192)
Reserves and retained earnings		(13,518,047)	(71,900,015)	(89,958,584)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		20,006,121	8,379,992	165,753,915
Equity attributable to the equity holders of the Parent Company		1,897,920,882	1,825,020,274	1,967,228,139
Equity attributable to non-controlling interests	17	167,472,823	168,387,560	167,809,994
TOTAL EQUITY		2,065,393,705	1,993,407,834	2,135,038,133
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	18	1,385,648,252	1,425,965,357	1,220,234,342
Other non-current liabilities	20	13,707,471	21,502,777	13,449,318
Deferred tax liabilities	13	132,539,864	110,277,307	132,200,898
Provisions	23	18,643,152	21,358,071	18,955,625
Total Non-Current Liabilities		1,550,538,739	1,579,103,512	1,384,840,183
CURRENT LIABILITIES:				
Loans	18	240,767,271	249,880,728	269,078,453
Trade creditors and other liabilities	22	1,705,478,113	1,619,095,353	1,810,085,084
Provisions	23	4,994,000	3,208,566	5,610,383
Total Current Liabilities		1,951,239,384	1,872,184,647	2,084,773,920
Liabilities available for sale	15	-	42,148,288	-
TOTAL LIABILITIES		3,501,778,123	3,451,288,159	3,469,614,103
TOTAL EQUITY AND LIABILITIES		5,567,171,828	5,486,844,281	5,604,652,236

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	Notes	31 Mar 2018	31 Mar 2017 Restated Note 14
Sales	5	1,287,477,962	1,186,774,010
Services rendered	5	54,990,462	47,705,691
Gains and losses on investments		15,908	-
Financial income		2,424,140	2,237,364
Other income	26	24,665,025	22,565,250
Cost of goods sold and materials consumed		(927,676,074)	(848,496,353)
Changes in stocks of finished goods and work in progress		(1,117,406)	(31,362)
External supplies and services		(171,788,806)	(163,709,833)
Staff costs		(194,617,008)	(178,786,391)
Depreciation and amortisation	6 and 7	(49,478,110)	(45,692,782)
Provisions and impairment losses		(1,738,641)	(467,669)
Financial expenses		(10,353,057)	(9,549,279)
Other expenses		(16,674,800)	(15,727,628)
Share of results of joint ventures and associated companies	9.3	13,532,860	14,093,368
Profit/(Loss) before taxation from continuing operations		9,662,455	10,914,386
Taxation	27	2,179,178	1,468,307
Profit/(Loss) after taxation from continuing operations		11,841,633	12,382,693
Profit/(Loss) from discontinued operations after taxation	3.4 and 4	9,365,284	(3,752,135)
Consolidated profit/(Loss) for the period		21,206,917	8,630,558
Attributable to equity holders of the Parent Company:			
Continuing operations		10,719,417	12,386,664
Discontinued operations		9,286,704	(4,006,672)
		20,006,121	8,379,992
Attributable to non-controlling interests			
Continuing operations		1,122,216	(3,971)
Discontinued operations		78,580	254,537
	17	1,200,796	250,566
Profit/(Loss) per share			
From continuing operations			
Basic	29	0.005660	0.006565
Diluted	29	0.005277	0.006126
From discontinued operations			
Basic	29	0.004904	(0.002124)
Diluted	29	0.004572	(0.001982)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	31 Mar 2018	31 Mar 2017
Net Profit / (Loss) for the period	21,206,917	8,630,558
Items that maybe reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	464,085	100,107
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 9.3)	(6,171,586)	2,731,134
Changes in hedge and fair value reserves	56,399	(2,922,343)
Deferred taxes related with other components of comprehensive income	810	619,787
Others	216,985	(30,808)
Other comprehensive income for the period	(5,433,307)	497,877
Total comprehensive income for the period	15,773,610	9,128,435
Attributable to:		
Equity holders of parent company	14,799,145	8,797,231
Non controlling interests	974,465	331,204

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

SONAE 1Q18 RESULTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	Reserves and Retained Earnings								Net Profit/(Loss)	Total	Non controlling Interests (Note 17)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Hedging Reserve	Option Premium Convertible Bonds Note 24	Other Reserves and Retained Earnings	Total				
	Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2017 - Disclosed	2,000,000,000	(114,738,086)	244,211,592	3,845,889	1,948,405	22,313,000	(478,988,441)	(206,669,555)	215,073,949	1,893,666,308	170,771,866	2,064,438,174
Effect of restatement (Note 3.1)	-	-	-	-	-	-	-	-	-	-	(1,731,680)	(1,731,680)
Balance as at 1 January 2017 - Restated	2,000,000,000	(114,738,086)	244,211,592	3,845,889	1,948,405	22,313,000	(478,988,441)	(206,669,555)	215,073,949	1,893,666,308	169,040,186	2,062,706,494
Total comprehensive income for the period	-	-	-	(30,690)	(2,249,523)	-	2,697,452	417,239	8,379,992	8,797,231	331,204	9,128,435
Appropriation of consolidated net profit of 2016												
Transfer to legal reserves and retained earnings	-	-	3,065,011	-	-	-	212,008,938	215,073,949	(215,073,949)	-	-	-
Dividends distributed	-	-	-	-	-	-	(80,000,000)	(80,000,000)	-	(80,000,000)	(27,938)	(80,027,938)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	230,970	230,970	-	230,970	24,123	255,093
Cash Settled Equity Swap early partial termination (Note 16)	-	3,278,383	-	-	-	-	(664,756)	(664,756)	-	2,613,627	-	2,613,627
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(287,862)	(287,862)	-	(287,862)	(980,015)	(1,267,877)
Balance as at 31 March 2017 Restated	2,000,000,000	(111,459,703)	247,276,603	3,815,199	(301,118)	22,313,000	(345,003,699)	(71,900,015)	8,379,992	1,825,020,274	168,387,560	1,993,407,834
Balance as at 1 January 2018	2,000,000,000	(108,567,192)	247,276,603	4,003,432	174,419	22,313,000	(363,726,038)	(89,958,584)	165,753,915	1,967,228,139	167,809,994	2,135,038,133
Total comprehensive income for the period	-	-	-	485,680	63,698	-	(5,756,354)	(5,206,976)	20,006,121	14,799,145	974,465	15,773,610
Aplicação do resultado líquido consolidado de 2017												
Transfer to legal reserves and retained earnings	-	-	4,661,164	-	-	-	161,092,751	165,753,915	(165,753,915)	-	-	-
Dividends distributed	-	-	-	-	-	-	(84,000,000)	(84,000,000)	-	(84,000,000)	(16,806)	(84,016,806)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(120,104)	(120,104)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	776,199	776,199	-	776,199	11,190	787,389
Share-based payment - reclassification from capital to liabilities	-	-	-	-	-	-	(578,200)	(578,200)	-	(578,200)	-	(578,200)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	(1,211,039)	(1,211,039)
Impact of applying IFRS 15	-	-	-	-	-	-	(304,401)	(304,401)	-	(304,401)	(54,877)	(359,278)
Balance as at 31 March 2018	2,000,000,000	(108,567,192)	251,937,767	4,489,112	238,117	22,313,000	(292,496,043)	(13,518,047)	20,006,121	1,897,920,882	167,472,823	2,065,393,705

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

SONAE 1Q18 RESULTS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	Notes	31 Mar 2018	31 Mar 2017
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		(63,822,209)	(110,353,863)
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Investments	28	28,628,150	21,009,032
Tangible and Intangible assets		937,747	1,373,343
Interests and similar income		78,844	481,672
Loans granted		532	600
Others		-	12,468,535
		29,645,273	35,333,182
Cash Payments arising from:			
Investments	28	(28,841,705)	(2,250)
Tangible and Intangible assets		(87,316,187)	(84,215,434)
Loans granted		-	(487,043)
Others		(181,475)	(8,893,714)
		(116,339,367)	(93,598,441)
Net cash used in investment activities (2)		(86,694,094)	(58,265,259)
FINANCING ACTIVITIES			
Cash receipts arising from:			
Investments		14,339	537,500
Loans obtained		1,148,803,860	1,693,542,870
Others		80,000	-
		1,148,898,199	1,694,080,370
Cash Payments arising from:			
Investments		(271,570)	(1,370,397)
Loans obtained		(1,001,870,545)	(1,571,252,631)
Interests and similar charges		(4,606,771)	(4,575,323)
Others		(233,307)	(303,134)
		(1,006,982,194)	(1,577,501,485)
Net cash used in financing activities (3)		141,916,005	116,578,885
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(8,600,298)	(52,040,237)
Effect of foreign exchange rate		21,913	(107,832)
Effect of discontinued operations	4 and 15	(6,062,386)	7,417,521
Cash and cash equivalents at the beginning of the period	14	361,770,008	323,190,227
Cash and cash equivalents at the end of the period	14	347,085,411	263,840,301

The accompanying notes are part of these condensed financial statements.



SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 32 and 33 as Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 5.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2017.

2.1 Basis of preparations

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

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

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

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

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2018:

With mandatory application during the year 2018:		Effective date (for financial years beginning on or after)
IFRS 9	Financial instruments (establishes the new requirements regarding the classification and measurement of financial assets and liabilities, the methodology for calculating impairment and for the application of hedge accounting rules)	01 Jan 2018
IFRS 15	Revenue from contracts with customers (introduces a principles-based revenue recognition framework based on a template to be applied to all contracts with customers)	01 Jan 2018
IFRS 16	Leases - (recognition and measurement principles)	01 Jan 2018
IFRS 15 (amendment)	Revenue from contracts with customers (various clarifications are introduced in the standard to eliminate the possibility of divergent interpretations of various topics)	01 Jan 2018
IFRS 4 (amendment) 9)	Insurance contracts (provides guidance on the application of IFRS 4 in together with IFRS 9)	01 Jan 2018
IFRS 2 (amendment)	Share-based payment (include a number of clarifications in the standard related to recording share-based payment transactions that are settled with cash, (ii) recording changes in share-based payment transactions (of cash settled for settlement with equity instruments), (iii) the classification of transactions with cleared liquidation characteristics)	01 Jan 2018
	Annual Improvements to international financial reporting standards (cycle 2014-2016)	01 Jan 2017 and 01 Jan 2018

These standards were applied by the Group in 2018, however there were no significant impacts 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:

SONAE 1Q18 RESULTS

With mandatory application after 2018		Effective date (for financial years beginning on or after)
IFRS 9 (amendment)	Prepayment features with negative compensation	01 Jan 2019
IFRIC 22	Transactions in foreign currency and advances (establish the date of the initial recognition of the advance or deferred income as the date of the transaction for determining the exchange rate of the recognition of the revenue)	01 Jan 2019
IFRS 16	Leases - (recognition and measurement principles)	01 Jan 2019
IFRS 40 (amendment)	Investment properties (clarify that the change in classification from or to investment property should only be made when there is evidence of a change in the use of the asset)	01 Jan 2019

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 31 March 2018, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group.

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

With mandatory application after 2018		Effective date (for financial years beginning on or after)
IFRS 17	(Insurance contracts)	01 Jan 2019
IAS 19 (amendment)	Amendments, reductions or liquidation of employee benefit plans	01 Jan 2019
IFRIC 23	Uncertainty over income tax treatments (clarifies the accounting for uncertainties in income taxes)	01 Jan 2019
IAS 28 (amendment)	Long-term interests in associates and joint ventures	01 Jan 2019
	Annual Improvements to international financial reporting standards (cycle 2015-2017)	01 Jan 2019

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 31 March 2018, since their application is not mandatory, lying in the process of analyzing expected effects of those standards that, are not expected to reflect significant impacts.

3 RESTATEMENT OF FINANCIAL STATEMENT

3.1 Imputation of the fair value of the acquired assets and liabilities of Salsa

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

Following the acquisition of these companies, a preliminary assessment, during the second half of 2016 was made regarding the fair value of the assets acquired and the liabilities assumed. The fair value was determined through various valuation methodologies for each type of asset or liability, based on the best information available. The main adjustments to fair value made under this process were:

- (i) Wholesale customer portfolio amounting 35.5 million euro, valued based on the discounted cash-flow methodology, using discount rates based on the weighted average cost of the segment's capital (11%), and considering an average retention rate of 9.4% for wholesale customers. These portfolios will be amortized on a straight-line basis based on the estimated average retention period of customers (10 years);
- (ii) Salsa brand (51 million euro) was valued based on the methodology of the released royalties, using for this purpose the discount rates based on weighted average cost of capital of the segment where the companies fall (11%) and a royalty rate of 4%, and for which was not estimated a defined useful life;
- (iii) Real estate assets in Salsa (15.8 million euro) were valued based on a preliminary external valuation of the mentioned assets, which had been obtained prior to the acquisition, the new evaluation process was completed in 31 May 2017, this evaluation resulting in reduction of the fair value calculated on 31 December 2016 in the amount of 4,384,000 euro; and
- (iv) contingent liabilities in Salsa relating to present obligations in the amount of 6 million euro, over which there were also recognized indemnifying assets as contractually supported;

For the remaining assets and liabilities were not to date identified significant differences between the fair value and the respective book value. As usually happens in the concentrations of business activities also in this operation could not be assigned, in accounting terms, the fair value of identifiable assets and liabilities assumed part of the cost of acquisition, being that recognized component as goodwill and recorded under the caption Intangible Assets.

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

As this acquisition occurred at the end of June 30, 2016 only during the first half of 2017, was it possible to complete the fair value calculation exercise and Goodwill calculation. The impact of this external evaluations of real estate assets in the consolidated financial statements as at 31 March 2017 was as follows:

SONAE 1Q18 RESULTS

Amounts in thousands of euro	31 Mar 2017		
	Before the restatement	Adjustments to fair value Salsa	After the restatement
Assets			
Tangible and intangible assets	1,968,905	(4,384)	1,964,521
Goodwill	623,592	1,732	625,324
Investments	1,356,902	-	1,356,902
Deferred tax assets	68,235	-	68,235
Other non-current assets	19,001	-	19,001
Non-current assets	4,036,635	(2,652)	4,033,983
Inventories	692,669	-	692,669
Trade account receivables	402,197	-	402,197
Other debtors	72,431	-	72,431
Investments	732	-	732
Cash and cash equivalents	284,833	-	284,833
Current assets	1,452,861	-	1,452,861
Total assets	5,489,497	(2,652)	5,486,844
Liabilities			
Borrowings	1,425,965	-	1,425,965
Other non-current liabilities	21,503	-	21,503
Deferred tax liabilities	111,198	(921)	110,277
Provisions	21,358	-	21,358
Non current liabilities	1,580,024	(921)	1,579,104
Borrowings	249,881	-	249,881
Suppliers and other current liabilities	1,664,452	-	1,664,452
Current liabilities	1,914,333	-	1,914,333
Total liabilities	3,494,357	(921)	3,493,436
Shareholders' funds excluding non-controlling interests	1,825,020	-	1,825,020
Non-controlling interests	170,119	(1,732)	168,388
Total shareholders' funds	1,995,140	(1,732)	1,993,408
Total shareholders' funds and liabilities	5,489,497	(2,652)	5,486,844

3.2 Impact of combination of Sport Zone with JD Sports Holdings as a discontinued activity

On March 9th 2017, Sonae through one of its subsidiaries, signed a Memorandum of Understanding (MoU) with JD Sports Fashion Plc (JD Group), UK's leading retailer of sports, fashion and outdoor brands, and JD Sprinter Holdings 2010 (JD Sprinter), which provides the combination in Iberia existing businesses of the JD Group's and JD Sprinter, with SDSR – Sports Division SR, SA (Sport Zone). This MoU establishes the key parameters for the creation of an Iberian Sports Retail Group that will have as shareholders the JD Group, Sonae and the family shareholders of JD Sprinter, with shareholdings of approximately 50%, 30% and 20%, respectively. Under the agreement reached, the procedures for determining the assets, liabilities and transactions to be the object of this transaction were initiated, reason why the effects are not detailed to this date.

As at 14 September 2017, Sonae MC Modelo Continente SGPS, SA entered into an agreement with JD Sports Fashion Plc, Balaico Firaja Invest SL and JD Sprinter Holdings 2010, SL (JD Sprinter) which provides for the combination of JD Sprinter and Sport Zone under the terms described above. However, the execution of this transaction was subject to the fulfillment of suspensive conditions dependent on third parties, namely approval by the General Directorate of Competition of the European Commission, the authorization of the shareholder alteration by the owners of the leased stores of the Sport Zone business as well as of bank guarantees.

The approval by the General Directorate of Competition occurred on 18 January 2018 and compliance with the remaining conditions precedent occurred until 31 January 2018, the date on which the Group considered that the transaction and the respective loss of control.

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According to predicted by IFRS 5, changes were made in the Consolidated Statements of Income by nature for the years ended at 31 March 2017 and 31 March 2018 to reflect in a single line (Net income for discontinued operations), in the face of Statement of profit or loss, after-tax profit or loss from discontinued operations.

The impact in the consolidated statement of income, the reclassification of the activity of Sport Zone for discontinued operations, as at 31 March 2017 can be analysed as follows:

Amounts in thousands of euro	31 Mar 2017		
	Before the restatement	Discontinued operations Sport Zone	After the restatement
Sales	1,235,665,235	48,891,225	1,186,774,010
Services rendered	42,413,425	(5,292,266)	47,705,691
Other income and financial income	1,835,442	(401,922)	2,237,364
Other income	22,909,396	344,146	22,565,250
Cost of good sold and materials consumed	(877,633,779)	(29,137,426)	(848,496,353)
Changes in stocks of finished goods	(31,362)	-	(31,362)
External supplies and service	(172,353,169)	(8,643,336)	(163,709,833)
Staff costs	(187,211,728)	(8,425,337)	(178,786,391)
Depreciation and amortisation	(48,114,492)	(2,421,710)	(45,692,782)
Provisions and impairment losses	(501,383)	(33,714)	(467,669)
Financial expenses	(9,554,859)	(5,580)	(9,549,279)
Other expenses	(15,824,607)	(96,979)	(15,727,628)
Gains or losses related to joint ventures and associated undertaking	14,093,368	-	14,093,368
Profit (loss) from continuing operations, before taxation	5,691,487	(5,222,899)	10,914,386
Taxation	2,428,976	960,669	1,468,307
Consolidated profit (loss) for the period from continuing operations	8,120,463	(4,262,230)	12,382,693
Profit/(Loss) from discontinuing operations, after taxation	510,095	4,262,230	(3,752,135)
Consolidated profit /(loss) for the period	8,630,558	-	8,630,558
Attributable to equity holders of the Parent Company:			
Continuing operations	8,124,434	(4,262,230)	12,386,664
Discontinued operations	255,558	4,262,230	(4,006,672)
	8,379,992	-	8,379,992
Attributable to non-controlling interests			
Continuing operations	(3,971)	-	(3,971)
Discontinued operations	254,537	-	254,537
	250,566	-	250,566

4 CHANGES IN CONSOLIDATION PERIMETER

Completion of the agreement for the combination of Sport Zone with JD Sprinter Holdings

In 2018, and considering the loss of control in Sport Zone, Sport Zone and its subsidiaries were no longer included by the full consolidation method in Sonae's consolidated financial statements, being the investment in the new partnership, Iberian Sports Retail Group, included by the equity method. As at 31 March 2018, the amount of this investment amounts 78.1 million euros, which represents the fair value of the participation at the date of the transaction. This partnership with loss of control in Sport Zone generated a capital gain in the amount of 11 million euro.

SONAE 1Q18 RESULTS

Discontinued operations include the following companies:

COMPANY	Head Office	Percentage of share capital held	
		Direct	Total
Sports & Fashion			
SDSR – Sports Division SR, SA	Matosinhos (Portugal)	100.00%	100.00%
Sport Zone Canarias, SL	Tenerife (Spain)	60.00%	60.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	Madrid (Spain)	100.00%	100.00%

The effects of this transaction in the consolidated financial statements can be analysed as follows:

Amounts in euro	31 Jan 2018 Loss control date	31 Dec 2017
Net assets		
Tangible and intangible assets (Notes 6 and 7)	54,323,790	54,659,282
Goodwill (Note 8)	3,642,946	3,642,943
Deferred tax assets	6,872,143	6,593,675
Inventories	53,449,595	54,408,789
Trade account receivables and other assets	12,476,345	9,836,456
Cash and cash equivalents	6,062,386	6,679,540
Bank loans long term	(6,445,557)	(45,948,953)
Deferred tax liabilities	(973,004)	(963,072)
Bank loans short term	(2,236,375)	(21,619,782)
Trade creditors and other current liabilities	(53,071,092)	(52,809,981)
Shareholder Supplies	-	60,883,601
Total net assets	74,101,177	75,362,498
Price adjustment	(5,039,083)	
Fair value of estimated future receipts	5,000,000	
Gain in operation	11,090,755	
Financial investment retained at fair value	85,152,849	
	31 Mar 2018	
Financial investments in ISRG (Note 9.3)	78,085,756	
Amounts receivable	5,000,000	
Amounts received	2,067,093	
	85,152,849	

Amounts expressed in euro	31 Jan 2018
Services rendered	19,075,708
Other income	409,025
Cost of goods sold and materials consumed	(11,911,628)
External supplies and services	(4,966,459)
Staff costs	(3,261,694)
Depreciation and amortisation	(876,205)
Other expenses	(398,779)
Financial income	(58,079)
Profit/(Loss) before taxation	(1,988,111)
Taxation	262,640
Profit/(Loss) after taxation	(1,725,471)
Income or expenses related to loss control	11,090,755
Profit/(Loss) for period from discounting operations	9,365,284

SONAE 1Q18 RESULTS

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

Cash flows for the period from discontinuing operations	31 Jan 2018
Net cash flow from operating activities	5,796,552
Net cash used in investment activities	(1,613,005)
Net cash used in financing activities	1,309,488
Net increase in cash and cash equivalents	5,493,035

5 SEGMENT INFORMATION

Sonae has in its portfolio 5 main segments: Sonae Retail, Sonae Sierra, NOS, Sonae IM and the Sonae FS.

- Sonae Retail has 5 segments:
 - Sonae MC is our food retail unit, operating 41 Continente hypermarkets, 132 Continente Modelo supermarkets, 98 convenience stores Bom Dia, 25 restaurants Go Natural, 293 stores operated under franchise Meu Super and 226 parapharmacy Well's;
 - Worten that is included in the top 3 of Iberian electronic players, counting on a portfolio of 243 physical stores in Iberia;
 - Sonae Sports & Fashion has a network of 258 own stores of sports and clothing products, combined with a franchise network of 123 stores;
 - Sonae RP is dedicated to optimizing the management of Sonae's retail real estate portfolio, mainly by stores that operate under the Continente brand and under other brands of Sonae;
 - Maxmat operates in the DIY, construction, bathroom and garden market with a network of 31 stores;
- Sonae Sierra is the partnership dedicated to the activity of development and management of shopping centres.
- NOS is the partnership that the Group holds through Zopt dedicated to telecommunications.
- Sonae IM has an active portfolio management strategy, with the objective of building and managing a portfolio of technology-based companies related to retail and telecommunications.
- Sonae FS aims to boost retail financial services.

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

SONAE 1Q18 RESULTS

The list of Group companies and their businesses are detailed in Notes 32 and 33. The main operating segment information as at 31 March 2018 and 2017 and 31 December 2017 can be detailed as follows:

31 Mar 2018	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	940,298,174	26,414,084	36,329	5,794,821	-	-
Worten	242,125,391	7,006,448	10,319	(4,361,810)	-	-
Sports & Fashion	95,898,333	5,347,672	250,216	(3,684,438)	-	-
Sonae RP	23,447,000	6,372,138	-	14,020,917	-	-
Maxmat	19,193,808	423,462	977	543,157	-	-
Sonae Retail	1,320,962,706	45,563,804	297,840	12,312,647	(4,057,988)	8,535,194
Sonae Sierra	-	-	-	8,480,464	-	-
NOS	-	-	-	8,324,500	-	-
Sonae IM	33,254,627	2,128,332	16,902	(1,544,935)	(273,530)	(33,825)
Sonae FS	6,900,911	150,426	-	82,400	20,710	124,675
Other, eliminations and adjustments	(18,649,820)	1,635,548	51,746	(7,649,737)	(3,618,109)	(10,805,222)
Total consolidated	1,342,468,424	49,478,110	366,488	20,005,340	(7,928,917)	(2,179,178)

31 Mar 2017 Restated	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	854,715,239	23,720,639	92,641	5,773,815	-	-
Worten	221,482,846	6,529,882	185,913	(5,258,512)	-	-
Sports & Fashion	94,490,831	4,984,929	316,534	(3,961,731)	-	-
Sonae RP	22,895,944	6,097,838	-	13,957,097	-	-
Maxmat	16,994,235	458,239	-	188,072	-	-
Sonae Retail	1,210,579,095	41,791,527	595,088	10,698,741	(11,454,270)	(789,238)
Sonae Sierra	-	-	-	7,537,282	-	-
NOS	-	-	-	7,133,578	-	-
Sonae IM	32,922,350	2,440,507	3,586	(1,923,227)	164,190	(246,379)
Sonae FS	5,327,861	123,566	-	404,792	(15)	(180,598)
Other, eliminations and adjustments	(14,349,605)	1,337,182	(131,005)	(5,672,322)	3,978,180	(252,092)
Total consolidated	1,234,479,701	45,692,782	467,669	18,178,844	(7,311,915)	(1,468,307)

	Net debt ⁽²⁾	
	31 Mar 2018	31 Dec 2017
Sonae Retail	779,661,871	628,698,342
Sonae IM	61,173	(465,854)
Holding ⁽¹⁾	486,800,414	484,077,881
Total consolidated	1,266,523,458	1,112,310,369

¹⁾ Includes Sonae separate financial statements;

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

SONAE 1Q18 RESULTS

	Investment (CAPEX)		Net invested capital	
	31 Mar 2018	31 Mar 2017 Restated	31 Mar 2018	31 Dec 2017
Sonae MC	41,847,720	28,292,422	739,501,358	697,071,753
Worten	5,454,481	6,031,500	(29,661,137)	(90,641,251)
Sports & Fashion	5,134,532	3,922,482	361,562,263	355,988,594
Sonae RP	10,488,555	8,450,769	908,470,590	902,627,242
Maxmat	593,054	349,741	32,897,714	32,639,857
Sonae Retail	63,518,342	47,046,914	2,012,770,788	1,897,686,195
Sonae IM	3,278,081	2,436,356	156,145,317	159,330,000
Sonae FS	342,491	32,904	52,131,236	20,126,477
Other, eliminations and adjustments	3,501,961	4,059,434	1,110,524,827	1,170,360,921
Total consolidated	70,640,875	53,575,607	3,331,572,169	3,247,503,593

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

Turnover	31 Mar 2018	31 Mar 2017
	Inter-segment	Restated Inter-segment
Sonae MC	(418,816)	(567,175)
Worten	(13,818)	(1,703,558)
Sports and Fashion	(6,160,624)	(10,124,503)
Sonae RP	(20,573,085)	(21,108,226)
Maxmat	(27,166,343)	(33,503,462)
Sonae IM	(3,767,574)	(2,946,190)
Other, eliminations and adjustments	(111,224)	(100,558)
Total consolidated	(31,045,141)	(36,550,210)

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

	Turnover		EBIT	
	31 Mar 2018	31 Mar 2017 Restated	31 Mar 2018	31 Mar 2017 Restated
Inter-segment intra-groups	(31,045,141)	(36,550,210)	-	-
Contributions of entities not included in the segments	12,395,321	22,200,605	(2,578,558)	(3,585,488)
Others	-	-	(5,071,179)	(2,086,834)
Other, eliminations and adjustments	(18,649,820)	(14,349,605)	(7,649,736)	(5,672,322)

	Investment		Invested capital	
	31 Mar 2018	31 Mar 2017 Restated	31 Mar 2018	31 dez 2017
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	3,501,961	4,059,434	(10,785,778)	(24,887,601)
Investments in joint ventures and associated companies	-	-	1,274,230,312	1,289,028,845
Other investments	-	-	9,907,084	9,919,677
Cash settled equity swap ⁽³⁾	-	-	(103,700,000)	(103,700,000)
Distributed dividends	-	-	(84,000,000)	-
Dividends available (Note 12)	-	-	24,873,210	-
Other, eliminations and adjustments	3,501,961	4,059,434	1,110,524,828	1,170,360,921

¹⁾ Financial Instrument reported in Note 16.

SONAE 1Q18 RESULTS

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 other long term financial applications;

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

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

6 TANGIBLE ASSETS

During the three-month period ended 31 March 2018 and 2017, the movements in tangible assets as well as accumulated depreciation and impairment losses are made up as follows:

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2018	1,370,528,263	1,521,434,347	226,138,300	39,949,699	3,158,050,609
Discontinued operations (Note 4)	-	(110,473,385)	(8,013,217)	(712,317)	(119,198,919)
Investment	2,924,319	1,784,230	360,233	52,955,060	58,023,842
Disposals	(165,185)	(6,462,803)	(1,007,983)	(562,230)	(8,198,201)
Exchange rate effect	(431)	(3,411)	(69,627)	-	(73,469)
Transfers	7,123,499	44,504,407	4,975,693	(63,627,231)	(7,023,632)
Closing balance as at 31 March 2018	1,380,410,465	1,450,783,384	222,383,399	28,002,982	3,081,580,229
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2018	415,435,082	920,710,779	170,898,687	132,989	1,507,177,537
Discontinued operations (Note 4)	-	(63,819,917)	(5,968,478)	-	(69,788,395)
Depreciation of the period	5,831,417	28,133,129	4,758,310	-	38,722,855
Disposals	(130,044)	(5,824,162)	(984,352)	-	(6,938,558)
Exchange rate effect	(7,462)	(2,606)	(63,174)	-	(73,242)
Transfers	372,131	(13,623)	(63,743)	-	294,765
Closing balance as at 31 March 2018	421,501,124	879,183,599	168,577,250	132,989	1,469,394,962
Carrying amount as at 31 March 2018	958,909,341	571,599,785	53,806,149	27,869,993	1,612,185,268

SONAE 1Q18 RESULTS

	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2017 disclosed	1,371,092,975	1,438,240,754	217,886,293	30,984,493	3,058,204,515
Effect of fair value adjustment of assets acquired (Effect of restatement - Note 3.1)	(4,384,000)	-	-	-	(4,384,000)
Opening balance as at 1 January 2017 Restated	1,366,708,975	1,438,240,754	217,886,293	30,984,493	3,053,820,515
Discontinued operations	(489,027)	(2,845,887)	(4,087,435)	(618,694)	(8,041,043)
Investment	673,905	765,188	583,687	39,270,410	41,293,190
Disposals	-	(14,324,342)	(1,417,666)	(999,052)	(16,741,060)
Exchange rate effect	14,554	11,352	15,427	2,667	44,000
Transfers	1,955,718	32,865,402	4,175,654	(39,977,047)	(980,273)
Closing balance as at 31 March 2017	1,368,864,125	1,454,712,467	217,155,960	28,662,777	3,069,395,329
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2017	397,973,790	881,497,880	166,152,543	110,824	1,445,735,037
Discontinued operations	(225,509)	(1,716,060)	(3,288,285)	-	(5,229,854)
Depreciation of the period	5,609,894	27,474,929	4,483,317	-	37,568,140
Disposals	-	(13,425,911)	(1,336,257)	-	(14,762,168)
Exchange rate effect	8,142	5,009	5,305	-	18,456
Transfers	607,689	(38,772)	(212,986)	-	355,931
Closing balance as at 31 March 2017	403,974,006	893,797,075	165,803,637	110,824	1,463,685,542
Carrying amount as at 31 March 2017	964,890,119	560,915,392	51,352,323	28,551,953	1,605,709,787

The investment in the period ended 31 March 2018 and 2017 includes mainly the acquisition of assets of approximately 53 million euro (40.9 million euro as at 31 March 2017), associated with the opening and remodeling of stores of Sonae retail operating segments.

The caption depreciation of the period includes 826,205 euros in 2018 (3,408,892 euro in 2017) relating to the depreciation of discontinued operations.

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

	31 Mar 2018	31 Mar 2017
Refurbishment and expansion of stores in the retail businesses	22,363,534	24,878,161
Refurbishment and expansion of stores in the retail businesses	489,960	1,131,165
Projects of "Continente" stores for which advance payments were	1,296,000	1,196,000
Others	3,720,499	1,346,627
	27,869,993	28,551,953

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 2018	90,556,668	23,168,012	654,331	114,379,011
Discontinued operations	-	(4,451,474)	(58,701)	(4,510,175)
Disposals	-	(111,178)	(1,960)	(113,138)
Closing balance as at 31 March 2018 (Note 23)	90,556,668	18,605,360	593,670	109,755,698

7 INTANGIBLE ASSETS

During the three-month period ended 31 March 2018 and 2017, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Patents and other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Opening balance as at 1 January 2018	178,064,353	497,255,214	29,512,753	704,832,320
Discontinued operations (Note 4)	(2,312,244)	(5,688,233)	(2,794,741)	(10,795,218)
Investment	46,998	751,348	10,067,171	10,865,517
Disposals	(375)	(1,539,009)	(354,315)	(1,893,699)
Exchange rate effect	(137,394)	(268,707)	(6,791)	(412,892)
Transfers	(3,474)	1,584,674	(1,771,700)	(190,500)
Closing balance as at 31 March 2018	175,657,864	492,095,287	34,652,377	702,405,528
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2018	40,973,388	295,934,685	-	336,908,073
Discontinued operations (Note 4)	(2,230,423)	(3,651,529)	-	(5,881,952)
Depreciation of the period	576,759	11,054,701	-	11,631,460
Disposals	(256)	(1,512,080)	-	(1,512,336)
Exchange rate effect	(139,367)	(188,477)	-	(327,844)
Transfers	(26,406)	491	-	(25,915)
Closing balance as at 31 March 2018	39,153,695	301,637,791	-	340,791,486
Carrying amount as at 31 March 2018	136,504,169	190,457,496	34,652,377	361,614,042

	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Opening balance as at 1 January 2017	181,013,190	493,383,747	28,060,990	702,457,927
Discontinued operations	(1,991,834)	(36,666,313)	(89,933)	(38,748,080)
Investment	9,740	325,402	10,043,644	10,378,786
Disposals	(92,263)	(7,398)	(383,671)	(483,332)
Exchange rate effect	(102,988)	363,507	(6,638)	253,881
Transfers	78,332	4,462,674	(4,839,779)	(298,773)
Closing balance as at 31 March 2018	178,914,177	461,861,619	32,784,613	673,560,409
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2017	40,763,712	288,184,727	-	328,948,439
Discontinued operations (Note 5.2)	(1,056,990)	(24,789,479)	-	(25,846,469)
Depreciation of the period	665,552	10,867,982	-	11,533,534
Impairment losses for the period	-	191,070	-	191,070
Disposals	(54,663)	(133,595)	-	(188,258)
Exchange rate effect	(93,562)	246,870	-	153,308
Transfers	(293,133)	250,507	-	(42,626)
Closing balance as at 31 March 2017	39,930,916	274,818,082	-	314,748,998
Carrying amount as at 31 March 2017	138,983,261	187,043,537	32,784,613	358,811,411

8 GOODWILL

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

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

As at 31 March 2018 and 31 December 2017, the caption "Goodwill" was made up as follows by insignia and country:

Insignia	31 Mar 2018				
	Portugal	Spain	Brazil	Other contries	Total
Sonae MC	495,168,601	-	-	-	495,168,601
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	53,928,072	245,817	-	-	54,173,889
Sonae RP	2,142,168	-	-	-	2,142,168
Sonae IM	2,686,758	-	7,090	11,205,087	13,898,935
	619,209,131	245,817	7,090	11,205,087	630,667,125

Insignia	31 Dec 2017				
	Portugal	Spain	Brazil	Other contries	Total
Sonae MC	495,168,601	-	-	-	495,168,601
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	57,571,018	245,817	-	-	57,816,835
Sonae RP	2,142,168	-	-	-	2,142,168
Sonae IM	2,686,758	-	7,090	11,258,229	13,952,077
	622,852,077	245,817	7,090	11,258,229	634,363,213

During the three-month period ended in 31 March 2018 and 2017, movements occurred in goodwill as well as in the corresponding impairment losses, are as follows:

	31 Mar 2018	31 Mar 2017
Gross value:		
Opening balance	645,031,970	669,955,930
Attribution of fair value to assets acquired (Note 3.1)	-	1,731,680
Opening balance Restated	645,031,970	671,687,610
Discontinued operations (Note 4)	(5,082,341)	-
Transfers to "Non-current assets held for sale"	-	(36,002,699)
Currency translation	(53,142)	307,675
Closing balance	639,896,487	635,992,586
Accumulated impairment losses:		
Opening balance	10,668,757	16,203,262
Discontinued operations (Note 4.1)	(1,439,395)	-
Transfers to "Non-current assets held for sale" (Note 14)	-	(5,528,441)
Currency translation	-	(6,064)
Closing balance	9,229,362	10,668,757
Carrying amount	630,667,125	625,323,829

9 JOINT VENTURES AND ASSOCIATED COMPANIES

9.1 Detail of book value of investments in joint ventures and associates

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

COMPANY	31 Mar 2018	31 Dec 2017
Sonae MC		
Sohi Meat Solutions - Distribuição de Carnes, SA	2,554,760	2,361,045
Sonae Sierra		
Sonae Sierra SGPS, S.A. (consolidated)	579,669,223	600,833,979
NOS		
ZOPT, SGPS, S.A. (consolidated)	694,561,090	688,194,866
Sonae IM		
Unipress - Centro Gráfico, Lda	673,139	608,237
Sonae FS		
MDS SGPS, S.A.	30,700,620	31,495,372
Investments in joint ventures	1,308,158,832	1,323,493,499
Sonae MC		
APOR - Agência para a Modernização do Porto, S.A.	281,654	290,475
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,082,276	1,050,793
S2 Mozambique, SA	889,781	1,592,748
Ulabox, S.L.	3,553,246	4,046,829
Sonae Sports & Fashion		
1) ISRG - Iberian Sports Retail Group	78,085,756	-
Sonae IM		
Armilar Venture Partners - Sociedade de Capital de Risco, SA	1	1
Fundo de Capital de Risco Armilar Venture Partners II	44,250,190	44,333,718
Fundo de Capital de Risco Armilar Venture Partners III	24,446,300	24,920,506
Fundo de Capital de Risco Espírito Santo Ventures Inovação e	9,405,008	9,431,245
Secucloud GMBH	4,428,016	4,819,257
Probe.Ly - Soluções de Cibersegurança, Lda	443,597	471,766
Investment in associated companies	166,865,825	90,957,338
Total	1,475,024,657	1,414,450,837

- 1) In 2017 results from the agreement completion on January 2018, the date on which a Joint Venture has been consolidated using the equity method due the loss of control (Notes 3.2 and 4).

9.2 Financial indicators of participations

9.2.1 Joint ventures

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

Joint ventures	31 Mar 2018				
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Sohimeat, SA	Others
Assets					
Investment properties	782,229,228	661,000	857,259	-	466
Tangible assets	1,817,228	1,092,551,000	2,385,509	20,727,021	524,692
Intangible assets	1,523,336	659,712,327	8,633,893	316,710	6,036
Goodwill	4,273,688	1,746,817,673	28,637,987	-	-
Investments in joint ventures and associates	1,238,484,365	183,749,000	9,116,148	-	-
Other non-current assets	84,197,435	107,589,000	2,361,769	204,757	102
Non-current assets	2,112,525,280	3,791,080,000	51,992,565	21,248,488	531,296
Cash and cash equivalents	68,279,874	4,580,000	15,991,568	734,554	94,004
Other current assets	147,390,829	579,764,000	12,034,047	46,293,358	1,820,097
Current assets	215,670,703	584,344,000	28,025,616	47,027,912	1,914,101
Total assets	2,328,195,983	4,375,424,000	80,018,181	68,276,400	2,445,398
Liabilities					
Loans	197,354,008	943,214,000	11,225,000	-	-
Other non-current liabilities	245,242,005	239,669,000	9,604,033	62,850	329,130
Non-current liabilities	442,596,014	1,182,883,000	20,829,033	62,850	329,130
Loans	95,758,396	226,775,000	9,041,667	-	26,262
Other current liabilities	72,541,084	553,252,000	23,261,861	63,720,977	1,204,815
Total current liabilities	168,299,481	780,027,000	32,303,527	63,720,977	1,231,076
Total liabilities	610,895,495	1,962,910,000	53,132,560	63,783,827	1,560,206
Equity attributable to the equity holders of the Parent Company	1,157,949,424	1,234,233,000	25,076,422	4,492,574	885,192
Non-controlling interests	559,351,063	1,178,280,000	1,809,199	-	-
Total equity	1,717,300,488	2,412,514,000	26,885,622	4,492,574	885,192
Total equity and liabilities	2,328,195,983	4,375,424,000	80,018,181	68,276,400	2,445,398

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	31 Dec 2017				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Assets					
Investment properties	781,879,364	661,000	857,259	-	-
Tangible assets	1,885,203	1,181,572,000	2,376,935	20,771,255	548,080
Intangible assets	1,456,440	567,506,327	9,605,565	309,299	6,451
Goodwill	4,273,688	1,746,817,673	29,202,474	-	-
Investments in joint ventures and associates	1,222,965,224	216,619,000	9,098,383	-	518
Other non-current assets	137,615,774	117,430,000	3,426,579	204,757	-
Non-current assets	2,150,075,693	3,830,606,000	54,567,195	21,285,311	555,049
Cash and cash equivalents	68,144,912	5,493,000	10,448,200	367,901	215,122
Other current assets	103,862,911	541,971,000	8,897,932	35,969,285	1,721,532
Current assets	172,007,823	547,464,000	19,346,132	36,337,186	1,936,654
Total assets	2,322,083,516	4,378,070,000	73,913,327	57,622,497	2,491,703
Liabilities					
Loans	198,185,930	997,423,000	15,575,000	-	463,240
Other non-current liabilities	144,521,632	243,613,000	9,357,967	-	11,121
Non-current liabilities	342,707,562	1,241,036,000	24,932,967	-	474,361
Loans	171,613,095	210,175,000	6,419,272	-	26,262
Other current liabilities	78,723,282	543,178,000	15,787,509	53,517,354	1,232,829
Total current liabilities	250,336,377	753,353,000	22,206,781	53,517,354	1,259,091
Total liabilities	593,043,939	1,994,389,000	47,139,748	53,517,354	1,733,452
Equity attributable to the equity holders of the Parent Company	1,150,533,916	1,218,544,000	24,734,144	4,105,143	758,251
Non-controlling interests	578,505,661	1,165,137,000	2,039,435	-	-
Total equity	1,729,039,577	2,383,681,000	26,773,579	4,105,143	758,251
Total equity and liabilities	2,322,083,516	4,378,070,000	73,913,327	57,622,497	2,491,703

	31 mar 2018				
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Turnover	39,346,740	375,715,000	13,417,541	5,836,479	856,181
Other operating income	860,870	7,287,000	174,689	97,021	5,569
	40,207,610	383,002,000	13,592,230	5,933,500	861,750
External supplies and services	(15,545,226)	(42,665,000)	(6,509,137)	(2,180,522)	(322,530)
Amortisation	(232,445)	(103,356,000)	(780,296)	(846,456)	(28,335)
Other operating costs	(13,642,638)	(184,447,000)	(5,460,185)	(2,752,967)	(382,333)
	(29,420,309)	(330,468,000)	(12,749,618)	(5,779,945)	(733,198)
Financial income	2,007,262	-	20,397	311,455	-
Financial expense	(3,199,076)	(13,933,000)	(153,355)	-	(1,283)
Financial results	(1,191,814)	(13,933,000)	(132,958)	311,455	(1,283)
Results of joint ventures and associated companies	15,790,188	-	24,777	-	-
Other income / expense	-	-	-	-	-
Results before taxation	25,385,675	38,601,000	734,431	465,010	127,269
Income taxation	(2,782,841)	(6,752,000)	(122,702)	(77,579)	(329)
Consolidated net income/(loss) for the year	22,602,833	31,849,000	611,729	387,431	126,940
Attributable to:					
Equity holders of the Parent Company	15,348,844	16,608,000	661,533	387,431	126,940
Non-controlling interests	7,253,990	15,241,000	(49,804)	-	-
	22,602,833	31,849,000	611,729	387,431	126,940
Other comprehensive income for the period	(7,898,000)	(26,257,000)	-	-	-
Total comprehensive income for the period	14,704,833	5,592,000	611,729	387,431	126,940

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Joint ventures	31 Mar 2017			
	Sonae Sierra SGPS, SA (consolidado)	ZOPT, SGPS, SA (consolidado)	Sohimeat, SA	Others
Turnover	48,062,995	377,083,000	60,555,808	663,617
Other operating income	727,941	3,915,000	7,607,068	2,644
	48,790,936	380,998,000	68,162,876	666,261
External supplies and services	(25,728,524)	(44,804,000)	(1,936,361)	(179,539)
Amortisation	(239,767)	(108,543,000)	(307,018)	(169,050)
Other operating costs	(13,512,990)	(193,941,000)	(65,708,590)	(310,864)
	(39,481,281)	(347,288,000)	(67,951,969)	(659,453)
Financial income	1,616,765	-	37	-
Financial expense	(3,629,092)	(3,174,000)	-	(733)
Financial results	(2,012,327)	(3,174,000)	37	(733)
Results of joint ventures and associated companies	18,316,278	-	-	-
Other income / expense	-	-	-	-
Results before taxation	25,613,606	30,536,000	210,944	6,075
Income taxation	(2,215,560)	(2,637,000)	(48,174)	(5,983)
Consolidated net income/(loss) for the year	23,398,046	27,899,000	162,770	92
Attributable to:				
Equity holders of the Parent Company	15,901,224	14,328,000	162,770	92
Non-controlling interests	7,496,822	13,571,000	-	-
	23,398,046	27,899,000	162,770	92
Other comprehensive income for the period	5,432,000	(337,996)	-	-
Total comprehensive income for the period	28,830,046	27,561,004	162,770	92

9.2.2 Associates

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

Associates	31 Mar 2018				
	Sonae MC				Sonae Sports & Fashion
	Apor	Sempre a Postos	S2 Mozambique	Ulabox	ISRG
Non-current assets	14,219	624,706	5,515,116	1,755,671	280,590,165
Current assets	1,328,325	9,852,034	3,122,515	1,304,275	140,694,369
Non-current liabilities	-	-	45,181	1,050,000	28,819,319
Current liabilities	104,501	6,147,636	5,071,712	1,576,096	160,003,068
Equity	1,238,043	4,329,104	3,520,738	433,850	232,462,147

Associates	31 Dec 2017			
	Sonae MC			
	Apor	Sempre a Postos	S2 Mozambique	Ulabox
Non-current assets	678,593	725,966	5,677,724	1,654,169
Current assets	2,356,130	10,326,802	2,383,755	1,253,456
Non-current liabilities	1,955,112	-	-	-
Current liabilities	831,108	6,849,597	2,959,516	1,284,421
Equity	248,503	4,203,171	5,101,963	1,623,204

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	31 Mar 2018				
	Sonae IM				
Associates	Armilar II	Armilar III	AVP I+I	Armilar	Others
Non-current assets	91,357,230	65,757,467	32,062,957	18,932	1,335,767
Current assets	1,338,185	3,272,599	51,499	4,994,064	3,028,592
Non-current liabilities	-	-	6,280,655	-	740,432
Current liabilities	5,478,649	11,699,863	781,110	709,074	3,907,515
Equity	87,216,766	57,330,203	25,052,691	4,303,922	(283,588)

	31 Dec 2017				
	Sonae IM				
Associates	Armilar II	Armilar III	AVP I+I	Armilar	Others
Non-current assets	91,385,627	66,583,123	32,012,958	19,431	1,696,324
Current assets	1,356,789	3,111,491	46,268	4,889,088	4,321,426
Non-current liabilities	-	-	6,280,655	-	717,697
Current liabilities	5,361,017	11,350,315	655,990	677,581	4,034,788
Equity	87,381,399	58,344,299	25,122,581	4,230,938	1,265,265

	31 Mar 2018			
	Sonae MC			
Associates	Apor	Sempre a Postos	S2 Mozambique	Ulabox
Turnover	143,910	12,385,548	1,854,742	2,522,480
Other operating income	-	644,551	75,856	114,270
Operating costs	(155,810)	(12,866,826)	(2,717,990)	(3,513,978)
Financial results	688	1,064	(110,545)	-
Taxation	(23)	(38,404)	-	-
Net income/(loss) for the year	(11,236)	125,934	(897,937)	(877,228)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(11,236)	125,934	(897,937)	(877,228)

	31 Mar 2017			
	Sonae MC			
Associates	Apor	Sempre a Postos	S2 Mozambique	Ulabox
Turnover	216,896	12,279,909	1,783,914	2,361,562
Other operating income	21,697	723,466	46,364	99,522
Operating costs	(1,115,791)	(12,690,830)	(2,740,915)	(3,364,452)
Financial results	(4,994)	1,813	204,866	-
Taxation	-	(71,250)	(46,530)	-
Net income/(loss) for the year	(882,192)	243,108	(752,301)	(903,368)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(882,192)	243,108	(752,301)	(903,368)

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	31 Mar 2018				
	Sonae IM				
Associates	Armilar II	Armilar III	AVP I+I	Armilar	Others
Turnover	-	-	-	496,227	167,968
Other operating income	1,640	-	-	-	20,000
Operating costs	(177,344)	(1,193,193)	(74,939)	(393,243)	(1,680,936)
Financial results	11,071	66,263	5,049	-	25
Taxation	-	-	-	(30,000)	-
Net income/(loss) for the year	(164,633)	(1,126,930)	(69,890)	72,984	(1,492,943)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	(164,633)	(1,126,930)	(69,890)	72,984	(1,492,943)

	31 Mar 2017				
	Sonae IM				
Associates	Armilar II	Armilar III	AVP I+I	Armilar	Others
Turnover	128,310	-	74,631	622,407	384,097
Other operating income	-	-	-	-	5,862
Operating costs	(255,266)	(840,426)	(74,172)	(377,779)	(372,996)
Financial results	(80,345)	62,720	22,317	-	6
Taxation	-	-	-	(61,000)	-
Net income/(loss) for the year	(207,301)	(777,706)	22,776	183,628	16,969
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	(207,301)	(777,706)	22,776	183,628	16,969

9.3 Movements occurred in the period

During the period ended at 31 March 2018 and 2017, movements in investments in joint ventures and associates are as follows:

	31 Mar 2018			31 Mar 2017		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Investments in joint ventures						
Initial balance as at 1 January	757,716,434	565,777,065	1,323,493,499	716,500,627	566,650,040	1,283,150,667
Change in consolidation method due the loss of control	-	-	-	2,703,451	-	2,703,451
Equity method						
Gains or losses in joint ventures	15,434,430	-	15,434,430	15,165,878	-	15,165,878
Distributed dividends	(24,873,210)	-	(24,873,210)	(37,391,100)	-	(37,391,100)
Effect in equity capital and non-controlling interests	(5,895,887)	-	(5,895,887)	2,736,098	-	2,736,098
	742,381,767	565,777,065	1,308,158,832	699,714,954	566,650,040	1,266,364,994
Investments in associates companies						
Initial balance as at 1 January	84,335,315	6,622,023	90,957,338	75,105,164	4,015,059	79,120,223
Change in consolidation method due the loss of control (Note 4)	78,085,756	-	78,085,756	-	-	-
Capital increases during the period	-	-	-	727,296	-	727,296
Transfer of 'Other non-current investments' and change of method	-	-	-	(967,578)	-	(967,578)
Equity method						
Gains or losses in associates companies	(1,901,570)	-	(1,901,570)	(1,072,510)	-	(1,072,510)
Effect in equity capital and non-controlling interests	(275,699)	-	(275,699)	(4,964)	-	(4,964)
	160,243,802	6,622,023	166,865,825	73,787,408	4,015,059	77,802,467
Total	902,625,569	572,399,088	1,475,024,657	773,502,362	570,665,099	1,344,167,461

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

The amount of distributed dividends related to Investments in Joint Ventures refers to Sonae Sierra 24,873,210 euro (37,391,100 euro as at March 2017).

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

- 78,085,756 euro refers to ISRG by the agreement signed between Sonae and JD Group (Notes 3.2 and 4); and
- 2,703,451 euro refers to Sohi Meat Solutions- Distribuição de Carnes, SA in 2017. This company results from the agreement signed on 3rd January 2017, the date on which a Joint Venture was formed between Sonae MC and Hilton Food Group PLC through a capital increase of this Group in Sohi Meat. Since then, Sohi Meat has been consolidated using the equity method.

The consolidated financial statements of ZOPT have a significant exposure to the African market, particularly through financial investments that Group holds in associated companies operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The book value of these associates in the financial statements of ZOPT on 31 March 2018 amounts to approximately Euro 163 million.

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During the last quarter of 2017, Angola was considered a hyperinflationary economy, and the individual financial statements of the investees in Angola were restated (for consolidation purposes) in accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies. During the first quarter of 2018, the effect of hyperinflation on the Angolan subsidiaries was adjusted again, while the kwanza recorded an exceptional devaluation against the euro of approximately 30%, which generated the recognition of foreign exchange losses on these subsidiaries.

The Group made impairment tests for those assets, which are denominated in the currencies of those countries, Kwanzas and Meticals, respectively, considering the business plans (internal valuation using the discounted cash flow method, compared to researches) approved by the Board of Directors for a five years period, which include average growth rates of revenue for that period of 14.5% (Angola) and 8.1% (Mozambique). These revenue growth rates reflects: (i) the best estimate for the growth of the customer base, reflecting an expectation of new clients and churn estimated rates, when considered prudent, and (ii) an annual price increase which corresponds, over the period 2017 to 2021, to an average of 75% of the inflation rate, since, considering the nature of the activity carried out by the companies, especially in Angola and in line with the price increases in previous years, it is not expected that companies will be able to reflect in their prices the total inflation in the country.

The business plans consider yet a growth rate in perpetuity of 9.5% (Angola) and 5.5% (Mozambique) and a discount rate ('Wacc') in perpetuity of 20.1% (Angola) and 21% (Mozambique). The discount rate, over the period 2018 to 2022 ranged from a maximum of 43.8% to a minimum of 20.1% (in 2022), for Angola, and from a maximum of 35% to a minimum of 21% (2022) in Mozambique, in line with the most appropriate inflation forecasts (source: International Monetary Fund (FMI)).

The impairment tests carried out in 2017, based on the assumptions above, disregarding the effect of the adjustment to the effects of hyperinflation in the amount of financial investment, support the value of the assets, so not result in additional impairments was recorded in relation to the effect of the hyperinflationary economy. However, that the current economic conditions of uncertainty in these markets, particularly in the foreign exchange market and the limitation of currency transfer, particularly in Angola, introduces an additional degree of variability to the assumptions, which could significantly impact of the estimates considered, in terms of of the rate of inflation and the ability to reflect the rate in price increases.

Armilar, Armilar II, Armilar III e Armilar I+I

In March 2017, an increase in units of the Armilar III fund was approved, and Sonae IM subscribed and paid the amount of Euro 622,996, corresponding to 0.41%, in July 2017 a new increase of Armilar III fund, in which Sonae IM subscribed and paid in the amount of Euro 302,598, corresponding to 0.20% and in November 2017, another increase of units in the Armilar III fund was approved and Sonae IM subscribed and paid the amount of Euro 484,103, corresponding to 0.04%, and in the year ended at 31 March 2018 held a 42.64% stake in the Armilar III fund. Also in July 2017, there was a change in the number of units in the Armilar II fund due to the departure of one of the Shareholders, thus giving SonaeIM a 50.74% stake in the fund in the year ended at 31 March 2018.

10 OTHER INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 31 March 2018 and 31 December 2017, are as follows:

Company	Head Office	Percentage of share capital held				Statement of financial position	
		31 Mar 2018		31 Dec 2017		31 Mar 2018	31 Dec 2017
		Direct	Total	Direct	Total		
Sonae Retail							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	925,197
Sonae IM							
1) Advert.io, Ltd.	Aveiro	7.23%	3.26%	-	-	150,000	-
Arctic Wolf Networks, Inc	Delaware	4.68%	4.21%	4.68%	4.21%	3,830,113	3,830,113
1) Binary Answer, Ltd.	Aveiro	2.68%	1.21%	-	-	25,000	-
Continuum Security SL	Saragoza	6.66%	5.99%	6.66%	5.99%	299,802	299,802
1) Jscrambler, SA	Oporto	10.00%	9.00%	-	-	1,250,000	-
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	35,462	35,462
Ometria, Ltd.	London	4.54%	4.08%	4.54%	4.08%	854,165	854,165
StyleSage, Inc.	Delaware	5.00%	4.50%	5.00%	4.50%	448,834	448,834
Other investments						13,586,109	13,020,226
						21,414,658	19,423,775

1) Investments acquired during the period.

As at 31 March 2018 the caption "Other investments" includes, among others, 9,907,084 euro (9,919,677 euro in 31 December 2017) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Notes 23 and 24).

As at 31 March 2018 and 2017, the movements in "Other investments" made up as follows:

	31 Mar 2018		31 Mar 2017		
	Non-current	Current	Non-current	Current	
Other investments					
Fair value (net of impairment losses) as at 1 January	19,423,775	-	20,784,450	161,050	
Acquisitions in the period	2,202,977	-	11,778	-	
Disposals in the period	(148,135)	-	-	-	
Increase/(Decrease) in fair value	(12,590)	-	(27,957)	(116,837)	
Discontinued operations (Note 4.1)	(51,369)	-	(8,034,068)	-	
Fair value (net of impairment losses) as at 31 March	21,414,658	-	12,734,203	44,213	
Derivative financial instruments (Note 19)					
Fair value as at 1 January	-	179,881	-	4,207,972	
Increase/(Decrease) in fair value	-	(21,468)	-	(3,519,854)	
Fair value as at 31 March	-	158,413	-	688,118	
		21,414,658	158,413	12,734,203	732,331

On 31 March 2017, the financial interest in Ed Broking LLP was included in caption "Discontinued operations" which, was transferred to investments in associates through the loss of control in MDS, SGPS, S.A..

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

11 OTHERS NON-CURRENT ASSETS

As at 31 March 2018 and at 31 December 2017, “Other non-current assets” are detailed as follows:

	31 Mar 2018			31 Dec 2017		
	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 23)	Carrying Amount
Trade accounts receivable and other debtors						
Legal deposits	3,800,576	-	3,800,576	3,916,334	-	3,916,334
Cautions	3,768,579	-	3,768,579	5,120,591	-	5,120,591
Special regime for payment of tax and social security debts	6,397,435	-	6,397,435	6,397,435	-	6,397,435
Rent deposits from tenants	1,507,063	-	1,507,063	787,615	-	787,615
Financial investments debtors	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Debt to receive related to Armilar Funds (Note 9.1)	2,778,027	-	2,778,027	2,778,017	-	2,778,017
Amount retained on acquisition of Salsa group	2,463,875	-	2,463,875	2,463,875	-	2,463,875
Others	520,412	-	520,412	463,340	-	463,340
	22,235,967	-	22,235,967	22,927,207	-	22,927,207
Reinsurer's' share of technical provisions	412,943	-	412,943	412,943	-	412,943
Other non-current assets	76,487	-	76,487	271,793	-	271,793
	22,725,397	-	22,725,397	23,611,943	-	23,611,943

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

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

12 TRADE ACCOUNTS RECEIVABLE AND OTHERS CURRENT ASSETS

As at 31 March 2018 and at 31 December 2017, "Trade accounts receivable and others current assets" are detailed as follows:

	31 Mar 2018	31 Dec 2017
Trade accounts receivable	142,073,049	142,558,529
Taxes recoverable	76,386,698	86,571,966
Other debtors		
Trade creditors - debtor balances	41,537,342	37,512,048
Dividends to be received of jointly controlled companies	24,873,210	-
VAT recoverable on real estate assets and vouchers discounts	7,731,000	6,371,632
Disposal of tangible assets	5,442,151	2,142,406
Vouchers and gift cards	1,391,132	2,237,906
Advances to suppliers	1,381,972	697,627
Other current assets	20,144,256	20,902,355
	102,501,063	69,863,974
Other current assets		
Commercial discounts	42,539,223	25,221,050
Invoices to be issued	11,589,885	8,807,168
External supplies and services	20,998,360	10,065,624
Rents	6,051,543	6,986,698
Insurance indemnities	100,462	122,335
Other current assets	10,385,606	12,865,520
	91,665,079	64,068,395
Accumulated impairment losses in receivables accounts (Note 23)	(19,367,034)	(19,746,469)
	393,258,855	343,316,395

13 DEFERRED TAXES

"Deferred tax assets and liabilities" as at 31 March 2018 and at 31 December 2017 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Difference between fair value and acquisition cost	4,933,142	4,933,142	33,539,561	33,865,461
Temporary differences on tangible assets and intangible	1,422,649	1,527,715	69,886,835	69,044,445
Temporary differences on Badwill	-	-	10,112,054	10,243,448
Provisions and impairment losses not accepted for tax purposes	21,406,737	23,215,181	-	-
Write off of tangible and intangible assets	35,294	28,517	-	-
Valuation of hedging derivatives	9,026	11,702	39,052	41,952
Amortisation of Goodwill for tax purposes	-	-	17,457,039	17,457,039
Revaluation of tangible assets	-	-	888,925	916,509
Tax losses carried forward	41,844,661	37,631,860	-	-
Reinvested capital gains/(losses)	-	-	296,459	302,963
Tax Benefits	402,854	986,686	-	-
Others	3,528,200	3,548,790	319,939	329,081
	73,582,563	71,883,593	132,539,864	132,200,898

SONAE 1Q18 RESULTS

The Spanish Supreme Court decided in favour of Sonae considering that goodwill amortization for tax purposes in 2008 was applicable. For that reason, in 2017 the Group deducted tax on the amortization of goodwill generated in previous years for the years 2008, 2016 and 2017, having recognized 17.5 million euros in deferred tax liabilities.

Taking into account the tax proceedings pending before the court in Spain for the financial years 2009 to 2011, as well as for the fact that the Group was prevented from recognizing the tax depreciation of goodwill for the financial years 2012 to 2015, the right of the entity to deduct tax depreciation of goodwill amounting to 69.8 million euro might be given in the future.

As at 31 March 2018 and 31 December 2017, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	Country	31 Mar 2018			31 Dec 2017		
		Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use							
Generated in 2013	Portugal	1,186,143	249,090	2018	1,220,382	256,280	2018
Generated in 2014	Portugal	1,707,794	358,636	2026	1,673,556	351,447	2026
Generated in 2015	Portugal	69,902	14,680	2027	69,902	14,680	2027
Generated in 2016	Portugal	21,550,140	4,525,529	2028	21,550,140	4,525,529	2028
Generated in 2017	Portugal	21,264,154	4,465,472	2022	21,264,154	4,465,472	2022
Generated in 2018	Portugal	46,119,601	9,685,116	2023	-	-	
		91,897,734	19,298,523		45,778,134	9,613,408	
With a time limit different from the above mentioned							
	Spain	3,464,916	866,229	2028 to 2029	3,464,916	866,229	2028 to 2029
	United States of America	7,615,446	2,170,403	2030 to 2035	7,823,749	2,229,769	2030 to 2035
	Mexico	2,381,722	714,516	2021 to 2027	2,178,019	653,406	2021 to 2027
		13,462,084	3,751,149		13,466,684	3,749,404	
Without limited time use							
	Spain	75,106,873	18,776,718		97,076,194	24,269,048	
	Brazil	53,739	18,271		-	-	
		75,160,612	18,794,989		97,076,194	24,269,048	
		180,520,430	41,844,661		156,321,012	37,631,860	

As at 31 March 2018 and 31 December 2017, the deferred taxes to be recognized arising from tax losses were evaluated. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which might be offset against available tax losses or against deductible temporary differences. This assessment was based on the business plans of Sonae's companies, which are periodically reviewed and updated.

As at 31 March 2018 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 20 million euro (20 million euro as at 31 December 2017). The mentioned tax losses can be recovered within the Income Tax Group established in Spain, according to Spanish law. Modelo Continente Hipermercados, S.A. Spanish Branch, as at 31 March 2018 and at 31 December 2017, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies.

As at 31 March 2018, there are reportable tax losses, whose deferred tax assets are not recorded for prudence purposes and are analysed as follows:

SONAE 1Q18 RESULTS

	Country	31 Mar 2018			31 Dec 2017		
		Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use							
Generated in 2013	Portugal	21,578	4,531	2018	21,578	4,531	2018
Generated in 2014	Portugal	3,541,173	743,646	2026	3,538,124	743,006	2026
Generated in 2015	Portugal	534,927	112,335	2027	534,927	112,335	2027
Generated in 2016	Portugal	167,879	35,255	2028	49,793	10,457	2028
Generated in 2017	Portugal	570,677	119,842	2022	570,677	119,842	2022
Generated in 2018	Portugal	-	-	2023	-	-	-
		4,836,234	1,015,609		4,715,099	990,171	
With a time limit different from the above mentioned							
	Spain	6,369,465	1,592,369	2020 to 2032	6,310,255	1,577,566	2020 to 2032
	Netherlands	51,092,830	12,713,208	2017 to 2025	56,209,973	13,987,824	2017 to 2025
	Mexico	2,147,458	644,237	2018 to 2027	2,294,563	688,368	2018 to 2027
	United States of America	3,057,088	871,270	2037 to 2038	2,499,672	712,405	2037 to 2038
		62,666,841	15,821,084		67,314,463	16,966,163	
Without limited time use							
	Australia	809,346	222,570		788,220	224,643	
	Brazil	18,434,289	6,267,658		18,980,307	6,453,304	
	Colombia	652,534	215,336		630,032	189,010	
	Spain	231,246,981	57,811,745		336,368,571	84,092,143	
	Malta	15,179	5,313		12,752	4,463	
	United Kingdom	4,451,322	845,751		4,324,097	821,578	
	Ireland	524,560	65,570		562,925	70,366	
		256,134,211	65,433,943		361,666,904	91,855,507	
		323,637,286	82,270,636		433,696,466	109,811,841	

14 CASH AND CASH EQUIVALENTS

As at 31 March 2018 and at 31 December 2017, the detail of "Cash and cash equivalents" are as follows:

	31 Mar 2018	31 Dec 2017
Cash at hand	9,800,081	10,467,637
Bank deposits	236,930,751	283,561,778
Treasury applications	100,559,649	70,559,700
Cash and cash equivalents on the statement of financial position	347,290,481	364,589,115
Bank overdrafts (Note 18)	(205,069)	(2,819,107)
Cash and cash equivalents on the statement of cash flows	347,085,411	361,770,008

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

15 NON-CURRENT ASSETS AND LIABILITIES AVAILABLE FOR SALE

In 31 March 2017, Sonae signed an agreement to disposed 1,773 shares of MDS, SGPS, SA to IPLF Holding, SA. This transaction includes the change of the shareholder agreement and in the loss of control in this subsidiary, becoming a joint venture between Sonae and IPLF Holding, S.A.

SONAE 1Q18 RESULTS

In 31 March 2017, the assets and liabilities related to this segment were transferred to the caption asset and liability held for sale. The detail of these amounts is as follows:

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

16 SHARE CAPITAL

Share Capital

As at 31 March 2018, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

Cash Settled Equity Swap

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

On the same date, Sonae Investments, BV wholly owned by Sonae Holding entered into a derivative financial instrument - Cash Settled Equity Swap - over a total of 132,800,000 Sonae Holding shares, representative of 6.64% of its capital.

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

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer. Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 22). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

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

SONAE 1Q18 RESULTS

In November 2014, was made a renewal for an additional period of one year renewable automatically, keeping the remaining conditions unchanged. During the year of 2017 the Group requested the partial termination of the Cash Settled Equity Swap for 5,934,409 Sonae SGPS shares which resulted in payments of 16,203,904 euro included in the caption "Others" of the Investment Activities in the consolidated statement of cash flows. Additionally, the price variations of this instrument represented in 2017 receipts of 37,012,040 euros included also in the Investment Activities as "Others". In the period ended as at 31 March 2018 there was no receipt or payment related to changes in the value of this instrument.

Considering the operations mentioned above, the liability recorded amounts to 103,700,000 euro (103,700,000 euro as at 31 December 2017) (Note 22) reflecting the market value of 104,406,608 Sonae SGPS shares (104.406.608 shares as at 31 de December 2017).

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

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

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

Capital Structure

As at 31 March 2018, the following entities held more than 20% of the subscribed share capital:

Company	%
Efanor Investimentos, SGPS, SA and subsidiaries	52.48

17 NON-CONTROLLING INTERESTS

As at 31 March 2018 and 31 December 2017, “Non-controlling interests” are detailed as follows:

	31 mar 2018				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
Sonae Retail					
Sonae MC	4,129,944	346,570	4,690,285	71,813	-
Worten	2,969,754	213,444	1,187,899	85,377	-
Sonae Sports & Fashion	62,792,510	720,123	32,069,050	391,623	-
Sonae RP	120,068,849	2,208,177	2,513,307	47,772	(136,910)
Maxmat	44,844,803	440,134	22,413,165	220,067	-
Sonae IM					
Sonaecom, SGPS, SA (consolidated)	1,015,554,077	5,465,913	104,437,482	629,450	-
Others					
Others	4,515,918	(1,377,039)	161,635	(245,306)	-
Total	1,254,875,855	8,017,322	167,472,823	1,200,796	(136,910)
	31 Dec 2017				
	Equity	Profit/(Loss) for the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
Sonae Retail					
Sonae MC	3,666,888	766,953	4,592,402	212,251	-
Worten	2,756,310	751,757	1,102,522	300,702	-
Sonae Sports & Fashion	67,870,269	7,806,086	32,826,507	3,935,968	(1,050,475)
Sonae RP	124,016,739	15,965,998	2,601,245	336,708	(408,900)
Maxmat	44,394,344	4,198,323	22,187,936	2,099,161	-
Sonae IM					
Sonaecom, SGPS, SA (consolidated)	1,012,610,908	26,239,058	104,097,279	2,739,449	(2,442,162)
Sonae FS					
MDS, SGPS, SA	-	1,890,664	-	945,143	(173,339)
Others					
Others	5,876,431	(7,231,383)	402,103	(2,114,226)	-
Total	1,261,191,889	50,387,456	167,809,994	8,455,156	(4,074,876)

SONAE 1Q18 RESULTS

Movements in non-controlling interests during the period ended as at 31 March 2018 and 2017 are as follows:

	31 Mar 2018							
	Sonae Retailho					Sonae IM	Others	Total
	Sonae MC	Worten	Sonae Sports & Fashion	Sonae RP	Maxmat	Sonae com, SGPS, SA (consolidated)	Others	Total
Opening balance as at 1 January 2018	4,592,402	1,102,522	32,826,507	2,601,245	22,187,936	104,097,279	402,103	167,809,994
Distributed dividends	-	-	-	-	-	-	-	-
Distributed income of Investment Funds	-	-	-	(136,910)	-	-	-	(136,910)
Constitution of subsidiaries	-	-	80,000	-	-	-	-	80,000
Change in currency translation reserve	-	-	-	-	-	(26,222)	4,626	(21,596)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	-	(196,498)	-	(196,498)
Delivery of shares to employees to due the settle of the obligation	-	-	-	1,200	9,990	-	-	11,190
Changes in hedging reserves	32,299	-	(32,250)	-	(4,826)	(1,712)	-	(6,489)
Change in the consolidation method	-	-	(1,211,039)	-	-	-	-	(1,211,039)
Others	(6,229)	-	14,209	-	(2)	(64,815)	212	(56,625)
Profit for the period attributable to non-controlling interests	71,813	85,377	391,623	47,772	220,067	629,450	(245,306)	1,200,796
Closing balance as at 31 March 2018	4,690,285	1,187,899	32,069,050	2,513,307	22,413,165	104,437,482	161,635	167,472,823

	31 Mar 2017								
	Sonae Retailho					Sonae IM	Sonae FS	Others	Total
	Sonae MC	Worten	Sonae Sports & Fashion	Sonae RP	Maxmat	Sonae com, SGPS, SA (consolidated)	MDS, SGPS, SA	Others	Total
Opening balance as at 1 January 2017 - Disclosed	526,934	801,820	31,302,349	2,783,406	20,117,859	102,772,762	11,630,167	836,569	170,771,866
Effect of restatement (Note 3.1)	-	-	(1,731,680)	-	-	-	-	-	(1,731,680)
Opening balance as at 1 January 2017 Restated	526,934	801,820	29,570,669	2,783,406	20,117,859	102,772,762	11,630,167	836,569	169,040,186
Distributed dividends	-	-	-	-	-	-	-	(27,938)	(27,938)
Change in percentage of subsidiaries	-	-	-	(980,015)	-	-	-	-	(980,015)
Change in currency translation reserve	-	-	-	-	-	(49,427)	178,666	1,556	130,795
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	-	8,432	-	-	8,432
Delivery of shares to employees to due the settle of the obligation	-	-	-	-	-	-	14,551	9,572	24,123
Changes in hedging reserves	23,465	-	(40,611)	-	-	-	-	(35,888)	(53,034)
Others	-	-	(67)	3	-	12,380	(17,859)	(12)	(5,555)
Profit for the period attributable to non-controlling interests	(135,777)	223,368	337,341	29,469	-	452,177	(639,244)	(16,768)	250,566
Closing balance as at 31 March 2017	414,622	1,025,188	29,867,332	1,832,863	20,117,859	103,196,324	11,166,281	767,091	168,387,560

18 LOANS

As at 31 March 2018 and 31 December 2017, "Loans" are made up as follows:

	31 Mar 2018		31 Dec 2017	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
Bank loans				
Sonae, SGPS, SA - commercial paper	108,049,000	96,250,000	36,390,000	166,250,000
Sonae SGPS, SA /2016/2023	-	50,000,000	-	50,000,000
Sonae Investimentos, SGPS, SA - commercial paper	7,500,000	407,500,000	7,500,000	182,500,000
Sonae Investimentos affiliated /2014/2020	-	50,000,000	-	50,000,000
Sonae Investimentos affiliated /2015/2020	-	20,000,000	-	20,000,000
Sonae Investimentos affiliated /2015/2019	5,000,000	30,000,000	5,000,000	30,000,000
Sonae Investimentos affiliated /2017/2022	-	31,000,000	-	31,000,000
Sonae Investimentos affiliated /2017/2025	-	20,000,000	-	-
Sonae Investimentos 2017/2018	-	-	100,000,000	-
Sonae Holding affiliated /2014/2018	40,000,000	-	40,000,000	-
Sonae Holding affiliated /2014/2021	10,000,000	20,000,000	10,000,000	20,000,000
Others	9,017,861	13,611,352	6,144,402	24,093,006
	179,566,861	738,361,352	205,034,402	573,843,006
Bank overdrafts (Note 14)	205,069	-	2,819,107	-
Up-front fees beard with the issuance of borrowings	(81,012)	(359,995)	(105,502)	(402,455)
Bank loans	179,690,918	738,001,357	207,748,007	573,440,551
Bonds:				
Bonds Sonae SGPS/ 2015/2022	-	100,000,000	-	100,000,000
Bonds Sonae SGPS/ 2016/2023	-	60,000,000	-	60,000,000
Bonds Sonae Investments BV / 2014/2019	-	204,645,134	-	203,466,710
Bonds Sonae Investimentos/ June 2013/2018	50,000,000	-	50,000,000	-
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2020	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos / June 2016/2021	-	95,000,000	-	95,000,000
Bonds Sonae Investimentos / September 2016/2021	3,000,000	9,000,000	3,000,000	9,000,000
Bonds IVN 2016/2023	5,000,000	25,000,000	5,000,000	25,000,000
Up-front fees beard with the issuance of borrowings	(57,990)	(3,615,115)	(29,194)	(3,799,668)
Bonds	57,942,010	645,030,019	57,970,806	643,667,042
Other loans	1,265,719	1,829,801	1,278,626	2,244,793
Derivatives (Note 19)	1,019,548	-	1,248,119	-
Other loans	2,285,267	1,829,801	2,526,745	2,244,793
Obligations under finance leases	849,076	787,076	832,895	881,956
	240,767,271	1,385,648,252	269,078,453	1,220,234,342

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

The fair value of the Equity component of this compound instrument was valued at 22,313,000 euro and it was determined by an independent entity from Sonae, taking into consideration the fair value of similar non-convertible financial instruments, having been estimated a market interest rate to establish the amortized cost of this financial liability. This process of measurement represents a Level 3 fair value measurement according to IAS 39. 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, (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.

SONAE 1Q18 RESULTS

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

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

Bonds and bank loans bear an average interest rate of 1.15% as at 31 March 2018 (1.27% as at 31 December 2017). Most of the bonds and bank loans have variable interest rates indexed to Euribor.

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

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

	31 Mar 2018	31 Dec 2017
N+1 ^{a)}	239,886,725	267,965,030
N+2	351,576,589	266,186,915
N+3	242,023,213	242,942,827
N+4	294,755,579	296,490,957
N+5	438,848,197	278,889,510
After N+5	68,274,649	146,959,544
	1,635,364,952	1,499,434,783

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

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

As at 31 March 2018, Sonae has, as detailed below, cash and cash equivalents in the amount of 347 million eur (365 million euro in as at 31 December 2017) and available credit lines as follows:

	31 Mar 2018		31 Dec 2017	
	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	165,146,242	306,000,000	242,245,201	292,750,000
Agreed credit facilities	175,195,242	816,250,000	257,955,242	753,750,000

19 DERIVATIVES

Exchange Rate Derivatives

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

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

SONAE 1Q18 RESULTS

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 1,019,548 euro as liabilities, and 158,413 euro as assets (1,248,119 euro as liabilities and 179,881 euro as assets, as at 31 December 2017).

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

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

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

Interest rate derivatives

Sonae does not have any interest rate hedging derivatives recorded as at 31 March 2018.

Interest rate and exchange rate derivatives

As at 31 March 2018 no contracts existed, related to interest rate and exchange rate derivatives simultaneously.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Hedging derivatives				
Interest rate	-	-	-	-
Exchange rate	158,413	179,881	1,019,548	1,248,119
	158,413	179,881	1,019,548	1,248,119

20 OTHER NON-CURRENT LIABILITIES

As at 31 March 2018 and 31 December 2017, "Other non-current liabilities" are detailed as follows:

	31 Mar 2018	31 Dec 2017
Shareholders loans	152,122	155,732
Fixed assets suppliers	1,151,347	1,151,347
Other non-current liabilities	1,621,145	1,771,080
Deferral of the disposal of the extended warranties	7,778,466	7,551,397
Accruals and deferrals	3,004,391	2,819,762
Other non-current liabilities	13,707,471	13,449,318

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

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

21 SHARE BASED PAYMENTS

In 2018 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonus to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

As at 31 March 2018, 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 2018, 2017, 2016 and 31 December 2015. Share-based payments costs are recognized on a straight-line basis between the grant and the settlement date.

As at 31 March 2018 and 31 December 2017, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

Grant year	Vesting year	Number of participants	Share price on date of assignment	Number of shares	
				31 Mar 2018	31 Dec 2017
2015	2018	232	1.278	3,540,367	3,620,437
2016	2019	250	0.970	4,312,121	4,472,331
2017	2020	87	0.906	4,243,281	4,394,822
2018	2021	82	1.095	3,873,264	-
				15,969,033	12,487,590

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During the period ending 31 March 2018 the movements on the above mentioned share based plans were the following:

	Aggregate number of participants	Number of shares
Balance as at 31 December 2017	595	12,487,590
Grant	63	3,507,711
Vesting	-	-
Canceled / extinguished / corrected / transferred (1)	(7)	(26,268)
Closing balance as at 31 March 2018	651	15,969,033

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

As at 31 March 2018 and 31 December 2017, the fair value of total liabilities on the date of allocation arising from share based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value	
		31 Mar 2018	31 Dec 2017
2015	2018	3,876,702	4,076,612
2016	2019	3,541,329	3,357,230
2017	2020	2,710,396	1,649,523
2018	2021	1,413,741	-
	Total	11,542,168	9,083,365

As at 31 March 2018 and 31 December 2017 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	31 Mar 2018	31 Dec 2017
Recorded in staff costs in the current period	1,019,316	2,535,536
Recorded in previous years	7,917,210	5,776,008
	8,936,526	8,311,544
Recorded in other liabilities	-	-
Recorded value in Other reserves	8,936,526	8,311,544
	8,936,526	8,311,544

22 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2018 and 31 December 2017, "Trade creditors and other current liabilities" were made up as follows:

	31 Mar 2018	31 Dec 2017
Trade creditors	1,068,118,797	1,192,499,941
Taxes payable	80,518,797	98,367,443
Other creditors		
Fixed asset suppliers	38,355,969	67,664,713
Related undertakings	84,255,544	-
Other debts	150,926,147	153,565,166
	273,537,660	221,229,879
Other current liabilities		
Holiday pay and bonuses	126,191,933	128,309,674
Other external supplies and services	29,845,881	39,766,899
Deferred Revenue of warranty extension	58,610,504	57,862,718
Responsibilities assumed on sale of real state	17,686,368	17,728,428
Rentals	5,382,998	7,028,035
Marketing expenses	9,419,932	15,660,724
Advance receipts from trade receivables	9,860,492	9,993,106
Interest payable	4,445,882	2,079,044
Expenses on purchases	4,372,933	4,133,909
Insurance payable	1,685,204	513,698
Others	15,800,732	14,911,586
	283,302,859	297,987,821
	1,705,478,113	1,810,085,084

The caption "Other debts" includes:

- 103,700,000 euro (103,700,000 euro as at 31 December 2017) relating to the fair value of the shares covered by Sonae SGPS financial derivative referred to in Note 16;
- 11,044,908 euro (10,421,939 euro as at 31 December 2017) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente" not yet redeemed;
- 13,313,492 euro (16,150,935 euro as at 31 December 2017) related to vouchers, gift cards and discount tickets; and
- 3,345,970 euro (3,447,882 euro as at 31 December 2017) related to amounts payable to Sonae Distribuição Brasil. SA buyer as result of responsibilities assumed with that entity (Note 23).

23 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and accumulated impairment losses" over the period ended 31 March 2018 and 2017 are as follows:

Caption	Balance as at 01 Jan 2018	Increase	Decrease	Discontinued operations Note 5.1	Balance as at 31 Mar 2018
Accumulated impairment losses on investments	3,319,692	-	-	-	3,319,692
Impairment losses on fixed tangible assets (Note 6)	114,379,011	-	(113,138)	(4,510,175)	109,755,698
Impairment losses on intangible assets	2,396,643	-	-	-	2,396,643
Accumulated impairment losses on trade account receivables and other debtors (Note 12)	19,746,469	383,218	(762,653)	-	19,367,034
Non current provisions	18,955,625	48,516	(360,989)	-	18,643,152
Current provisions	5,610,383	1,160,377	(1,776,760)	-	4,994,000
	164,407,823	1,592,111	(3,013,540)	(4,510,175)	158,476,219

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

As at 31 March 2018 and 31 December 2017, provision's details can be analyzed as follows:

	31 Mar 2018	31 Dec 2017
Technical provisions on reinsurance	775,812	786,208
Future liabilities relating to subsidiaries of retail in Brazil sold	7,140,660	7,358,151
Clients guarantees	759,344	1,056,471
Judicial claims	4,044,240	4,577,787
Contingent liabilities related to subsidiaries acquired	7,811,959	7,811,959
Others	3,105,138	2,975,432
	23,637,152	24,566,008

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

24 CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2018 and 31 December 2017, major contingent liabilities were guarantees given and can be detailed as follows:

- Guarantees and securities given

	31 Mar 2018	31 Dec 2017
Guarantees given:		
on tax claims	1,132,074,618	1,133,241,313
on judicial claims	392,289	398,390
on municipal claims	10,072,869	9,126,363
contract by proper compliments	12,093,362	12,318,637
other guarantees	8,433,637	8,117,670

a) Tax Claims

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

- Tax claims for additional VAT payment for which guarantees or sureties were provided in the amount of 531.7 million euro (531.7 million euro as at 31 December 2017) for the periods from 2004 to 2013, and for which the Group presented or intends to present a tax appeal. The tax claims result from the Tax Administration's understanding that the Group should have invoiced VAT related to promotional discounts granted by suppliers, based on purchases amounts, since Tax Authorities claims it corresponds to alleged services rendered to those entities. Tax authorities also claim that the Group 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 146.6 million euro (146.6 million euro as at 31 December 2017), in favor of Tax authorities regarding 2007 up to 2014. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisor's assessment, that such appeal will be favourable.
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for corresponding to a prior cover tax losses accumulated by the subsidiary, which has been brought to the cost of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, thus including cover losses upon liquidation of the subsidiary company;
- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 16.4 million euro (65.3 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 48 million euro (190.9 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

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

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

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts, having recorded as an asset the amounts related with income taxes paid under those plans (Note 11).

c) Other contingent liabilities

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

Following the disposal of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavourably decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. The amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.5 million euro) related to programs for the Brazilian State of tax recovery, amount to near 32 million euro at 31 December 2017. Furthermore, there are other tax assessments totalling 56.1 million euro (56.1 million euro as at 31 December 2017) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary.

- Procedure for contesting fines imposed by the Competition Authority

In 2016, the Competition Authority (AdC) notified Sonae Investimentos, Sonae MC and Modelo Continente, for the purpose of presenting a defense, in the context of a misconduct proceeding under the agreement entered into between Modelo Continente and EDP Comercial campaign known as the "EDP Continente Plan". It should be noted that the EDP / Continente Plan took place during 2012 and was extended in the first months of 2013 to allow the use of discounts that had been allocated to customers until 31 December 2012. The development of this type of business promotion agreement is a common practice in the Portuguese market. In 2017, the AdC imposed fines of 2.8 million euros on Sonae Investimentos and 6.8 million on Modelo Continente. AdC also condemned Sonae MC, but it did not impose any fine on it since that company does not present any turnover. These companies challenged the decision in court, and the Board of Directors expects, based on the opinion of their legal advisors, that there will be no liability for these companies in this proceeding.

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

25 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Parent Company	59,477	46,835	142,533	166,848
Jointly controlled companies	5,179,816	13,444,543	77,914,084	68,837,581
Associated companies	8,063,977	8,070,258	-	-
Related parties, shareholders and investees	13,819,840	13,037,162	3,763,477	4,312,587
	27,123,110	34,598,798	81,820,094	73,317,016

Transactions	Interest income		Interest expenses	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Parent Company	-	-	-	-
Jointly controlled companies	65	135	-	-
Associated companies	13,479	-	-	-
Other related parties	-	-	-	3,638
	13,544	135	-	3,638

Balances	Accounts receivable		Accounts payable	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Parent Company	28,413	51,947	44,206,678	512,593
Jointly controlled companies	32,772,509	14,904,259	88,504,899	42,584,035
Associated companies	8,396,117	8,479,551	1,843	1,843
Other related parties	14,810,053	19,066,434	5,249,859	7,631,440
	56,007,092	42,502,191	137,963,279	50,729,911

Balances	Loans			
	Obtained		Granted	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Jointly controlled companies	-	-	-	-
Associated companies	-	-	-	-
Other related parties	152,534	160,586	3,570	3,570
	152,534	160,586	3,570	3,570

26 OTHER INCOME

As at 31 March 2018 and 2017, the caption “Other Income” is made up as follow:

	31 Mar 2018	31 Mar 2017 Restated
Supplementary income	6,020,363	6,351,498
Prompt payment discounts obtained	6,289,290	5,963,197
Foreign currency exchange gains	6,879,186	5,471,817
Own work capitalised	2,124,160	2,707,961
Gains on sales of assets	103,665	62,859
Impairment losses reversals	1,989,019	959,077
Others	1,259,342	1,048,841
	24,665,025	22,565,250

27 INCOME TAX

The income taxes recognized in the six-month period ended on 31 March 2018 and 2017 are detailed as follows:

	31 Mar 2018	31 Mar 2017 Restated
Current tax	4,746,270	5,318,979
Deferred tax	(6,925,449)	(6,787,286)
	(2,179,178)	(1,468,307)

28 CASH RECEIPTS AND CASH PAYMENTS OF INVESTMENTS

As at 31 March 2018 and 31 March 2017, cash receipts and cash payments related to investments can be detailed as follows:

Receipts	31 Mar 2018	31 Mar 2017
Account receivable related to the disposal of Imoconti	-	21,009,032
Disposal of SDSR participation to JDSH	28,628,150	-
	28,628,150	21,009,032

Payments	31 Mar 2018	31 Mar 2017
Subscription of JD Sprinter shares	26,546,230	-
Others	2,295,475	2,250
	28,841,705	2,250

29 EARNINGS PER SHARE

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

	31 Mar 2018		31 Mar 2017 Restated	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations Restated (Note 3)
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	10,719,417	9,286,704	12,386,664	(4,006,672)
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	2,024,183	-	1,968,533	-
Net profit taken into consideration to calculate diluted earnings per share	12,743,600	9,286,704	14,355,197	(4,006,672)
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,893,848,246	1,893,848,246	1,886,718,512	1,886,718,512
Effect of dilutive potential ordinary shares from convertible bonds	127,113,527	127,113,527	127,113,527	127,113,527
Outstanding shares related with share based payments	16,792,983	16,792,983	16,353,744	16,353,744
Shares related to performance bonus that can be bought at market price	(6,595,397)	(6,595,397)	(8,198,289)	(8,198,289)
Weighted average number of shares used to calculate diluted earnings per share	2,031,159,359	2,031,159,359	2,021,987,494	2,021,987,494
Earnings per share				
Basic	0.005660	0.004904	0.006565	(0.002124)
Diluted	0.005277	0.004572	0.006126	(0.001982)

30 PRESENTATION OF CONSOLIDATED INCOME STATEMENTS

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

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including Goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decreases in Goodwill, (iii) negative Goodwill (net of taxes) related to acquisitions in the financial year, (iv) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (v) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (vi) other irrelevant issues.

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

The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 31 March 2018 and 2017 can be summarized as follows:

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	31 Mar 2018			31 Mar 2017 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	1,342,468,424	-	1,342,468,424	1,234,479,701	-	1,234,479,701
Investment income						
Impairment losses	15,900	-	15,900	-	-	-
Others	8	-	8	-	-	-
Other income						
Others	1,669,280	-	1,669,280	-	-	-
Impairment losses reversal	319,739	-	319,739	974,384	-	974,384
Others	22,676,006	-	22,676,006	21,590,866	-	21,590,866
Total income	1,367,149,357	-	1,367,149,357	1,257,044,951	-	1,257,044,951
Total expenses	(1,309,574,710)	(1,023,944)	(1,308,550,766)	(1,204,994,409)	(194,030)	(1,204,800,379)
Depreciation and amortisation	(49,478,110)	-	(49,478,110)	(45,692,782)	-	(45,692,782)
Non-recurring impairment losses over inventories	(336,674)	-	(336,674)	(446,632)	-	(446,632)
Provisions and impairment	-	-	-	-	-	-
Provisions for warranty extensions	(1,372,153)	-	(1,372,153)	-	-	-
Others	(366,488)	-	(366,488)	(467,669)	-	(467,669)
Profit before financial results and share of results in associated companies	6,021,222	(1,023,944)	7,045,166	5,443,459	(194,030)	5,637,489
Non-recurring Profit/(Loss)	(1,962,710)	-	(1,962,710)	(1,310,526)	-	(1,310,526)
Financial profit/(loss)	(7,928,917)	-	(7,928,917)	(7,311,915)	-	(7,311,915)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	7,674,411	(806,053)	8,480,464	7,950,612	413,329	7,537,283
Armar Venture Funds	(583,972)	(583,972)	-	(171,842)	(171,842)	-
ZOPT	8,324,500	-	8,324,500	7,133,578	-	7,133,578
Others	(1,882,080)	-	(1,882,080)	(818,980)	-	(818,980)
Profit before income tax	9,662,454	(2,413,969)	12,076,423	10,914,386	47,457	10,866,929
Income tax	2,179,178	-	2,179,178	1,468,307	-	1,468,307
Profit/(Loss) from continuing operations	11,841,632	(2,413,969)	14,255,601	12,382,693	47,457	12,335,236
Profit/(Loss) from discontinued operations	9,365,284	9,365,284	-	(3,752,135)	(3,752,135)	-
Net profit for the period	21,206,916	6,951,315	14,255,601	8,630,558	(3,704,678)	12,335,236
Attributable to equity holders of Sonae	20,006,121	6,951,315	13,054,806	8,379,992	(3,955,244)	12,335,236
Non-controlling interests	1,200,796	-	1,200,796	250,566	250,566	-
"Underlying" EBITDA (b)			56,906,699			51,270,188
Direct EBITDA (a)			69,866,873			63,811,543
Direct EBIT (c)			20,005,340			18,178,844

- (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, ZOPT and other participated) + provisions for extensions of guarantee + unusual results;
- (b) "Underlying" EBITDA = EBITDA – effect of share result in joint ventures and associated undertakings – non recurrent results;
- (c) EBIT = EBT - financial results - dividends;
- (d) EBT = Direct results before non-controlling interests and taxes;
- (e) Direct income = Results excluding contributions to indirect results;
- (f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses

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for noncurrent assets (including Goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued/ repositioned);(iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

31 APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 16 May 2018.

32 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 31 March 2018 and 31 December 2017 are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2018		31 Dec 2017	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Sonae MC					
BB Food Service, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, SA	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Brio – Produtos de Agricultura Biológica, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a) Lisbon (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%
Go Well – Promoção de Eventos, Caterings e Consultoria, SA	a) Lisbon (Portugal)	51.00%	51.00%	51.00%	51.00%
MCCARE – Serviços de Saúde, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Make Notes Design, Lda	a) Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a) Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a) Matosinhos (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%

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	SK – Skin Health Cosmetics, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten						
	HighDome PCC Limited (Cell Europe)	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Infofield – Informática, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Worten Canarias, 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%
1)	Wrt Business – Distribuição de eletrodomésticos, eletrónica e informática, S.A.,	a)	Matosinhos (Portugal)	100.00%	100.00%	-	-
	Sports and Fashion						
	Bright Brands SportsGoods, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Comercial Losan Polonia SP Z.O.O	a)	Warsaw (Poland)	100.00%	100.00%	100.00%	100.00%
	Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
	Fashion Division, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fashion Division Canarias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
	Irmãos Vila Nova, SA	b)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	Irmãos Vila Nova III - Imobiliária, SA	b)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	IVN – Serviços Partilhados, SA	b)	Vila Nova de Famalicão (Portugal)	50.00%	50.00%	50.00%	50.00%
	IVN Asia Limited	b)	Hong Kong (China)	100.00%	50.00%	100.00%	50.00%
	Losan Colombia, S.A.S	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	100.00%
	Losan Overseas Textile, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
	Losan Rusia	a)	Moscow (Russia)	100.00%	100.00%	100.00%	100.00%
	Losan Tekstil Urunleri V e Dis Ticaret, L.S.	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Modalfa - Comércio e Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
1)	Modalfa Canarias, SL	a)	Tenerife (Spain)	60.00%	30.00%	-	-
	Modalloop - Vestuário e Calçado, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Salsa Canarias, SL	b)	Tenerife (Spain)	60.00%	30.00%	60.00%	30.00%
	Salsa DE GmbH	b)	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Salsa Distribution USA LLC	b)	New York (USA)	100.00%	50.00%	100.00%	50.00%
	Salsa France, S.A.R.L.	b)	Paris (France)	99.99%	50.00%	99.99%	50.00%
	Salsa Luxembourg, Sàrl	b)	Luxembourg	100.00%	50.00%	100.00%	50.00%
2)	SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

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	SLS Salsa – Comércio e Difusão de Vestuário, S.A.	b)	Vila Nova de Famalicão (Portugal)	100.00%	50.00%	100.00%	50.00%
	SLS Salsa España – Comercio y Difusión de Vestuario, S.A.U.	b)	Pontevedra (Spain)	100.00%	50.00%	100.00%	50.00%
2)	Sport Zone Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
2)	Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses (Portugal)	92.76%	92.76%	92.76%	92.76%
	Usebti Textile México S.A. de C.V.	a)	Mexico City (Mexico)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio e Distribuição, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae RP							
	Arat Inmuebles, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Asprela Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Azulino Imobiliária, 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%
	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%
	Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva (Portugal)	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fozimo - Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fundo de Investimento Imobiliário Fechado Imosedo	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia (Portugal)	98.00%	98.00%	98.00%	98.00%
	Igimo – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Iginha – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imoestrutura – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imomuro – Sociedade Imobiliária, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imoresultado – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Imosistema – Sociedade Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%

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Modelo Hiper Imobiliária, SA	a)	Maia (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%
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%
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%
Sonaerp - Retail Properties, SA	a)	Porto (Portugal)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Valor N, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Maxmat						
Modelo - Distribuição de Materiais de Construção, SA	b)	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
Sonae IM						
Bright Development Studio, SA	a)	Lisbon (Portugal)	100.00%	89.97%	100.00%	89.97%
Bright Ventures Capital SCR	a)	Lisbon (Portugal)	100.00%	89.97%	100.00%	89.97%
Bright Vector I – Fundo Capital de Risco	a)	Lisbon (Portugal)	50.13%	45.10%	50.13%	45.10%
Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	89.97%
Digitmarket - Sistemas de Informação, SA	a)	Maia (Portugal)	75.10%	67.56%	75.10%	67.56%
Inovretail, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	89.96%	99.99%	89.96%
S21 Sec Gestion, SA	a)	Navarra (Spain)	100.00%	89.97%	100.00%	89.97%
S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain))	100.00%	89.97%	100.00%	89.97%
S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
S21SEC Portugal – Cybersecurity and Intelligence Services, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	100.00%	78.27%	100.00%	78.27%
Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	100.00%	78.27%	100.00%	78.27%
Saphety Level - Trusted Services, SA	a)	Maia (Portugal)	86.99%	78.27%	86.99%	78.27%
Sonaecom-Cyber Security and Int., SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	89.97%

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Sonaecom, SGPS, SA	a)	Maia (Portugal)	90.15%	89.97%	90.15%	89.97%
Sonae Investment Management - Software and Technology, SGPS, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	89.87%
We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	89.88%
We Do Consulting - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	89.97%
We Do Technologies Mexico S. de RL	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	89.97%
We Do Tecologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
Sonae FS						
SFS – Serviços de Gestão e Marketing, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Financial Services, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Others						
Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Espanha)	100.00%	100.00%	100.00%	100.00%
PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Público - Comunicação Social, SA	a)	Porto (Portugal)	100.00%	89.97%	100.00%	89.97%
SCBRASIL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae 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 Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
Sonaecenter Serviços, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae MC – Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%

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Sonae SR Malta Holding Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	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%
Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Tlantic, BV	a)	Amsterdam (Netherlands)	70.71%	70.71%	70.71%	70.71%
Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	70.71%	100.00%	70.71%
Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	70.71%	100.00%	70.71%

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

- a) Controlo Control held by majority of voting rights which gives power of relevant activities;
- b) Control held by majority of Board members;
- 1) Company created in the period;
- 2) In 2017, an agreement was signed for the combination of Sport Zone with JD Sprinter Holdings that completion in January 2018 and this subsidiary was consolidated by the equity method, given the loss of control (Notes 3.2 and 4)

These entities are consolidated using the full consolidation method.

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

Joint ventures and associates, their head offices and percentage of share capital held by Sonae as at 31 March 2018 and 31 December 2017 are as follows:

33.1 Joint Ventures

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2018		31 Dec 2017	
		Direct*	Total*	Direct*	Total*
Sonae MC					
Sohi Meat Solutions- Distribuição de Carnes, SA	Santarém (Portugal)	50.00%	50.00%	50.00%	50.00%

SONAE 1Q18 RESULTS

Sonae Sierra

3shoppings - Holding, SGPS, SA	Maia (Portugal)	20.00%	10.00%	20.00%	10.00%
8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Aegean Park Constructions Real Estate and Development, SA	Atenas (Grécia)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
ALBRP Albufeira Retail Park, Lda	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
Albufeira RP (Luxembourg) 1, Sarl	Luxembourg	100.00%	5.00%	100.00%	5.00%
Albufeira RP (Luxembourg) 2, Sarl	Luxembourg	100.00%	5.00%	100.00%	5.00%
ALEXA Asset GmbH & Co, KG	Dusseldorf (Germany)	9.00%	4.50%	9.00%	4.50%
ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
Area Sur Shopping, S.L	Madrid (Spain)	15.00%	7.50%	15.00%	7.50%
ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Arrábidasshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Axnae Spain Holdings, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Candotal Spain S,L,U,	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%
Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	28.62%	100.00%	28.62%
CCCB Caldas da Rainha - Centro Comercial, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	50.00%	12.53%
Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	25.05%	100.00%	25.05%
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%
Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	5.00%	100.00%	5.00%
Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	50.00%	10.34%	50.00%	10.34%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	15.78%	87.61%	15.78%

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Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	10.00%	100.00%	10.00%
Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Haciarriba – Projetos, negócios e Promoções, SA	Maia (Portugal)	100.00%	1.88%	100.00%	1.88%
Iberian Assets, SA	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	10.00%	5.00%	10.00%	5.00%
Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Imoconti – Sociedade Imobiliária, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	50.00%	100.00%	50.00%
Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%
Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	25.00%	100.00%	25.00%
LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	10.00%	5.00%	10.00%	5.00%
Loop5 Shopping Centre GmbH & Co KG	Dusseldorf (Germany)	9.00%	4.50%	9.00%	4.50%
Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	5.63%	50.00%	5.63%
Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	5.00%	100.00%	5.00%
Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	12.53%	50.00%	12.53%
Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	10.00%	100.00%	10.00%
Microcom Doi, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	12.53%	100.00%	12.53%
Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	1.88%	100.00%	1.88%
Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	1.88%	100.00%	1.88%
Olimpo Real Estate Socimi, SA	Madrid (Espanha)	3.75%	1.88%	3.75%	1.88%
Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%

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Park Avenue Development of Shopping Centers, SA	Athens (Greece)	50.00%	25.00%	50.00%	25.00%
Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	12.53%	50.00%	12.53%
Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	16.66%	100.00%	16.66%
Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Parque de Ócio, SA	Madrid (Espanha)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Shopping, BV	Amsterdão (Holanda)	100.00%	25.05%	100.00%	25.05%
Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
Plenerg Srl	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	11.25%	100.00%	11.25%
Portitail – Investimentos Imobiliários, S.A	Maia (Portugal)	100.00%	1.88%	100.00%	1.88%
Project Guia, SA	Maia (Portugal)	100.00%	5.00%	100.00%	5.00%
Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	5.00%	100.00%	5.00%
Project Sierra Cúcuta, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Project Sierra Four, SA	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%

SONAE 1Q18 RESULTS

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%
Proyecto Cúcuta S.A.S	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	5.63%	50.00%	5.63%
River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Serra Shopping – Centro Comercial, SA	Lisbon (Portugal)	50.00%	5.63%	50.00%	5.63%
Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
Sierra Asia Limited	Hong Kong	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 (Colômbia)	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%

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

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Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
Zenata Commercial Project, SA	Mohammedia (Morocco)	11.00%	5.5%	11.00%	5.5%
ZOPT (NOS)					
Big Picture 2 Films, SA	Oeiras (Portugal)	20.00%	4.69%	20.00%	4.69%
Big Picture Films, SL	Madrid (Spain)	100.00%	4.69%	100.00%	4.69%
Canal 20 TV, SA	Madrid (Spain)	50.00%	11.73%	50.00%	11.73%
Dreamia Holding BV	Amsterdam (Netherlands)	50.00%	11.73%	50.00%	11.73%
Dreamia Serviços de Televisão, SA	Lisbon (Portugal)	100.00%	11.73%	100.00%	11.73%
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
FINSTAR – Sociedade de Investimentos e Participações, SA	Luanda (Angola)	30.00%	7.04%	30.00%	7.04%
Lusomundo – Sociedade de investimentos imobiliários, SGPS, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Imobiliária 2, SA	Lisbon (Portugal)	99.87%	23.43%	99.87%	23.43%
Lusomundo Moçambique, Lda	Maputo (Mozambique)	100.00%	23.46%	100.00%	23.46%
MSTAR, SA	Maputo (Mozambique)	30.00%	7.04%	30.00%	7.04%
NOS Açores Comunicações, SA	Ponta Delgada (Portugal)	83.82%	19.66%	83.82%	19.66%
NOS Communications Sàrl	Luxembourg	100.00%	23.46%	100.00%	23.46%
NOS Comunicações, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Inovação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Internacional SGPS, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo Audiovisuais, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo Cinemas, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Lusomundo TV, Lda	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Madeira Comunicações, SA	Funchal (Portugal)	77.95%	18.29%	77.95%	18.29%
NOS SGPS, SA	Lisbon (Portugal)	52.15%	23.46%	52.15%	23.46%
NOS Sistemas España, SL	Madrid (Spain)	100.00%	23.46%	100.00%	23.46%
NOS Sistemas, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Technology – Concepção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%

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Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
Sport TV Portugal, SA	Lisbon (Portugal)	25.00%	5.86%	25.00%	5.86%
Teliz Holding, BV	Amstelveen (Netherlands)	100.00%	23.46%	100.00%	23.46%
Upstar Comunicações, SA	Vendas Novas (Portugal)	30.00%	7.04%	30.00%	7.04%
ZAP Cinemas, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZAP Media, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZAP Publishing, SA	Luanda (Angola)	100.00%	7.04%	100.00%	7.04%
ZOPT, SGPS, SA	Porto (Portugal)	50.00%	44.99%	50.00%	44.99%
Sonae IM					
Intelligent Big Data, SL	Gipuzcoa (Spain)	50.00%	44.99%	50.00%	44.99%
Sonae FS					
Accive Insurance – Corretor de Seguros, SA	Porto (Portugal)	70.00%	35.00%	70.00%	35.00%
Brokerslink Management AG	Zug (Switzerland)	20.00%	10.00%	20.00%	10.00%
BUZZEE Insure, Lda	Porto (Portugal)	100.00%	50.00%	100.00%	50.00%
Filhet Allard EspañaCorreduria de Seguros S.L.	Madrid (Spain)	35.00%	17.50%	35.00%	17.50%
Flexben, Lda	Porto (Portugal)	45.00%	22.50%	45.00%	22.50%
Herco Consultoria de Risco e Corretora de Seguros, Ltda	Santa Catarina (Brazil)	100.00%	50.00%	100.00%	50.00%
Herco, Consultoria de Risco, SA	Maia (Portugal)	100.00%	50.00%	100.00%	50.00%
HighDome PCC Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.00%
Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda	Porto (Portugal)	60.00%	30.00%	60.00%	30.00%
Larim Corretora de Resseguros Ltda	Rio de Janeiro (Brazil)	99.99%	50.00%	99.99%	50.00%
Lazam/mds Correctora Ltda	São Paulo (Brazil)	100.00%	50.00%	100.00%	50.00%
MDS África, SGPS, SA	Porto (Portugal)	50.00%	25.00%	50.00%	25.00%
MDS - Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.00%	100.00%	50.00%
MDS Auto - Mediação de Seguros, SA	Porto (Portugal)	50.00%	25.00%	50.00%	25.00%
MDS Malta Holding Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.00%
MDS Partners Corretor de Seguros, SA	Porto (Portugal)	100.00%	50.00%	100.00%	50.00%
MDS RE – Mediador de resseguros, SGPS, SA	Porto (Portugal)	100.00%	25.00%	100.00%	25.00%
MDS, SGPS, SA	Maia (Portugal)	50.00%	50.00%	50.00%	50.00%
2) Moneris Correctores de Seguros Limitada	Maputo (Mozambique)	50.00%	50.00%	-	-
Moneris Seguros - Mediação de Seguros, Lda	Oeiras (Portugal)	60.00%	30.00%	60.00%	30.00%

SONAE 1Q18 RESULTS

Others

Unipress - Centro Gráfico, Lda	Vila Nova de Gaia (Portugal)	50.00%	44.99%	50.00%	44.99%
SIRS – Sociedade Independente de Radiodifusão Sonora, SA	Porto (Portugal)	50.00%	44.99%	50.00%	44.99%

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

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

33.2 Associated companies

COMPANY	Head Office	Percentage of capital held			
		31 Mar 2018		31 Dec 2017	
		Direct*	Total*	Direct*	Total*
Sonae MC					
Sempre a Postos – Produtos Alimentares e Utilidades, Lda	Lisbon (Portugal)	25.00%	25.00%	25.00%	25.00%
Sonae S2 Africa Limited	La Valletta (Malta)	30.00%	30.00%	30.00%	30.00%
S2 Mozambique, SA	Maputo (Mozambique)	30.00%	30.00%	30.00%	30.00%
Ulabox, S.L.	Barcelona (Spain)	41.89%	41.89%	41.89%	41.89%
Sonae IM					
Armilar Venture Partners - Sociedade de Capital de Risco, SA	Lisbon (Portugal)	35.00%	31.49%	35.00%	31.49%
Fundo de Capital de Risco Armilar Venture Partners II	Lisbon (Portugal)	50.74%	45.65%	50.74%	45.65%
Fundo de Capital de Risco Armilar Venture Partners III	Lisbon (Portugal)	42.64%	38.36%	42.64%	38.36%
Fundo de Capital de Risco Espirito Santo Ventures Inovação e Internacionalização	Lisbon (Portugal)	37.54%	33.77%	37.54%	33.77%
MOVVO, SA	Porto (Portugal)	25.58%	25.58%	25.58%	25.58%
Probe.ly	Lisbon (Portugal)	22.88%	20.58%	22.88%	20.58%
Secucloud Network GmbH	Hamburgo (Germany)	27.45%	24.70%	27.45%	24.70%
1) ISRG - Iberian Sports Retail Group, SL	Alicante (Spain)	33.33%	33.33%	-	-
Others					
APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22.75%	22.75%	22.75%	22.75%

SONAE 1Q18 RESULTS

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

- 1) In 2017, an agreement was signed for the combination of Sport Zone with JD Sprinter Holdings that completion in January 2018 and this subsidiary was consolidated by the equity method, given the loss of control (Notes 3.2 and 4).

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

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Andrew Eustace Clavering Campbell

Christine Cross

Tsega Gebreyes

Marcelo Faria de Lima

Dag Johan Skattum

Margaret Lorraine Trainer

Condensed separate financial statements

SONAE 1Q18 RESULTS

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018 AND 2017 AND AT 31 DECEMBER 2017

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

(Amounts expressed in euro)	Notes	31 Mar 2018	31 Mar 2017	31 Dec 2017
ASSETS				
NON-CURRENT ASSETS:				
Tangible assets		61,802	84,627	68,906
Intangible assets		13	40	20
Investments in subsidiaries, associates and joint ventures	4	3,824,883,407	3,806,520,407	3,824,883,407
Other investments	5	49,880	49,880	49,880
Deferred taxes		17,248,078	9,663,951	7,755,724
Other non-current assets	6	110,649,867	173,092,867	110,649,867
Total non-current assets		3,952,893,047	3,989,411,772	3,943,407,804
CURRENT ASSETS:				
Trade account receivables and other current assets	7	72,840,121	119,241,206	44,824,180
Cash and cash equivalents	8	142,001	76,623	170,739
Total current assets		72,982,122	119,317,829	44,994,919
TOTAL ASSETS		4,025,875,169	4,108,729,601	3,988,402,723
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Reserves and retained earnings		1,400,267,671	1,390,996,986	1,391,353,911
Profit / (Loss) for the period		37,140,932	46,992,821	93,223,270
TOTAL EQUITY		3,437,408,603	3,437,989,807	3,484,577,181
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	304,854,850	353,153,054	374,741,901
Total non-current liabilities		304,854,850	353,153,054	374,741,901
CURRENT LIABILITIES:				
Loans	10	108,049,000	107,846,000	36,390,000
Trade creditors and other current liabilities	11	175,562,716	209,740,740	92,693,641
Total current liabilities		283,611,716	317,586,740	129,083,641
TOTAL EQUITY AND LIABILITIES		4,025,875,169	4,108,729,601	3,988,402,723

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

CONDENSED SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	Notes	31 Mar 2018	31 Mar 2017
Services rendered		130,767	119,915
Gains or losses on investments	14	24,906,822	48,570,828
Financial income		480,429	806,118
Other income		426,343	472,335
External supplies and services		(946,917)	(881,669)
Staff costs		(415,829)	(548,443)
Depreciation and amortisation		(7,225)	(7,921)
Financial expense		(1,552,689)	(1,711,674)
Other expenses		(223,855)	(112,523)
Profit/(Loss) before taxation		22,797,846	46,706,966
Taxation		14,343,086	285,855
Profit/(Loss) after taxation		37,140,932	46,992,821
Profit/(Loss) per share			
Basic	15	0.018570	0.023496
Diluted	15	0.018566	0.023494

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

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	31 Mar 2018	31 Mar 2017
Net Profit / (Loss) for the period	37,140,932	46,992,821
Other comprehensive income for the period	-	-
Total comprehensive income for the period	37,140,932	46,992,821

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

SONAE 1Q18 RESULTS

CONDENSED SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	Share capital	Treasury shares	Legal reserve	Other reserves			Retained earnings	Net profit/(loss)	Total
				Share based payments reserve	Free reserves	Total other reserves			
Balance as at 1 January 2017	2,000,000,000	-	244,211,592	1,078,568	1,063,555,682	1,064,634,250	146,534,851	15,940,218	3,471,320,911
Total comprehensive income for the period	-	-	-	-	-	-	-	46,992,821	46,992,821
Appropriation of profit of 2016:									
Transfer to legal reserve	-	-	3,065,011	-	-	-	-	(3,065,011)	-
Dividends distributed	-	-	-	-	-	-	-	(58,235,207)	(58,235,207)
Free reserves distributed	-	-	-	-	(21,764,793)	(21,764,793)	-	-	(21,764,793)
Transfer to retained earnings of the change of accounting policy effect	-	-	-	-	-	-	(45,360,000)	45,360,000	-
Obligation fulfilled by a third party	-	(466,211)	-	-	-	-	-	-	(466,211)
Shares sold under the terms of annual performance bonus plan and medium term incentive plans	-	466,211	-	(541,400)	98,500	(442,900)	-	-	23,311
Share-based payments	-	-	-	118,975	-	118,975	-	-	118,975
Balance as at 31 March 2017	2,000,000,000	-	247,276,603	656,143	1,041,889,389	1,042,545,532	101,174,851	46,992,821	3,437,989,807
Balance as at 1 January 2018	2,000,000,000	-	247,276,603	1,013,068	1,041,889,389	1,042,902,457	101,174,851	93,223,270	3,484,577,181
Total comprehensive income for the period	-	-	-	-	-	-	-	37,140,932	37,140,932
Appropriation of profit of 2017:									
Transfer to legal reserve	-	-	4,661,164	-	-	-	-	(4,661,164)	-
Transfer to free reserves	-	-	-	-	4,562,106	4,562,106	-	(4,562,106)	-
Dividends distributed	-	-	-	-	-	-	-	(84,000,000)	(84,000,000)
Share-based payment - reclassification from capital to liabilities	-	-	-	(578,200)	162,473	(415,727)	-	-	(415,727)
Share-based payments	-	-	-	106,217	-	106,217	-	-	106,217
Balance as at 31 March 2018	2,000,000,000	-	251,937,767	541,085	1,046,613,968	1,047,155,053	101,174,851	37,140,932	3,437,408,603

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



CONDENSED SEPARATE CASH FLOW STATEMENTS FOR THE PERIODS ENDED 31 MARCH 2018 AND 2017

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

(Amounts expressed in euro)	Notes	31 Mar 2018	31 Mar 2017
OPERATING ACTIVITIES			
Net cash flow from operating activities (1)		(20,487)	202,264
INVESTMENT ACTIVITIES			
Cash receipts arising from:			
Interest and similar income		2,757,580	188,830
Loans granted		353,157,000	556,494,000
		355,914,580	556,682,830
Cash payments arising from:			
Tangible and intangible assets		(111)	(29,973)
Loans granted		(353,157,000)	(556,494,000)
		(353,157,111)	(556,523,973)
Net cash used in investment activities (2)		2,757,469	158,857
FINANCING ACTIVITIES			
Cash receipts arising from:			
Loans obtained		579,676,000	963,234,000
		579,676,000	963,234,000
Cash payments arising from:			
Loans obtained		(581,415,000)	(963,146,000)
Interest and similar charges		(1,026,720)	(1,323,384)
		(582,441,720)	(964,469,384)
Net cash used in financing activities (3)		(2,765,720)	(1,235,384)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(28,738)	(874,263)
Cash and cash equivalents at the beginning of the period		170,739	950,886
Cash and cash equivalents at the end of the period	8	142,001	76,623

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

SONAE, SGPS, SA

NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

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

In case of discrepancies the Portuguese version prevails)

(Amounts expressed in euro)

1 INTRODUCTION

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

2 BASIS OF PREPARATION

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

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2017, except for the adoption of the new standards effective at 1 January 2018. There were no significant impacts of IFRS 9 and IFRS 15 application.

4 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As at 31 March 2018 and 31 December 2017 the company held investments in the following companies:

Companies	31 Mar 2018					
	% Held	Opening balance	Increase	Decrease	Impairment loss recognized during the period	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Fundo de Investimento Imobiliário Fechado Imosede	19.60%	30,000,544	-	-	-	30,000,544
Sonae Investimentos, SGPS, SA	25.03%	532,246,696	-	-	-	532,246,696
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	1,481,059	-	-	-	1,481,059
Sonae Sierra SGPS, SA	50.00%	490,113,339	-	-	-	490,113,339
Sonaecom, SGPS, SA	26.02%	111,098,824	-	-	-	111,098,824
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,537,221,545	-	-	-	1,537,221,545
Sontel, BV	35.87%	286,755,099	-	-	-	286,755,099
Total		3,824,883,407	-	-	-	3,824,883,407

Companies	31 Dec 2017					
	% Held	Opening balance	Increase	Decrease	Impairment loss recognized during the period	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Fundo de Investimento Imobiliário Fechado Imosede	19.60%	30,000,544	-	-	-	30,000,544
Sonae Investimentos, SGPS, SA	25.03%	532,246,696	-	-	-	532,246,696
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	1,232,059	-	-	249,000	1,481,059
Sonae Sierra SGPS, SA	50.00%	490,113,339	-	-	-	490,113,339
Sonaecom, SGPS, SA	26.02%	111,098,824	-	-	-	111,098,824
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter, Serviços, SA	100.00%	1,530,231,545	-	-	6,990,000	1,537,221,545
Sontel, BV	35.87%	275,631,099	-	-	11,124,000	286,755,099
Total		3,806,520,407	-	-	18,363,000	3,824,883,407

5 OTHER INVESTMENTS

As at 31 March 2018 and 31 December 2017 other investments are as follows:

Companies	31 Mar 2018			
	Opening balance	Increase	Decrease	Closing balance
Associação Escola Gestão Porto	49,880	-	-	49,880
Total	49,880	-	-	49,880

Companies	31 Dec 2017			
	Opening balance	Increase	Decrease	Closing balance
Associação Escola Gestão Porto	49,880	-	-	49,880
Total	49,880	-	-	49,880

6 OTHER NON-CURRENT ASSETS

As at 31 March 2018 and 31 December 2017 other non-current assets are as follows:

	31 Mar 2018	31 Dec 2017
Loans granted to group companies:		
Sonae Investments, BV	110,649,867	110,649,867
Total	110,649,867	110,649,867

As at 31 March 2018 the loans granted to group companies, bear interest at market rates indexed to Euribor, have a long-term maturity and its fair value is similar to its carrying amount.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2018 and 31 December 2017 trade accounts receivable and other current assets are detailed as follows:

	31 Mar 2018	31 Dec 2017
Trade accounts receivable	-	531,855
Group companies:		
Dividends	24,906,822	-
Interests	-	2,630,955
Taxes - Special regime for taxation of groups of companies	32,332,753	25,532,297
Taxes and contributions receivable	13,924,147	13,704,653
Accrued income and prepayments	1,549,033	2,245,319
Others	127,366	179,101
Total	72,840,121	44,824,180

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

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

8 CASH AND CASH EQUIVALENTS

As at 31 March 2018 and 31 December 2017 cash and cash equivalents are detailed as follows:

	31 Mar 2018	31 Dec 2017
Cash at hand	1,103	953
Bank deposits	140,898	169,786
Cash and cash equivalents on the statement of financial position	142,001	170,739
Cash and cash equivalents on the cash flow statement	142,001	170,739

9 SHARE CAPITAL

As at 31 March 2018 and 31 December 2017 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

As at 31 March 2018 and 31 December 2017, loans are made up as follows:

	31 Mar 2018	31 Dec 2017
Bonds Sonae, SGPS 2015/2022	100,000,000	100,000,000
Bonds Sonae, SGPS 2016/2023	60,000,000	60,000,000
Up-front fees not yet charged to income statement	(1,141,999)	(1,241,289)
Bonds	158,858,001	158,758,711
Sonae SGPS - Commercial paper	96,250,000	166,250,000
Sonae SGPS - bank loans	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(253,151)	(266,810)
Bank loans	145,996,849	215,983,190
Non-current loans	304,854,850	374,741,901
Sonae SGPS - Commercial paper	108,049,000	36,390,000
Bank loans	108,049,000	36,390,000
Current loans	108,049,000	36,390,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 173 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	115,000,000	156,250,000
Available credit facilities amounts	112,451,000	60,000,000

The interest rate as at 31 March 2018 of bonds and bank loans was, in average 0.84% (1.01% as at 31 December 2017).

Maturity of Borrowings

As at 31 March 2018 and 31 December 2017 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	31 Mar 2018	31 Dec 2017
N+1	108,049,000	36,390,000
N+2	2,500,000	4,000,000
N+3	73,750,000	76,750,000
N+4	40,000,000	83,000,000
N+5	170,000,000	113,000,000
after N+5	20,000,000	99,500,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 31 March 2018 and 31 December 2017, trade creditors and other current liabilities are detailed as follows:

	31 Mar 2018	31 Dec 2017
Trade creditors	279,307	286,234
Group companies:		
Loans	74,096,244	77,494,244
Taxes - Special regime for taxation of groups of companies	3,920,660	3,690,603
Taxes and contributions payable	11,055,369	8,919,178
Accrued expenses	1,861,045	2,204,063
Others	84,350,091	99,319
Total	175,562,716	92,693,641

12 CONTINGENT LIABILITIES

As at 31 March 2018 and 31 December 2017, contingent liabilities are detailed as follows:

	31 Mar 2018	31 Dec 2017
Guarantees given:		
on tax claims	146,570,558	146,570,558
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries a)	374,487,291	375,078,359

(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	31 Mar 2018	31 Dec 2017
Subsidiaries	33,144,555	29,929,831
Jointly controlled companies	24,928,977	218,605
Other related parties	25,000	98,000
Accounts receivable	58,098,532	30,246,436
Parent company	44,206,678	512,593
Subsidiaries	4,477,731	4,241,261
Other related parties	7,639	6,941
Accounts payable	48,692,048	4,760,795
Subsidiaries	110,649,867	110,649,867
Loans granted	110,649,867	110,649,867
Subsidiaries	74,096,244	77,494,244
Loans obtained	74,096,244	77,494,244

SONAE 1Q18 RESULTS

Transactions	31 Mar 2018	31 Mar 2017
Subsidiaries	454,875	40,000
Jointly controlled companies	55,767	438,643
Other related parties	25,000	79,915
Services rendered and other income	535,642	558,558
Parent company	142,533	166,848
Subsidiaries	335,737	361,033
Other related parties	9,225	12,309
Purchases and services obtained	487,495	540,190
Subsidiaries	449,410	806,118
Interest income	449,410	806,118
Subsidiaries	216,982	212,161
Interest expenses	216,982	212,161
Subsidiaries	33,612	11,179,728
Jointly controlled companies	24,873,210	37,391,100
Dividend income (Note 14)	24,906,822	48,570,828

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

14 INVESTMENTS INCOME

As at 31 March 2018 and 2017, investment income can be detailed as follows:

	31 Mar 2018	31 Mar 2017
Dividends	24,906,822	48,570,828
Total	24,906,822	48,570,828

Dividends were distributed from Sonaegest, SA (33,612 euro) and Sonae Sierra, SGPS, SA (24,873,210 euro).

15 EARNINGS PER SHARE

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

	31 Mar 2018	31 Mar 2017
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	37,140,932	46,992,821
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	37,140,932	46,992,821
Number of shares		
Weighted average number of shares used to calculate basic earnings	2,000,000,000	2,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,195,751	1,149,412
Number of shares that could be acquired at average market price	(708,264)	(961,384)
Weighted average number of shares used to calculate diluted earnings per share	2,000,487,486	2,000,188,028
Profit/(Loss) per share		
Basic	0.018570	0.023496
Diluted	0.018566	0.023494

16 SUBSEQUENT EVENTS

At the General Meeting of Shareholders held on 3 May 2018, a resolution was taken to distribute dividends to shareholders in the amount of 84,000,000 euro (paying a gross dividend per share of 0.042 euro) less the total amount of dividends to be distributed to shares that may eventually be acquired by the Company or by any of its subsidiaries up to the distribution date. The amount to be paid is already considered in these financial statements.

17 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 16 May 2018.

18 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 31 March 2018 short-term loan contracts were entered into with the following companies:

Público – Comunicação Social, SA

Público, Comunicação e Jornalismo, SA

Sonae Investimentos, SGPS, SA

Sonaecom – Serviços Partilhados, SA

SONAE 1Q18 RESULTS

Sonaecom, SGPS, SA

As at 31 March 2018, amounts owed by subsidiaries can be summarized as follows:

	Closing balance
Sonae Investments, BV	110,649,867
Total	110,649,867

As at 31 March 2018 amounts owed to subsidiaries can be summarized as follows:

	Closing balance
Sonaecenter, Serviços, SA	56,217,000
Sonae RE, SA	894,000
Sontel, BV	16,985,244
Total	74,096,244

Approved at the meeting of the Board of Directors held on May 16th, 2018

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Andrew Eustace Clavering Campbell

Christine Cross

Tsega Gebreyes

Marcelo Faria de Lima

Dag Johan Skattum

Margaret Lorraine Trainer

SAFE HARBOUR

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

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

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

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

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

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