

SONAE 9 MONTHS RESULTS 2018



IMPROVING LIFE

1 HIGHLIGHTS AND CEO'S MESSAGE

- Sonae turnover continued to post a solid YTD growth, reaching €4,236 M, with a 7.0% growth when compared to 9M17
- Sonae underlying EBITDA stood at €233 M, +3.5% when compared to 9M17
- Sonae net income reached €200 M, +50% above last year, driven by a strong contribution from indirect income
- Net debt and leverage ratios continued to decrease on a like-for-like basis

“In the first nine months of 2018, Sonae continued to deliver a solid set of results across its portfolio of businesses. Consolidated turnover growth stood at 7% year-on-year, with positive contributions from all business units, and underlying EBITDA increased 3.5% to 233 million euros. Net income grew 50% to 200 million euros driven by a strong increase in indirect income.

In the third quarter, Sonae MC continues to be worth highlighting, both due to the strong turnover growth and to profitability stabilizing at benchmark levels. During this period, the reorganization of participations and restructuring of the new perimeter of this business unit was completed, achieving the objectives of autonomy and agility, and allowing it to operate with a governance model fully aligned with the best practices of listed companies. Unfortunately, Sonae chose in October to withdraw its intention to float Sonae MC, due to particularly adverse market conditions.

Equally relevant and also in this quarter, Sonae completed the 20% stake acquisition of Sonae Sierra, an important milestone to increase the international profile of the group by reinforcing its participation and influence over this leading player in the retail real estate sector. Notwithstanding this acquisition and the consolidation of Sonae Sierra's balance sheet, Sonae continued to strengthen its capital structure and reduce its gearing levels.”

Ângelo Paupério, Sonae Co-CEO

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE

Sonae aggregated businesses overview						
Million euros	9M17	9M18	y.o.y.	3Q17	3Q18	y.o.y.
Turnover						
Sonae Retail ⁽¹⁾	4,078	4,446	9.0%	1,506	1,677	11.4%
Sonae Sierra ⁽²⁾	161	159	-1.4%	54	53	-2.1%
NOS ⁽²⁾	1,160	1,167	0.7%	392	395	0.7%
Sonae IM	95	112	18.1%	25	36	43.9%
Sonae FS ⁽³⁾	56	64	14.9%	18	21	14.7%
Underlying EBITDA						
Sonae Retail ⁽¹⁾	237	243	2.8%	109	111	2.3%
Sonae Sierra ⁽²⁾	77	78	2.2%	26	26	-0.4%
NOS ⁽²⁾	449	462	2.9%	151	156	3.5%
Sonae IM	3	4	75.9%	0	1	-
Sonae FS ⁽³⁾	6	10	56.8%	2	3	51.9%

(1) Sonae Retail includes Sport Zone figures in 9M17 and in 9M18 Iberian Sports Retail Group following its creation in January 31st 2018;
(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 underlying EBITDA of MDS.

Sonae consolidated results						
Million euros	9M17 ⁽¹⁾	9M18 ⁽¹⁾	y.o.y.	3Q17 ⁽¹⁾	3Q18 ⁽¹⁾	y.o.y.
Turnover	3,960	4,236	7.0%	1,447	1,558	7.7%
Underlying EBITDA	225	233	3.5%	102	102	-0.2%
Underlying EBITDA margin	5.7%	5.5%	-0.2 p.p.	7.1%	6.6%	-0.5 p.p.
Equity method results ⁽²⁾	36	47	29.6%	16	18	14.8%
o.w. S. Sierra (direct results)	23	25	9.6%	8	8	10.1%
o.w. NOS	24	29	24.3%	7	10	40.4%
Non-recurrent items	4	-10	-	9	-4	-
EBITDA	265	270	1.7%	127	116	-8.6%
EBITDA margin	6.7%	6.4%	-0.3 p.p.	8.8%	7.4%	-1.3 p.p.
D&A ⁽³⁾	-143	-156	-9.0%	-50	-54	-9.6%
EBIT	122	114	-6.8%	77	62	-20.3%
Net financial results	-27	-26	5.3%	-10	-10	1.9%
EBT	95	88	-7.3%	67	52	-23.1%
Taxes	6	6	-12.1%	-8	5	-
Direct results ⁽⁴⁾	102	94	-7.6%	59	57	-3.4%
Indirect results	37	114	-	4	46	-
Net income	139	208	49.9%	64	104	63.0%
Non-controlling interests	-6	-8	-	-3	-1	-
Net income group share	133	200	50.1%	60	102	69.4%

(1) Due to the creation of Iberian Sports Retail Group in January 31st 2018, Sport Zone was registered as discontinued operation. In the 2Q18 ISRG started to be consolidated through the Equity Method. 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/2opt);
(3) Depreciations & amortisations including provisions & impairments;
(4) Direct results before non-controlling interests.

In the first nine months of the year, Sonae businesses continued to deliver a positive performance both in terms of aggregate turnover and underlying EBITDA (Sonae Sierra's slight decrease in top line is related with the Brazilian real depreciation vs Euro in the period).

From a statutory point of view, Sonae consolidated turnover increased 7.0% versus last year to €4,236 M fuelled by another good quarter (+7.7% of turnover growth) from all consolidating businesses.

Sonae EBITDA amounted to €270 M in 9M18, +1.7% y.o.y., benefiting from a 3.5% increase of the underlying EBITDA coupled with an even better evolution in equity method results, which grew 29.6% y.o.y. to €47 M.

A note to the fact that this will be the last quarter consolidating Sonae Sierra through the equity method, as from 4Q18 onwards Sonae Sierra figures will be fully consolidated into Sonae's accounts.

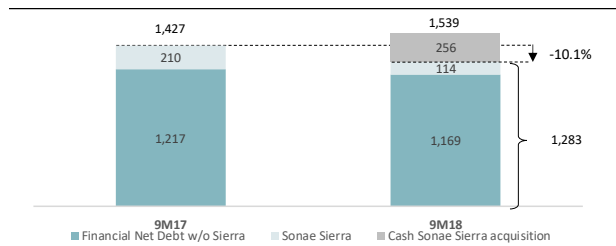
Net income group share jumped to €200 M in 9M18, strongly impacted by the indirect results of €114 M, which were mainly related with a €46 M capital gain arising from the 20% Sonae Sierra share acquisition, in the 3Q18.

2 SONAE PERFORMANCE AND CAPITAL STRUCTURE (continued)

Sonae net invested capital			
Million euros	9M17	9M18	y.o.y.
Net invested capital	3,321	4,708	41.8%
Shareholders funds	2,104	3,169	50.6%
Financial net debt	1,217	1,693	39.2%
Net debt ⁽¹⁾	1,217	1,539	26.5%
Net debt / Invested capital	36.7%	32.7%	-4.0 p.p.

(1) Financial net debt + net shareholder loans.

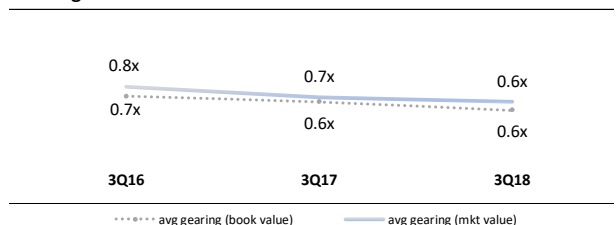
Sonae pro-forma net debt (€M)



Net debt stood at €1,539 M at the end of the 9M18 in comparison with last year's figures is influenced by the 20% stake acquisition in Sonae Sierra, both due to the €256 M cash-out and to the consolidation of the company's net debt.

Looking at pro-forma figures, i.e. including the full consolidation of Sonae Sierra's net debt at the end of 9M17, Sonae net debt would have decreased €144 M (or 10.1%) y.o.y., to €1,283 M.

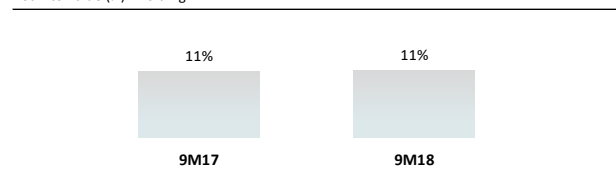
Gearing



Sonae's average gearing at both book and market value stood at 0.6x, a slight decrease when compared to 3Q17, and the group's capital structure was further reinforced and is now composed of 67% equity (already with Sonae Sierra's balance sheet fully consolidated), a 4.0 p.p. increase vs last year.

Capital Structure

Loan-to-value (%) - Holding



The holding loan-to-value ratio stood at 11%, broadly stable vs last year, already taking into account the 20% stake acquisition of Sonae Sierra.

Moreover, Sonae was able to maintain a low average cost of debt outstanding (1.0% in the 9M18) with an average maturity profile of 3 years.

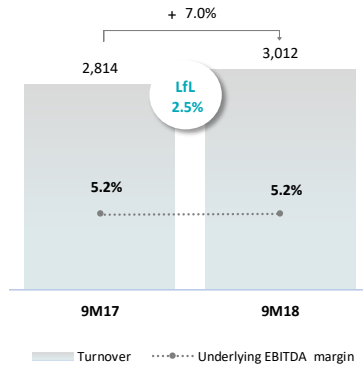
Sonae Capex			
Million euros	9M17	9M18	% of Turnover
Capex	202	480	11.3%
Sonae Retail	177	197	4.7%
Sonae MC	109	117	3.9%
Worten	26	24	3.2%
Sonae Sports & Fashion	14	18	6.7%
Sonae RP	28	36	51.5%
Maxmat	1	2	3.1%
Sonae IM	9	20	17.7%
Sonae FS	1	1	3.2%
Acquisition of 20% Sonae Sierra	-	256	-

At the end of 9M18, total Capex amounted to €480 M, of which 53% relates to the acquisition of the 20% stake in Sonae Sierra and 41% to the investment in Sonae's retail businesses, mainly related with store openings and refurbishment.

3 SONAE RETAIL RESULTS

SONAE MC

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



Sonae MC continues to deliver a solid performance with turnover growing 7.0% y.o.y. to €3,012 M. This evolution benefited from a LfL sales growth of 2.5% in the 9M18 and from the continued store opening plan, in particular with 8 new Continente Bom Dia stores and 1 new Continente Modelo store.

In 3Q18, turnover increased 6.7% y.o.y. to € 1,106 M and LfL sales growth was 2.3%.

Over the last quarters, the solid top line performance shows the consistency of Sonae MC’s continuous efforts to improve the fresh offer and the price perception as well as the development of own brand products. Furthermore, and yet again, Sonae MC was able to increase market share and thus reinforce its leadership in such a challenging market.

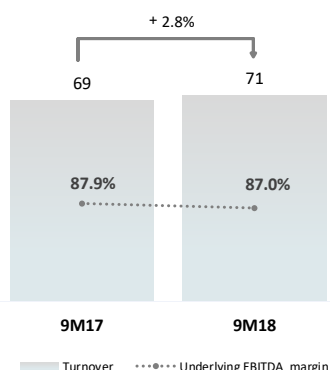
At the underlying EBITDA level, and despite the continuous store network expansion efforts through proximity formats, the margin remained stable y.o.y. at 5.2%.

Last but not least, the 3Q18 was also an important quarter for Sonae MC’s Health & Wellness segment, with the announcement of the agreement for the acquisition of a 60% stake in Arenal, a parapharmacy and perfumery retail company with a network of 41 stores across the North of Spain. With this agreement, Sonae MC will be able to further expand its position in one of its key strategic pillars, the high-growth H&W segment in a territory immediately adjacent to Portugal.

3 SONAE RETAIL RESULTS (continued)

SONAE RP

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

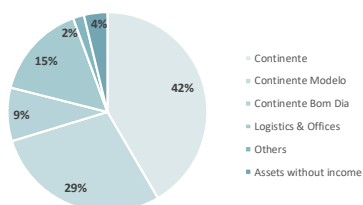


At the end of September, Sonae RP’s portfolio represented a **gross book value** of €1,303 M and a **net book value** of €932 M.

During the first nine months of the year Sonae RP did not complete any sale and leaseback transaction, however it continues to look for further opportunities. At the end of 9M18, Sonae MC’s freehold stood at 46%.

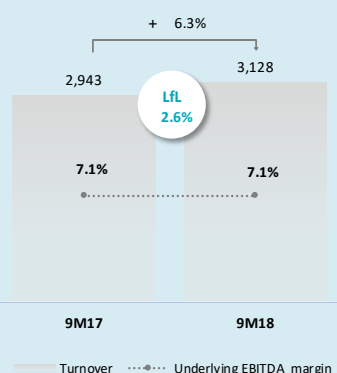
In 9M18, **Sonae RP’s turnover** increased 2.8% y.o.y. to €71 M, fuelled by the store network expansion and the **underlying EBITDA** stood at €61 M in 9M18, corresponding to an underlying EBITDA margin of 87.0%.

RP Portfolio – % of Gross Book Value



SONAE MC – NEW PERIMETER

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



The new perimeter of Sonae MC, recently announced to the market, is mostly comprised of the historical Sonae MC segment, Maxmat and Sonae RP’s operational assets. This new company, which will become a segment of Sonae consolidated accounts from 2019 onwards, also showed a solid performance in 3Q18.

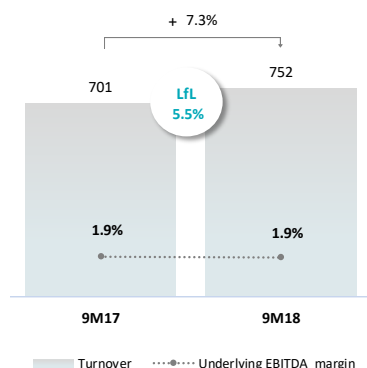
Turnover increased 6.3% YTD to **€3,128 M**, fuelled by a **LfL sales growth of 2.6%**.

Underlying EBITDAR reached €297 M, implying a +€18 M y.o.y. growth in the 9M18 and a stable margin of 9.5%. The **underlying EBITDA margin, also stabilised y.o.y. at 7.1%**.

3 SONAE RETAIL RESULTS (continued)

WORTEN

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



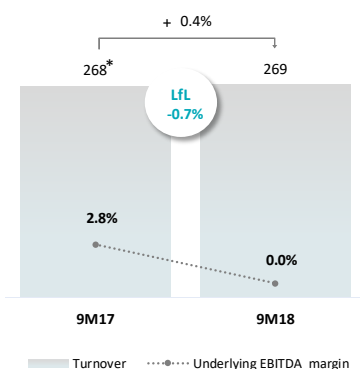
3Q18 Worten turnover reached €278 M, consolidating the upward trend reported in previous quarters (+7.8% growth in comparison with 3Q17). As a result, in the 9M18, **Worten reached a total turnover of €752 M**, 7.3% above last year, and continues to reinforce **its market leadership in the Portuguese market**. This solid evolution continues to be mostly supported by strong **Lfl sales growth of 5.5% in 9M18 and 4.2% in the 3Q18, and also by ecommerce double-digit growth** both in Portugal and Spain. On the digital front, Worten took an important step with the launch of a marketplace offering in Portugal.

Regarding profitability, Worten's **underlying EBITDA** in the 3Q18 improved €0.6 M and 0.1 p.p. (to 3.0%), leading to €14.3 M in the 9M18 and a stable margin of 1.9%.

SONAE SPORTS & FASHION

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

(Fashion)



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

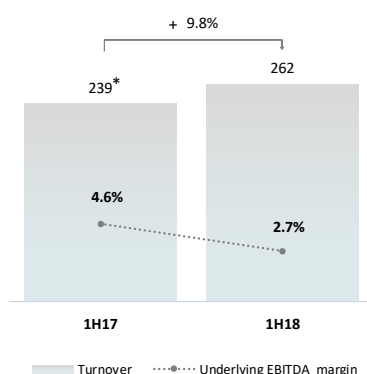
SONAE FASHION

Like in the 1H of this year, **fashion players continued to face challenging market context**. Fashion retail sales index delivered negative figures this quarter, both in Portugal and Spain, driven by atypical weather conditions. Margins were further pressured by rising stock levels and consequent increased promotional activity.

For Sonae S&F, the beginning of the fall/winter collection was severely impacted by the high temperatures in September, which eroded the impacts of two positive months (July and August) and led the 3Q to close with negative Lfl sales growth of -0.9% (-0.7% in the 9M18). Still, **9M18 turnover grew 0.4% y.o.y. to €269 M**, with the underlying EBITDA margin decreasing to 0.0%.

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

(ISRG)



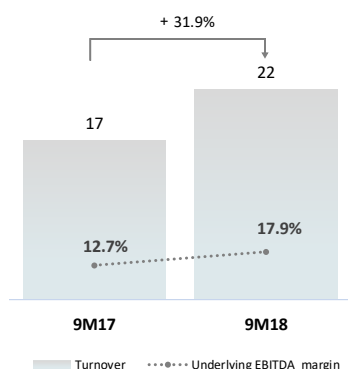
*Pro-forma figures.

IBERIAN SPORTS RETAIL GROUP

Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures refer to 1st Feb – 4th August. In these first 6 months, **turnover reached €262 M, an increase of 9.8% y.o.y.**, mostly driven by Sprinter and JD sales performance. The group's **EBITDA** stood at €7.0 M, decreasing y.o.y. mainly impacted by Sport Zone stores' conversion to the Sprinter model in Spain, which implied these stores to be closed for some weeks. **Equity method results included in Sonae 9M18 accounts stood at -€1.1M**, a strong improvement when compared to last year.

4 SONAE FS RESULTS

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



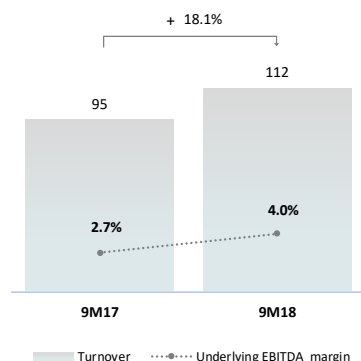
Sonae FS activity continues to show a good performance with **both production and turnover increasing** 23.4% and 31.9% y.o.y. to €707 M and €22 M, respectively, which coupled with an almost double **underlying EBITDA** when compared to last year, totalling €4 M, led to a margin of 17.9%, +5.2 p.p. y.o.y. in the 9M18.

This performance continues to be fuelled by the **Universo Card operation**, which during the 3Q gained an additional c.30k subscribers, reaching 696k at the end of September and having already surpassed 700k in October. At the same time, market share in the payments market also continued at high levels, **reaching 12.4% in September**.

5 SONAE IM RESULTS

Portfolio	
Controlling stakes	Minority stakes
WeDo Technologies	AVP Funds
S21Sec/ Nextel	Stylesage
Saphety	Probe.ly
Bizdirect	Ometria
InovRetail	Arctic Wolf
Bright Pixel	Secucloud
	Continuum Security
	Nextail
	Case on it
	Jscramber
	Reblaze
	ciValue

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



During the 9M18, Sonae IM continued to implement its active portfolio management strategy, with the clear objective of building and managing a portfolio of tech-based companies linked to retail, telecommunications and cybersecurity.

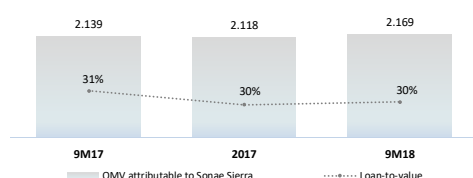
In the 3Q18, other than the reinforcement in some portfolio companies and some early stage investments, added two minority investments in the share capital of **Reblaze** and **ciValue**, both based in Israel. **Reblaze** is a cybersecurity company that provides proprietary security technologies in a unified platform, shielding assets from threats found on the Internet. **ciValue** is a retail tech company that provides cloud-based precision marketing and supplier advertising platforms for retailers.

In operational terms, Sonae IM's turnover amounted to €112 M in 9M18, growing 18.1% y.o.y., fuelled by all of the portfolio companies, mainly the integration of Nextel and Bizdirect's performance. The **underlying EBITDA** improved by €1.9 M y.o.y. to €4.5 M in the 9M18 and a margin of 4.0%, driven by improved efficiency across all companies and a positive impact from the increased sales of software licenses.

6 SONAE SIERRA RESULTS

Operational Indicators			
	9M17	9M18	y.o.y.
Footfall (million visitors)	318	329	3.2%
Europe & New Markets	249	261	4.9%
Brazil	70	68	-2.6%
Occupancy rate (%)	95.6%	96.3%	0.7 p.p.
Europe	97.2%	97.1%	-0.1 p.p.
Brazil	90.3%	93.6%	3.4 p.p.
Like-for-Like (Lfl) tenant sales	4.9%	1.6%	-
Europe	3.8%	1.4%	-
Brazil (local currency)	7.7%	2.4%	-
Tenant sales (million euros)	3,446	3,327	-3.5%
Europe (million euros)	2,475	2,508	1.3%
Brazil (million euros)	971	819	-15.7%
Brazil (million reais)	3,419	3,503	2.4%
Nº of shopping centres owned and/or managed (EOP)	65	65	0
Europe	55	55	0
Brazil	10	10	0
Nº of shopping centres owned/co-owned (EOP)	47	45	-2
Europe	38	36	-2
Brazil	9	9	0
GLA under Management ('000 sqm)	2,374	2,460	3.6%
Europe & New Markets	1,893	1,985	4.9%
Brazil	481	475	-1.4%

Financial Indicators (proportional basis)						
Million euros	9M17	9M18	y.o.y.	3Q17	3Q18	y.o.y.
Turnover	161	159	-1.4%	54	53	-2.1%
EBIT	76	78	2.3%	26	26	-0.4%
EBIT margin	47.0%	48.7%	1.8 p.p.	47.6%	48.4%	0.8 p.p.
Direct results	45	50	9.7%	15	17	10.3%
Indirect results	33	28	-13.5%	-1	2	-
Net results	78	78	0.0%	14	19	38.3%
... attributable to Sonae	39	39	0.0%	7	9	38.3%

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

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

On September 12th, the agreement with Grosvenor for the **acquisition of an additional 20%** stake of Sonae Sierra was concluded for a total consideration of €255.9 M. Following this transaction, Sonae fully consolidates Sonae Sierra's balance sheet in the 3Q18 and its P&L from 4Q18 onwards.

Sonae Sierra's NAV stood at €1,423 M at the end of September, representing a marginal decrease of 0.7% compared to the 2017 year end position (excluding the BRL currency effect, NAV would have increased by 2.2%).

As for **development projects**, Sonae Sierra continues to progress the execution of its pipeline, namely the McArthurGlen Designer Outlet in Málaga (Spain), Jardín Plaza in Cucuta (Colombia) as well as the expansion of NorteShopping and Colombo (Portugal).

Sonae Sierra's services area recorded a positive performance in the 9M18, growing **EBIT by 19%** (on a proportional basis) and continuing to grow its contract portfolio across the development services, investment management and property management areas. The Investment Management area, specifically, the ORES Socimi, has continued to record a good investment pace, having now 30 assets in its portfolio with an open market value of €328 M.

In **operational terms**, Sonae Sierra's portfolio continued to register high **occupancy rates**, both in the European portfolio, where occupancy rate remained stable in relation to last year at 97.1% and in the Brazilian portfolio, where the rate increased by 3.4 p.p. to 93.6%. Moreover, **Lfl tenant sales** grew 1.4% in Europe and 2.4% in Brazil (in local currency).

All in all, Sonae Sierra's 9M18 **Direct results** (on a proportional basis) amounted to €50 M, an improvement of 9.7% y.o.y. benefiting from a better operational performance of the services division coupled with improved financial results, while **Indirect results** totalled €28 M reflecting the positive impact of the operational performance of Sierra's portfolio and an overall marginal portfolio yield compression.

7 NOS RESULTS

Financial Indicators						
Million euros	9M17	9M18	y.o.y.	3Q17	3Q18	y.o.y.
Operating revenues	1,160	1,167	0.7%	392	395	0.7%
EBITDA	449	462	2.9%	151	156	3.5%
EBITDA margin	38.7%	39.6%	0.9 p.p	38.5%	39.5%	1.1 p.p
Net results	105	123	17.0%	33	44	34.1%
Capex	263	280	6.5%	91	101	10.7%
Free Cash Flow	33	23	-30.7%	34	88	-

Operational Indicators			
('000)	3Q17	3Q18	y.o.y.
Total RGUs (Net adds)	112	70	-
Convergent RGUs (Net adds)	46	56	-
Mobile (Net adds)	95	42	-
Pay TV (Net adds)	2	5	-
Total RGUs	9,366	9,570	2.2%
Convergent RGUs	3,631	3,843	5.8%
Convergent customers	719	760	5.8%
ARPU/Unique subscriber with fixed access (euros)	45	44	-

NOS published its results on November 8th 2018, which are available at its website www.nos.pt.

Regarding operational indicators, **total RGUs** increased 2.2% when compared with 9M17, to 9,570 thousand in 9M18, while **convergent RGUs** stood at 3,843 thousand, +5.8% y.o.y..

Operating revenues amounted to €1,167 M in the 9M18 an increase of 0.7% versus last year.

Regarding profitability, **EBITDA** improved by 2.9% y.o.y. to €462 M in 9M18, and EBITDA margin increased by 90 bps, to 39.6% in 9M18. **Net results** jumped 17.0% y.o.y. reaching €123 M in 9M18.

NOS capex amounted to €280 M in the 9M18, + 6.5% y.o.y. and Free Cash Flow decreased to €23 M impacted by the dividend payment in the 2Q18. In the 3Q18, FCF recorded a significant increase from €34 M in 3Q17 to €88 M.

Finally, the ratio **financial net debt/EBITDA** stood at **1.8x** in 9M18, representing a solid and conservative capital structure.

8 CORPORATE INFORMATION

Main corporate events in the 3Q18

July 14th 2018

Sonae announced that it has entered into an agreement with Grosvenor Group for the acquisition of a 20% stake of Sonae Sierra, SGPS, SA.

July 17th 2018

Following the decisions taken by Engs. Paulo Azevedo and Ângelo Paupério to, after the end of the current mandate, hand over the executive role exercised up until this date at the Board of Directors of Sonae, the Board has announced to EFANOR, that, under its competency to identify potential candidates with an executive role profile, it has resolved to appoint Dr.ª Cláudia Azevedo, as the next CEO to be appointed after the end of the present mandate. EFANOR has asked Sonae to inform the market that it has accepted the recommendation of the Board of Directors of Sonae.

Announcements made on this date by Sonae can be found here: <https://www.sonae.pt/en/investors/releases-to-the-market/>

September 3rd 2018

Sonae released presentation of the Food Retail business.

September 12th 2018

Sonae informed that, following the anti-trust approval from the competent competition authorities, the transaction for the acquisition of a 20% stake of Sonae Sierra, SGPS, SA for a total consideration of €255.9 M was concluded.

September 19th 2018

Sonae announced its intention to float Sonae MC in Euronext Lisbon.

September 28th 2018

Sonae announced that, its subsidiary Modelo Continente Hipermercados S.A. sucursal en España, has entered into an agreement with Corpin Capital to acquire its 60% stake in Tomenider SL, owner of 100% of Arenal Perfumerias SLU, for a total estimated consideration of around €45 M. Arenal is a parapharmacy and perfumery retail company with a network of 41 stores in Spain.

Subsequent events

October 4th 2018

Sonae announced the launch of Sonae MC IPO on Euronext Lisbon with a price range of EUR 1.40 to EUR 1.65 per share (prospectus also published in CMVM).

October 11th 2018

Sonae informed that, due to adverse conditions in international markets, the institutional offering did not take place, which hence determined that the initial public offering of Sonae MC Shares was not executed.

October 23rd 2018

Sonae announced to the market Invesco Ltd. qualified shareholding amounting to 2.06% of Sonae's share capital.

9 ADDITIONAL INFORMATION

Methodological notes

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

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions.
Direct results	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + 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.

SONAE 9M18 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;
- (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. In the 2Q18, ISRG started to be consolidated through the Equity Method;
- (iv) In the 3Q18, following the acquisition of further 20% in Sonae Sierra, Sonae Sierra statutory balance sheet started to be fully consolidated.

SONAE 9M18 RESULTS

Sonae statement of financial position			
Million euros	9M17	9M18	y.o.y.
TOTAL ASSETS	5,523	7,644	38.4%
Non current assets	4,119	5,891	43.0%
Tangible and intangible assets	1,980	2,009	1.5%
Goodwill	633	737	16.4%
Investment properties	-	806	-
Other investments	1,413	2,151	52.3%
Deferred tax assets	72	83	16.2%
Others	22	105	-
Current assets	1,404	1,753	24.9%
Stocks	688	645	-6.2%
Trade debtors	128	146	14.4%
Liquidity	308	568	84.2%
Others	280	394	40.8%
SHAREHOLDERS' FUNDS	2,104	3,169	50.6%
Equity holders	1,940	2,060	6.2%
Attributable to minority interests	164	1,108	-
LIABILITIES	3,420	4,476	30.9%
Non-current liabilities	1,401	1,870	33.4%
Bank loans	601	1,025	70.6%
Other loans	646	517	-20.0%
Deferred tax liabilities	114	284	150.4%
Provisions	20	20	2.8%
Others	21	24	11.8%
Current liabilities	2,019	2,606	29.1%
Bank loans	226	517	128.7%
Other loans	64	216	-
Trade creditors	1,161	1,213	4.5%
Others	568	660	16.2%
SHAREHOLDERS' FUNDS + LIABILITIES	5,523	7,644	38.4%

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

Media and Investor Contacts

Patrícia Vieira Pinto
Head of Investor Relations
pavpinto@sonae.pt
Tel.: + 351 22 010 4794

Catarina Oliveira Fernandes
Head of Communications, Brand and Corporate Responsibility
catarina.fernandes@sonae.pt
Tel.: + 351 22 010 4775

Maria João Oliveira
External Communication
mjfoliveira@sonae.pt
Tel.: + 351 22 010 4745

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**

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