

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 a 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.

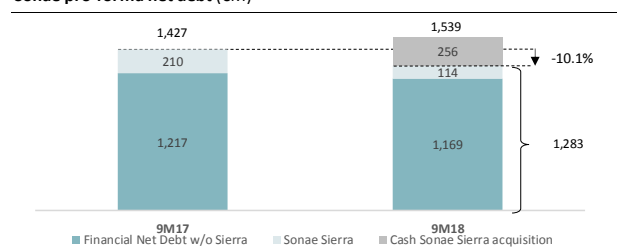
Net income group share jumped to €200 M in 9M18, strongly impacted by the indirect results of €114 M, which were mainly related with a €46 M capital gain arising from the 20% Sonae Sierra share acquisition, in the 3Q18.

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.

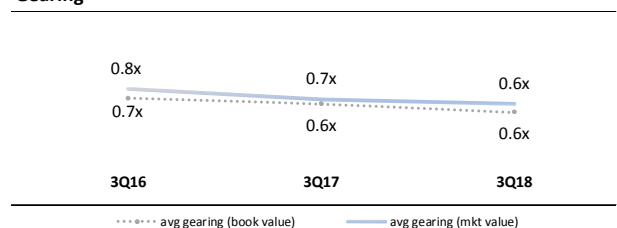
Sonae pro-forma net debt (€M)



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.

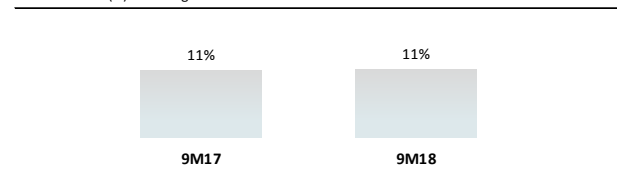
Gearing



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.

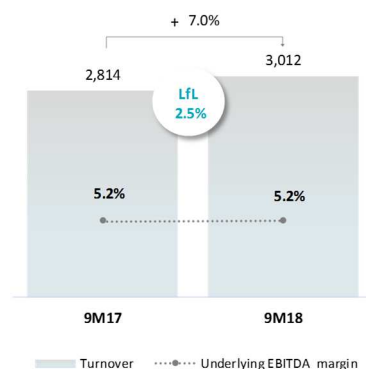
Sonae Capex			
Million euros	9M17	9M18	% of Turnover
Capex	202	480	11.3%
Sonae Retail	177	197	4.7%
Sonae MC	109	117	3.9%
Worten	26	24	3.2%
Sonae Sports & Fashion	14	18	6.7%
Sonae RP	28	36	51.5%
Maxmat	1	2	3.1%
Sonae IM	9	20	17.7%
Sonae FS	1	1	3.2%
Acquisition of 20% Sonae Sierra	-	256	-

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.

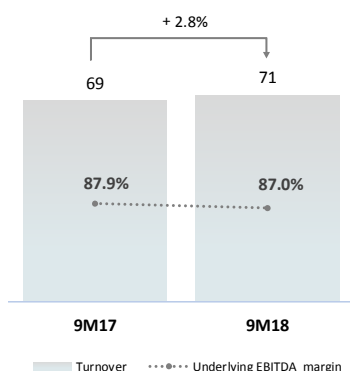
At the underlying EBITDA level, and despite the continuous store network expansion efforts through proximity formats, the margin remained stable y.o.y. at 5.2%.

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; %)

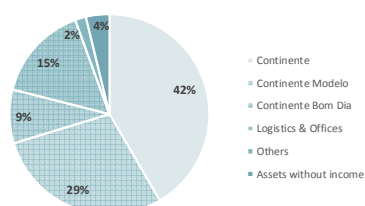


At the end of September, Sonae RP's portfolio represented a **gross book value** of €1,303 M and a **net book value** of €932 M.

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%.

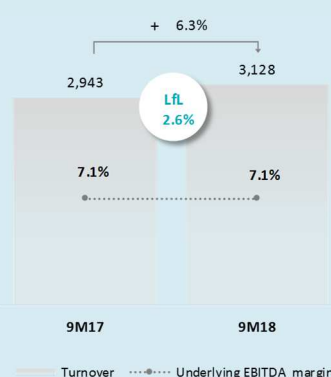
In 9M18, **Sonae RP's turnover** increased 2.8% y.o.y. to €71 M, fuelled by the store network expansion and the **underlying EBITDA** stood at €61 M in 9M18, corresponding to an underlying EBITDA margin of 87.0%.

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.

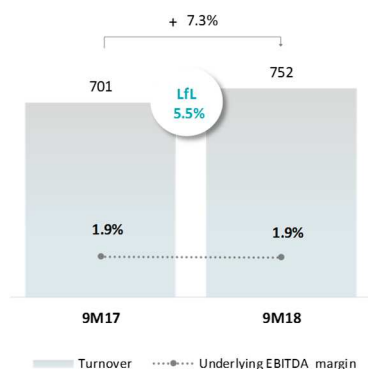
Turnover increased 6.3% YTD to **€3,128 M**, fuelled by a **LfL sales growth of 2.6%**.

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; %)



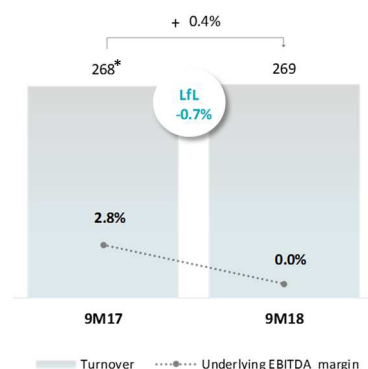
3Q18 Worten turnover reached €278 M, consolidating the upward trend reported in previous quarters (+7.8% growth in comparison with 3Q17). As a result, in the 9M18, **Worten reached a total turnover of €752 M**, 7.3% above last year, and continues to reinforce its market leadership in the Portuguese market. 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; %)

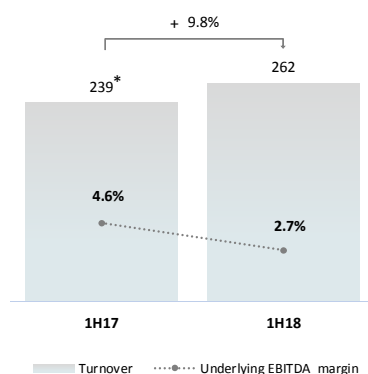
(Fashion)



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

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

(ISRG)



*Pro-forma figures.

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.

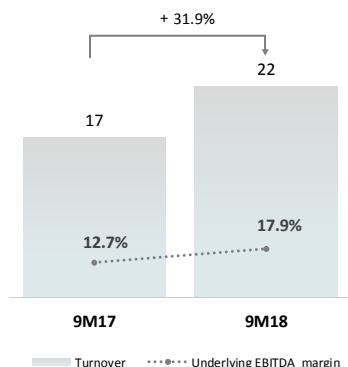
For Sonae S&F, the beginning of the fall/winter collection was severely impacted by the high temperatures in September, which eroded the impacts of two positive months (July and August) and led the 3Q to close with negative LfL sales growth of -0.9% (-0.7% in the 9M18). Still, **9M18 turnover grew 0.4%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

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; %)



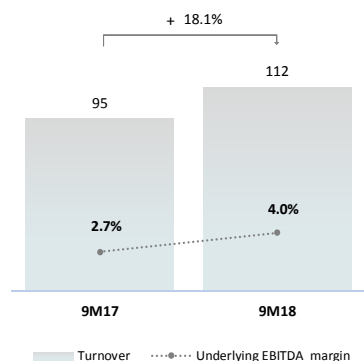
Sonae FS activity continues to show a good performance with **both production and turnover increasing** 23.4% and 31.9% y.o.y. to €707 M and €22 M, respectively, which coupled with an almost double **underlying EBITDA** when compared to last year, totalling €4 M, led to a margin of 17.9%, +5.2 p.p. y.o.y.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

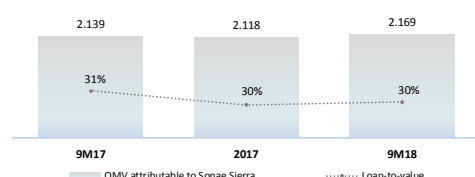
In the 3Q18, other than the reinforcement in some portfolio companies and some early stage investments, added two minority investments in the share capital of **Reblaze** and **ciValue**, both based in Israel. **Reblaze** is a cybersecurity company that provides proprietary security technologies in a 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), Jardim 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 Corfin 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%

Condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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	30 Sep 2018	30 Sep 2017	31 Dec 2017
NON-CURRENT ASSETS:				
Property, plant and equipment	6	1,646,101,648	1,613,693,116	1,650,873,072
Intangible assets	7	362,448,070	365,919,450	367,924,247
Investment properties	8	763,668,025	-	-
Investment properties under development	8	42,456,551	-	-
Goodwill	9	736,574,374	632,868,800	634,363,213
Investments in joint ventures and associates	10	2,119,318,605	1,398,995,219	1,414,450,837
Other investments	11	32,159,773	13,915,081	19,423,775
Deferred tax assets	14	83,458,250	71,814,571	71,883,593
Other non-current assets	12	104,531,694	21,946,333	23,611,943
Total Non-Current Assets		5,890,716,990	4,119,152,570	4,182,530,680
CURRENT ASSETS:				
Inventories		645,272,276	688,234,217	713,253,625
Trade receivables and other receivables	13	540,357,929	407,689,195	343,316,395
Investments	11	1,565,417	533,056	179,881
Cash and bank balances	15	566,259,040	307,801,528	364,589,115
Total Current Assets		1,753,454,662	1,404,257,996	1,421,339,016
Assets classified as held for sale		-	-	782,540
TOTAL ASSETS		7,644,171,652	5,523,410,566	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	(104,204,112)	(108,604,165)	(108,567,192)
Reserves and retained earnings		(35,404,422)	(84,712,386)	(89,958,584)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		200,006,143	133,213,873	165,753,915
Equity attributable to owners of the Company		2,060,397,609	1,939,897,322	1,967,228,139
Non-controlling interests	17	1,108,264,291	163,730,062	167,809,994
TOTAL EQUITY		3,168,661,900	2,103,627,384	2,135,038,133
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	18	1,541,395,062	1,246,678,556	1,220,234,342
Other non-current liabilities	20	23,664,533	21,160,284	13,449,318
Deferred tax liabilities	14	284,353,211	113,552,343	132,200,898
Provisions	22	20,158,222	19,600,000	18,955,625
Total Non-Current Liabilities		1,869,571,028	1,400,991,183	1,384,840,183
CURRENT LIABILITIES:				
Loans	18	732,920,954	289,646,463	269,078,453
Trade payables and other liabilities	21	1,868,583,745	1,725,306,689	1,810,085,084
Provisions	22	4,434,025	3,838,847	5,610,383
Total Current Liabilities		2,605,938,724	2,018,791,999	2,084,773,920
TOTAL LIABILITIES		4,475,509,752	3,419,783,182	3,469,614,103
TOTAL EQUITY AND LIABILITIES		7,644,171,652	5,523,410,566	5,604,652,236

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	3 rd Quarter 2018	3 rd Quarter 2017 Restated	30 Sep 2018	30 Sep 2017 Restated note 3
Sales		1,497,289,813	1,394,432,939	4,062,202,054	3,806,528,464
Services rendered		60,575,052	52,288,242	174,099,760	153,679,960
Gains and losses on investments	24	45,093,260	1,117,892	45,327,484	1,240,987
Financial income		1,696,475	770,629	6,413,565	4,644,303
Other income	25	25,854,068	41,449,002	70,676,080	84,899,232
Cost of goods sold and materials consumed		(1,078,537,677)	(1,002,989,335)	(2,897,419,568)	(2,725,540,098)
Changes in stocks of finished goods and work in progress		(1,309,529)	(1,511,277)	(27,357)	(147,480)
External supplies and services		(197,361,350)	(171,514,234)	(549,671,931)	(498,261,606)
Employee benefits expense		(190,144,599)	(176,381,858)	(581,110,494)	(537,331,711)
Depreciation and amortisation expenses	6 and 7	(51,700,780)	(46,524,213)	(151,803,546)	(138,116,959)
Provisions and impairment losses		(1,879,687)	(2,419,952)	(7,931,624)	(3,968,177)
Financial expenses		(11,582,134)	(10,847,660)	(32,090,265)	(31,753,345)
Other expenses		(19,477,518)	(25,376,890)	(57,068,387)	(56,440,495)
Share of profit or loss of joint ventures and associates	10.3	18,421,730	21,689,926	127,644,637	68,211,365
Profit/(Loss) before tax from continuing operations		96,937,124	74,183,211	209,240,408	127,644,440
Income tax expense	26	5,432,670	(10,108,695)	(11,097,308)	4,374,503
Profit/(Loss) after tax from continuing operations		102,369,794	64,074,517	198,143,100	132,018,944
Profit/(Loss) from discontinued operations after tax	3 and 4.1	1,191,804	(543,820)	9,890,552	6,756,333
Consolidated profit/(Loss) for the period		103,561,598	63,530,697	208,033,652	138,775,277
Attributable to owners of the Company:					
Continuing operations		100,741,375	60,315,009	189,952,168	126,958,274
Discontinued operations		1,433,807	6,278	10,053,975	6,255,599
		102,175,182	60,321,287	200,006,143	133,213,873
Attributable to non-controlling interests					
Continuing operations		1,628,419	3,759,508	8,190,932	5,060,670
Discontinued operations		(242,003)	(550,098)	(163,423)	500,734
	17	1,386,416	3,209,410	8,027,509	5,561,404
Profit/(Loss) per share					
From continuing operations					
Basic	28	0.053496	0.031952	0.100207	0.067058
Diluted	28	0.049942	0.029819	0.093543	0.062634
From discontinued operations					
Basic	28	0.000405	(0.000164)	0.005304	0.003304
Diluted	28	0.000378	(0.000156)	0.004951	0.003086

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

SONAE 9M18 RESULTS

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2018 AND 2017

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

(Amounts expressed in euro)	3rd Quarter 2018	3 rd Quarter 2017 Restated	30 Sep 2018	30 Sep 2017 Restated
Net Profit / (Loss) for the period	103,561,598	63,530,696	208,033,652	138,775,277
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation foreign operations	1,788,982	(150,350)	3,698,022	1,726,266
Share of other comprehensive income of joint ventures and associates (note 10.3)	(9,472,638)	(293,366)	(38,265,110)	(9,998,180)
Changes in cash flow hedging reserves	(844,873)	3,468,246	501,604	(2,368,476)
Income tax relating to items that may be reclassified subsequently to profit or loss	(1,385)	(618,403)	-	597,488
Others	85,902	(154,848)	(61,650)	(6,669)
	(8,444,012)	2,251,279	(34,127,134)	(10,049,571)
Items that were reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations related to discontinued operations	201,588	-	201,588	(4,214,202)
Other comprehensive income for the period	(8,242,424)	2,251,279	(33,925,546)	(14,263,773)
Total comprehensive income for the period	95,319,174	65,781,975	174,108,106	124,511,504
Attributable to:				
Owners of the Company	94,549,421	62,575,275	167,583,186	116,613,613
Non-controlling interests	769,753	3,206,700	6,524,920	7,897,891

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

SONAE 9M18 RESULTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 SEPTEMBER 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								Profit for the year	Total	Non controlling Interests (note 17)	Total Equity
	Share capital	Own shares	Legal reserve	Foreign currency translation reserve	Cash-flow hedging reserve	Option Premium Convertible Bonds Note 18	Other reserves and retained earnings	Total				
	Attributable to owners of the 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	-	-	-	-	-	-	-	-	-	-	(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	-	-	-	(565,686)	(1,888,692)	-	(14,145,882)	(16,600,260)	133,213,873	116,613,613	7,897,891	124,511,504
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	-	-	-	-	-	-	(75,796,304)	(75,796,304)	-	(75,796,304)	(3,693,914)	(79,490,218)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(100,718)	(100,718)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(69,363)	(69,363)	-	(69,363)	(4,017)	(73,380)
Cash Settled Equity Swap early partial termination (Note 16)	-	6,133,921	-	-	-	-	(618,289)	(618,289)	-	5,515,632	-	5,515,632
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	(32,564)	(32,564)	-	(32,564)	(110,865)	(143,429)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	3,198,590	3,198,590
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	(13,138,363)	(13,138,363)
Creation of affiliated companies	-	-	-	-	-	-	-	-	-	-	400,000	400,000
Balance as at 30 September 2017 Restated	2,000,000,000	(108,604,165)	247,276,603	3,280,203	59,713	22,313,000	(357,641,905)	(84,712,386)	133,213,873	1,939,897,322	163,730,062	2,103,627,384
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	-	-	-	3,540,259	390,036	-	(36,353,252)	(32,422,957)	200,006,143	167,583,186	6,524,920	174,108,106
Appropriation of consolidated net profit of 2017												
Transfer to legal reserves and retained earnings	-	-	4,661,164	-	-	-	161,092,751	165,753,915	(165,753,915)	-	-	-
Dividends distributed	-	-	-	-	-	-	(79,790,936)	(79,790,936)	-	(79,790,936)	(3,116,381)	(82,907,317)
Distribution of investment income fund	-	-	-	-	-	-	-	-	-	-	(195,169)	(195,169)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	(327,830)	(327,830)	-	(327,830)	(20,991)	(348,821)
Cash Settled Equity Swap early partial termination (Note 16)	-	4,363,080	-	-	-	-	262,240	262,240	-	4,625,320	-	4,625,320
Variation in percentage of subsidiaries	-	-	-	-	-	-	1,936,341	1,936,341	-	1,936,341	(383,192)	1,553,149
Share-based payment - reclassification from capital to liabilities	-	-	-	-	-	-	(578,200)	(578,200)	-	(578,200)	-	(578,200)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Capital increase	-	-	-	-	-	-	-	-	-	-	500,000	500,000
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	937,117,395	937,117,395
Impact of applying IFRS 15	-	-	-	-	-	-	(285,344)	(285,344)	-	(285,344)	(73,934)	(359,278)
Others	-	-	-	-	-	-	6,933	6,933	-	6,933	21,649	28,582
Balance as at 30 September 2018	2,000,000,000	(104,204,112)	251,937,767	7,543,691	564,455	22,313,000	(317,763,335)	(35,404,422)	200,006,143	2,060,397,609	1,108,264,291	3,168,661,900

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

SONAE 9M18 RESULTS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 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	3 rd Quarter 2018	3 rd Quarter 2017	30 Sep 2018	30 Sep 2017
OPERATING ACTIVITIES					
Net cash generated from operating activities (1)		217,963,883	229,021,197	179,829,724	180,749,887
INVESTMENT ACTIVITIES					
Receipts arising from:					
Investments	27	1,257,972	-	46,654,403	21,009,032
Property, plant and equipment and intangible assets		18,959	35,160,194	1,488,658	37,377,443
Interests and similar income		36,005	239,065	389,629	740,597
Loans granted		-	-	659	1,500
Dividends		27,373,210	7,500,000	45,271,985	54,033,243
Others		-	6,004,345	8,834,385	35,775,630
		(12,657,575)	48,903,604	102,639,719	148,937,445
Payments arising from:					
Investments	27	(143,831,788)	(2,013,026)	(181,474,330)	(4,207,851)
Property, plant and equipment and intangible assets		(68,202,405)	(65,261,115)	(222,656,982)	(204,046,203)
Loans granted		-	(502)	-	(1,982,966)
Others		(11,982,007)	(3,639,413)	(12,345,134)	(16,026,779)
		(224,016,200)	(70,914,056)	(416,476,446)	(226,263,799)
Net cash used in/ generated by investment activities (2)		(236,673,775)	(22,010,452)	(313,836,727)	(77,326,354)
FINANCING ACTIVITIES					
Receipts arising from:					
Investments		-	40,000	-	624,007
Loans, bonds and finance leases		1,617,425,177	1,792,288,351	4,226,886,984	5,678,356,445
Capital increases, additional paid in capital and share premiums		500,000	400,000	2,133,149	400,000
Others		-	-	42,847,390	-
		1,659,268,897	1,792,728,351	4,271,867,523	5,679,380,452
Payments arising from:					
Investments		-	(1,559,526)	-	(5,706,932)
Loans, bonds and finance leases		(1,417,655,368)	(1,942,475,435)	(3,825,688,378)	(5,681,036,190)
Interests and similar charges		(3,925,467)	(5,887,556)	(16,009,410)	(18,791,033)
Dividends		(1,966,618)	(28,417)	(87,271,729)	(83,659,748)
Others		(141,791)	(110,898)	(373,424)	(414,032)
		(1,423,689,244)	(1,950,061,832)	(3,929,342,941)	(5,789,607,935)
Net cash used in financing activities (3)		235,579,653	(157,333,481)	342,524,582	(110,227,483)
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		216,869,761	49,677,264	208,517,579	(6,803,950)
Effect of exchange rate changes on the balance of cash held in foreign currencies		24,608	97,181	141,375	342,663
Effect of discontinued operations	4.1	(50,746)	-	(6,113,132)	(11,088,316)
Cash and cash equivalents at the beginning of the period	15	347,238,673	255,375,215	361,770,008	323,190,227
Cash and cash equivalents at the end of the period	15	564,033,080	304,955,298	564,033,080	304,955,298

The accompanying notes are part of these condensed financial statements.

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 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 31 and 32 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.

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 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)	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:

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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
IFRIC 23	Uncertainty over income tax treatments (clarifies the accounting for uncertainties in income taxes)	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

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, and supersedes IAS 17 - Leases and its associated interpretative guidance.

IFRS 16 distinguishes leases and service contracts taking into account whether an identified asset that is controlled or not. Distinctions off-balance sheet and finance leases (included in the balance sheet) are eliminated at the level of the lessee and are replaced by a model in which an asset identified with a right of use and a corresponding liability for all lease contracts, except for short-term (up to 12 months) and low value contracts.

The "right of use" is initially measured at cost and subsequently at the net cost of depreciation and impairment, adjusted by the remeasurement of the lease liability. The lease liability is initially measured based on the present value of the lease responsibilities at the date and subsequently is adjusted by the financial update of that amount, as well as the possible modifications of the lease contracts.

At the date of publication of these consolidated financial statements, Sonae is carrying out the inventory of the existing leasing contracts, and performing its technical analysis and framework considering the provisions of IFRS 16.

In addition, it is currently on analysis the existing information systems to assess the necessity of adapting it to the requirements of this standard. At this stage, it is not possible to estimate the magnitude of the impacts inherent to its adoption.

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 September 2018, since their application is not yet mandatory. The impacts of the above mentioned standards are being analysed by the Group.

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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 2021
IAS 19 (amendment)	Amendments, reductions or liquidation of employee benefit plans	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
	Amendments to references to the Conceptual Framework in IFRS Standards	01 Jan 2020

The Group did not proceed to earlier adoption of any of these standards on the financial statements for the period ended on the 30 September 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

The consolidated income statement for the period ended 30 September 2017 was restated due to the impact of the combination of Sport Zone and JD Sports Holdings and the sale of the Tlantic Group.

Combination of Sport Zone with JD Sports Holdings

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.

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 competition authorities occurred on 18 January 2018 and the satisfaction of other conditions precedent occurred until 31 January 2018, the date on which the Group considered the transaction and the respective loss of control.

Disposal of Tlantic Group

The Tlantic is a group of three companies that develop software. As at 26 September 2018 Sonae disposed that participation.

According to predicted by IFRS 5, changes were made in the Consolidated Statements of Income by nature for the years ended at 30 September 2017 and 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 and Tlantic for discontinued operations, as at 30 September 2017 can be analysed as follows:

Amounts in euro	30 Sep 2017		
	Before the restatement	Discontinued operations Sport Zone and Tlantic	After the restatement
Sales	3,976,309,436	(169,780,972)	3,806,528,464
Services rendered	138,992,347	14,687,613	153,679,960
Income or expenses related to investments	(1,602,451)	2,843,438	1,240,987
Other income and financial income	3,699,907	944,396	4,644,303
Other income	88,577,701	(3,678,469)	84,899,232
Cost of good sold and materials consumed	(2,825,562,897)	100,022,799	(2,725,540,098)
Changes in stocks of finished goods	(147,480)	-	(147,480)
External supplies and service	(530,659,192)	32,397,586	(498,261,606)
Employee benefits expense	(567,208,760)	29,877,049	(537,331,711)
Depreciation and amortisation expenses	(145,992,523)	7,875,564	(138,116,959)
Provisions and impairment losses	(4,025,420)	57,243	(3,968,177)
Financial expenses	(31,866,927)	113,582	(31,753,345)
Other expenses	(57,541,297)	1,100,802	(56,440,495)
Gains or losses related to joint ventures and associated undertaking	71,054,802	(2,843,437)	68,211,365
Profit (loss) from continuing operations, before tax	114,027,246	13,617,194	127,644,440
Income tax expense	6,637,202	(2,262,699)	4,374,503
Consolidated profit (loss) for the period from continuing operations	120,664,448	11,354,496	132,018,944
Profit/(Loss) from discountinuing operations, after tax	18,110,829	(11,354,496)	6,756,333
Consolidated profit /(loss) for the period	138,775,277	-	138,775,277
Attributable to owners of the Company:			
Continuing operations	124,140,348	2,817,926	126,958,274
Discontinued operations	9,073,525	(2,817,926)	6,255,599
	133,213,873	-	133,213,873
Attributable to non-controlling interests			
Continuing operations	(3,475,900)	8,536,570	5,060,670
Discontinued operations	9,037,304	(8,536,570)	500,734
	5,561,404	-	5,561,404

4 CHANGES IN CONSOLIDATION PERIMETER

4.1 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. At the date of loss of control, 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.

Discontinued operations include the following companies:

COMPANY	Head Office	Percentage of share capital held	
		At date of consolidation method change	
		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	Sport Zone	
	31 Jan 2018 Loss control date	31 Dec 2017
Net assets		
Property, plant and equipment and intangible assets (Notes 6 and 7)	54,323,790	54,659,282
Goodwill (Note 9)	3,642,946	3,642,943
Deferred tax assets	6,872,143	6,593,675
Inventories	53,449,595	54,408,789
Trade receivables and other assets	12,476,345	9,836,456
Cash and bank balances	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 payables 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	
	30 Sep 2018	
Financial investment in ISRG at the date of loss of control (Note 10.3)	78,085,756	
Amounts receivable	5,000,000	
Amounts received	2,067,093	
	85,152,849	

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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)
Employee benefits expense	(3,261,694)
Depreciation and amortisation expenses	(876,205)
Other expenses	(398,779)
Financial income	(58,079)
Profit/(Loss) before tax	(1,988,111)
Income tax expense	262,640
Profit/(Loss) after tax	(1,725,471)
Income or expenses related to loss control	11,090,755
Profit/(Loss) for period from discounting operations	9,365,284

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

Cash flows for the period from discounting 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

4.2 Disposal of Tlantic Group

The subsidiaries disposal can be analyzed as follows:

COMPANY	Head Office	Percentage of share capital held	
		At disposal date	
		Direct	Total
Others			
Tlantic, BV	Amsterdam (Netherlands)	72.10%	72.10%
Tlantic Portugal - Sistemas de Informação, SA	Maia (Portugal)	100.00%	72.10%
Tlantic Sistemas de Informação, Ltda	Porto Alegre (Brazil)	100.00%	72.10%

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

Amounts in euro	Date of disposal	31 Dec 2017
Net assets		
Property, plant and equipment and intangible assets (Notes 6 and 7)	1,580,953	1,622,493
Deferred tax assets	331,475	274,148
Trade receivables and other assets	1,186,310	1,110,025
Other debtors	814,557	1,009,086
Cash and bank balances	78,323	207,609
Bank loans long term	(27,577)	(69,403)
Deferred tax liabilities	(9,240)	(9,873)
Trade payables and other current liabilities	(3,998,653)	(3,421,792)
Total net assets	(43,852)	722,293
Currency translation reserves	201,588	
Non-controlling interests	(309,172)	
Gain in operation	1,351,436	
Financial investment retained at fair value	1,200,000	
	30 Set 2018	
Amounts receivable	1,200,000	
Amounts received	-	
	1,200,000	
Amounts in euro	30 Sep 2018	30 Sep 2017
Services rendered	5,039,317	5,521,561
Other income	89,432	246,849
External supplies and services	(2,753,855)	(2,645,453)
Employee benefits expense	(2,786,408)	(3,356,104)
Depreciation and amortisation expenses	(275,996)	(255,660)
Other expenses	(264,695)	(265,494)
Financial income	60,132	(26,685)
Profit/(Loss) before tax	(892,073)	(780,986)
Income tax expense	65,905	34,448
Profit/(Loss) after tax	(826,168)	(746,538)
Income or expenses related to loss control	1,351,436	-
Profit/(Loss) for period from discounting operations	525,268	(746,538)

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

Cash flows for the period from discounting operations	30 Sep 2018
Net cash flow from operating activities	369,530
Net cash used in investment activities	(238,247)
Net cash used in financing activities	(4,300)
Net increase in cash and cash equivalents	126,983

4.3 Acquisition of shares and gain of control of Sonae Sierra SGPS, S.A.

In September 2018, following the approval by the competent competition authorities, Sonae has completed the agreement with Grosvenor Group for the acquisition of a 20% participation in Sonae Sierra SGPS, SA. This acquisition resulted in a change in the shareholder agreement and in the gain of control of this joint venture. Therefore, and as provided by IFRS 3, Sonae Sierra, SGPS, S.A. began to be consolidated by the full consolidation method

The companies included in the consolidation perimeter are detailed in notes 31, 32.1 and 32.2.

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The effects of the acquisition of control and the consequent passage of equity method for full consolidation can be analyzed as follows:

Amounts in euro	Sonae Sierra	
	At the date of acquisition	30 Sep 2018
Net assets acquired		
Investment properties (Note 8)	806,124,576	806,124,576
Tangible and intangible assets (Note 6 and 7)	3,100,687	3,100,687
Investments in joint ventures and associates (Note 10.3)	1,234,986,580	1,234,986,580
Deferred tax assets	1,336,664	1,336,664
Other assets	229,620,324	229,620,324
Cash and cash equivalents	117,614,568	117,614,568
Loans	(386,979,196)	(386,979,196)
Deferred tax liabilities	(140,142,627)	(140,142,627)
Other liabilities	(134,005,644)	(134,005,644)
Total net assets acquired	1,731,655,932	1,731,655,932
Goodwill (Note 9)	102,759,948	
Non Controlling Interests (Note 17)	938,637,605	
Change in consolidation method (financial participation at equity method) (Note 10.3)	593,987,852	
Capital Gain on revaluation to fair value of the financial participation (Note 24)	45,853,773	
Acquisition cost	255,936,650	
Net cash flow arising from acquisition:		
Cash payment	255,936,650	
Cash and bank balances acquired	(117,614,568)	
	138,322,082	

Amounts in euro	Since the date of acquisition	9 months
Turnover	-	112,655,864
Other operational income	-	28,144,284
	-	140,800,148
Cost of good sold and materials consumed	-	-
External supplies and service	-	(42,835,805)
Amortisation	-	(695,238)
Other operational expenses	-	(39,780,175)
	-	(83,311,218)
Income and financial income	-	6,464,310
Financial expenses	-	(8,870,854)
Financial results	-	(2,406,544)
Gains or losses related to joint ventures and associated undertaking	-	83,105,613
Other income / expenses	-	-
Profit/(Loss) before tax	-	138,187,998
Income tax expense	-	(13,321,155)
Consolidated profit /(loss) for the period	-	124,866,843
Attributable to:	-	-
Equity attributable to shareholders of parent company	-	77,743,854
Non-controlling interests	-	47,122,989
	-	124,866,843
Other comprehensive income for the period	-	(41,582,000)
Total comprehensive income for the period	-	83,284,843

At the date of presentation of these financial statements, it was not yet possible to finalize the analysis to assign, in accounting terms, the fair value of identified assets and liabilities assumed, a part of the acquisition cost, which is

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recognized as Goodwill and recorded under Intangible assets. However, the purchase price allocation will be concluded until the end of the one year period from the date of acquisition, as established by IFRS 3 - Business Combinations.

4.4 The major acquisitions of subsidiaries occurred in the period ended at 30 September 2018

The acquisitions of companies included in the full consolidation can be analyzed as follows:

		Proportion of voting equity interests acquired	
		On the date of acquisition	
COMPANY	Head Office	Direct	Total
Sonae MC			
Amor Bio, Mercado Biológico, Lda	Lisbon (Portugal)	100.00%	100.00%
Sonae IM			
Mxtel SA de CV	City of Mexico (Mexico)	100.00%	72.78%
Nextel, SA	Bilbao (Spain)	100.00%	72.78%

The subsidiaries Nextel and Mxtel were acquired by the group in June 2018 and have as main activity the provision of engineering and information systems consulting services, specialized in information security and management of telecommunications services.

The effects of these acquisitions in the consolidated financial statements can be analysed as follows:

Amounts in euro	Sonae MC		Sonae IM		
	On the date of acquisition	30 Sep 2018	On the date of acquisition	Adjustments for just value	30 Sep 2018
Net assets					
Tangible and intangible assets (Notes 6 and 7)	323,987	279,455	187,611	-	187,611
Inventories	134,878	127,234	-	-	-
Deferred tax assets	-	-	3,930,008	-	3,930,008
Trade receivables and other assets	68,468	57,207	5,659,358	(37,866)	5,621,492
Cash and cash equivalents	(6,266)	13,284	1,371,559	2,011	1,373,570
Bank loans short term	(206,821)	(70,010)	(4,639,541)	61,400	(4,578,141)
Trade payables and other current liabilities	(364,334)	(551,868)	(4,152,176)	(501,372)	(4,653,548)
Total net assets acquired	(50,088)	(94,307)	2,356,819	(475,827)	1,880,992
Goodwill (Note 9)	850,088		1,696,330		2,172,157
Acquisition cost	800,000		4,053,149		4,053,149
Cash payment	544,000		2,684,250		2,684,250
Consideration to be paid	256,000		1,368,899		1,368,899
	800,000		4,053,149		4,053,149
Net cash flow arising from acquisition					
Cash payment	(544,000)	(577,963)	(2,684,250)		(4,055,807)
Cash and bank balances acquired	(6,266)	(6,266)	1,371,559	2,011	1,373,570
	(550,266)	(584,229)	(1,312,691)	2,011	(2,682,237)

At the date of presentation of these financial statements, it was not yet been possible to conclude the analysis to assign, in accounting terms, the fair value of identified assets and liabilities assumed, a part of the acquisition cost, which is recognized as Goodwill and recorded under Intangible assets. However, the purchase price allocation will be completed until the end of the one year period from the date of acquisition, as permitted by IFRS 3 - Business Concentrations.

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, 124 Continente Modelo supermarkets, 102 convenience stores Bom Dia, 28 restaurants Go Natural, 290 stores operated under franchise Meu Super and 232 parapharmacy Well's
 - Worten that is included in the top 3 of Iberian electronic players, counting on a portfolio of 252 physical stores in Iberia;
 - Sonae Sports & Fashion has a network of 270 own stores of sports and clothing products, combined with a franchise network of 116 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 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.

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

The main operating segment information as at 30 September 2018 and 2017 and 31 December 2017 can be detailed as follows:

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30 Sep 2018	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	3,011,949,973	81,173,884	1,299,173	64,960,368	-	-
Worten	752,423,419	21,104,952	829,143	(10,182,109)	-	-
Sports & Fashion	268,788,432	16,495,820	964,098	(23,172,520)	-	-
Sonae RP	70,616,330	19,234,678	20,111	42,063,721	-	-
Maxmat	63,272,024	1,318,881	977	4,238,091	-	-
Sonae Retail	4,167,050,178	139,328,215	3,113,502	77,907,552	(12,197,648)	10,485,074
Sonae Sierra	-	-	-	24,804,547	-	-
NOS	-	-	-	29,318,500	-	-
Sonae IM	111,853,790	7,065,276	419,997	(3,231,063)	378,723	182,663
Sonae FS	22,260,448	661,824	-	718,822	70,114	48,694
Other, eliminations and adjustments	(64,862,602)	4,748,231	(338,756)	(15,467,725)	(13,927,889)	(16,311,724)
Total consolidated	4,236,301,814	151,803,546	3,194,743	114,050,633	(25,676,700)	(5,595,293)

30 Sep 2017 Restated	Turnover	Depreciation and amortisation	Provisions and impairment losses	EBIT	Financial results ⁽²⁾	Income tax ⁽²⁾
Sonae MC	2,814,090,970	73,074,412	252,269	66,020,338	-	-
Worten	701,027,883	19,632,048	902,930	(9,772,123)	-	-
Sports & Fashion	267,684,651	14,889,376	999,381	(20,953,717)	-	-
Sonae RP	68,664,589	18,158,860	-	51,571,948	-	-
Maxmat	57,713,409	1,316,444	-	3,414,301	-	-
Sonae Retail	3,909,181,502	127,071,140	2,154,580	90,280,747	(13,250,484)	3,415,909
Sonae Sierra	-	-	-	22,636,487	-	-
NOS	-	-	-	23,593,500	-	-
Sonae IM	94,710,719	7,111,995	493,492	(4,725,807)	(367,646)	(1,630,123)
Sonae FS	16,874,356	371,601	-	2,955,843	33	(484,286)
Other, eliminations and adjustments	(60,558,153)	3,562,223	193,028	(12,316,273)	(13,490,945)	(7,667,486)
Total consolidated	3,960,208,424	138,116,959	2,841,100	122,424,497	(27,109,042)	(6,365,985)

Net debt ⁽²⁾		
	30 Sep 2018	31 Dec 2017
Sonae Retail	804,761,715	628,698,342
Sonae IM	33,834,094	(465,854)
Sonae Sierra	114,197,000	-
Holding ⁽¹⁾	586,336,129	484,077,881
Total consolidated	1,539,128,938	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.

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	Investment (CAPEX)		Net invested capital	
	30 Sep 2018	30 Sep 2017 Restated	30 Sep 2018	31 Dec 2017
Sonae MC	116,641,406	109,308,993	651,425,762	697,071,753
Worten	23,858,814	25,514,367	(37,090,690)	(90,641,251)
Sports & Fashion	18,048,933	14,111,000	362,982,379	355,988,594
Sonae RP	36,370,646	27,779,068	932,263,156	902,627,242
Maxmat	1,970,021	719,940	31,796,731	32,639,857
Sonae Retail	196,889,820	177,433,367	1,941,377,337	1,897,686,195
Sonae IM	19,815,594	8,700,000	169,567,141	159,330,000
Sonae FS	703,877	1,039,311	17,021,073	20,126,477
Sonae Sierra			1,949,580,948	-
Other, eliminations and adjustments	262,201,900	14,344,786	630,244,361	1,170,360,921
Total consolidated	479,611,191	201,517,464	4,707,790,859	3,247,503,593

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

Turnover	30 Sep 2018 Inter-segment	30 Sep 2017 Inter-segment
Sonae MC	(1,748,056)	(1,432,194)
Worten	(14,493)	(2,810,195)
Sports and Fashion	(16,843,439)	(22,976,344)
Sonae RP	(61,740,134)	(61,294,347)
Sonae Retail	(80,346,121)	(88,513,080)
Sonae IM	(13,472,481)	(12,691,983)
Other, eliminations and adjustments	(284,465)	(332,289)
Total consolidated	(94,103,067)	(101,537,352)

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

	Turnover		EBIT	
	30 Sep 2018	30 Sep 2017 Restated	30 Sep 2018	30 Sep 2017 Restated
Inter-segment intra-groups	(94,103,067)	(101,537,352)	-	-
Contributions of entities not included in the segments	29,240,465	40,979,199	(7,676,868)	(7,484,058)
Others	-	-	(7,790,857)	(4,832,215)
Other, eliminations and adjustments	(64,862,602)	(60,558,153)	(15,467,725)	(12,316,273)

	Investment		Invested capital	
	30 Sep 2018	30 Sep 2017 Restated	30 Sep 2018	31 Dec 2017
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	6,265,250	14,344,786	28,116,655	(24,887,601)
Acquisition of 20 % of participation in the Sonae Sierra, SGPS, S.A.	255,936,650	-	-	-
Investments in joint ventures and associated companies	-	-	681,680,489	1,289,028,845
Other investments	-	-	9,884,296	9,919,677
Cash settled equity swap ⁽³⁾	-	-	(89,437,079)	(103,700,000)
Other, eliminations and adjustments	262,201,900	14,344,786	630,244,361	1,170,360,921

³⁾ Financial Instrument reported in Note 16.

All performance measures are reconciled to the financial statements in Note 29.

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 31 are included;

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

6 TANGIBLE ASSET

During the nine-month period ended 30 September 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
Cost					
Balance as at January 1, 2018	1,370,528,263	1,521,434,347	226,138,300	39,949,699	3,158,050,609
Discontinued operations (Note 4.1)	(48,858)	(110,624,380)	(8,311,871)	(712,317)	(119,697,426)
Change in method (Note 4.3)	2,269,122	994,376	3,924,634	-	7,188,132
Acquisitions of subsidiaries (Note 4.4)	77,981	754,998	784,552	-	1,617,531
Additions	23,421,568	4,481,029	1,280,269	143,257,131	172,439,997
Disposals	(257,351)	(32,511,074)	(4,918,511)	(1,167,757)	(38,854,693)
Effect of foreign currency exchanges differences	(38,490)	6,630	(148,304)	-	(180,164)
Transfers	8,678,241	114,927,077	14,258,579	(146,359,873)	(8,495,976)
Balance as at September, 30 2018	1,404,630,476	1,499,463,003	233,007,648	34,966,883	3,172,068,010
Accumulated depreciation and impairment					
Balance as at January 1, 2018	415,435,082	920,710,779	170,898,687	132,989	1,507,177,537
Discontinued operations (Note 4.1)	(34,037)	(63,883,638)	(6,188,072)	-	(70,105,747)
Change in method (Note 4.3)	962,412	809,994	3,730,304	-	5,502,710
Acquisitions of subsidiaries (Note 4.4)	9,928	583,627	593,688	-	1,187,243
Depreciation of the period	17,664,544	84,377,200	14,676,096	-	116,717,840
Disposals	(137,612)	(28,524,614)	(5,025,217)	-	(33,687,443)
Effect of foreign currency exchanges differences	(44,235)	4,269	(118,256)	-	(158,222)
Transfers	(87,054)	(271,252)	(309,250)	-	(667,556)
Balance as at September 30 2018	433,769,028	913,806,365	178,257,980	132,989	1,525,966,362
Carrying amount at 30 September 2018	970,861,448	585,656,638	54,749,668	34,833,894	1,646,101,648

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	Land and buildings	Plant and machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Cost					
Balance as at January 1, 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	(4,384,000)	-	-	-	(4,384,000)
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)	(2,829,332)	(3,965,896)	(566,767)	(7,851,022)
Investment	7,811,067	3,043,511	1,299,376	140,659,376	152,813,330
Acquisitions of subsidiaries	1,443,695	2,624,130	450,095	-	4,517,920
Disposals	(29,550,566)	(49,824,586)	(6,313,387)	(1,471,237)	(87,159,776)
Effect of foreign currency exchanges differences	(44,887)	(75,650)	(463,397)	(9,715)	(593,649)
Transfers	12,784,986	100,502,344	12,416,748	(126,828,919)	(1,124,841)
Balance as at 30 September 2017	1,358,664,243	1,491,681,171	221,309,832	42,767,231	3,114,422,477
Accumulated depreciation and impairment					
Balance as at 1 January 2017	397,973,790	881,497,880	166,152,543	110,824	1,445,735,037
Discontinued operations	(226,791)	(1,777,593)	(3,212,180)	-	(5,216,564)
Depreciation of the period	16,680,771	83,667,455	13,732,384	-	114,080,610
Impairment losses of the period	81,876	67,108	14,914	-	163,898
Acquisitions of subsidiaries	1,163,331	1,526,940	507,759	-	3,198,030
Disposals	(5,783,468)	(44,494,115)	(6,140,604)	-	(56,418,187)
Effect of foreign currency exchanges differences	(32,331)	(37,474)	(358,839)	-	(428,644)
Transfers	680,352	(218,873)	(846,298)	-	(384,819)
Balance as at 30 September 2017	410,537,530	920,231,328	169,849,679	110,824	1,500,729,361
Carrying amount at 30 September 2017	948,126,713	571,449,843	51,460,153	42,656,407	1,613,693,116

The investment in the period ended 30 September 2018 and 2017 includes mainly the acquisition of assets of approximately 143 million euro (141 million euro as at 30 September 2017), associated with the opening and remodeling of stores of Sonae retail operating segments.

The caption depreciation of the period includes 1,152,201 euros in 2018 (7,875,564 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:

	30 Sep 2018	30 Sep 2017
Refurbishment and expansion of stores in the retail businesses located in Portugal	27,179,886	38,862,553
Refurbishment and expansion of stores in the retail businesses located in Spain	1,953,271	1,233,773
Projects of "Continente" stores for which advance payments were made	1,466,000	1,196,000
Others	4,234,737	1,364,081
	34,833,894	42,656,407

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				
Balance as at January 1, 2018	90,556,668	23,168,012	654,331	114,379,011
Discontinued operations	-	(4,451,474)	(58,701)	(4,510,175)
Disposals	(104,849)	(1,289,403)	(54,913)	(1,449,165)
Closing balance as at 30 September 2018 (Note 22)	90,451,819	17,427,135	540,717	108,419,671

7 INTANGIBLE ASSETS

During the nine-month period ended 30 September 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
Cost				
Opening balance as at 1 January 2018	178,064,353	497,255,214	29,512,753	704,832,320
Discontinued operations (Note 4.1)	(2,324,288)	(10,252,932)	(532,751)	(13,109,971)
Change in method (Note 4.3)	1,913,203	14,749,395	398,301	17,060,899
Acquisitions of subsidiaries (Note 4.4)	-	1,108,528	-	1,108,528
Investment	160,423	1,118,212	34,232,927	35,511,562
Disposals	(87,393)	(1,746,311)	(509,214)	(2,342,918)
Effect of foreign currency exchanges differences	143,065	(85,537)	1,316	58,844
Transfers	74,783	31,524,305	(31,070,130)	528,958
Balance as at 30 September 2018	177,944,146	533,670,874	32,033,202	743,648,222
Accumulated depreciation and impairment				
Opening balance as at 1 January 2018	40,973,388	295,934,685	-	336,908,073
Discontinued operations (Note 4.1)	(2,239,835)	(4,859,045)	-	(7,098,880)
Change in method (Note 4.3)	1,909,581	13,736,053	-	15,645,634
Acquisitions of subsidiaries (Note 4.4)	-	1,027,218	-	1,027,218
Depreciation of the period	2,266,465	34,285,185	-	36,551,650
Impairment losses of the period	-	(437,639)	-	(437,639)
Disposals	(87,274)	(1,218,847)	-	(1,306,121)
Effect of foreign currency exchanges differences	158,017	(159,324)	-	(1,307)
Transfers	(47,431)	(41,045)	-	(88,476)
Balance as at 30 September 2018	42,932,911	338,267,241	-	381,200,152
Carrying amount at 30 September 2018	135,011,235	195,403,633	32,033,202	362,448,070

	Patents other similar rights	Others intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:				
Balance as at 1 January 2017	181,013,190	493,383,747	28,060,990	702,457,927
Discontinued operations	(1,991,644)	(34,165,793)	(103,663)	(36,261,100)
Investment	25,905	1,131,506	39,127,960	40,285,371
Acquisitions of subsidiaries	13,500	138,687	-	152,187
Disposals	(110,040)	(991,290)	(730,190)	(1,831,520)
Effect of foreign currency exchanges differences	(749,133)	(3,254,581)	(37,155)	(4,040,869)
Transfers	168,743	22,088,914	(22,740,220)	(482,563)
Balance as at 30 September 2017	178,370,521	478,331,190	43,577,722	700,279,433
Accumulated depreciation and impairment				
Balance as at 1 January 2017	40,763,712	288,184,727	-	328,948,439
Discontinued operations	(1,098,292)	(24,111,717)	-	(25,210,009)
Depreciation of the period	1,942,997	31,894,927	-	33,837,924
Acquisitions of subsidiaries	6,222	79,636	-	85,858
Impairment losses for the period	-	573,209	-	573,209
Disposals	(65,499)	(972,204)	-	(1,037,703)
Effect of foreign currency exchanges differences	(701,124)	(2,100,565)	-	(2,801,689)
Transfers	18,854	(54,900)	-	(36,046)
Balance as at 30 September 2017	40,866,870	293,493,113	-	334,359,983
Carrying amount at 30 September 2017	137,503,651	184,838,077	43,577,722	365,919,450

8 PROPERTY, PLANT AND EQUIPMENT

During the period ended at 30 September 2018, movements in the value of Property, plant and equipment are as follows:

	Investment properties			Total
	In Operation	Fit Out	Under development	
Opening balance as at 1 January	-	-	-	-
Change of method (Note 4.3)	763,587,000	81,025	42,456,551	806,124,576
Carrying amount at 30 September 2018	763,587,000	81,025	42,456,551	806,124,576

As at 30 September 2018 the amount of the investment properties under development are as follows:

In Operation	30 Sep 2018
Iberian Peninsula	650,940,000
Rest of Europe	112,647,000
	763,587,000

As at 30 September 2018 the amount related to 'Fit Out' is detailed as follows:

Fit Out	30 Sep 2018
Iberian Peninsula	81,025
Rest of Europe	-
	81,025

As at 30 September 2018 the amount of the investment properties under development can be analyzed as follows:

Under development	30 Sep 2018
Investment properties at cost:	
Iberian Peninsula	15,143,358
Rest of Europe	93,040,123
	108,183,481
Impairment for assets at risk	(65,726,930)
	(65,726,930)
	42,456,551

9 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
- Sonae Sierra - the Goodwill amount of this segment, generated in the period, arises from the change in the consolidation method as detailed in note 4.3. As mentioned in the note, at the date of presentation of these financial statements, it was not yet possible to finalize the analysis to assign, in accounting terms, the fair value of assets

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identified and liabilities assumed. In accordance with IFRS 3 - Business Combinations, the Group will have one year to do so.

As at 30 September 2018 and 31 December 2017, the caption “Goodwill” was made up as follows by insignia and country:

30 Sep 2018					
Insígnia	Portugal	Spain	Brazil	Other contries	Total
Sonae MC	481,388,885	-	-	-	481,388,885
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	68,557,880	245,817	-	-	68,803,697
Sonae RP	2,142,168	-	-	-	2,142,168
Sonae IM	2,686,758	2,172,156	7,090	11,330,140	16,196,144
Sierra	102,759,948	-	-	-	102,759,948
	722,819,171	2,417,973	7,090	11,330,140	736,574,374

31 Dec 2017					
Insígnia	Portugal	Spain	Brazil	Other contries	Total
Sonae MC	487,853,697	-	-	-	487,853,697
Worten	65,283,532	-	-	-	65,283,532
Sports & Fashion	64,885,922	245,817	-	-	65,131,739
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 nine-month period ended in 30 September 2018 and 2017, movements occurred in goodwill as well as in the corresponding impairment losses, are as follows:

	30 Sep 2018	30 Sep 2017
Gross value:		
Opening balance	645,031,970	669,955,930
Attribution of fair value to assets acquired	-	1,731,680
Opening balance Restated	645,031,970	671,687,610
Discontinued operations (Note 4.1)	(5,082,341)	(33,674,270)
Change of method (Note 4.3)	102,759,948	-
Acquisitions of subsidiaries (Note 4.4)	3,022,245	7,510,621
Other variations	-	245,817
Effect of foreign currency exchange difference	71,914	(2,238,285)
Balance at end of period	745,803,736	643,531,493
Accumulated impairment losses:		
Opening balance	10,668,757	16,203,262
Discontinued operations (Note 4.1)	(1,439,395)	(5,534,505)
Effect of foreign currency exchange difference	-	(6,064)
Balance at end of period	9,229,362	10,662,693
Carrying amount	736,574,374	632,868,800

10 JOINT VENTURES AND ASSOCIATED COMPANIES

10.1 Detail of book value of investments in joint venture and associates

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

COMPANY		30 Sep 2018	31 Dec 2017
Sonae MC			
	Sohi Meat Solutions - Distribuição de Carnes, SA	3,677,633	2,361,045
Sonae Sierra			
1)	Sonae Sierra SGPS, S.A. (consolidated)	-	600,833,979
1)	Joint Ventures (Note 32.1)	1,073,655,246	-
NOS			
	ZOPT, SGPS, S.A. (consolidated)	681,680,489	688,194,866
Sonae IM			
	Unipress - Centro Gráfico, Lda	697,775	608,237
Sonae FS			
	MDS SGPS, S.A.	28,267,566	31,495,372
Others			
2)	Marketplace	(719,200)	-
Investments in joint ventures		1,787,259,509	1,323,493,499
Sonae MC			
	APOR - Agência para a Modernização do Porto, S.A.	262,265	290,475
	Sempre a Postos - Produtos Alimentares e Utilidades, Lda	942,574	1,050,793
	S2 Mozambique, SA	-	1,592,748
	Ulabox, S.L.	2,816,666	4,046,829
Sonae Sports & Fashion			
3)	ISRG - Iberian Sports Retail Group	76,950,906	-
Sonae IM			
4)	Armilar Venture Partners - Sociedade de Capital de Risco, SA	-	1
	Fundo de Capital de Risco Armilar Venture Partners II	52,260,126	44,333,718
	Fundo de Capital de Risco Armilar Venture Partners III	23,596,476	24,920,506
	Fundo de Capital de Risco Espírito Santo Ventures Inovação e	9,372,032	9,431,245
	Secucloud GMBH	4,106,627	4,819,257
	Probe.Ly - Soluções de Cibersegurança, Lda	420,090	471,766
Sonae Sierra			
1)	Associated companies (Note 32.2)	161,331,334	-
Investment in associated companies		332,059,096	90,957,338
Total		2,119,318,605	1,414,450,837

- 1) Effects on obtaining control of Sonae Sierra, SGPS, S.A. (note 4.3);
- 2) Joint venture formed in the period;
- 3) In 2017 was effected a partnership agreement that materialised in January 2018, passing this subsidiary to be consolidated by the equity method due to the loss of control (notes 3 and 4.1);
- 4) During the period ended at 30 September 2018, Sonae IM sold the total participation (35%).

10.2 Financial indicators of participations

10.2.1 Joint ventures

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

Joint ventures	30 Sep 2018					
	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others	Sierra joint ventures (Nota 32.1)
Assets						
Investment properties	806,059,551	659,000	840,756	-	763	4,727,280,875
Property, plant and equipment	1,685,528	1,096,309,000	2,660,420	20,054,051	483,320	-
Intangible assets	1,415,159	637,963,327	7,097,848	353,674	10,469	-
Goodwill	4,273,688	1,746,817,673	28,448,960	-	-	-
Investments in joint ventures and associates	1,235,261,101	121,725,000	10,147,322	-	-	-
Other non-current assets	84,017,251	113,540,000	2,060,080	59,940	-	31,382,184
Non-current assets	2,132,712,278	3,717,014,000	51,255,387	20,467,665	494,552	4,758,663,059
Cash and bank balances	117,614,568	2,637,000	10,243,061	2,055,316	62,284	193,729,925
Other current assets	146,929,274	539,883,000	12,334,633	43,026,922	1,628,678	82,812,214
Current assets	264,543,842	542,520,000	22,577,695	45,082,238	1,690,962	276,542,139
Total assets	2,397,256,120	4,259,534,000	73,833,082	65,549,903	2,185,514	5,035,205,198
Liabilities						
Loans	199,826,123	944,518,000	11,441,667	-	-	1,249,452,860
Other non-current liabilities	250,894,993	228,226,000	8,440,727	-	(15,141)	1,026,946,016
Non-current liabilities	450,721,116	1,172,744,000	19,882,394	-	(15,141)	2,276,398,876
Loans	87,822,496	190,636,000	9,041,667	-	26,262	98,732,044
Other current liabilities	122,583,855	575,911,000	18,457,133	58,811,585	2,673,923	226,434,297
Total current liabilities	210,406,351	766,547,000	27,498,799	58,811,585	2,700,185	325,166,341
Total liabilities	661,127,467	1,939,291,000	47,381,193	58,811,585	2,685,044	2,601,565,217
Attributable to owners of the Company	1,137,157,011	1,205,474,000	22,934,024	6,738,318	(499,530)	2,132,622,368
Non-controlling interests	598,971,641	1,114,768,000	3,517,865	-	-	301,017,613
Total equity	1,736,128,652	2,320,243,000	26,451,889	6,738,318	(499,530)	2,433,639,981
Total equity and liabilities	2,397,256,120	4,259,534,000	73,833,082	65,549,903	2,185,514	5,035,205,198

Joint ventures	31 Dec 2017				
	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	-	-
Property, plant and equipment	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 bank balances	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
Attributable to owners of the 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

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30 Sep 2018						
Joint ventures	Sonae Sierra SGPS, SA (consolidated)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others	Sierra joint ventures (Nota 32.1)
Turnover	112,655,864	1,148,222,000	39,422,425	203,125,419	2,734,462	256,371,797
Other operating income	28,144,284	19,060,000	658,095	15,487,858	31,350	100,356,173
	140,800,148	1,167,282,000	40,080,520	218,613,277	2,765,812	356,727,970
Cost of goods sold and materials consumed	-	-	-	(195,248,864)	(452,557)	-
External supplies and services	(42,835,805)	(103,991,000)	(19,278,994)	(7,593,238)	(2,691,006)	(81,030,331)
Amortisation	(695,238)	(312,876,000)	(2,286,609)	(2,827,412)	(85,094)	(378,303)
Other operating costs	(39,780,175)	(591,490,000)	(16,805,775)	(9,525,565)	(805,133)	(20,329,871)
	(83,311,218)	(1,008,357,000)	(38,371,378)	(215,195,079)	(4,033,790)	(101,738,505)
Financial income	6,464,310	-	84,498	-	-	5,150,256
Financial expense	(8,870,854)	(27,455,000)	(455,740)	-	(3,636)	(40,283,163)
Financial results	(2,406,544)	(27,455,000)	(371,242)	-	(3,636)	(35,132,907)
Results of joint ventures and associated companies	83,105,613	-	17,156	-	-	917,922
Other income / expense	-	-	-	-	-	-
Results before taxation	138,187,998	131,470,000	1,355,056	3,418,199	(1,271,614)	220,774,480
Income taxation	(13,321,155)	(19,161,000)	(5,472)	(785,023)	441	(62,313,384)
Consolidated net income/(loss) for the year	124,866,843	112,309,000	1,349,584	2,633,175	(1,271,173)	158,461,096
Attributable to:						
Equity holders of the Parent Company	77,743,854	58,596,000	864,269	2,633,175	(1,271,173)	141,600,851
Non-controlling interests	47,122,989	53,713,000	485,315	-	-	16,860,245
	124,866,843	112,309,000	1,349,584	2,633,175	(1,271,173)	158,461,096
Other comprehensive income for the period	(41,582,000)	(87,852,000)	-	-	-	(134,542,891)
Total comprehensive income for the period	83,284,843	24,457,000	1,349,584	2,633,175	(1,271,173)	23,918,205

30 Sep 2017					
Joint ventures	Sonae Sierra SGPS, SA (consolidado)	ZOPT, SGPS, SA (consolidado)	MDS,SGPS,SA (consolidated)	Sohimeat, SA	Others
Turnover	129,906,851	1,121,048,000	35,056,975	204,282,407	2,833,448
Other operating income	23,886,937	41,418,000	567,336	23,899,639	46,642
	153,793,788	1,162,466,000	35,624,311	228,182,046	2,880,090
Cost of goods sold and materials consumed	-	-	-	-	-
External supplies and services	(61,156,282)	(135,070,000)	(17,506,800)	(6,108,632)	(1,060,159)
Amortisation	(746,435)	(326,178,000)	(2,852,426)	(1,454,016)	(388,688)
Other operating costs	(39,509,766)	(585,540,000)	(15,942,597)	(216,726,028)	(1,239,416)
	(101,412,483)	(1,046,788,000)	(36,301,823)	(224,288,676)	(2,688,263)
Financial income	5,015,954	11,201,000	60,703	46	-
Financial expense	(11,223,770)	(19,545,000)	(696,354)	(44)	(2,314)
Financial results	(6,207,816)	(8,344,000)	(635,651)	2	(2,314)
Results of joint ventures and associated companies	94,867,197	-	28,051	-	(16)
Results before taxation	141,040,686	107,334,000	(1,285,112)	3,893,372	189,497
Income taxation	(13,569,876)	(15,366,000)	24,465	(952,056)	(4,474)
Consolidated net income/(loss) for the year	127,470,810	91,968,000	(1,260,647)	2,941,316	185,023
Attributable to:					
Equity holders of the Parent Company	77,806,002	47,187,000	(1,163,980)	2,941,316	185,023
Non-controlling interests	49,664,808	44,781,000	(96,667)	-	-
	127,470,810	91,968,000	(1,260,647)	2,941,316	185,023
Other comprehensive income for the period	(29,121,244)	961,038	-	-	-
Total comprehensive income for the period	98,349,566	92,929,038	(1,260,647)	2,941,316	185,023

10.2.2 Associates

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

Associates	30 Sep 2018					
	Sonae MC				Sonae Sports & Fashion	Sonae Sierra
	Apor	Sempre a Postos	S2 Mozambique	Ulabox	ISRG	Associates (Note 32.2)
Non-current assets	13,095	537,841	5,896,621	1,840,593	186,884,573	2,104,222,468
Current assets	1,106,926	10,030,634	2,206,536	1,470,208	134,693,953	128,390,937
Non-current liabilities	-	-	-	-	38,685,803	695,022,068
Current liabilities	-	6,798,182	5,589,119	1,577,641	143,714,082	86,837,983
Equity	1,120,021	3,770,293	2,514,038	1,733,160	139,178,641	1,450,753,354

Associates	31 Dec 2017			
	Sonae MC			
	Apor	Sempre a Postos	S2 Mozambique	Ulabox
Non-current assets	678,593	725,966	5,677,724	1,646,086
Current assets	2,356,130	10,326,802	2,383,755	1,376,188
Non-current liabilities	1,955,112	-	-	-
Current liabilities	831,108	6,849,597	2,959,516	1,711,196
Equity	248,503	4,203,171	5,101,963	1,311,077

Associates	30 Sep 2018			
	Sonae IM			
	Armilar II	Armilar III	AVP I+I	Others
Non-current assets	119,756,505	65,298,001	32,062,957	2,507,735
Current assets	1,739,162	2,222,216	62,086	2,188,950
Non-current liabilities	17,931,633	-	6,237,130	407,131
Current liabilities	850,139	11,746,067	939,395	3,162,084
Equity	102,713,895	55,774,150	24,948,518	1,127,470

Associates	31 Dec 2017				
	Sonae IM				
	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

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30 Sep 2018						
Associates	Sonae MC				Sonae Sports & Fashion	Sonae Sierra
	Apor	Sempre a Postos	S2 Mozambique	Ulabox	ISRG	Associates (Note 32.2)
Turnover	173,344	43,808,962	4,647,478	7,375,208	262,337,029	114,490,890
Other operating income	128	2,324,267	152,441	285,863	913,335	43,762,020
Cost of sales	-	(34,506,664)	(3,477,816)	(5,509,863)	(147,097,780)	-
External supplies and services	(163,931)	(8,623,947)	(2,255,262)	(2,423,875)	(45,013,174)	(40,440,627)
Amortisation	(1,671)	(308,069)	(370,308)	(385,701)	(11,124,612)	(1,837,102)
Operating costs	(138,073)	(419,958)	(1,287,183)	(2,169,882)	(63,553,114)	(3,755,075)
Financial results	986	2,576	(301,396)	(3,972)	(633,697)	(12,354,948)
Results of joint ventures and associated companies	-	-	-	-	-	9,503,727
Income tax expense	(40)	(540,871)	-	-	389,179	(16,646,064)
Net income/(loss) for the year	(129,257)	1,736,296	(2,892,046)	(2,832,221)	(3,782,834)	92,722,821
Other comprehensive income for the period	-	-	-	-	-	(188,686)
Total comprehensive income for the period	(129,257)	1,736,296	(2,892,046)	(2,832,221)	(3,782,834)	92,534,135

30 Sep 2017				
Associates	Sonae MC			
	Sempre a Postos	Ulabox	S2 Mozambique	Others
Turnover	42,470,711	6,849,596	5,558,651	579,784
Other operating income	2,587,217	278,161	144,467	14,338
Cost of sales	(33,481,942)	(5,135,720)	(4,019,015)	(35,557)
External supplies and services	(8,427,675)	(2,060,516)	(2,606,214)	(245,005)
Amortisation	(308,957)	(280,667)	(427,933)	(2,093)
Operating costs	(403,569)	(2,236,551)	(1,487,487)	(1,913,706)
Financial results	4,414	-	638,359	(3,519)
Income tax expense	(580,731)	-	(144,988)	-
Net income/(loss) for the year	1,859,468	(2,585,698)	(2,344,160)	(1,605,758)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,859,468	(2,585,698)	(2,344,160)	(1,605,758)

30 Sep 2018				
Associates	Sonae IM			
	Armilar II	Armilar III	AVP I+I	Others
Turnover	-	-	-	642,562
Other operating income	150,380,271	1,041,926	43,525	1,180,476
Cost of sales	-	-	-	(302,152)
External supplies and services	(235,557)	(919,962)	(226,537)	(27,356)
Amortisation	-	-	-	(688,602)
Operating costs	(20,663,370)	(2,975,007)	(6,775)	(3,533,136)
Financial results	37,892	170,060	15,724	96
Income tax expense	-	-	-	-
Net income/(loss) for the year	129,519,236	(2,682,983)	(174,063)	(2,728,112)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	129,519,236	(2,682,983)	(174,063)	(2,728,112)

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Associates	30 Sep 2017				
	Sonae IM				
	Armilar II	Armilar III	AVP I+I	Armilar	Others
Turnover	128,000	-	-	1,735,564	1,181,635
Other operating income	17,016,562	10,695,030	14,276,984	12,731	16,547
Cost of sales	-	-	-	-	-
External supplies and services	(550,622)	(986,547)	(224,294)	(445,826)	-
Amortisation	-	-	-	(2,613)	-
Operating costs	(1,595)	(14,298,707)	(8,150,869)	(780,003)	(1,120,544)
Financial results	(104,176)	229,731	51,386	-	4,745
Income tax expense	-	-	-	(149,000)	(6,200)
Net income/(loss) for the year	16,488,169	(4,360,493)	5,953,207	370,853	76,183
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	16,488,169	(4,360,493)	5,953,207	370,853	76,183

10.3 Movements occurred in the period

During the period ended at 30 September 2018 and 2017, movements in investments in joint ventures and associates are as follows:

	30 Sep 2018			30 Sep 2017		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Investments in joint ventures						
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
Investments in joint ventures (Note 4.3)	1,073,655,246	-	1,073,655,246	-	-	-
Change in consolidation method due the gain of control (Financial investment accounted for by Equity Method) (Note 4.3)	(561,854,522)	(32,133,330)	(593,987,852)	-	-	-
Change in consolidation method due the loss of control	-	-	-	35,237,454	-	35,237,454
Increases during the period	50,000	-	50,000	-	17,829	17,829
Equity method						
Gains or losses in joint ventures	66,692,549	-	66,692,549	63,646,157	-	63,646,157
Distributed dividends	(44,672,397)	-	(44,672,397)	(53,929,241)	-	(53,929,241)
Effect in equity capital and non-controlling interests	(37,971,536)	-	(37,971,536)	(14,197,492)	-	(14,197,492)
	1,253,615,774	533,643,735	1,787,259,509	747,257,505	566,667,869	1,313,925,374
Investments in associates companies						
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 4.1)	78,085,756	-	78,085,756	(1,014,204)	-	(1,014,204)
Capital increases during the period	143,745	-	143,745	2,261,954	-	2,261,954
Investments in associates companies (Note 4.3)	161,331,334	-	161,331,334	-	-	-
Acquisitions during the period	-	-	-	954,750	-	954,750
Equity method						
Gains or losses in associates companies	60,952,088	-	60,952,088	7,435,271	-	7,435,271
Distributed dividends	(542,293)	-	(542,293)	(829,823)	-	(829,823)
Effect in equity capital and non-controlling interests	(293,574)	-	(293,574)	(14,890)	-	(14,890)
Impairment in associated companies (Note 22)	(754,211)	-	(754,211)	(693,515)	(2,149,921)	(2,843,436)
Return of invested capital	(16,477,366)	-	(16,477,366)	-	-	-
Others	(41,343,720)	-	(41,343,721)	-	-	-
	325,437,074	6,622,023	332,059,096	83,204,707	1,865,138	85,069,845
Total	1,579,052,848	540,265,758	2,119,318,605	830,462,212	568,533,007	1,398,995,219

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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 September 2017) and refers to ZOPT 19,755,883 euro (16,512,005 euro as at September 2017).

The detail of the caption "Change in consolidation method for the loss of control" in joint ventures is as follows:

- a) 32,534,003 euros relates to MDS SGPS, S.A. following the agreement signed between Sonae and IPLF Holding in June 2017. At the date of presentation of these financial statements, the fair value of the assets was finalized and liabilities assumed in the joint venture. An appreciation of intangible assets was made related to the customer portfolio, according to the usual practice of industry, which writes off almost all the goodwill generated on the acquisition. This customer portfolio is being amortized in 12 years; and
- b) 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.
- c) The amount of 78,085,756 euro in investments in associates in the caption "Change in method of consolidation through loss of control" (Note 4.1), as detailed in this note and in note 3 refers to ISRG by the agreement signed in 2018 between Sonae and JD Group. From the end of January the participation in the new partnership, the Iberian Sports Retail Group, has been included by the equity method. At the date of presentation of these financial statements, it was not yet possible to finalize the analysis to assign, in accounting terms, the fair value of identified assets and liabilities assumed in the partnership. This allocation is still subject to change until the end of the period of one year from the date of change.

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 622,996 euro, 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 302,598 euro, 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 484,103 euro, corresponding to 0.04%, and in the period ended at 30 September 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 period ended at 30 September 2018.

During the period ended 30 September 2018, Sonae IM sold the entire participation (35%) of the Armilar Venture Partners - Sociedade de Capital de Risco, S.A. (Armilar).

In the period ended on 30 September 2018, the variation in the value of the proportion of capital relative to the return of invested capital and others results from the distribution of capital of the Fundo Armilar II following the last round of financing of Outsystem

ZOPT

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 September 30, 2018 amounts to approximately 100 million euro.

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 nine-months 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 45%, which generated the recognition of foreign exchange losses on these subsidiaries.

In the exercise of 2017, 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 the rate of inflation and the ability to reflect the rate in price increases.

As at 30 September 2018, it was understood that the assumptions made in the impairment tests carried out in 2017 did not have material variations.

11 OTHER INVESTMENTS

Other non-current investments, their head offices, percentage of share capital held and book value as at 30 September 2018 and 31 December 2017, are as follows:

		Percentage of share capital held					
		30 Sep 2018		31 Dec 2017		Statment of financial position	
Company	Head Office	Direct	Total	Direct	Total	30 Sep 2018	31 Dec 2017
Sonae MC							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	925,197	925,197
Sonae IM							
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) Beamy, S.A.S.	Lille	6.60%	5.94%	-	-	150,040	-
1) Binary Answer, Ltd.	Aveiro	2.68%	1.21%	-	-	25,000	-
1) ciValue Systems, Ltd.	Yokneam-Israel	12.00%	10.80%	-	-	1,970,097	-
Continuum Security SL	Saragoza	6.66%	5.99%	6.66%	5.99%	299,802	299,802
1) Food Orchestrator	Vila Nova Famalicão	7.98%	7.18%	-	-	103,761	-
1) Jscrambler, SA	Porto	10.00%	9.00%	-	-	1,250,000	-
1) Nextail	Delaware	7.43%	6.68%	-	-	2,300,000	-
1) Case on IT	Madrid	12.01%	10.80%	-	-	2,280,000	-
1) EGI Factory	Barcelona	7.78%	7.00%	-	-	50,000	-
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	1.24%	35,462	35,462
Ometria, Ltd.	London	4.76%	4.28%	4.54%	4.08%	854,165	854,165
1) Reblaze Technologies, Ltd.	St. Louis	11.81%	10.62%	-	-	2,352,438	-
1) RK.AI - Serviços de processamento de imagens e análise de dados, Lda	Porto	12.00%	5.41%	-	-	200,000	-
2) StyleSage, Inc.	Delaware	15.70%	14.12%	5.00%	4.50%	1,680,538	448,834
Other investments						13,693,184	13,020,226
						32,159,773	19,423,775

- 1) Investments acquired during the period;
- 2) Percentage increase in the period.

As at 30 September 2018 the caption "Other investments" includes, among others, 9,884,296 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 (Note 22).

During the period ended at 30 September 2018, the major acquisitions of Sonae IM are:

- 7.43% in Nextail for 2,300,000 euro. The Nextail product is cloud-based software that uses advanced analysis and optimization algorithms based on fast fashion paradigms to improve stock allocation and storage operations;
- 12.01% in Case on IT for 2,280,000 euro. The company's product called MedUX is a real-time solution that provides information on quality of service for fixed and mobile networks and TV Customer Experience;
- 11.81% in Reblaze for 2,750,000 USD (2,352,438 euros). This subsidiary provides a Cloud platform security and Acceleration;
- 12% in ciValue for 2,240,000 USD (1,970,097 euros). CiValue is a platform for retailers to create bids, hyper-personalized segmentation and collaboration with suppliers; and

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- 10% participation in Jscrambler for 1,250,000 euro. The main activity of the company is to implement security solutions to change web applications.

As at 30 September 2018 and 2017, the movements in "Other investments" made up as follows:

	30 Sep 2018		30 Sep 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
Increases in the period	13,388,377	-	1,277,614	-
Decreases in the period	(596,995)	-	-	-
Increase/(Decrease) in fair value	(35,972)	-	(117,049)	(161,050)
Discontinued operations	(51,369)	-	(8,029,934)	-
Change in method	31,957	-	-	-
Fair value (net of impairment losses) as at 30 September	32,159,773	-	13,915,081	-
Derivative financial instruments (note 19)				
Fair value as at 1 January	-	179,881	-	4,207,972
Increase/(Decrease) in fair value	-	1,385,536	-	(3,674,916)
Fair value at 30 September	-	1,565,417	-	533,056
	32,159,773	1,565,417	13,915,081	533,056

On 30 September 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. as at 30 June 2017.

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.

12 OTHERS NON-CURRENT ASSETS

As at 30 September 2018 and at 31 December 2017, "Other non-current assets" are detailed as follows:

	30 Sep 2018			31 Dec 2017		
	Gross Value	Accumulated impairment losses (Note 22)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 22)	Carrying Amount
Loans granted to related parties	78,383,608	-	78,383,608	-	-	-
Trade accounts receivable and other debtors						
Legal deposits	3,344,412	-	3,344,412	3,916,334	-	3,916,334
Cautions	4,054,641	-	4,054,641	5,120,591	-	5,120,591
Special regime for payment of tax and social security debts	6,181,878	-	6,181,878	6,397,435	-	6,397,435
Rent deposits from tenants	3,937,416	-	3,937,416	787,615	-	787,615
Financial investments debtors	1,900,000	-	1,900,000	1,000,000	-	1,000,000
Debt to receive related to Armilar Funds	1,274,358	-	1,274,358	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	1,446,917	-	1,446,917	463,340	-	463,340
	24,603,497	-	24,603,497	22,927,207	-	22,927,207
Reinsurer's' share of technical provisions	412,943	-	412,943	412,943	-	412,943
Other non-current assets	1,131,646	-	1,131,646	271,793	-	271,793
	104,531,694	-	104,531,694	23,611,943	-	23,611,943

The captions "Loans granted to joint ventures and associates" refers to amounts with related parties of Sonae Sierra (Note 23).

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.

13 TRADE ACCOUNTS RECEIVABLE AND OTHERS CURRENT ASSETS

As at 30 September 2018 and at 31 December 2017, "Trade accounts receivable and others current assets" are detailed as follows:

	30 Sep 2018	31 Dec 2017
Trade receivable	171,496,011	142,558,529
Tax	90,001,888	86,571,966
Granted loans and other receivables to related companies	83,927,245	-
Other receivables		
Trade creditors - debtor balances	38,816,421	37,512,048
Advances to suppliers	6,372,068	697,627
VAT recoverable on real estate assets and vouchers discounts	5,106,395	6,371,632
Disposal of tangible assets	2,147,179	2,142,406
Vouchers and gift cards	1,466,303	2,237,906
Accounts receivable related to promotional activities partnerships	6,441,330	6,438,700
Tax notification paid	4,247,488	-
Escrow account	2,224,800	-
Withholding tax on dividends	5,237,759	-
Disposal of financial investments	5,019,738	-
Other current assets	22,433,373	14,463,655
	99,512,853	69,863,974
Other current assets		
Commercial income	63,221,839	25,221,050
Invoices to be issued	15,433,744	8,807,168
Interests to be received	10,415,776	-
External supplies and services	19,139,514	10,065,624
Rents	4,863,438	6,986,698
Responsibilities with financing paid in advance	2,136,340	-
Insurance indemnities	16,462	122,335
Other current assets	14,546,055	12,865,520
	129,773,168	64,068,395
Accumulated impairment losses in receivables accounts (Note 22)	(34,353,236)	(19,746,469)
	540,357,929	343,316,395

The caption "loans and other accounts receivable from related parties" refers mainly to loans to joint ventures and associates of Sonae Sierra.

14 DEFERRED TAXES

“Deferred tax assets and liabilities” as at 30 September 2018 and at 31 December 2017 are as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Difference between fair value and acquisition cost	4,933,142	4,933,142	173,709,098	33,865,461
Temporary differences on tangible assets and intangible	1,351,169	1,527,715	72,408,597	69,044,445
Temporary differences on Badwill and on Equity Method	-	-	15,423,068	10,243,448
Provisions and impairment losses not accepted for tax purposes	18,222,044	23,215,181	-	-
Write off of tangible and intangible assets	29,173	28,517	5,239	-
Valuation of hedging derivatives	85,351	11,702	9,616	41,952
Amortisation of Goodwill for tax purposes in Spain	-	-	20,649,113	17,457,039
Revaluation of tangible assets	-	-	832,198	916,509
Tax losses carried forward	51,162,808	37,631,860	-	-
Reinvested capital gains/(losses)	-	-	639,203	302,963
Tax Benefits	4,656,603	986,686	-	-
Others	3,017,960	3,548,790	677,079	329,081
	83,458,250	71,883,593	284,353,211	132,200,898

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 and 2012 to 2018, having recognized 20.6 million euros in deferred tax liabilities. As at 30 September 2018, tax proceedings relating to the years 2009 to 2011 are hanging in the court in Spain.

On 30 September 2018, increasing the caption "difference between the fair value and the historical cost" refers mainly to the fair value of investment properties of Sonae Sierra (Note 4.3).

On 30 September 2018, the tax benefit caption includes essentially amounts related to the tax credits in the with Sonae IM segment in the amount of 4,313,239 euros.

As at 30 September 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:

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		30 Sep 2018			31 Dec 2017		
	Country	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	1,826,139	383,489	2018	1,220,382	256,280	2018
Generated in 2014	Portugal	2,038,721	428,132	2026	1,673,556	351,447	2026
Generated in 2015	Portugal	670,650	140,837	2027	69,902	14,680	2027
Generated in 2016	Portugal	21,118,354	4,434,855	2028	21,550,140	4,525,529	2028
Generated in 2017	Portugal	24,587,645	5,163,406	2022	21,264,154	4,465,472	2022
Generated in 2018	Portugal	61,689,198	12,954,731	2023	-	-	
		111,930,707	23,505,450		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	8,105,615	2,310,100	2030 to 2035	7,823,749	2,229,769	2030 to 2035
	Mexico	2,930,997	879,299	2021 to 2027	2,178,019	653,406	2021 to 2027
		14,501,528	4,055,628		13,466,684	3,749,404	
Without limited time use							
	Spain	94,367,135	23,591,784		97,076,194	24,269,048	
	Brazil	41,445	9,946		-	-	
		94,408,580	23,601,730		97,076,194	24,269,048	
		220,840,815	51,162,808		156,321,012	37,631,860	

As at 30 September 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 30 September 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 23.7 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 30 September 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 30 September 2018, there are reportable tax losses, whose deferred tax assets are not recorded for prudence purposes and are analysed as follows:

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		30 Sep 2018			31 Dec 2017		
	Country	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	366,923	77,053	2018	21,578	4,531	2018
Generated in 2014	Portugal	10,373,518	2,178,439	2026	3,538,124	743,006	2026
Generated in 2015	Portugal	789,648	165,826	2027	534,927	112,335	2027
Generated in 2016	Portugal	167,879	35,255	2028	49,793	10,457	2028
Generated in 2017	Portugal	642,069	134,835	2022	570,677	119,842	2022
Generated in 2018	Portugal	-	-	2023	-	-	-
		12,340,037	2,591,408		4,715,099	990,171	
With a time limit different from the above mentioned							
	Colombia	43,435	14,334	2019 to 2030	-	-	-
	Spain	7,466,654	1,866,666	2020 to 2032	6,310,255	1,577,566	2020 to 2032
	Netherlands	76,892,976	19,008,867	2017 to 2025	56,209,973	13,987,824	2017 to 2025
	Mexico	3,100,772	930,232	2018 to 2027	2,294,563	688,368	2018 to 2027
	United States of America	3,225,344	919,222	2037 to 2038	2,499,672	712,405	2037 to 2038
	Greece	1,775,919	515,015	2018 to 2022	-	-	-
	Romania	11,388,806	1,822,209	2018 to 2024	-	-	-
		103,893,906	25,076,545		67,314,463	16,966,163	
Without limited time use							
	Australia	946,303	260,233		788,220	224,643	
	Brazil	18,209,087	6,191,090		18,980,307	6,453,304	
	Colombia	505,835	166,925		630,032	189,010	
	Spain	371,592,125	92,898,031		336,368,571	84,092,143	
	Malta	37,381	13,083		12,752	4,463	
	United Kingdom	4,687,280	890,584		4,324,097	821,578	
	Ireland	704,656	88,082		562,925	70,366	
	Germany	35,026,946	10,897,137		-	-	
	Italy	4,169,669	1,000,721		-	-	
		435,879,282	112,405,886		361,666,904	91,855,507	
		552,113,225	140,073,839		433,696,466	109,811,841	

15 CASH AND CASH EQUIVALENTS

As at 30 September 2018 and at 31 December 2017, the detail of “Cash and cash equivalents” are as follows:

	30 Sep 2018	31 Dec 2017
Cash at hand	10,206,869	10,467,637
Bank deposits	555,807,041	283,561,778
Treasury applications	245,129	70,559,700
Cash and cash equivalents on the statement of financial position	566,259,040	364,589,115
Bank overdrafts (Note 18)	(2,225,960)	(2,819,107)
Cash and cash equivalents on the statement of cash flows	564,033,080	361,770,008

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

16 SHARE CAPITAL

Share Capital

As at 30 September 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 21). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as the group maintains the risks and rewards arising on the instruments sold.

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

In November 2014, was made a renewal for an additional period of one year renewable automatically, keeping the remaining conditions unchanged. In nine-months of 2018 the Group requested the partial termination of the Cash Settled Equity Swap for 4,195,875 Sonae SGPS shares.

Considering the operations mentioned above, the liability recorded amounts to 89,438,079 euro (103,700,000 euro as at 31 December 2017) (Note 21) reflecting the market value of 100,210,733 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 30 September 2018, the following entities held more than 20% of the subscribed share capital:

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

17 NON-CONTROLLING INTERESTS

As at 30 September 2018 and 31 December 2017, “Non-controlling interests” are detailed as follows:

	30 Sep 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	4,969,387	938,382	4,889,602	219,808	-
Worten	2,284,394	(521,989)	893,727	(208,795)	-
Sonae Sports & Fashion	61,397,440	(1,049,489)	30,098,379	(263,664)	(1,326,684)
Sonae RP	120,712,170	6,632,370	2,430,084	138,688	(264,647)
Maxmat	47,530,669	3,169,179	23,756,099	1,584,589	-
Sonae Sierra					
Sonae Sierra, SGPS, SA (consolidated)	1,758,724,157	-	938,637,605	-	-
Sonae IM					
Sonaeacom, SGPS, SA (consolidated)	1,058,654,931	72,488,433	107,930,253	7,031,379	(1,720,219)
Sonae FS	-	-	-	-	-
Others					
Others	2,163,257	(4,146,670)	(371,458)	(474,496)	-
Total	3,056,436,405	77,510,216	1,108,264,291	8,027,509	(3,311,550)

	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					
Sonaeacom, 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)

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Movements in non-controlling interests during the period ended as at 30 September 2018 and 2017 are as follows:

	30 Sep 2018									
	Sonae Retail					Sonae IM	Sonae FS	Sonae Sierra	Others	Total
	Sonae MC	Worten	Sonae Sports & Fashion	Sonae RP	Maxmat	Sonaecon, SGPS, SA (consolidated)	MDS, SGPS, SA	Sonae Sierra, 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	-	-	(1,326,684)	(69,478)	-	(1,720,219)	-	-	-	(3,116,381)
Distributed income of Investment Funds	-	-	-	(195,169)	-	-	-	-	-	(195,169)
Constitution of subsidiaries	-	-	80,000	-	-	-	-	-	-	80,000
Change in currency translation reserve	-	-	-	(43,810)	-	68,435	-	-	9,929	34,554
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	-	(1,613,198)	-	-	-	(1,613,198)
Delivery of shares to employees to due the settle of the obligation	-	-	-	(1,133)	(19,858)	-	-	-	-	(20,991)
Changes in hedging reserves	105,235	-	4,614	-	3,431	-	-	-	-	113,280
Capital Increases	-	-	-	-	-	500,000	-	-	-	500,000
Change in the consolidation method	-	-	(1,211,039)	-	-	-	-	938,637,605	(309,172)	937,117,394
Variation in percentage of subsidiaries	-	-	-	-	-	(383,192)	-	-	-	(383,192)
Impact of applying IFRS 15	-	-	-	-	-	(54,877)	-	-	-	(54,877)
Others	(27,843)	-	(11,355)	(259)	1	4,646	-	-	178	(34,632)
Profit for the period attributable to non-controlling interests	219,808	(208,795)	(263,664)	138,688	1,584,589	7,031,379	-	-	(474,496)	8,027,509
Close balance 30 September 2018	4,889,602	893,727	30,098,379	2,430,084	23,756,099	107,930,253	-	938,637,605	(371,458)	1,108,264,291

	30 Sep 2017								
	Sonae Retail					Sonae IM	Sonae FS	Others	Total
	Sonae MC	Worten	Sonae Sports & Fashion	Sonae RP	Maxmat	Sonaecon, 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	-	-	(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	-	-	(1,050,475)	(128,656)	-	(2,442,162)	(173,339)	-	(3,794,632)
Variation in percentage of subsidiaries	-	-	-	(110,865)	-	-	-	-	(110,865)
Change in currency translation reserve	-	-	-	-	-	(166,287)	2,450,738	7,501	2,291,952
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	-	43,723	-	-	43,723
Acquisition of subsidiaries	3,198,590	-	-	-	-	-	-	-	3,198,590
Constitution of subsidiaries	-	-	400,000	-	-	-	-	-	400,000
Delivery of shares to employees to due the settle of the obligation	-	-	-	(255)	(4,575)	-	813	-	(4,017)
Changes in hedging reserves	146,344	-	(5,147)	-	(23,492)	-	-	-	117,705
Change in the consolidation method	-	-	-	-	-	-	(13,440,828)	-	(13,440,828)
Others	201,966	-	3,932	1	107,094	(34,218)	151,077	(3,007)	426,845
Profit for the period attributable to non-controlling interests	113,262	129,763	1,829,688	280,482	1,542,977	2,655,799	(618,628)	(371,940)	5,561,403
Close balance 30 September 2017	4,187,096	931,583	30,748,667	2,824,113	21,739,863	102,829,617	-	469,123	163,730,062

18 LOANS

As at 30 September 2018 and 31 December 2017, “Loans” are made up as follows:

	30 Sep 2018		31 Dec 2017	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
Bank loans				
Sonae, SGPS, SA - commercial paper	198,800,000	235,000,000	36,390,000	166,250,000
Sonae SGPS, SA /2016/2023	-	50,000,000	-	50,000,000
Sonae Investimentos, SGPS,SA - commercial paper	128,600,000	352,500,000	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
Sonae Investimentos affiliated /2017/2025	-	20,000,000	-	-
Sonae Investimentos /2018	30,000,000	-	-	-
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
Sonae Holding affiliated - commercial paper	5,000,000	40,000,000	-	-
Sonae Sierra SGPS, SA - commercial paper	25,000,000	-	-	-
Sonae Sierra / 2015/2018	20,000,000	-	-	-
Sonae Sierra affiliated /2016/2023	2,100,000	66,325,000	-	-
Sonae Sierra affiliated /2016/2021	-	41,300,000	-	-
Sonae Sierra affiliated /2016/2023	1,575,000	66,850,000	-	-
Sonae Sierra affiliated /2014/2019	22,755,000	-	-	-
Sonae Sierra affiliated /2014/2019	-	13,102,064	-	-
Sonae Sierra affiliated /2018/2021	-	13,475,000	-	-
Sonae Sierra affiliated /2018	17,055,862	-	-	-
Others	9,493,464	7,767,064	6,144,402	24,093,006
	515,379,326	1,026,319,128	205,034,402	573,843,006
Bank overdrafts (Note 15)	2,225,960	-	2,819,107	-
Up-front fees beard with the issuance of borrowings	(586,937)	(1,658,922)	(105,502)	(402,455)
Bank loans	517,018,349	1,024,660,206	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	206,476,622	-	-	203,466,710
Bonds Sonae Investimentos/ June 2013/2018	-	-	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	6,000,000	6,000,000	3,000,000	9,000,000
Bonds IVN 2016/2023	-	-	5,000,000	25,000,000
Bonds Sonae Sierra / 2018/2025	-	50,000,000	-	-
Bonds Sonae Sierra / 2018/2023	-	25,000,000	-	-
Bonds Sonae Sierra / 2018/2023	-	25,000,000	-	-
Up-front fees beard with the issuance of borrowings	(153,665)	(2,726,532)	(29,194)	(3,799,668)
Bonds	212,322,957	513,273,468	57,970,806	643,667,042
Other loans	2,506,787	2,969,395	1,278,626	2,244,793
Derivatives (Note 19)	348,497	-	1,248,119	-
Other loans	2,855,284	2,969,395	2,526,745	2,244,793
Obligations under finance leases	724,364	491,994	832,895	881,956
	732,920,954	1,541,395,062	269,078,453	1,220,234,342

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

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

The 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.

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 1,616 euro per share. This price is subject to adjustments in accordance with the market practices, in particular when the dividend exceeds 0.0280 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.

Excluding Sonae Sierra, bonds and bank loans bear an average interest rate of 1.00% as at 30 September 2018 (1.35% 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):

	30 Sep 2018	31 Dec 2017
N+1 ^{a)}	737,336,437	267,965,030
N+2	245,115,806	266,186,915
N+3	505,932,962	242,942,827
N+4	368,745,608	296,490,957
N+5	358,919,915	278,889,510
After N+5	67,066,083	146,959,544
	2,283,116,811	1,499,434,783

a) Includes amounts drawn under commercial paper programs.

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 30 September 2018, Sonae has, as detailed below, cash and cash equivalents in the amount of 566 million euro (365 million euro in as at 31 December 2017) and available credit lines as follows:

	30 Sep 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	188,726,820	118,620,000	242,245,201	292,750,000
Agreed credit facilities	341,229,346	749,500,000	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.

The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 348,497 euro as liabilities, and 1,467,969 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 "Operational foreign currency exchange". 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 30 September 2018.

Interest rate and exchange rate derivatives

As at 30 September 2018 no contracts existed, related to interest rate and exchange rate derivatives simultaneously.

Fair value derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Hedging derivatives				
Interest rate	-	-	-	-
Exchange rate	1,467,969	179,881	348,497	1,248,119
	1,467,969	179,881	348,497	1,248,119

20 OTHER NON-CURRENT LIABILITIES

As at 30 September 2018 and 31 December 2017, "Other non-current liabilities" are detailed as follows:

	30 Sep 2018	31 Dec 2017
Shareholders loans	3,985,783	155,732
Fixed assets suppliers	1,345,580	1,151,347
Other non-current liabilities	1,591,231	1,771,080
Deposits received from Tenants	6,779,629	-
Deferral of the disposal of the extended warranties	8,312,936	7,551,397
Accruals and deferrals	1,649,374	2,819,762
Other non-current liabilities	23,664,533	13,449,318

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

21 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2018 and 31 December 2017, "Trade creditors and other current liabilities" were made up as follows:

	30 Sep 2018	31 Dec 2017
Trade creditors	1,213,347,876	1,192,499,941
Tax	90,663,673	98,367,443
Other creditors		
Fixed asset suppliers	34,463,309	67,664,713
Related undertakings	25,601,579	-
Other debts	151,966,471	153,565,166
	212,031,359	221,229,879
Other current liabilities		
Employee benefits expense	150,690,762	128,309,674
Other external supplies and services	45,633,622	39,766,899
Deferred Revenue of warranty extension	60,096,839	57,862,718
Responsibilities assumed on sale of real state	17,262,925	17,728,428
Fixed assets to be billed by third parties	12,269,962	-
Marketing expenses	13,539,630	15,660,724
Advance receipts from trade receivables	11,132,470	9,993,106
Rentals	6,451,325	7,028,035
Interest payable	6,045,665	2,079,044
Expenses on purchases	5,829,360	4,133,909
Fixed rents charged in advance	4,081,763	1,035,450
Margin of condominium	2,316,862	-
Real estate municipality tax	2,828,895	2,097,284
Insurance payable	840,940	513,698
Others	13,519,817	11,778,852
	352,540,837	297,987,821
	1,868,583,745	1,810,085,084

The caption “Other debts” includes:

- 89,438,079 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;
- 14,692,277 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;
- 12,055,047 euro (16,150,935 euro as at 31 December 2017) related to vouchers, gift cards and discount tickets; and
- 2,941,809 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.

22 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

Movements in “Provisions and accumulated impairment losses” over the period ended 30 September 2018 and 2017 are as follows:

Caption	Saldo em 01 Jan 2018	Increase	Decrease	Discontinued operations Notes 4.1 and 4.2	Entries in the perimeter	Balance as at 30 Sep 2018
Accumulated impairment losses on investments	3,319,692	754,211	-	-	1,118,678	5,192,581
Impairment losses on fixed tangible assets (Note 6)	114,379,011	-	(1,449,165)	(4,510,175)	-	108,419,671
Impairment losses on intangible assets	2,396,643	-	(437,639)	-	-	1,959,004
Accumulated impairment losses on trade account receivables and other debtors (Note 13)	19,746,469	3,569,713	(2,285,096)	-	13,322,150	34,353,236
Non current provisions	18,955,625	3,278,107	(1,993,305)	(685,910)	603,705	20,158,222
Current provisions	5,610,383	1,803,413	(3,968,232)	(263,317)	1,251,778	4,434,025
	164,407,823	9,405,444	(10,133,437)	(5,459,402)	16,296,311	174,516,739

Caption	Saldo em 01 Jan 2017	Increase	Decrease	Discontinued operations Note 4.1	Entries in the perimeter	Balance as at 30 Sep 2017
Accumulated impairment losses on investments	9,054,576	2,920,696	(11,235)	(8,683,892)	-	3,280,145
Impairment losses on fixed tangible assets	119,100,221	163,898	(4,431,836)	-	169,244	115,001,527
Impairment losses on intangible assets	2,638,761	405,064	(367,104)	(382,139)	-	2,294,582
Accumulated impairment losses on trade account receivables	17,871,034	2,655,505	(2,254,153)	(45,178)	-	18,227,208
Non current provisions	25,848,118	623,210	(3,117,037)	(3,754,291)	-	19,600,000
Current provisions	3,558,708	1,127,077	(680,918)	(166,020)	-	3,838,847
	178,071,418	7,895,450	(10,862,283)	(13,031,520)	169,244	162,242,309

As at 30 September 2018, the “Entries in the perimeter” result from the inclusion of Sonae Sierra's comprehensive method (Note 4.3).

As at 30 September 2018 and 31 December 2017, provision's details can be analyzed as follows:

	30 Sep 2018	31 Dec 2017
Technical provisions on reinsurance	1,451,534	786,208
Future liabilities relating to subsidiaries of retail in Brazil sold	8,334,719	7,358,151
Clients guarantees	667,522	1,056,471
Judicial claims	2,061,252	4,577,787
Contingent liabilities related to subsidiaries acquired	7,811,959	7,811,959
Others	4,210,682	2,975,432
	24,592,247	24,566,008

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

23 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	Turnover and other income		Purchases and services obtained	
Transactions	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
Parent Company	190,766	178,448	338,516	406,350
Jointly controlled companies	17,713,141	25,740,566	217,389,823	234,363,562
Associated companies	27,688,282	26,959,658	11,789,726	-
Related parties, shareholders and investees	43,549,377	43,122,934	12,055,606	13,195,210
	89,141,566	96,001,606	241,573,671	247,965,122

	Interest income		Interest expenses	
Transactions	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
Parent Company	-	-	-	-
Jointly controlled companies	132	183	-	-
Associated companies	16,828	11,060	-	-
Other related parties	-	-	-	-
	16,960	11,243	-	-

	Accounts receivable		Accounts payable	
Balances	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Parent Company	26,989	51,947	318,446	512,593
Jointly controlled companies	46,567,824	14,904,259	101,601,291	42,584,035
Associated companies	76,429,948	8,479,551	1,599,106	1,843
Other related parties	12,032,899	19,066,434	6,947,796	7,631,440
	135,057,660	42,502,191	110,466,639	50,729,911

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	Loans			
	Obtained		Granted	
Balances	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
Jointly controlled companies	7,555,359	-	28,626,004	-
Associated companies	-	-	50,983,096	-
Other related parties	152,569	160,586	3,570	3,570
	7,707,928	160,586	79,612,670	3,570

24 RESULTS RELATING TO INVESTMENTS

The breakdown of other income and gains for the periods ended 30 September 2018 and 2017 was as follows:

	30 sep 2018	30 sep 2017 Restated
Dividends	100,598	130,138
Added value generated in valuation to fair value of the financial contribution by the Sonae Sierra SGPS, S.A. (Note 4.3)	45,853,773	-
Acquisition cost correction	-	1,111,019
Others	117,701	(10,157)
Gains / (losses) on the sale of investments in subsidiaries, joint ventures and associates	45,971,474	1,100,862
Gains / (losses) on the sale of investments on available for sale	-	-
Others	(6,277)	-
Impairment of investments in associates (Notes 10.3 and 22)	(754,211)	-
Impairment reversal on financial investments	15,900	9,987
Impairment reversal/(losses) on investments	(738,311)	9,987
Total income and (expenses) related to investments	45,327,484	1,240,987

25 OTHER INCOME

As at 30 September 2018 and 2017, the caption "Other Income" is made up as follow:

	30 Sep 2018	30 Sep 2017 Restated
Supplementary income	18,037,019	18,678,960
Prompt payment discounts obtained	18,591,270	17,743,767
Foreign currency exchange gains	16,157,216	20,030,297
Own work capitalised	9,077,513	7,992,975
Gains on sales of assets	372,795	13,218,318
Impairment losses reversals	4,353,875	2,392,127
Others	4,086,392	4,842,788
	70,676,080	84,899,232

26 INCOME TAX

The income taxes recognized in the six-month period ended on 30 September 2018 and 2017 are detailed as follows:

	30 Sep 2018	30 Sep 2017 Restated
Current tax	11,315,707	3,131,635
Deferred tax	(218,399)	(7,506,138)
	11,097,308	(4,374,503)

27 CASH RECEIPTS AND CASH PAYMENTS OF INVESTMENTS

As at 30 September 2018 and 2017, cash receipts and cash payments related to investments can be detailed as follows:

- Investment Activities

Receipts	30 Sep 2018	30 Sep 2017
Disposal of Sport Zone participation (Nota 4.1)	28,628,150	-
Receivable related to Armilar II Funds (Note 10.3)	16,477,366	-
Account receivable from MDS SGPS, SA	1,000,000	-
Account receivable related to the disposal of Imoconti in 2016	-	21,009,032
Others	548,887	-
	46,654,403	21,009,032
Payments	30 Sep 2018	30 Sep 2017
Subscription of JD Sprinter shares (Note 4.1)	26,546,230	-
Acquisition of Sonae Sierra (Note 4.3)	138,322,082	-
Acquisition of Nextel (Note 4.4)	2,682,237	-
Acquisition of Nextail (Note 11)	2,300,000	-
Acquisition of Case on IT (Note 11)	2,280,000	-
Acquisition of Jscrambler (Note 11)	1,250,000	-
Capital increase of Style Sage (Note 11)	812,414	-
Acquisition of Reblaze (Note 11)	2,352,437	-
Acquisition of clValue (Note 11)	1,970,097	-
Acquisition of Amor Bio, Mercado Biológico, Lda (Note 4.4)	584,229	-
Secucloud convertible loan	551,475	-
Work Compensation Fund	827,518	-
Sensei convertible loan	200,000	-
Acquisition and supplementary payments of RK.AI (Note 11)	200,000	-
Acquisition of Beamy (Note 11)	150,040	-
Supplementary Payments of Advert.io	150,000	-
Acquisition of Brio, SA	-	752,929
Acquisition of GoWell, SA	-	3,395,769
Additional paid in capital in S2 Mozambique SA	118,745	-
Others	176,826	59,153
	181,474,330	4,207,851

28 EARNINGS PER SHARE

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

	30 Sep 2018		30 Sep 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)	189,952,168	10,053,975	126,958,274	6,255,599
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	6,138,008	-	5,969,256	-
Net profit taken into consideration to calculate diluted earnings per share	196,090,176	10,053,975	132,927,530	6,255,599
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,895,593,392	1,895,593,392	1,893,259,273	1,893,259,273
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	10,310,145	10,310,145	14,004,737	14,004,737
Shares related to performance bonus that can be bought at market price	(2,386,745)	(2,386,745)	(7,376,886)	(7,376,886)
Weighted average number of shares used to calculate diluted earnings per share	2,030,630,319	2,030,630,319	2,027,000,651	2,027,000,651
Earnings per share				
Basic	0.100207	0.005304	0.067058	0.003304
Diluted	0.093543	0.004951	0.062634	0.003086

29 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.

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The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 30 September 2018 and 2017 can be summarized as follows:

	30 Sep 2018			30 Sep 2017 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect Income	Direct Income
Turnover	4,236,301,814	-	4,236,301,814	3,960,208,424	-	3,960,208,424
Investment income						
Dividends and other adjustments	100,598	-	100,598	130,138	-	130,138
Impairment losses	(754,211)	-	(754,211)	-	-	-
Others	45,981,097	45,969,396	11,701	1,110,849	1,111,020	(171)
Other income						
Provisions for warranty extensions	2,063,594	-	2,063,594	478,354	-	478,354
Impairment losses reversal	2,290,280	-	2,290,280	1,928,506	-	1,928,506
Others	66,322,205	-	66,322,205	82,492,373	-	82,492,373
Total income	4,352,305,378	45,969,396	4,306,335,982	4,046,348,644	1,111,020	4,045,237,624
Total expenses	(4,071,742,789)	(1,773,107)	(4,069,969,682)	(3,817,552,465)	(650,111)	(3,816,902,353)
Depreciation and amortisation	(151,803,546)	-	(151,803,546)	(138,116,959)	-	(138,116,959)
Losses on tangible and intangible assets	(3,112,136)	-	(3,112,136)	(3,864,723)	-	(3,864,723)
Provisions and impairment						
Provisions for warranty extensions	(1,674,645)	-	(1,674,645)	(1,127,077)	-	(1,127,077)
Others	(6,256,979)	(3,062,236)	(3,194,743)	(2,841,100)	-	(2,841,100)
Profit before financial results and share of results in associated companies	117,715,283	41,134,053	76,581,230	82,846,320	460,909	82,385,412
Non-recurring Profit/(Loss)	(10,442,812)	-	(10,442,812)	3,695,798	-	3,695,798
Financial profit/(loss)	(25,676,700)	-	(25,676,700)	(27,109,042)	-	(27,109,042)
Share of results in joint ventures and associated undertakings						
Sonae Sierra	38,871,917	14,067,370	24,804,547	38,903,001	16,266,514	22,636,487
Armar Venture Funds	64,364,251	64,364,251	-	8,851,030	8,851,030	-
ZOPT	29,318,500	-	29,318,500	23,393,500	-	23,393,500
Others	(4,910,031)	-	(4,910,031)	(2,936,166)	(2,843,437)	(92,729)
Profit before income tax	209,240,408	119,565,674	89,674,734	127,644,441	22,735,015	104,909,426
Income tax	(11,097,308)	(16,692,601)	5,595,293	4,374,503	(1,991,482)	6,365,985
Profit/(Loss) from continuing operations	198,143,100	102,873,073	95,270,027	132,018,944	20,743,533	111,275,411
Profit/(Loss) from discontinued operations	9,890,552	11,090,755	(1,200,203)	6,756,333	16,220,165	(9,463,832)
Net profit for the period	208,033,652	113,963,828	94,069,824	138,775,277	36,963,698	101,811,579
Attributable to equity holders of Sonae	200,006,143	113,963,828	86,042,315	133,213,873	31,402,294	101,811,579
Non-controlling interests	8,027,509	-	8,027,509	5,561,404	5,561,404	-
"Underlying" EBITDA (b)			233,054,987			225,149,550
Direct EBITDA (a)			269,870,777			265,318,774
Direct EBIT (c)			114,050,633			122,424,498

- (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) + 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 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.

30 APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 13 November 2018.

31 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 30 September 2018 and 31 December 2017 are as follows:

COMPANY		Head Office	Percentage of capital held			
			30 Sep 2018		31 Dec 2017	
			Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.		Maia	HOLDING	HOLDING	HOLDING	HOLDING
Sonae MC						
1)	Amor Bio, Mercado Biológico, Lda	a) Lisbon (Portugal)	100.00%	100.00%	-	-
	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) Oeiras (Portugal)	100.00%	100.00%	100.00%	100.00%
	Elergone Energias, Lda	a) Matosinhos (Portugal)	75.00%	75.00%	75.00%	75.00%
	Farmácia Seleção, SA	a) Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	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%

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	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%
	SK – Skin Health Cosmetics, S.A.	a)	Oeiras (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%
2)	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%
2)	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%

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	Salsa Luxembourg, Sàrl	b)	Luxembourg	100.00%	50.00%	100.00%	50.00%
3)	SDSR – Sports Division SR, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	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%
3)	Sport Zone Canarias, SL	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
3)	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 çocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	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 Imosede	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%

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	MJLF - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	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)	75.00%	67.47%	75.10%	67.56%
	Inovretail, SA	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
1)	Mxtel SA de CV	a)	Mexico City (Mexico)	100.00%	72.78%	-	-
1)	Nextel, SA	a)	Bilbao (Spain)	100.00%	72.78%	-	-
	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)	80.90%	72.78%	100.00%	89.97%
	S21 Sec Information Security Labs, S.L.	a)	Navarra (Spain)	100.00%	72.78%	100.00%	89.97%
	S21 Sec SA de CV	a)	Mexico City (Mexico)	100.00%	72.78%	100.00%	89.97%
	S21SEC Portugal – Cybersecurity and Intelligence Services, SA	a)	Maia (Portugal)	100.00%	72.78%	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%

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	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, 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%
2)	Taikai, Ltda	a)	Porto (Portugal)	90.01%	80.98%	-	-
	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%
4)	WE DO Technologies España, SL	a)	Madrid (Spain)	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 Technologies 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 Technologies BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	89.97%
Sonae FS							
5)	SFS – Gestão e Consultoria, 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%
Sonae Sierra							
6)	ARP Alverca Retail Park, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Axnae Spain Holdings, S.L.	a)	Madrid (Espanha)	100.00%	70.00%	100.00%	50.00%
6)	CascaShopping - Centro Comercial, SA	a)	Maia (Portugal)	100.00%	40.07%	100.00%	28.62%
6)	CCCB Caldas da Rainha - Centro Comercial, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Coimbrashopping - Centro Comercial, SA	a)	Maia (Portugal)	100.00%	35.07%	100.00%	25.05%
6)	Dos Mares - Shopping Centre, BV	a)	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
6)	Dos Mares - Shopping Centre, SA	a)	Madrid (Spain)	100.00%	35.07%	100.00%	25.05%
6)	Gli Orsi Shopping Centre 1, Srl	a)	Milan (Italy)	100.00%	70.00%	100.00%	50.00%
6)	Iberian Holdings Spain, S.L.	a)	Madrid (Spain)	100.00%	35.07%	100.00%	50.00%
6)	Ioannina Development of Shopping Centres, SA	a)	Athens (Greece)	100.00%	70.00%	100.00%	50.00%
6)	Land Retail, BV	a)	Amsterdam (Netherlands)	100.00%	40.07%	100.00%	32.19%
6)	Microcom Doi, Srl	a)	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%

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6)	Paracentro - Gestão de Galerias Comerciais, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Parque de Famalicão - Empreendimentos Imobiliários, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Plaza Eboli - Centro Comercial, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
6)	Plaza Mayor Parque de Ócio, BV	a)	Madrid (Spain)	100.00%	35.07%	100.00%	50.00%
6)	Plaza Mayor Parque de Ócio, SA	a)	Madrid (Spain)	100.00%	35.07%	100.00%	25.05%
6)	Plaza Mayor Shopping, BV	a)	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
6)	Plaza Mayor Shopping, SA	a)	Madrid (Spain)	100.00%	35.07%	100.00%	25.05%
6)	Project Sierra 10 BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra 11 BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra 12 BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra 2, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra Cúcuta, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra Four, SA	a)	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra Germany 4 (four), Shopping Centre, GmbH	a)	Dusseldorf (Germany)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra Spain 1, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Project Sierra Spain 2 - Centro Comercial, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
6)	River Plaza BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	River Plaza Mall, Srl	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Shopping Centre Parque Principado, BV	a)	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
6)	Sierra Berlin Holding BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Developments Holding, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Developments, SGPS, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Sierra European Retail Real Estate Assets Holdings, BV	a)	Amsterdam (Netherlands)	50.10%	35.07%	50.10%	25.05%
6)	Sierra Germany GmbH	a)	Dusseldorf (Germany)	100.00%	70.00%	100.00%	50.00%
6)	Sierra GP, Limited	a)	Guernesey (U.K.)	100.00%	70.00%	100.00%	50.00%

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6)	Sierra Investments (Holland) 1, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Investments (Holland) 2, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Investments Holding, BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Investments SGPS, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Italy, Srl	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Management, SGPS, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Maroc, SARL	a)	Casablanca (Morocco)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Maroc Services, SARL	a)	Casablanca (Morocco)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Parma Project BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Portugal, SA	a)	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Project Nürnberg BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Real Estate Greece BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Retail Ventures BV	a)	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	50.00%
6)	Sierra Romania Shopping Centers Services, SRL	a)	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Services Holland BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Solingen Holding GmbH	a)	Dusseldorf (Germany)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Spain Malaga Holdings, S.L.	a)	Madrid (Spain)	100.00%	35.07%	100.00%	50.00%
6)	Sierra Spain – Shopping Centers Services, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	a)	Istanbul (Turkey)	100.00%	70.00%	100.00%	50.00%
6)	Sierra Zenata Project B.V.	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
6)	Sonae Sierra, SGPS, SA	a)	Maia (Portugal)	70.00%	70.00%	50.00%	50.00%
6)	SPF - Sierra Portugal S.à r.l.	a)	Luxembourg	100.00%	70.00%	100.00%	50.00%
6)	Weierstadt Shopping BV	a)	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
Others							
	Libra Serviços, Lda	a)	Funchal (Portugal)	100.00%	100.00%	100.00%	100.00%
2)	Halfdozen Real Estate ,S.A.	a)	Maia (Portugal)	100.00%	100.00%	-	-
	Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

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7)	Modelo Continente SGPS, SA	a)	Matosinhos (Portugal)	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%
8)	Sonae MC – Serviços Partilhados, SA	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
9)	Sonae MC, SGPS, SA	a)	Matosinhos (Portugal)	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%
10)11)	Sonae Corporate, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sontel, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	Sonae SR Malta Holding Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
	SONAESR – Serviços e Logística, SA	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
	Sonaegeest - Soc.Gest.Fundos Investimentos, SA	a)	Maia (Portugal)	100.00%	94.00%	100.00%	90.00%
	Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
12)	Tlantic, BV	a)	Amsterdam (Netherlands)	70.71%	70.71%	70.71%	70.71%
12)	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia (Portugal)	100.00%	70.71%	100.00%	70.71%
12)	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 acquired in the period;

2) Company created in the period;

3) 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 and 4.1);

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- 4) Former Sonaecom – Sistemas de Información España, SL;
- 5) Former SFS – Serviços de Gestão e Marketing, SA;
- 6) Following the gain of control of Sonae Sierra, SGPS, SA, these companies change from joint ventures to subsidiaries and are being consolidated by the full consolidation method (Note 4.3);
- 7) Former Sonae MC – Modelo Continente SGPS, SA
- 8) Former Sonae Center Serviços II, SA;
- 9) Former Sonae Investimentos, SGPS, SA;
- 10) Former ZYEvolution- Invest.Desenvol., SA;
- 11) Former Sonae- Shared Service Center, SA;
- 12) Disposal on 26 September 2018.

These entities are consolidated using the full consolidation method.

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

Joint ventures and associates, their head offices and percentage of share capital held by Sonae as at 30 September 2018 and 31 December 2017 are as follows:

32.1 Joint Ventures

COMPANY			Percentage of capital held			
			30 Sep 2018		31 Dec 2017	
			Direct*	Total*	Direct*	Total*
Head Office						
Sonae MC						
	Sohi Meat Solutions- Distribuição de Carnes, SA	Santarém (Portugal)	50.00%	50.00%	50.00%	50,00%
Sonae Sierra						
1)	3shoppings - Holding, SGPS, SA	Maia (Portugal)	20.00%	14.00%	20.00%	10.00%
1)	8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
	Aegean Park Constructions Real Estate and Development, SA	Athens (Greece)	100.00%	35.00%	100.00%	25.00%
1)	ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
1)	ALBRP Albufeira Retail Park, Lda	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
1)	Albufeira RP (Luxembourg) 1, Sarl	Luxembourg	100.00%	7.00%	100.00%	5.00%

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1)	Albufeira RP (Luxembourg) 2, Sarl	Luxembourg	100.00%	7.00%	100.00%	5.00%
1)	ALEXA Asset GmbH & Co, KG	Dusseldorf (Germany)	9.00%	6.30%	9.00%	4.50%
2)	ALEXA Holding GmbH	Dusseldorf (Germany)	-	-	100.00%	50.00%
2)	ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	-	-	100.00%	50.00%
1)	Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
1)	Area Sur Shopping, S.L	Madrid (Spain)	15.00%	10.50%	15.00%	7.50%
3)	ARP Alverca Retail Park, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
4)	Arrábidasshopping - Centro Comercial, SA	Maia (Portugal)	50.00%	17.54%	100.00%	12.53%
3)	Axnae Spain Holdings, S.L.	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
1)	Candotal Spain S,L,U,	Madrid (Spain)	100.00%	7.00%	100.00%	5.00%
3)	Cascaishopping - Centro Comercial, SA	Maia (Portugal)	100.00%	40.07%	100.00%	28.62%
3)	CCCB Caldas da Rainha - Centro Comercial, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
	Centro Colombo - Centro Comercial, SA	Maia (Portugal)	100.00%	17.54%	100.00%	12.53%
	Centro Vasco da Gama - Centro Comercial, SA	Maia (Portugal)	100.00%	17.54%	50.00%	12.53%
3)	Coimbrashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	35.07%	100.00%	25.05%
	DOC Malaga Holdings S.L.	Madrid (Spain)	50.00%	17.54%	50.00%	12.53%
	DOC Malaga SITECO S.L.U.	Madrid (Spain)	100.00%	17.54%	100.00%	12.53%
3)	Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
3)	Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	35.07%	100.00%	25.05%
1)	Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	7.00%	100.00%	5.00%
	Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	35.00%	50.00%	25.00%
	Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	58.07%	14.48%	50.00%	10.34%
	Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	87.61%	22.09%	87.61%	15.78%
4)	Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	50.00%	17.54%	100.00%	12.53%
4)	Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	17.54%	100.00%	12.53%
3)	Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	70.00%	100.00%	50.00%
1)	Guimarãesshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	14.00%	100.00%	10.00%
	Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	17.54%	50.00%	12.53%
1)	Haciarrriba – Projetos, negócios e Promoções, SA	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
	Iberian Assets, SA	Madrid (Spain)	50.00%	17.54%	50.00%	12.53%

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1)	Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	10.00%	7.00%	10.00%	5.00%
3)	Iberian Holdings Spain, S.L.	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
1)	Imoconti – Sociedade Imobiliária, SA	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
3)	Ioannina Development of Shopping Centres, SA	Athens (Greece)	100.00%	70.00%	100.00%	50.00%
3)	Land Retail, BV	Amsterdam (Netherlands)	100.00%	40.07%	100.00%	32.19%
	Larissa Development of Shopping Centres, SA	Athens (Greece)	100.00%	35.00%	100.00%	25.00%
1)	LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
1)	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	10.00%	7.00%	10.00%	5.00%
1)	Loop5 Shopping Centre GmbH & Co KG	Dusseldorf (Germany)	9.00%	6.30%	9.00%	4.50%
1)	Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	7.88%	50.00%	5.63%
2)	Luz del Tajo, BV in liquidation	Amsterdam (Netherlands)	-	-	100.00%	25.05%
1)	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	7.00%	100.00%	5.00%
	Madeirashopping - Centro Comercial, SA	Funchal (Portugal)	50.00%	17.54%	50.00%	12.53%
1)	Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	14.00%	100.00%	10.00%
3)	Microcom Doi, Srl	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%
	Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	17.54%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	17.54%	100.00%	12.53%
1)	Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
1)	Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
1)	Olimpo Real Estate Socimi, SA	Madrid (Spain)	3.75%	2.63%	3.75%	1.88%
	Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	35.00%	50.00%	25.00%
3)	Paracentro - Gestão de Galerias Comerciais, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
	Park Avenue Developement of Shopping Centers, SA	Athens (Greece)	50.00%	35.00%	50.00%	25.00%
	Parklake Shopping, SA	Bucharest (Romania)	50.00%	35.00%	50.00%	25.00%
5)	Parklake Business Centre SRL	Bucharest (Romania)	100.00%	35.00%	-	-
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Portugal)	50.00%	17.54%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	35.00%	100.00%	25.00%
3)	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	23.33%	100.00%	16.66%

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6)	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	-	-	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	23.33%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	23.33%	100.00%	16.66%
	Pátio Sertório Shopping, Ltda	Manaus (Brazil)	100.00%	23.33%	100.00%	16.66%
	Pátio Uberlândia Shopping, Ltda	São Paulo (Brazil)	100.00%	23.33%	100.00%	16.66%
3)	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
3)	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
3)	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	35.07%	100.00%	25.05%
3)	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
3)	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	35.07%	100.00%	25.05%
	Plenerg Srl	Bucharest (Romania)	50.00%	35.00%	50.00%	25.00%
1)	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
1)	Portitail – Investimentos Imobiliários, S.A	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
1)	Project Guia, SA	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
3)	Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra 11 BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra 12 BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
1)	Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	7.00%	100.00%	5.00%
3)	Project Sierra Cúcuta, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra Four, SA	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
	Proyecto Cúcuta S.A.S	Santiago de Cali (Colombia)	50.00%	35.00%	50.00%	25.00%
5)	PUD Srl	Parma (Italy)	50.00%	35.00%	-	-
1)	Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	7.88%	50.00%	5.63%

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3)	River Plaza BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	River Plaza Mall, Srl	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%
	SC Aegean, BV	Amsterdam (Netherlands)	50.00%	35.00%	50.00%	25.00%
1)	Serra Shopping – Centro Comercial, SA	Lisbon (Portugal)	5.00%	3.50%	50.00%	5.63%
	Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	17.54%	50.00%	12.53%
3)	Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	35.07%	100.00%	25.05%
2)	Sierra Asia Limited	Hong Kong	-	-	100.00%	50.00%
3)	Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	35.00%	100.00%	25.00%
	Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	35.00%	50.00%	25.00%
1)	Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	34.30%	49.00 %	24.50%
2)	Sierra Core Assets Holdings, BV	Amsterdam (Netherlands)	-	-	50.00%	25.05%
3)	Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Developments, SGPS, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
3)	Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	35.07%	50.10%	25.05%
3)	Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	70.00%	100.00%	50.00%
3)	Sierra GP, Limited	Guernesey (U.K.)	100.00%	70.00%	100.00%	50.00%
7)	Sierra Greece, SA	Athens (Greece)	-	-	100.00%	50.00%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	23.33%	100.00%	16.66%
3)	Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Investments SGPS, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Italy, Srl	Milan (Italy)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Management, SGPS, SA	Maia (Portugal)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Maroc, SARL	Casablanca (Morocco)	100.00%	70.00%	100.00%	50.00%

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3)	Sierra Maroc Services, SARL	Casablanca (Morocco)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Parma Project BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Portugal, SA	Lisbon (Portugal)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Retail Ventures BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Romania Shopping Centers Services, SRL	Bucharest (Romania)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Services Holland BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Spain – Shopping Centers Services, SA	Madrid (Spain)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Turkey Gayrimenkul Yönetim Pazarlama ve Danışmanlık Anonim Şirket	Istanbul (Turkey)	100.00%	70.00%	100.00%	50.00%
3)	Sierra Zenata Project B.V.	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
	Solingen Shopping Center GmbH	Dusseldorf (Germany)	50.00%	35.00%	50.00%	25.00%
	Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	23.33%	66.65%	16.66%
	Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	35.00%	50.00%	25.00%
3)	Sonae Sierra, SGPS, SA	Maia (Portugal)	70.00%	70.00%	50.00%	50.00%
3)	SPF - Sierra Portugal S.à r.l.	Luxembourg	100.00%	70.00%	100.00%	50.00%
1)	SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	22.50%	15.75%	22.50%	11.25%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	100.00%	23.32%	100.00%	16.66%
	VdG Holding BV	Amsterdam (Netherlands)	50.00%	17.54%	50.00%	12.53%
	Via Catarina - Centro Comercial, SA	Maia (Portugal)	50.00%	17.54%	50.00%	12.53%
3)	Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	70.00%	100.00%	50.00%
1)	Zenata Commercial Project, SA	Mohammedia (Morocco)	11.00%	7.7%	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 (Espanha)	100.00%	23.46%	100.00%	23.46%
NOS Sistemas, SA	Madrid (Spain)	100.00%	23.46%	100.00%	23.46%
NOSPUB – Publicidade e Conteúdos, SA	Lisbon (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Technology – Concepção Construção e Gestão de Redes de Comunicação, SA	Matosinhos (Portugal)	100.00%	23.46%	100.00%	23.46%
NOS Towering – Gestão de Torres de Telecomunicações, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
Per-Mar – Sociedade de Construções, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%
Sontária – Empreendimentos Imobiliários, SA	Maia (Portugal)	100.00%	23.46%	100.00%	23.46%

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	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%
8)	ISEM – Corretora de seguros e resseguros, SA	Lisbon (Portugal)	50.00%	25.00%	-	-
	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%
5)	MDS Link Solutions, Lda	Porto (Portugal)	50.00%	25.00%	-	-
	MDS Malta Holding Limited	La Valletta (Malta)	100.00%	50.00%	100.00%	50.00%
8)	MDS MG Corretora e Administradora de Seguros, Ltda	Minas Gerais (Brazil)	50.00%	25.00%	-	-
	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%
5)	Moneris Correctores de Seguros Limitada	Maputo (Mozambique)	50.00%	50.00%	-	-

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	Moneris Seguros - Mediação de Seguros, Lda	Oeiras (Portugal)	60.00%	30.00%	60.00%	30.00%
8)	Reinsurance Solutions, Soc. Corretora de Resseguros, SA	Luanda (Angola)	50.00%	33.33%	-	-
Others						
5)	MKTPLACE – Comércio Eletrónico, SA	Porto (Portugal)	50.00%	50.00%	-	-
	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) With the acquisition of control of Sonae Sierra, SGPS, SA, these companies went from joint ventures to associates (Notes 4.3, 10.1, 10.2.2 and 10.3);
- 2) Company liquidated during the period;
- 3) With the acquisition of control of Sonae Sierra, SGPS, SA, these companies went from joint ventures to subsidiaries, and consolidated by the full consolidation method (Note 4.3);
- 4) The part jointly controlled by the Sierra Portugal Fund (SPF) is now in associated companies;
- 5) Company constituted in the period;
- 6) Company extinguished by merger at the subsidiary Sierra Investimentos Brasil Ltda
- 7) Company merges at Ioannina Development of Shopping Centers, SA in 2017;
- 8) Company acquired in the period.

32.2 Associated companies

COMPANY		Percentage of capital held			
		30 Sep 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)	36.00%	36.00%	41.89%	41.89%
Sonae IM					
1) Armilar Venture Partners - Sociedade de Capital de Risco, SA	Lisbon (Portugal)	-	-	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	Hamburg (Germany)	27.45%	24.70%	27.45%	24.70%
2) ISRG - Iberian Sports Retail Group, SL	Alicante (Spain)	33.33%	33.33%	-	-
Sonae Sierra					
3) 3shoppings - Holding, SGPS, SA	Maia (Portugal)	20.00%	14.00%	20.00%	10.00%
3) 8ª Avenida Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
3) ALBRP Albufeira Retail Park, Lda	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
3) ALBCC – Albufeirashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
3) ALEXA Asset GmbH & Co, KG	Dusseldorf (Germany)	9.00%	6.30%	9.00%	4.50%
3) Algarveshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
3) Albufeira RP (Luxembourg) 1, Sarl	Luxembourg	100.00%	7.00%	100.00%	5.00%
3) Albufeira RP (Luxembourg) 2, Sarl	Luxembourg	100.00%	7.00%	100.00%	5.00%
3) Area Sur Shopping, S.L	Madrid (Spain)	15.00%	10.50%	15.00%	7.50%
4) Arrábidadashopping - Centro Comercial, SA	Maia (Portugal)	50.00%	7.88%	100.00%	12.53%
3) Candotal Spain S,L,U,	Madrid (Spain)	100.00%	7.00%	100.00%	5.00%

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3)	Estação Viana - Centro Comercial, SA	Viana do Castelo (Portugal)	100.00%	7.00%	100.00%	5.00%
4)	Gaiashopping I - Centro Comercial, SA	Maia (Portugal)	50.00%	7.88%	100.00%	12.53%
4)	Gaiashopping II - Centro Comercial, SA	Maia (Portugal)	100.00%	7.88%	100.00%	12.53%
3)	Guimarãeshopping - Centro Comercial, SA	Maia (Portugal)	100.00%	14.00%	100.00%	10.00%
3)	Haciarrriba – Projetos, negócios e Promoções, SA	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
3)	Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	10.00%	7.00%	10.00%	5.00%
3)	Imoconti – Sociedade Imobiliária, SA	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
3)	LCC – Leiriashopping – Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
3)	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	10.00%	7.00%	10.00%	5.00%
3)	Loop5 Shopping Centre GmbH & Co KG	Dusseldorf (Germany)	9.00%	6.30%	9.00%	4.50%
3)	Loureshopping – Centro Comercial, SA	Maia (Portugal)	50.00%	7.88%	50.00%	5.63%
3)	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	7.00%	100.00%	5.00%
3)	Maiashopping - Centro Comercial, SA	Maia (Portugal)	100.00%	14.00%	100.00%	10.00%
3)	Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
3)	Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
5)	Olimpo Asset 5, S.A.	Maia (Portugal)	100.00%	2.63%	-	-
5)	Olimpo Asset 6, S.A.	Maia (Portugal)	100.00%	2.63%	-	-
5)	Olimpo Asset 7, S.A.	Maia (Portugal)	100.00%	2.63%	-	-
5)	Olimpo Asset 8, S.A.	Maia (Portugal)	100.00%	2.63%	-	-
3)	Olimpo Real Estate Socimi, SA	Madrid (Spain)	3.75%	2.63%	3.75%	1.88%
3)	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia (Portugal)	100.00%	15.75%	100.00%	11.25%
3)	Portitail – Investimentos Imobiliários, S.A	Maia (Portugal)	100.00%	2.63%	100.00%	1.88%
3)	Project Guia, SA	Maia (Portugal)	100.00%	7.00%	100.00%	5.00%
3)	Project Sierra 8, BV	Amsterdam (Netherlands)	100.00%	7.00%	100.00%	5.00%
3)	Rio Sul – Centro Comercial, SA	Lisbon (Portugal)	50.00%	7.88%	50.00%	5.63%
3)	Serra Shopping – Centro Comercial, SA	Lisbon (Portugal)	5.00%	3.50%	50.00%	5.63%
3)	Sierra Cevital Shopping Center, Spa	Algeria	49.00 %	34.30%	49.00 %	24.50%
3)	SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	22.50%	15.75%	22.50%	11.25%
3)	Zenata Commercial Project, SA	Mohammedia (Morocco)	11.00%	7.7%	11.00%	5.5%

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Others

APOR – Agência para a Modernização do Porto, S.A.	Porto (Portugal)	22.75%	22.75%	22.75%	22.75%
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*the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) this participation directly in the share capital of that company.

- 1) In June the fund participation was sold;
- 2) In 2017, an agreement was signed for the combination of Sport Zone with JD Sprinter Holdings with completion in January 2018. Given the loss of control, this subsidiary is now consolidated by the equity method (Notes 3.2 and 4);
- 3) Following the gain of control of Sonae Sierra, SGPS, SA, these companies changed from joint ventures to associates (Notes 4.3, 10.1, 10.2.2 and 10.3);
- 4) Following the gain of control of Sonae Sierra, SGPS, SA, the part jointly controlled by the Sierra Portugal Fund (SPF) is now in associates;
- 5) Associate acquired.

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

Margaret Lorraine Trainer

Condensed separate financial statements

SONAE 9M18 RESULTS

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 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	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS				
NON-CURRENT ASSETS:				
Tangible assets		51,873	76,435	68,906
Intangible assets		-	27	20
Investments in subsidiaries, associates and joint ventures	4	4,271,720,252	3,806,520,407	3,824,883,407
Other investments	5	49,880	49,880	49,880
Deferred taxes		21,052,110	13,012,067	7,755,724
Other non-current assets	6	26,000,000	173,092,867	110,649,867
Total non-current assets		4,318,874,115	3,992,751,683	3,943,407,804
CURRENT ASSETS:				
Trade accounts receivable and other current assets	7	454,323,370	83,689,785	44,824,180
Cash and cash equivalents	8	59,532,802	442,933	170,739
Total current assets		513,856,172	84,132,718	44,994,919
TOTAL ASSETS		4,832,730,287	4,076,884,401	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		1,400,480,105	1,391,234,936	1,391,353,911
Profit for the period		196,249,651	51,003,334	93,223,270
TOTAL EQUITY		3,596,729,756	3,442,238,270	3,484,577,181
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	443,805,279	325,878,953	374,741,901
Total non-current liabilities		443,805,279	325,878,953	374,741,901
CURRENT LIABILITIES:				
Loans	10	198,800,000	105,539,029	36,390,000
Trade creditors and other current liabilities	11	593,395,252	203,228,149	92,693,641
Total current liabilities		792,195,252	308,767,178	129,083,641
TOTAL EQUITY AND LIABILITIES		4,832,730,287	4,076,884,401	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 30 SEPTEMBER 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	3 rd Quarter 2018	3 rd Quarter 2017	30 Sep 2018	30 Sep 2017
Services rendered		130,767	119,915	392,300	359,746
Gains or losses on investments	14	167,126,676	-	194,425,971	56,321,523
Financial income		516,289	796,518	1,470,244	2,456,011
Other income		418,687	228,916	1,221,595	1,219,827
External supplies and services		(747,147)	(608,334)	(2,712,772)	(2,373,577)
Staff costs		(673,456)	(423,010)	(1,556,408)	(1,478,260)
Depreciation and amortisation		(4,456)	(8,679)	(17,167)	(24,419)
Financial expense		(1,773,319)	(1,940,849)	(4,911,076)	(5,437,528)
Other expenses		(153,958)	(192,205)	(581,621)	(481,183)
Profit/(Loss) before taxation		164,840,083	(2,027,728)	187,731,066	50,562,140
Taxation		2,119,446	449,170	8,518,585	441,194
Profit/(Loss) after taxation		166,959,529	(1,578,558)	196,249,651	51,003,334
Profit/(Loss) per share					
Basic	15	0.083480	(0.000789)	0.098125	0.025502
Diluted	15	0.083449	(0.000791)	0.098090	0.025495

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

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 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)	3 rd Quarter 2018	3 rd Quarter 2017	30 Sep 2018	30 Sep 2017
Net Profit / (Loss) for the period	166,959,529	(1,578,558)	196,249,651	51,003,334
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	166,959,529	(1,578,558)	196,249,651	51,003,334

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

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CONDENSED SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	51,003,334	51,003,334
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	-	-	-	356,925	-	356,925	-	-	356,925
Balance as at 30 September 2017	2,000,000,000	-	247,276,603	894,093	1,041,889,389	1,042,783,482	101,174,851	51,003,334	3,442,238,270
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	-	-	-	-	-	-	-	196,249,651	196,249,651
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	-	-	-	318,651	-	318,651	-	-	318,651
Balance as at 30 September 2018	2,000,000,000	-	251,937,767	753,519	1,046,613,968	1,047,367,487	101,174,851	196,249,651	3,596,729,756

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

CONDENSED SEPARATE CASH FLOW STATEMENTS FOR THE PERIODS ENDED 30 SEPTEMBER 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	3 rd Quarter 2018	3 rd Quarter 2017	30 Sep 2018	30 Sep 2017
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		21,188,615	389,392	20,274,138	(1,306,391)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		124,933,953	-	125,156,262	-
Tangible and intangible assets		-	561	-	561
Interest and similar income		133,499	142,284	3,023,304	515,052
Dividends		165,335,314	11,123,853	168,366,776	54,809,596
Others		1,791,362	-	1,791,362	1,511,927
Loans granted		795,849,767	646,586,000	1,718,261,767	1,807,597,000
		1,088,043,895	657,852,698	2,016,599,471	1,864,434,136
Cash payments arising from:					
Investments		(570,708,701)	-	(572,598,484)	-
Tangible and intangible assets		-	(2,788)	(111)	(35,456)
Loans granted		(1,130,686,061)	(646,586,000)	(2,031,929,061)	(1,807,597,000)
		(1,701,394,762)	(646,588,788)	(2,604,527,656)	(1,807,632,456)
Net cash used in investment activities (2)		(613,350,867)	11,263,910	(587,928,185)	56,801,680
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		1,733,750,590	1,064,415,244	3,189,955,590	3,640,565,244
		1,733,750,590	1,064,415,244	3,189,955,590	3,640,565,244
Cash payments arising from:					
Loans obtained		(1,082,403,746)	(1,075,771,000)	(2,475,345,990)	(3,613,424,000)
Interest and similar charges		(927,364)	(2,748,920)	(3,597,496)	(5,673,103)
Dividends		(14,898)	(28,417)	(83,995,994)	(80,010,413)
		(1,083,346,008)	(1,078,548,337)	(2,562,939,480)	(3,699,107,516)
Net cash used in financing activities (3)		650,404,582	(14,133,093)	627,016,110	(58,542,272)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		58,242,330	(2,479,791)	59,362,063	(3,046,983)
Cash and cash equivalents at the beginning of the period		1,290,472	383,694	170,739	950,886
Cash and cash equivalents at the end of the period	8	59,532,802	(2,096,097)	59,532,802	(2,096,097)

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 30 SEPTEMBER 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 30 September 2018 and 31 December 2017 the company held investments in the following companies:

Companies	30 Sep 2018					
	% Held	Opening balance	Increase	Decrease	Impairment loss recognized during the period	Closing balance
Arat Inmuebles, SAU	100.00%	-	1,827,149	-	-	1,827,149
Interlog, SGPS, SA	-	106,686	-	(106,686)	-	-
Fundo de Investimento Imobiliário Fechado Imosede	19.60%	30,000,544	46,047,451	-	-	76,047,995
Halfdozen Real Estate, SA	-	-	50,000	(50,000)	-	-
Mktplace Comércio Eletrónico, SA	50.00%	-	50,000	-	-	50,000
Sonae MC, SGPS, SA (Ex Sonae Investimentos, SGPS, SA)	35.03%	532,246,696	223,111,000	(124,883,953)	-	630,473,743
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae Financial Services, SA	100.00%	-	44,700,000	-	-	44,700,000
Sonae RE, SA	99.92%	1,481,059	-	-	(721,000)	760,059
Sonae Sierra SGPS, SA	70.00%	490,113,339	255,936,650	-	-	746,049,989
Sonae Corporate, SA (Ex Sonae - Shared Service Center, SA)	100.00%	-	62,634	-	-	62,634
Sonaeacom, SGPS, SA	26.02%	111,098,824	-	-	-	111,098,824
Sonaeagest, SA	80.00%	159,615	813,600	-	-	973,215
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	572,598,484	(125,040,639)	(721,000)	4,271,720,252

SONAE 9M18 RESULTS

Companies	% Held	31 Dec 2017				Closing balance
		Opening balance	Increase	Decrease	Impairment loss recognized during the period	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Fundo de Investimento Imobiliário Fechado Imosede	19.60%	30,000,544	-	-	-	30,000,544
Sonae MC, SGPS, SA (Ex 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
Sonaeecom, 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 30 September 2018 and 31 December 2017 other investments are as follows:

Companies	30 Sep 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 30 September 2018 and 31 December 2017 other non-current assets are as follows:

	30 Sep 2018	31 Dec 2017
Loans granted to group companies:		
Sonae Investments, BV	25,000,000	110,649,867
Other debtors	1,000,000	-
Total	26,000,000	110,649,867

As at 30 September 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 30 September 2018 and 31 December 2017 trade accounts receivable and other current assets are detailed as follows:

	30 Sep 2018	31 Dec 2017
Trade accounts receivable	-	531,855
Group companies:		
Dividends	24,873,210	-
Loans	399,317,161	-
Interests	-	2,630,955
Taxes - Special regime for taxation of groups of companies	20,615,286	25,532,297
Taxes and contributions receivable	5,647,807	13,704,653
Accrued income and prepayments	3,269,692	2,245,319
Others	600,214	179,101
Total	454,323,370	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 30 September 2018 and 31 December 2017 cash and cash equivalents are detailed as follows:

	30 Sep 2018	31 Dec 2017
Cash at hand	2,002	953
Bank deposits	59,530,800	169,786
Cash and cash equivalents on the statement of financial position	59,532,802	170,739
Cash and cash equivalents on the cash flow statement	59,532,802	170,739

9 SHARE CAPITAL

As at 30 September 2018 and 31 December 2017 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

As at 30 September 2018 and 31 December 2017, loans are made up as follows:

	30 Sep 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	(968,889)	(1,241,289)
Bonds	159,031,111	158,758,711
Sonae SGPS - Commercial paper	235,000,000	166,250,000
Sonae SGPS - bank loans	50,000,000	50,000,000
Up-front fees not yet charged to income statement	(225,832)	(266,810)
Bank loans	284,774,168	215,983,190
Non-current loans	443,805,279	374,741,901
Sonae SGPS - Commercial paper	198,800,000	36,390,000
Bank loans	198,800,000	36,390,000
Current loans	198,800,000	36,390,000

Under lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 127 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	154,500,000	235,000,000
Available credit facilities amounts	127,000,000	-

The interest rate as at 30 September 2018 of bonds and bank loans was, in average 0.69% (1.18% as at 31 December 2017).

Maturity of Borrowings

As at 30 September 2018 and 31 December 2017 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	30 Sep 2018	31 Dec 2017
N+1	198,800,000	36,390,000
N+2	2,500,000	4,000,000
N+3	92,500,000	76,750,000
N+4	230,000,000	83,000,000
N+5	90,000,000	113,000,000
after N+5	30,000,000	99,500,000

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2018 and 31 December 2017, trade creditors and other current liabilities are detailed as follows:

	30 Sep 2018	31 Dec 2017
Trade creditors	268,419	286,234
Group companies:		
Loans	560,943,843	77,494,244
Taxes - Special regime for taxation of groups of companies	23,035,605	3,690,603
Taxes and contributions payable	6,077,553	8,919,178
Accrued expenses	2,737,562	2,204,063
Others	332,270	99,319
Total	593,395,252	92,693,641

12 CONTINGENT LIABILITIES

As at 30 September 2018 and 31 December 2017, contingent liabilities are detailed as follows:

	30 Sep 2018	31 Dec 2017
Guarantees given:		
on tax claims	161,060,880	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	30 Sep 2018	31 Dec 2017
Subsidiaries	48,168,239	29,929,831
Jointly controlled companies	1,000,000	218,605
Other related parties	75,000	98,000
Accounts receivable	49,243,239	30,246,436
Parent company	318,070	512,593
Subsidiaries	23,833,474	4,241,261
Other related parties	5,438	6,941
Accounts payable	24,156,982	4,760,795
Subsidiaries	424,317,161	110,649,867
Loans granted	424,317,161	110,649,867
Subsidiaries	560,943,843	77,494,244
Loans obtained	560,943,843	77,494,244

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Transactions	30 Sep 2018	30 Sep 2017
Subsidiaries	1,126,966	1,272,853
Jointly controlled companies	111,533	164,746
Other related parties	75,000	75,000
Services rendered and other income	1,313,499	1,512,599
Parent company	338,516	406,350
Subsidiaries	1,184,657	1,000,947
Jointly controlled companies	167	-
Other related parties	27,422	32,412
Purchases and services obtained	1,550,762	1,439,709
Subsidiaries	1,418,208	2,456,011
Interest income	1,418,208	2,456,011
Subsidiaries	773,896	797,796
Interest expenses	773,896	797,796
Subsidiaries	168,366,776	17,418,496
Jointly controlled companies	24,873,210	37,391,100
Dividend income (Note 14)	193,239,986	54,809,596
Group companies	50,000	-
Disposal of investments	50,000	-
Subsidiaries	316,611,834	-
Jointly controlled companies	50,000	-
Acquisition of investments	316,661,834	-
Subsidiaries	1,791,362	1,511,927
Income from investment fund participation units	1,791,362	1,511,927

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 30 September 2018 and 2017, investment income can be detailed as follows:

	30 Sep 2018	30 Sep 2017
Dividends	193,239,986	54,809,596
Impairment losses	(721,000)	-
Gains / (losses) on sale investments	1,906,985	1,511,927
Total	194,425,971	56,321,523

Dividends were distributed from Sonaegest, SA (33,612 euro), Sonae Sierra, SGPS, SA (24,873,210 euro), Sonaecom, SGPS, SA (2,997,850 euro) and Sonae MC, SGPS, SA (165,335,314 euro).

15 EARNINGS PER SHARE

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

	30 Sep 2018	30 Sep 2017
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	196,249,651	51,003,334
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	196,249,651	51,003,334
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	(483,801)	(606,966)
Weighted average number of shares used to calculate diluted earnings per share	2,000,711,950	2,000,542,446
Profit/(Loss) per share		
Basic	0.098125	0.025502
Diluted	0.098090	0.025495

16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 13 November 2018.

17 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 September 2018 long-term loan contracts were entered into with the following companies:

Sonae Investments, BV

During the period ended 30 September 2018 short-term loan contracts were entered into with the following companies:

Arat Inmuebles, SAU

Bright Brands SportsGoods, SA

Chão Verde – Sociedade de Gestão Imobiliária, SA

Fashion Division, SA

Halfdozen Real Estate, SA

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Infocfield – Informática, SA

MCCARE, Serviços de Saúde, SA

Modalfa – Comércio e Serviços, SA

Modaloop – Vestuário e Calçado, SA

Público – Comunicação Social, SA

Público, Comunicação e Jornalismo, SA

Sesaggest – Projectos e Gestão Imobiliária, SA

Sonae MC, SGPS, SA (Ex Sonae Investimentos, SGPS, SA)

Sonaecom – Serviços Partilhados, SA

Sonaecom, SGPS, SA

Sonae RE, SA

Sonae Corporate, SA (Ex. Sonae - Shared Service Center, SA)

Sontel, BV

Têxtil do Marco, SA

Zippy - Comércio e Distribuição, SA

Worten – Equipamentos para o Lar, SA

WRT Business – Distribuição de Eletrodomésticos, Eletrónica e Informática, SA

As at 30 September 2018, amounts owed by subsidiaries can be summarized as follows:

	Closing balance
Bright Brands Sportsgoods, SA	3,943,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	707,000
Infocfield - Informática, SA	1,605,561
Fashion Division, SA	124,083,788
Halfdozen Real Estate, SA	6,100,000
MCCare, Serviços de Saúde, SA	3,867,000
Modalfa - Comércio e Serviços, SA	19,364,955
Modaloop - Vestuário e Calçado, SA	2,525,000
Sonaecenter Serviços, SA	71,393,857
Sonae Investments, BV	25,000,000
Sonae Corporate, SA (Ex Sonae - Shared Service Center, SA)	142,889,000
Zippy - Comércio e Distribuição, SA	22,838,000
Total	424,317,161

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As at 30 September 2018 amounts owed to subsidiaries can be summarized as follows:

	Closing balance
Arat Inmuebles, SAU	1,429,000
Sesagest - Projectos e Gestão Imobiliária, SA	36,244,662
Sonae RE, SA	783,000
Sontel, BV	440,866,390
Têxtil do Marco, SA	558,000
Worten - Equipamentos para o Lar, SA	81,013,675
WRT Business - Distribuição de Eletrodomésticos, Eletrónica e Informática, SA	49,116
Total	560,943,843

Approved at the meeting of the Board of Directors held on November 13th, 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

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
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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**