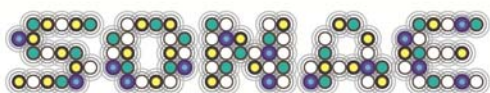


# SONAE 9 MONTHS RESULTS 2014



IMPROVING LIFE

# 1 HIGHLIGHTS

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## Reinforcing leadership while maintaining operating profitability

Sonae MC:

- 9M14 sales growth of 1.8% with further market share gains
- 3<sup>rd</sup> quarter underlying EBITDA margin of 7.8% maintaining previous quarters performance

Sonae SR:

- Double digit 9M14 turnover growth of 10.4%
- Positive 3<sup>rd</sup> quarter underlying EBITDA
- 18% increase in international organic sales per m<sup>2</sup>

Further improvement of Sonae Sierra occupancy rates to 95.1% and LfL tenant sales growth in Europe reached 4.2%. Moreover, following entering in China and in Morocco, Sonae Sierra signed an agreement for the creation in Russia of a 50/50 joint-venture with OST development, reinforcing its international expansion

NOS strong operational trends in 9M14 led to market share gains and improvements in core telco financial performance

Direct Result grew by 20.3% in 9M14, reaching 92 million euros

Sonae further reinforced its capital structure, and concluded several financing operations with maturities up to 6 years

## 2 CEO MESSAGE

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“The quarter was characterized by growing consumer spending in discretionary products in our main markets and continuing price wars in food and telecom in Portugal.

Within this context, SONAE MC continued to defend and improve its position winning market share and limiting impacts on profitability. This has been achieved through continued work on operational efficiency and new projects to improve promotional efficiency as well as a new focus on communicating our real price advantage.

Likewise, NOS is increasingly demonstrating that it is the natural leader in convergence, posting very strong net-adds in all the key segments, at the same time that structural cost savings from the merger process are beginning to show through and compensating price pressures.

SONAE SIERRA has registered overall improving tenant sales and, whereas rental income will naturally lag, there are already positive rental income figures in Portugal. SONAE SIERRA BRASIL has been successful in leasing the most recently opened centres in a market where many are failing to do so.

SONAE SR is driving our consolidated growth despite the fact that we are in many circumstances shifting to smaller store formats and thus decreasing overall Gross Lettable Area (GLA). The combination of LfL growth and improved sales productivity of refurbished stores is driving significant improvements in sales per sqm.

Our INVESTMENT MANAGEMENT activity, besides concluding the sale of Mainroad to NOS, completed the acquisition of a majority stake in S21Sec – a very promising company in the field of cyber security, which has an important fit with our SSI division.

Net debt versus the same quarter in the previous year increased 17 M€, which is a very satisfactory result given the payment of over 100 M€ that became due to France Telecom in the quarter regarding the acquisition of their stake in SONAECOM agreed in 2013.”

Paulo Azevedo, CEO

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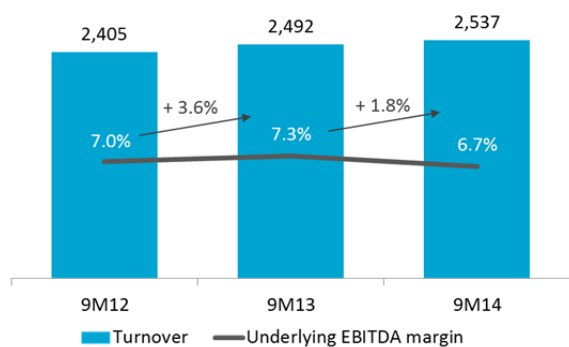
Following the merger between Zon and Optimus and its report using the equity method, we decided to change the way we report our results to the market by separating each business, in order to obtain more transparency between the segments: 1) Sonae Retail: Sonae MC, SR and RP; 2) Investment Management, including Software and Systems Information, and Público businesses from Sonaecom; 3) Sonae Sierra and 4) NOS. Moreover, Sonae adjusted the 2013 profit and loss statements on a pro forma basis (3Q13 PF and 9M13 PF), assuming that the merger between ZON and Optimus occurred in January 1<sup>st</sup> 2013, with some consolidation effects in our co-controlled vehicle company. This criterion, besides assuring an easier and fairer comparability between 2013 and 2014 results, is in line with the current reporting pro forma method adopted by Sonaecom, NOS and market expectations.

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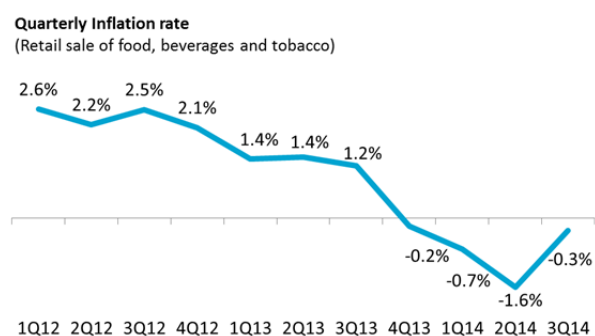
# 3 SONAE RETAIL RESULTS

## Sonae MC

### Turnover and underlying EBITDA margin



### Inflation rate evolution



Note: Data provided by Eurostat as of October 27<sup>th</sup> 2014.

**Sonae MC turnover** totalled 2,537 M€ in 9M14 corresponding to an increase of 45 M€ and 1.8% when compared to the same period of the previous year. The turnover increase was driven by approximately 4.2% volume sales growth mostly supported by the opening of 6 Continente Modelo stores and 5 Continente Bom Dia stores over the last 12 months.

During this period **Sonae MC** continued to strengthen its leading market share in the Portuguese food retail sector<sup>1</sup> which is a consequence of the loyalty of our customers who trust in the value for money of our products. Furthermore, Continente private label portfolio represented in 9M14 approximately 30% of the turnover of FMCG categories proving the customers' acceptance of our products. **Sonae MC's** ecommerce platform posted a 10% y.o.y. growth in online sales.

Once again, the third quarter of 2014 was characterized by the highly competitive environment in the retail sector in Portugal which led us to maintain the strong promotional activity causing an internal deflation of 2.4% in the 9M14 (and 2.6% in the 3Q14 which shows sign of a slower pace in the 2<sup>nd</sup> half of the 3Q). Despite the deflation, **Sonae MC** reached an **underlying EBITDA margin** of 6.7% (171 M€) in 9M14 and 7.8% (71 M€) in 3Q14. It is worth highlighting that **Sonae MC** develops an efficient and targeted promotional activity based on the Continente loyalty card which accounted for more than 90% of sales in the period.

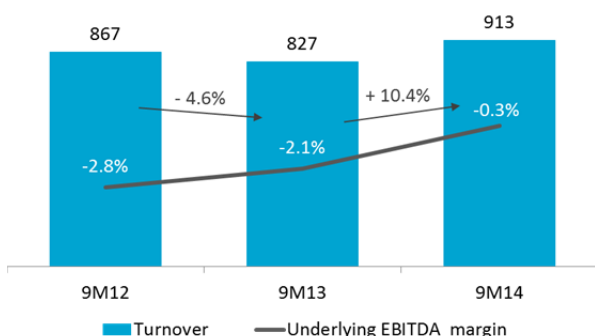
**Sonae MC** continues to explore initial opportunities both in wholesale and franchising. During the 9M14 **Sonae MC** opened 42 Meu Super stores and 1 note! store under franchising agreements, thus finalizing the first nine months of the year with 123 stores of this format (36,000 m<sup>2</sup>).

<sup>1</sup> For example, A. C. Nielsen's Homescan survey YTD up until 10<sup>th</sup> August: +1.1 p.p. market share for Continente.

# 3 SONAE RETAIL RESULTS (cont.)

## Sonae SR

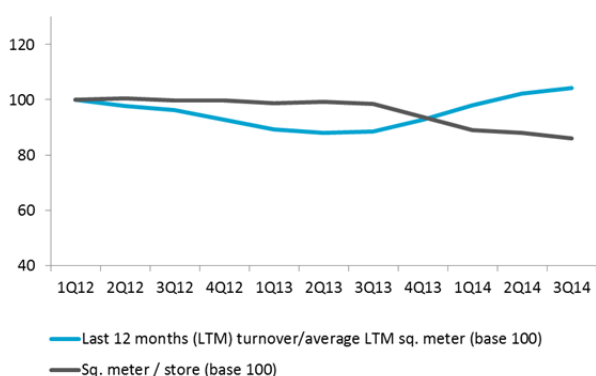
Turnover and underlying EBITDA margin



Turnover and underlying EBITDA per geography

Sonae SR per geography	9M13	9M14	y.o.y	3Q13	3Q14	y.o.y
<b>Turnover (million €)</b>	827	913	10.4%	310	334	7.9%
Portugal	598	653	9.2%	229	243	6.5%
International	229	260	13.6%	81	90	11.8%
<b>EBITDA (million €)</b>	-17	-3	82.9%	0	4	-
Portugal	13	24	87.1%	9	14	51.4%
International	-30	-27	9.7%	-9	-10	-10.1%
<b>EBITDA margin</b>	-2.1%	-0.3%	1.7 p.p.	0.0%	1.2%	1.1 p.p.
Portugal	2.2%	3.7%	1.5 p.p.	3.9%	5.6%	1.7 p.p.
International	-13.0%	-10.4%	2.7 p.p.	-10.9%	-10.8%	0.2 p.p.

SR International organic<sup>2</sup>– LTM turnover/m<sup>2</sup> evolution



<sup>2</sup> Includes e-commerce sales.

In 9M14, **Sonae SR turnover** totalled 913 M€, 86 M€ and 10.4% above 9M13 corresponding to 7% growth on a like-for-like (Lfl) basis.

**Sonae SR underlying EBITDA** is positive in the quarter and close to breakeven in the first nine months of the year. In 9M14, **Sonae SR** recovered from losses of 17 M€ at the underlying EBITDA level to losses of 3 M€ corresponding to -0.3% **underlying EBITDA margin**, an improvement of 1.7 p.p. y.o.y.. In quarterly terms the underlying EBITDA margin was 1.2%. Once again, these results prove the success of the turnaround measures that have been implemented over the last years.

In Portugal, 9M14 **Sonae SR turnover** increased 55 M€ to 653 M€ and **underlying EBITDA** amounted to 24 M€ corresponding to an **underlying EBITDA margin** of 3.7%, 1.5 p.p. higher than last year. Internationally, **Sonae SR turnover** totalled 260 M€ and a negative **underlying EBITDA margin** of 10.4%, a 2.7 p.p. better performance enhanced by sales increase and efficiency improvements.

During 9M14, **Sonae SR** performance was translated as follows:

- **Worten** strengthened its leadership position in the Portuguese electronic market, with an estimated market share gain of 1.5 p.p.<sup>3</sup>;
  - the new concept of smaller stores in Spain continued showing good results. Organic international sales per m<sup>2</sup> at **Worten**, **Sport Zone** and **Zippy** increased by 18%;
  - **MO** in Portugal grew at double-digit on a Lfl basis proving the success of its new value proposition which includes brand, store and product improvement; and,
  - **Zippy** started a partnership with Continente loyalty card at the end of third quarter providing new saving solutions to the Portuguese families. This partnership will contribute to the increase of Zippy's attractiveness in Portugal with effects expected to start in 4Q14.
- Already in October, Zippy reinforced its presence in Latin America by entering the Chilean market.

<sup>3</sup> For example, GfK survey YTD: +1.5 p.p. (until September) market share for Worten Portugal.

# 3 SONAE RETAIL RESULTS (cont.)

## Sonae RP

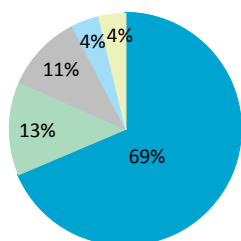
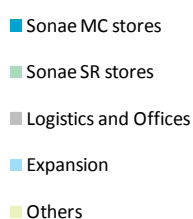
### Turnover and underlying EBITDA

Million euros	9M13	9M14	y.o.y.	3Q13	3Q14	y.o.y.
Turnover	93	95	2.1%	31	32	2.1%
Underlying EBITDA	84	85	2.3%	28	29	2.5%
Underlying EBITDA margin	90.2%	90.5%	0.2 p.p.	90.9%	91.2%	0.3 p.p.

In 9M14, **Sonae RP turnover** amounted to 95 M€, increasing 2.1% when compared to the same period of the previous year. The **underlying EBITDA** increased 2 M€ to 85 M€ which translates into an **underlying EBITDA margin** of 90.5% and a LTM EBIT ROCE of 7.2%.

The **net book value of the capital invested** in retail real estate assets amounted, at the end of 9M14, 1.22 bn€, corresponding to a portfolio that includes namely 33 Continente stores, 81 Continente Modelo stores and 15 Continente Bom Dia stores. Sonae currently maintains a freehold level of approximately 73% of its food retail selling area and 28% of its non-food retail space.

### Sonae RP Portfolio



During 9M14 there were 3 sale and leaseback transactions completed, in the total amount of 11.5 M€. Sonae continues to reassess its strategy regarding potential alternatives to monetize its real estate assets and is exploring different options. The alternative to be chosen will have to be accretive for the company and its shareholders.

## Sonae Retail CAPEX

### CAPEX per business

Million euros	9M13	9M14	% of Turnover
<b>Sonae Retail</b>	<b>110</b>	<b>122</b>	<b>3.4%</b>
Sonae MC	70	62	2.5%
Sonae SR	18	41	4.5%
Sonae RP	22	19	19.9%
<b>Underlying EBITDA - capex</b>	<b>139</b>	<b>132</b>	<b>-</b>

In the first 9 months of 2014, **Sonae MC CAPEX** reached 62 M€, 7 M€ below the value achieved in the same period last year.

Regarding **Sonae SR CAPEX**, it amounted to 41 M€, 23 M€ above the figure registered in 9M13 especially due to the refurbishment of stores with the new concept. The investments developed by **Sonae SR** in 9M14 included the opening of:

- 1 MO store, 1 Worten store and 1 Worten Mobile store in Portugal; and,
- 2 Worten stores and 2 Sport Zone stores in Spain.

It is worth mentioning that the average number of m<sup>2</sup> in Worten in Spain has been reduced as a result of the implementation of the new concept with smaller stores supported by the omni-channel strategy.

At the end of September 2014, **Sonae SR** operated 518 stores (377,000 m<sup>2</sup>), including 118 outside Portugal and 63 stores under franchising agreements (18,000 m<sup>2</sup>), including 52 outside of Portugal. During 9M14, **Sonae SR** reinforced its international expansion opening 10 new stores under franchising agreements: 1 Sport Zone store in Spain, 1 MO store in Malta and 8 Zippy stores namely in Armenia, Malta, Saudi Arabia, and Lebanon.

In 9M14, **Sonae RP CAPEX** stood at 19 M€, 3 M€ below the same period in 2013.



# 4 INVESTMENT MANAGEMENT

The **Investment Management** unit includes the businesses from:

- Partnerships: MDS, Maxmat<sup>4</sup>, GeoStar<sup>5</sup> and Público;
- Software and Systems Information (SSI) units from Sonaecom: WeDo Technologies, Saphety, Bizdirect and S21Sec; and,
- Retail technology: Tlantic<sup>4</sup> and Movvo.

## Turnover and underlying EBITDA

Million euros	9M13	9M14	y.o.y.	3Q13	3Q14	y.o.y.
Turnover	164	186	13.5%	57	67	18.2%
<b>Underlying EBITDA</b>	<b>8</b>	<b>11</b>	<b>45.7%</b>	<b>5</b>	<b>6</b>	<b>41.3%</b>
Underlying EBITDA margin	4.7%	6.1%	1.3 p.p.	8.1%	9.7%	1.6 p.p.

In 9M14, **Investment Management turnover** reached 186 M€, 13.5% and 22 M€ above the figure registered in 9M13. This result was, in part, impacted by the increase of 6.6%<sup>6</sup> of the SSI business, which totalled 89.3 M€<sup>6</sup> in 9M14 but also by the turnover increase in the other areas. It is worth to highlight the 18.2% increase in the 3Q14 **Investment Management** turnover when compared to the value amounted in the same period last year.

Furthermore, **Investment Management underlying EBITDA** totalled 11 M€, 45.7% above 9M13 corresponding to an **underlying EBITDA margin** of 6.1% in 9M14 (9.7% in 3Q14).

Regarding our partnerships:

- **MDS** performance has been impacted by the pressure faced in insurance premiums and the depreciation of the Brazilian Real. Despite the worse performance in the quarter versus 3Q13 the company expects to recover in 4Q14;
- **GeoStar**, gained market share<sup>7</sup> in the quarter presenting 0.1% increase in BSP sales versus a market decrease of 1.1%;

- **Maxmat** continued to improve its operational performance in the quarter and delivered the best quarter of the year both in terms of turnover and EBITDA growth.

In what concerns the SSI unit, it suffered some changes in its portfolio. On 22<sup>nd</sup> September 2014, Sonaecom announced the sale of the total share capital of **Mainroad** to NOS. **Mainroad** is a leading company in Portugal in the area of Information Technology, holding two Data Centers – one in Porto and another in Lisbon - and offering a full set of services: Business Continuity, Cloud Computing and IT Managed Services.

As reported in 1H14 earnings announcement, Sonaecom acquired a 60% stake of the share capital of **S21Sec**, a multinational with the main office based in Madrid, specialized in cyber security services.

These two transactions demonstrate that SSI continues to take solid steps in the wake of its strategy of active management of its portfolio.

Another important milestone in the SSI business is related to **Saphety**, which is extending its operation to Russia, strengthening its current geographical presence (Denmark, Finland, Greece, Sweden, Portugal and Colombia).

Regarding the retail technology businesses, during 3Q14 **Sonae** concluded an investment in **Movvo** (ex-Around Knowledge). Movvo is a Portuguese startup that developed a proprietary tagless real time location technology. This technology allows to measure the flow of people in physical spaces and provides relevant information for retailers.

<sup>4</sup> Sonae holds 50% of Maxmat and 77.7% of Tlantic and adopts the full consolidation method to report its results.

<sup>5</sup> GeoStar is reported using the equity method.

<sup>6</sup> Includes Mainroad contribute.

<sup>7</sup> BSP refers to IATA Billing and Settlement plan.

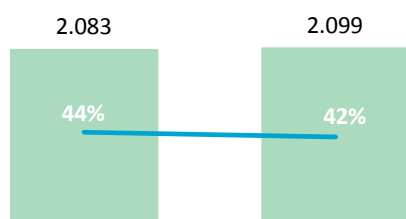


# 5 SONAE SIERRA RESULTS

Sonae Sierra - Operational data			
	9M13	9M14	y.o.y.
<b>Footfall (million visitors)</b>	<b>294</b>	<b>320</b>	<b>8.7%</b>
Europe & New Markets	222	240	8.5%
Brazil	73	80	9.3%
<b>Occupancy rate (%)</b>	<b>95.0%</b>	<b>95.1%</b>	<b>0.1 p.p.</b>
Europe	95.0%	95.6%	0.5 p.p.
Brazil	95.1%	93.7%	-1.4 p.p.
<b>"Like-for-Like" (Lfl) Tenant sales</b>			
Europe	-2.8%	4.2%	7.0 p.p.
Brazil (local currency)	4.8%	7.5%	2.7 p.p.
<b>Tenant sales (million euros)</b>	<b>3,243</b>	<b>3,226</b>	<b>-0.5%</b>
Europe (million euros)	2,260	2,197	-2.8%
Brazil (million euros)	983	1,029	4.7%
Brazil (million reais)	2,727	3,191	17.0%
<b>Nº of shopping centres owned/co-owned (EOP)</b>	<b>48</b>	<b>47</b>	<b>-1</b>
Europe	39	37	-2
Brazil	9	10	1
<b>GLA under Management ('000 m2)</b>	<b>2,217</b>	<b>2,256</b>	<b>1.8%</b>
Europe & New Markets	1,776	1,737	-2.2%
Brazil	441	519	17.7%

Sonae Sierra - Financial indicators						
Million euros	9M13	9M14	y.o.y.	3Q13	3Q14	y.o.y.
<b>Turnover</b>	<b>166</b>	<b>164</b>	<b>-1.3%</b>	<b>55</b>	<b>55</b>	<b>-0.2%</b>
<b>EBITDA</b>	<b>84</b>	<b>78</b>	<b>-6.5%</b>	<b>27</b>	<b>27</b>	<b>-1.2%</b>
EBITDA margin	50.5%	47.8%	-2.7 p.p.	49.7%	49.2%	-0.5 p.p.
Direct result	43	36	-15.7%	13	14	6.3%
Indirect result	-38	24	-	-4	-2	41.5%
<b>Net results</b>	<b>5</b>	<b>60</b>	<b>-</b>	<b>10</b>	<b>12</b>	<b>23.7%</b>
... attributable to Sonae	3	30	-	5	6	23.7%

Sonae Sierra	
Open Market Value (OMV) and leverage	
FY13	9M14



■ OMV attributable to Sonae Sierra — Loan-to-value

The benchmark quality of **Sonae Sierra** assets continues to be reflected in a high average **occupancy rate** which, in 9M14, totalled 95.1%. Moreover, **Sonae Sierra occupancy rate** in Europe reached 95.6% reflecting the higher private consumption and consumer confidence witnessed in Portugal. In Brazil this rate was 93.7%, 1.4 p.p. below the percentage totalled in the same period of 2013. This result was reached due to the initial lower occupancy rate of Passeio das Águas.

**Lfl tenant sales** in Europe in 9M14 increased to 4.2%, recovering 7 p.p. when compared to 9M13, which shows a very positive evolution. Despite this positive evolution and the higher occupancy rate, **tenant sales** in Europe decreased by 2.8% y.o.y. due to the perimeter changes (sale of Parque Principado in Spain in October 7<sup>th</sup> 2013, ValeCenter and Airone in Italy in December 20<sup>th</sup> 2013 and 90% of Sonae Sierra ownership in Le Terrazze Shopping centre also in Italy in July 2<sup>nd</sup> 2014). In Brazil **Lfl tenant sales** registered 7.5% and **tenant sales** in local currency improved by 17% y.o.y..

The 9M14 **turnover** decreased 2 M€ when compared with the value amounted in 9M13, totalling 164 M€. This result was mainly driven by the European sale of assets in 2013 and 2014 and to the adverse currency exchange effect (from Brazilian real). The **EBITDA** registered 78 M€, 6.5% below 9M13 impacted by the lower turnover which translates into an **EBITDA margin** of 47.8%.

The **direct results** were also impacted by the already mentioned sale of assets and the adverse FX change effect recording 36 M€, 7 M€ below 9M13. **Indirect result** amounted to 24 M€ in 9M14 which were influenced by the yields compression in Portugal and Spain but also by the positive evolution of the operational performance. However, **indirect results**, this quarter, were not impacted by the real estate valuations since Sonae Sierra only revalues its assets in a semi-annual basis. Nevertheless, **net results** recover by 55 M€ totalling 60 M€ in 9M14 as a consequence of the higher indirect results registered in 1H14.

On September 30<sup>th</sup> 2014 the **OMV (Open Market Value)** attributable to Sonae Sierra was 2,099 bn€, 16 M€ above December 31<sup>st</sup> 2013, as a result of the real estate yields recovery and the real appreciation. **NAV (Net Asset Value)** was positively impacted for the same reasons as OMV, reaching at 9M14 1,096 bn€, 95 M€ above December 2013.

At the end of September 2014 the **Loan-to-value** ratio remains at a conservative level of 42%.

# 6 NOS RESULTS

## NOS financial highlights

NOS Financial Indicators - Pro-forma Results						
Million euros	9M13 PF	9M14	y.o.y.	3Q13 PF	3Q14	y.o.y.
Operating revenues	1,071	1,030	-3.8%	362	348	-3.8%
EBITDA	418	397	-5.1%	140	133	-4.6%
EBITDA margin	39.1%	38.5%	-0.5 p.p.	38.7%	38.4%	-0.3 p.p.
Net results	77	62	-18.4%	18	19	2.0%
CAPEX	189	232	22.8%	62	87	40.6%
EBITDA-CAPEX	230	165	-28.0%	78	47	-40.2%
Recurrent CAPEX	184	193	4.5%	60	68	13.1%
EBITDA-Recurrent CAPEX	234	204	-12.7%	80	65	-18.1%

In 9M14, **NOS operating revenues** decreased 3.8% y.o.y. reaching 1,030 M€.

**EBITDA** stood at 397 M€, decreasing 5.1% when compared to 9M13.

**Recurrent CAPEX** increased 4.5% when compared with the value achieved in 9M13, recording 193 M€ in 9M14. As a consequence of EBITDA evolution, EBITDA-Recurrent CAPEX decreased 12.7%.

**Net financial debt to EBITDA** stood at 1.9x at the end of 9M14.

The average **maturity** of its **net financial debt** is now 2.5 years.

**NOS** published its 9M14 results on November 5<sup>th</sup> 2014 which are available at [www.nos.pt](http://www.nos.pt).

## NOS market performance

Subsequent to the merger between Optimus and Zon (currently NOS), and since the day in which new shares issued were listed on September 9<sup>th</sup> 2013, and until September 30<sup>th</sup> 2014, the company's market capitalisation grew 11.8%, corresponding to a share price increase from 4.27€ to 4.77€. The PSI20, the main Portuguese index, decreased its market capitalisation 3.6% in the same period.

## NOS operational highlights

NOS Operational Indicators			
('000)	3Q13	2Q14	3Q14
<b>Total RGUs</b>	<b>7,254</b>	<b>7,296</b>	<b>7,445</b>
Convergent RGUs	72	1,008	1,488
Mobile	3,238	3,397	3,536
% 3P&4P Subscribers	66.4%	69.2%	70.9%
IRIS Subscribers	390	561	633
IRIS as % 3P&4P Subscribers	48.2%	69.2%	76.6%

Acceleration in pace of growth of core convergent services reaching 1.488 million **convergent RGUs** at the end of 3Q14, with 480 thousand net adds.

**Mobile** net adds of 139 thousand in 3Q14 driven by continued strong growth of 145 thousands post-paid services.

**IRIS**, **NOS** leading edge TV interface, achieved another record quarter with additional 71.9 thousand subscribers, reaching 76.6% as a **percentage of the 3&4P subscriber** base.



# 7 OVERALL PERFORMANCE

Consolidated results						
Million euros	9M13 PF	9M14	y.o.y.	3Q13 PF	3Q14	y.o.y.
Sonae MC	2,492	2,537	1.8%	908	911	0.4%
Sonae SR	827	913	10.4%	310	334	7.9%
Sonae RP	93	95	2.1%	31	32	2.1%
Investment manag.	164	186	13.5%	57	67	18.2%
E&A <sup>(1)</sup>	-109	-121	-11.6%	-40	-40	0.4%
<b>Turnover</b>	<b>3,467</b>	<b>3,610</b>	<b>4.1%</b>	<b>1,264</b>	<b>1,304</b>	<b>3.1%</b>
Sonae MC	183	171	-6.5%	77	71	-6.9%
Sonae SR	-17	-3	82.9%	0	4	-
Sonae RP	84	85	2.3%	28	29	2.5%
Investment manag.	8	11	45.7%	5	6	41.3%
E&A <sup>(1)</sup>	1	-5	-	-5	-5	1.6%
<b>Underlying EBITDA</b>	<b>258</b>	<b>259</b>	<b>0.7%</b>	<b>105</b>	<b>106</b>	<b>1.1%</b>
Underlying EBITDA margin	7.4%	7.2%	-0.2 p.p.	8.3%	8.1%	-0.2 p.p.
Equity method results <sup>(2)</sup>	41	35	-16.7%	13	15	16.5%
o.w. S. Sierra (diret results)	21	18	-15.7%	7	7	6.2%
o.w. NOS	20	16	-17.2%	5	7	43.0%
Non-recurrent items	0	-1	-	0	1	-
<b>EBITDA</b>	<b>299</b>	<b>293</b>	<b>-1.9%</b>	<b>117</b>	<b>122</b>	<b>3.9%</b>
EBITDA margin	8.6%	8.1%	-0.5 p.p.	9.3%	9.3%	0.1 p.p.
D&A <sup>(3)</sup>	-147	-132	10.2%	-47	-45	3.9%
<b>EBIT</b>	<b>153</b>	<b>162</b>	<b>6.0%</b>	<b>71</b>	<b>77</b>	<b>9.0%</b>
Net financial activity	-65	-58	11.0%	-19	-20	-1.8%
<b>EBT</b>	<b>88</b>	<b>104</b>	<b>18.7%</b>	<b>51</b>	<b>58</b>	<b>12.0%</b>
Taxes	-11	-12	-7.6%	-7	-11	-45.5%
<b>Direct Results <sup>(4)</sup></b>	<b>77</b>	<b>92</b>	<b>20.3%</b>	<b>44</b>	<b>47</b>	<b>6.5%</b>
<b>Indirect Results</b>	<b>289</b>	<b>5</b>	<b>-98.3%</b>	<b>306</b>	<b>-1</b>	<b>-</b>
<b>Net income</b>	<b>366</b>	<b>97</b>	<b>-73.4%</b>	<b>350</b>	<b>45</b>	<b>-87.0%</b>
Non-controlling interests	-124	-2	98.4%	-123	-3	97.9%
<b>Net income group share</b>	<b>242</b>	<b>95</b>	<b>-60.7%</b>	<b>227</b>	<b>43</b>	<b>-81.1%</b>
<b>Indirect Results <sup>(5)</sup></b>	<b>-10</b>	<b>5</b>	<b>-</b>	<b>7</b>	<b>-1</b>	<b>-</b>
<b>Net income <sup>(5)</sup></b>	<b>67</b>	<b>97</b>	<b>45.5%</b>	<b>51</b>	<b>41</b>	<b>-18.7%</b>
Non-controlling interests <sup>(5)</sup>	-2	-2	15.8%	-2	-3	-13.7%
<b>Net income group share <sup>(5)</sup></b>	<b>64</b>	<b>95</b>	<b>47.7%</b>	<b>49</b>	<b>39</b>	<b>-20.2%</b>

(1) Eliminations & adjustments;

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

(3) Depreciations & amortizations including provisions & impairments;

(4) Direct results before non-controlling interests;

(5) Excluding Zon-Optimus merger effects and impairments booked 3Q13.

**Indirect results** registered 5 M€ which are not comparable with the 289 M€ totalled in the previous year since the 9M13 indirect results include a gain related to the NOS merger as well as some impairments booked in 3Q13.

In 9M14, **consolidated turnover** totalled 3,610 M€, 143 M€ and 4.1% above the same period of the previous year. This result was mainly impacted by the stronger performance of Sonae SR and Investment Management which turnover grew 10.4% and 13.5%, respectively.

Despite Sonae MC underlying EBITDA being negatively impacted by the highly competitive environment among the Portuguese food retail industry, the **consolidated underlying EBITDA** increased 0.7% when compared to 9M13 reaching 259 M€. This achievement was backed on the improvements in the underlying EBITDA of Sonae SR (+82.9% vs. 9M13) and Investment Management (+45.7% vs. 9M13).

In 9M14, **EBITDA** amounted to 293 M€ which includes the contributions of the:

- (i) before mentioned underlying EBITDA of 259 M€; and,
- (ii) equity method results of 35 M€ (from Sonae Sierra direct results, NOS and GeoStar).

**Net financial results** registered negative 58 M€ in 9M14, 11% below the value totalled in the previous year, supported by the lower level of net debt. The average interest rate of outstanding credit facilities at the end of 9M14 was slightly above 3%. These financial results are only related to Retail and Investment Management businesses.

In 9M14 **direct results** were 16 M€ above the figure registered in the same period of the previous year, totalling 92 M€. This result was mostly driven by the lower D&A (-15 M€ vs. 9M13), and the improvement in net financial activity (-7 M€ vs. 9M13), that more than compensated the decrease in the equity method results (-7 M€ vs. 9M13).

**Net income attributable to the Group <sup>(5)</sup>** reached 95 M€, a figure 31 M€ above result achieved last year, mostly driven by the higher direct results reached but also to the Sonae Sierra Indirect results enhanced by the real estate yields reduction effect booked in the 1H14.

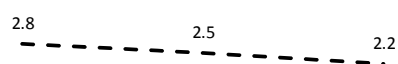
# 8 CAPITAL STRUCTURE

Net invested capital			
Million euros	9M13	9M14	y.o.y.
<b>Net invested capital</b>	<b>3,276</b>	<b>3,209</b>	<b>-2.1%</b>
Technical investment	2,066	2,015	-2.5%
Financial investment	1,347	1,246	-7.5%
Goodwill	618	612	-1.0%
Working capital	-755	-664	12.0%
<b>Total shareholders funds</b>	<b>1,879</b>	<b>1,795</b>	<b>-4.5%</b>
<b>Total net debt<sup>(1)</sup></b>	<b>1,397</b>	<b>1,414</b>	<b>1.2%</b>
Net debt / Invested capital	42.6%	44.1%	1.4 p.p.

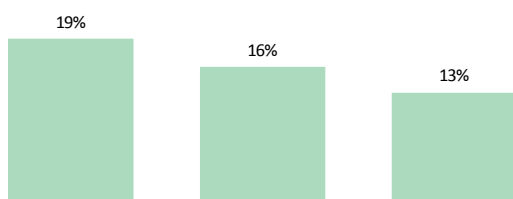
(1) Financial net debt + net shareholder loans.

Net debt			
Million euros	9M13	9M14	y.o.y.
<b>Net financial debt</b>	<b>1,392</b>	<b>1,408</b>	<b>1.2%</b>
Retail units	896	821	-8.3%
Sonaecom Group	-168	-	-
Investment management	18	38	114.9%
Holding & other	646	549	-15.1%
<b>Total net debt</b>	<b>1,397</b>	<b>1,414</b>	<b>1.2%</b>

Capital Structure - Retail		
Net debt to EBITDA		
9M12	9M13	9M14



Capital Structure		
Loan-to-value (%) - Holding		
9M12	9M13	9M14



In 9M14, **total shareholders' funds** totalled 1,795 M€, 85 M€ below the same period of last year.

**Total net debt** totalled 1,414 M€ at the end of September, a figure marginally above the value registered in 9M13, driven by the payment of Sonaecom shares to France Telecom made in August. If we exclude this payment to France Telecom, Net Debt would have been reduced by 88 M€. This commitment was already reflected in the consolidated accounts, since June 2013, under "other creditors", but was not qualified as financial debt. The company thus continued to improve the relevant leverage ratios.

In relation to the **debt maturity profile**, during the 3Q Sonae concluded a series of transactions with maturities up to 6 years, which enabled Sonae to smooth the maturity profile, whilst optimizing its cost of funding, strengthening its capital structure and diversifying its financing sources.

In 9M14 **retail net debt** totalled 821 M€, reducing 75 M€ when compared to 9M13, driven by sustainable cash flow generation over the last 12 months. The company thus continued to strengthen its capital structure, with total net debt to EBITDA reaching 2.2x in 9M14, a ratio that compares with 2.5x in the same period of 2013.

The **holding net debt** was reduced to 549 M€ at the end of September 2014. The "loan-to-value" ratio of the holding remains at conservative levels of 13% in 9M14, an improvement of 3 p.p. when compared to 9M13.

# 9 CORPORATE INFORMATION

## Main corporate events in 3Q14

On **July 2<sup>nd</sup> 2014**, Sonae Sierra and ING, the global financial institution, sold 90% of its ownership in Le Terrazze Shopping centre to Union Investment, the international real estate investment manager. Sonae Sierra will continue to be responsible for the shopping centre's management service and will be a joint venture partner of Union Investment by remaining owner of a 10% share of Le Terrazze.

On **August 27<sup>th</sup> 2014**, Sonae Sierra signed a contract to create a 50/50 joint-venture with OST Development for the provision of Property Management and Leasing services to the development pipeline of this important professional services client.

On **September 22<sup>nd</sup> 2014**, Sonaecom announced that its affiliate Sonaecom - Sistemas de Informação, SGPS, S.A., has reached an agreement with NOS – Comunicações, S.A., to sell to NOS the total share capital of Mainroad - Serviços em Tecnologias da Informação, S.A..

## Subsequent information

On **October 24<sup>th</sup> 2014**, Well's opened its first store under franchising agreement in Largo do Rato (Lisbon). Well's stores in franchising benefit from information systems that are integrated within Sonae, which facilitates the management and business logistics for the partner and allows the businessmen and their teams to focus their attention on the service for the client.

On **October 27<sup>th</sup> 2014**, Sonae SR announced its entrance in the Chilean market, thus strengthening its international expansion. Sonae signed an agreement with Phoenix Group to open five Zippy stores under franchising agreement by the end of the year.

Sonae provides additional operating and financial information in Excel format.  
Click here to be taken to the information directly  
[www.sonae.pt](http://www.sonae.pt)

# 10 ADDITIONAL INFORMATION

## Methodological notes

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

## Glossary

<b>CAPEX</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct results</b>	Results excluding contributions to indirect results.
<b>(Direct) EBIT</b>	Direct EBT - financial results.
<b>EBITDA</b>	Underlying EBITDA + equity method results (Sonae Sierra direct results, NOS and Geostar) + non-recurrent items.
<b>EBITDA margin</b>	EBITDA / Turnover.
<b>(Direct) EBT</b>	Direct results before non-controlling interests and taxes.
<b>Eliminations &amp; adjustments</b>	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments.
<b>EoP</b>	End of period.
<b>Free Cash Flow (FCF)</b>	EBITDA - operating CAPEX - change in working capital - financial investments - financial results - income taxes.
<b>Financial net debt</b>	Total net debt excluding shareholders loans.
<b>FMCG</b>	Fast-moving Consumer Goods.
<b>GLAs</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
<b>Indirect results</b>	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 a 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.
<b>Investment properties</b>	Shopping centres in operation owned by Sonae Sierra.
<b>Liquidity</b>	Cash & equivalents + current investments, excluding the 2.14% participation at NOS.
<b>Like for Like sales (LfL)</b>	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.



<b>Loan to value (LTV) - Holding</b>	Holding Net debt / Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies.
<b>Loan to value (LTV) - Shopping Centres</b>	Net debt / (investment properties + properties under development).
<b>LTM</b>	Last twelve months.
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
<b>Net debt</b>	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments, excluding the 2.14% participation at NOS, and other long term financial applications.
<b>Net Invested capital</b>	Total net debt + total shareholders' funds.
<b>Other income</b>	Dividends.
<b>Other loans</b>	Bonds, leasing and derivatives.
<b>Open market value (OMV)</b>	Fair value of properties in operation and under development (100%), provided by independent international entities.
<b>Return on invested capital (RoIC)</b>	EBIT (12 months) / Net invested capital.
<b>Return on equity (ROE)</b>	Total net income n (equity holders) / Shareholders' Funds n-1 (equity holders).
<b>RGU</b>	Revenue generating unit
<b>Technical investment</b>	Tangible assets + intangible assets + other fixed assets - depreciations and amortizations.
<b>Underlying EBITDA</b>	Recurrent EBITDA from the businesses consolidated using the full consolidation method (Sonae MC, SR and RP and Investment Management).

## Consolidated Profit and Loss Account

Consolidated profit and loss account						
Million euros	9M13 PF	9M14	y.o.y.	3Q13 PF	3Q14	y.o.y.
<b>Turnover</b>	<b>3,467</b>	<b>3,610</b>	<b>4.1%</b>	<b>1,264</b>	<b>1,304</b>	<b>3.1%</b>
<b>Underlying EBITDA</b>	<b>258</b>	<b>259</b>	<b>0.7%</b>	<b>105</b>	<b>106</b>	<b>1.1%</b>
<b>Underlying EBITDA margin</b>	<b>7.4%</b>	<b>7.2%</b>	<b>-0.2 p.p.</b>	<b>8.3%</b>	<b>8.1%</b>	<b>-0.2 p.p.</b>
<b>EBITDA</b>	<b>299</b>	<b>293</b>	<b>-1.9%</b>	<b>117</b>	<b>122</b>	<b>3.9%</b>
<b>EBITDA margin</b>	<b>8.6%</b>	<b>8.1%</b>	<b>-0.5 p.p.</b>	<b>9.3%</b>	<b>9.3%</b>	<b>0.1 p.p.</b>
Depreciations & amortizations <sup>(1)</sup>	-147	-132	10.2%	-47	-45	3.9%
<b>EBIT</b>	<b>153</b>	<b>162</b>	<b>6.0%</b>	<b>71</b>	<b>77</b>	<b>9.0%</b>
Net financial Activity	-65	-58	11.0%	-19	-20	-1.8%
Other items <sup>(2)</sup>	0	0	-	0	0	-
<b>EBT</b>	<b>88</b>	<b>104</b>	<b>18.7%</b>	<b>51</b>	<b>58</b>	<b>12.0%</b>
Taxes	-11	-12	-7.6%	-7	-11	-45.5%
<b>Direct results</b>	<b>77</b>	<b>92</b>	<b>20.3%</b>	<b>44</b>	<b>47</b>	<b>6.5%</b>
<b>Indirect results</b> <sup>(3)</sup>	<b>289</b>	<b>5</b>	<b>-98.3%</b>	<b>306</b>	<b>-1</b>	<b>-</b>
<b>Net income</b>	<b>366</b>	<b>97</b>	<b>-73.4%</b>	<b>350</b>	<b>45</b>	<b>-87.0%</b>
Minority interests	-124	-2	98.4%	-123	-3	97.9%
<b>Net income group share</b>	<b>242</b>	<b>95</b>	<b>-60.7%</b>	<b>227</b>	<b>43</b>	<b>-81.1%</b>

(1) Includes provisions, impairments, reversion of impairments; (2) dividends; (3) Includes: (i) Sonae's Sierra indirect income contribution; (ii) the capital gain with NOS merger; (iii) other asset provisions for possible future liabilities in non-core and/or discontinued operations and (iv) non-cash impairments for operational assets.

## Consolidated Statement of Financial Position

Consolidated statement of financial position			
Million euros	9M13	9M14	y.o.y.
<b>TOTAL ASSETS</b>	<b>5,402</b>	<b>5,501</b>	<b>1.8%</b>
<b>Non current assets</b>	<b>4,054</b>	<b>3,991</b>	<b>-1.6%</b>
Tangible and intangible assets	2,065	2,014	-2.5%
Goodwill	618	612	-1.0%
Investment properties	0	1	158.7%
Other investments	1,198	1,205	0.6%
Deferred tax assets	139	137	-1.5%
Others	34	22	-36.5%
<b>Current assets</b>	<b>1,348</b>	<b>1,510</b>	<b>12.0%</b>
Stocks	530	560	5.7%
Trade debtors	76	90	18.0%
Liquidity	299	487	63.0%
Others	443	372	-15.9%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,879</b>	<b>1,795</b>	<b>-4.5%</b>
Equity holders	1,540	1,633	6.1%
Attributable to minority interests	340	162	-52.4%
<b>LIABILITIES</b>	<b>3,523</b>	<b>3,706</b>	<b>5.2%</b>
<b>Non-current liabilities</b>	<b>1,686</b>	<b>1,115</b>	<b>-33.9%</b>
Bank loans	396	292	-26.2%
Other loans	1,049	593	-43.4%
Deferred tax liabilities	139	131	-5.8%
Provisions	56	35	-38.0%
Others	48	65	36.7%
<b>Current liabilities</b>	<b>1,836</b>	<b>2,591</b>	<b>41.1%</b>
Bank loans	91	218	140.2%
Other loans	171	805	-
Trade creditors	998	1,063	6.6%
Others	576	505	-12.5%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>5,402</b>	<b>5,501</b>	<b>1.8%</b>

# Condensed consolidated financial statements

## Condensed Consolidated Statement of Financial Position at 30 September 2014 and 2013 and at 31 December 2013

(Amounts expressed in euro)

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

ASSETS	Notes	30 September 2014	30 September 2013	31 December 2013
<b>NON-CURRENT ASSETS:</b>				
Tangible assets	9	1,789,631,633	1,861,645,844	1,827,164,403
Intangible assets	10	224,674,724	203,369,021	202,854,156
Investment properties		983,059	380,052	1,001,735
Goodwill	11	611,726,860	617,699,151	610,187,858
Investments in joint ventures and associates	6	1,175,725,332	1,159,194,953	1,144,792,015
Other investments	7 and 12	29,286,211	38,425,647	31,991,837
Deferred tax assets	15	137,306,706	139,389,908	123,159,864
Other non-current assets	13	21,612,162	34,037,698	31,970,613
Total Non-Current Assets		<u>3,990,946,687</u>	<u>4,054,142,274</u>	<u>3,973,122,481</u>
<b>CURRENT ASSETS:</b>				
Inventories		559,907,399	529,535,195	588,949,862
Trade accounts receivable and other current assets	14	409,950,053	353,627,657	345,671,874
Investments	12	57,772,998	165,117,886	202,484,454
Cash and cash equivalents	16	482,111,336	298,690,121	366,308,918
Total Current Assets		<u>1,509,741,786</u>	<u>1,346,970,859</u>	<u>1,503,415,108</u>
Assets available for sale		-	720,338	-
<b>TOTAL ASSETS</b>		<u>5,500,688,473</u>	<u>5,401,833,471</u>	<u>5,476,537,589</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	17	2,000,000,000	2,000,000,000	2,000,000,000
Own shares		(136,422,103)	(127,450,450)	(126,945,388)
Reserves and retained earnings		(325,716,947)	(615,618,616)	(628,248,537)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		95,181,730	282,605,452	318,979,514
Equity attributable to the equity holders of the Parent Company		<u>1,633,042,680</u>	<u>1,539,536,386</u>	<u>1,563,785,589</u>
Equity attributable to non-controlling interests	18	161,557,358	339,720,348	344,325,829
<b>TOTAL EQUITY</b>		<u>1,794,600,038</u>	<u>1,879,256,734</u>	<u>1,908,111,418</u>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	19	885,100,164	1,444,043,718	1,362,598,165
Other non-current liabilities	21	65,049,591	47,598,361	51,247,881
Deferred tax liabilities	15	130,603,902	138,667,758	121,095,969
Provisions	24	34,662,681	55,886,363	50,659,919
Total Non-Current Liabilities		<u>1,115,416,338</u>	<u>1,686,196,200</u>	<u>1,585,601,934</u>
<b>CURRENT LIABILITIES:</b>				
Loans	19	1,022,772,092	262,194,000	233,938,741
Trade creditors and other current liabilities	23	1,565,069,455	1,556,739,800	1,746,056,989
Provisions	24	2,830,550	17,446,737	2,828,507
Total Current Liabilities		<u>2,590,672,097</u>	<u>1,836,380,537</u>	<u>1,982,824,237</u>
<b>TOTAL LIABILITIES</b>		<u>3,706,088,435</u>	<u>3,522,576,737</u>	<u>3,568,426,171</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,500,688,473</u>	<u>5,401,833,471</u>	<u>5,476,537,589</u>

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

The Board of Directors

Condensed Consolidated Income Statements for the periods ended 30 September 2014 and 2013

(Amounts expressed in euro)

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

	Notes	3 <sup>rd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2013	30 September 2014	30 September 2013
Sales		1,260,488,974	1,223,799,118	3,481,958,045	3,345,898,115
Services rendered		43,210,264	40,513,550	128,127,819	121,159,934
Investment income		6,672,251	(17,702)	8,565,691	61,298
Gains and losses on investments carried at fair value through profit		(286,326)	9,147,395	(8,217,685)	9,147,395
Financial income		2,110,248	7,215,154	8,604,006	12,914,884
Other income		124,452,944	94,692,874	383,994,015	307,426,410
Cost of goods sold and materials consumed		(984,217,917)	(940,270,994)	(2,756,036,829)	(2,588,388,930)
Changes in stocks of finished goods and work in progress		(47,318)	57,589	44,512	196,499
External supplies and services		(164,013,656)	(151,731,890)	(462,365,601)	(438,907,908)
Staff costs		(161,791,808)	(148,241,490)	(484,253,945)	(452,380,684)
Depreciation and amortisation	9 and 10	(42,627,081)	(45,298,667)	(127,110,446)	(140,014,937)
Provisions and impairment losses		(128,612)	(146,994,263)	(1,548,438)	(156,194,431)
Financial expense		(21,827,703)	(26,527,268)	(66,249,667)	(77,687,899)
Other expenses		(19,406,277)	(12,283,519)	(42,689,551)	(31,610,834)
Share of results of joint ventures and associated undertakings	6	13,559,402	7,691,217	46,454,434	5,071,328
Profit/(Loss) from continuing operations, before taxation		56,147,385	(88,248,896)	109,276,360	(83,309,760)
Taxation	27	(10,692,928)	(7,349,174)	(12,158,146)	(11,298,370)
Profit/(Loss) from continuing operations, after taxation		45,454,457	(95,598,070)	97,118,214	(94,608,130)
Profit/(Loss) from discontinuing operations, after taxation	4	-	466,495,618	-	513,853,339
Consolidated profit/(Loss) for the period		45,454,457	370,897,548	97,118,214	419,245,209
Attributable to equity holders of the parent company:					
Continuing operations		42,839,488	(107,415,922)	95,181,730	(103,120,098)
Discontinuing operation		-	350,176,335	-	385,725,550
		42,839,488	242,760,413	95,181,730	282,605,452
Attributable to non-controlling interests					
Continuing operations		2,614,969	11,817,852	1,936,484	8,511,968
Discontinuing operation		-	116,319,283	-	128,127,789
	18	2,614,969	128,137,135	1,936,484	136,639,757
Profit/(Loss) per share					
From continuing operations					
Basic	28	0.045405	(0.055045)	0.050799	(0.055045)
Diluted	28	0.045066	(0.054781)	0.050428	(0.054781)
From discontinuing operations					
Basic	28	-	0.205897	-	0.205897
Diluted	28	-	0.204912	-	0.204912

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

The Board of Directors



## Condensed Consolidated Statements of Comprehensive Income for the periods ended 30 September 2014 and 2013

*(Amounts expressed in euro)**(Translation of condensed consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)*

	3 <sup>rd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2013	30 September 2014	30 September 2013
Net Profit / (Loss) for the period	45,454,457	370,897,548	97,118,214	419,245,209
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(1,025,622)	(1,630,774)	888,099	(3,714,186)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method (Note 6)	(73,320)	(7,558,576)	(2,479,027)	(14,831,405)
Changes on fair value of available-for-sale financial assets	-	2,775,629	(1,163,254)	(5,798,298)
Changes in hedge and fair value reserves	2,946,439	530,113	3,768,597	2,126,342
Deferred tax related to changes in fair values reserves	(768,268)	142,798	(1,104,934)	75,751
Others	(10,485)	802,381	565,246	835,674
Other comprehensive income for the period	1,068,744	(4,938,429)	474,727	(21,306,122)
Total comprehensive income for the period	46,523,201	365,959,119	97,592,941	397,939,087
Attributable to:				
Equity holders of parent company	43,837,698	237,763,215	96,313,446	265,932,688
Non controlling interests	2,685,503	128,195,904	1,279,495	132,006,399

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

The Board of Directors

# 9 MONTHS RESULTS 2014

## Condensed Consolidated Statements of Changes in Equity for the periods ended 30 September 2014 and 2013

(Amounts expressed in euro)

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

	Attributable to Equity Holders of Parent Company							Total	Net Profit/(Loss)	Total	Non controlling Interests (Note 18)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Hedging Reserve	Other Reserves and Retained Earnings					
Balance as at 1 January 2013	2,000,000,000	(128,149,614)	187,137,648	4,836,944	1,920,608	(2,694,394)	(776,965,651)	(585,764,845)	32,572,259	1,318,657,800	349,901,121	1,668,558,921
Total comprehensive income for the period	-	-	-	(1,940,559)	(2,899,729)	2,190,318	(14,022,794)	(16,672,764)	282,605,452	265,932,688	132,006,399	397,939,087
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	1,148,216	-	-	-	31,424,043	32,572,259	(32,572,259)	-	-	-
Dividends distributed	-	-	-	-	-	-	(62,143,058)	(62,143,058)	-	(62,143,058)	(10,975,525)	(73,118,583)
Disposal of own shares/ attribution to employees	-	699,164	-	-	-	-	(1,336,092)	(1,336,092)	-	(636,928)	(978,136)	(1,615,064)
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	14,084,031	14,084,031	-	14,084,031	(130,233,511)	(116,149,480)
Others	-	-	-	-	-	-	3,641,853	3,641,853	-	3,641,853	-	3,641,853
Balance as at 30 September 2013	2,000,000,000	(127,450,450)	188,285,864	2,896,385	(979,121)	(504,076)	(805,317,668)	(615,618,616)	282,605,452	1,539,536,386	339,720,348	1,879,256,734
Balance as at 1 January 2014	2,000,000,000	(126,945,388)	188,285,864	2,759,902	(1,773,499)	723,822	(818,244,626)	(628,248,537)	318,979,514	1,563,785,589	344,325,829	1,908,111,418
Total comprehensive income for the period	-	-	-	343,409	(1,163,254)	2,605,584	(654,023)	1,131,716	95,181,730	96,313,446	1,279,495	97,592,941
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	7,974,526	-	-	-	311,004,988	318,979,514	(318,979,514)	-	-	-
Dividends distributed	-	-	-	-	-	-	(65,351,598)	(65,351,598)	-	(65,351,598)	(385,384)	(65,736,982)
Acquisition of own shares	-	(18,208,035)	-	-	-	-	-	-	-	(18,208,035)	-	(18,208,035)
Obligation fulfilled by share attribution to employees	-	8,731,320	-	-	-	-	(2,277,987)	(2,277,987)	-	6,453,333	(775,482)	5,677,851
Partial disposal or acquisitions of affiliated companies	-	-	-	-	-	-	28,241,387	28,241,387	-	28,241,387	(182,887,100)	(154,645,713)
Valuation of the option of convertible bonds into shares Sonae	-	-	-	-	22,002,431	-	-	22,002,431	-	22,002,431	-	22,002,431
Others	-	-	-	-	-	-	(193,873)	(193,873)	-	(193,873)	-	(193,873)
Balance as at 30 September 2014	2,000,000,000	(136,422,103)	196,260,390	3,103,311	19,065,678	3,329,406	(547,475,732)	(325,716,947)	95,181,730	1,633,042,680	161,557,358	1,794,600,038

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

The Board of Directors

## Condensed Consolidated Statements of Cash Flows for the periods ended 30 September 2014 and 2013

(Amounts expressed in euro)

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

	Notes	3 <sup>rd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2013	30 September 2014	30 September 2013
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		201,500,610	406,676,532	112,434,857	225,967,984
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		15,815,679	34,811,363	19,877,584	35,886,842
Tangible and intangible assets		5,882,914	4,013,333	12,273,323	5,328,243
Others		21,572,180	461,944,973	38,571,920	492,014,673
		43,270,773	500,769,669	70,722,827	533,229,758
Cash payments arising from:					
Investments		(110,969,158)	(2,064,532)	(120,610,607)	(15,609,503)
Tangible and intangible assets		(40,889,540)	(136,858,208)	(128,993,256)	(224,728,212)
Others		(3,852,587)	(19,531,215)	(9,785,491)	(23,341,593)
		(155,711,285)	(158,453,955)	(259,389,354)	(263,679,308)
Net cash used in investment activities (2)		(112,440,512)	342,315,714	(188,666,527)	269,550,450
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		534,755,221	1,533,247,332	2,654,416,050	2,421,146,458
Capital increases, shareholder's loans and share premiums		-	254,886	-	254,886
Sale of own shares		5,334,550	-	5,334,550	-
		540,089,771	1,533,502,218	2,659,750,600	2,421,401,344
Cash payments arising from:					
Loans obtained		(570,971,555)	(2,172,835,380)	(2,358,870,861)	(2,910,448,596)
Interest and similar charges		(20,144,453)	(43,489,391)	(60,223,342)	(69,982,666)
Dividends		(162,986)	(85,875,904)	(69,831,596)	(85,905,784)
Purchase of own shares		-	-	(18,208,035)	-
Others		(795,250)	(2,019,441)	(1,828,328)	(4,013,699)
		(592,074,244)	(2,304,220,116)	(2,508,962,162)	(3,070,350,745)
Net cash used in financing activities (3)		(51,984,473)	(770,717,899)	150,788,438	(648,949,401)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		37,075,625	(21,725,653)	74,556,768	(153,430,967)
Effect of foreign exchange rate		43,514	340,628	(665,147)	49,557
Effect of discontinuing operations		-	87,443,813	-	87,443,813
Cash and cash equivalents at the beginning of the period	16	404,059,260	231,953,666	365,869,456	363,367,909
Cash and cash equivalents at the end of the period	16	441,091,371	297,331,198	441,091,371	297,331,198

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

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

*(Amounts expressed in euro)*

## 1 INTRODUCTION

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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 5 to 7 the Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 30.

On the 27<sup>th</sup> August 2013, the merger between Optimus, SGPS, SA in Zon Multimédia – Serviços de Telecomunicações and Multimédia, SGPS, SA (Note 4) was completed. Accordingly, the telecommunications segment was classified, for disclosure purposes, as a discontinued operation in September 2013.

## 2 PRINCIPAL ACCOUNTING POLICIES

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The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2013.

### 2.1 Basis of preparation

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

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

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

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

Up to the financial statements approval date, the following standards interpretations, some of which become mandatory during 2014, have been endorsed by the European Union:

With mandatory application in 2014:	Effective date (for financial years beginning on/after)
IFRS 10 - (Consolidated Financial Statements)	01 Jan 2014
IFRS 11 - (Joint arrangements)	01 Jan 2014
IFRS 12 - (Disclosures of Interests in Other Entities)	01 Jan 2014
IAS 27 - (Separate Financial Statements – revised in 2011)	01 Jan 2014
IAS 28 - (Investments in Associates and Joint Ventures)	01 Jan 2014
Amendments to IFRS 10, IFRS 12 and IAS 27 (Investments Entities)	01 Jan 2014
IAS 32 - Amendments (Offsetting Financial Assets and Financial Liabilities)	01 Jan 2014
Amendments to IAS 36 (Recoverable amount disclosures for Non-Financial Assets)	01 Jan 2014
Amendments to IAS 39 (Reformulation of Derivatives and continuation of Hedge Accounting)	01 Jan 2014
IFRIC 21 - (Levies)	01 Jan 2014

No significant impacts are expected in the financial statements resulting from the adoption of these standards during 2014, namely because the Group has amended the measurement of investments in jointly controlled entities by applying the equity method.

The following standards, interpretations, amendments and revisions haven't been until the date of approval of these financial statements, endorsed by the European Union, whose application is mandatory in future financial years:

With mandatory application after 2014:	Effective date (for financial years beginning on/after)
IFRS 9 - (Financial instruments – classification and measurement)	01 Jan 2018
IFRS 11 (Amendment) – (Accounting for Acquisitions of Interests in Joint Operations)	01 Jan 2016
IAS 16 and IAS 38 (Amendment) – (Clarification of Acceptable Methods of Depreciation and Amortisation)	01 Jan 2016
IFRS 10 and IAS 28 (Amendment) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 Jan 2016

IAS 27 (Amendment) - Equity Method in Separate Financial Statements	01 Jan 2016
IFRS 14 - (Regulatory Deferral Accounts)	01 Jan 2016
IFRS 15 - (Revenues from Contracts with Customers)	01 Jan 2017
IAS 19 (Amendment) - (Employee Benefits)	01 Jul 2014
Improvements of international financial reporting standards (2010-2012 cycle, 2011- 2013 cycle and 2012-2014 cycle)	01 Jul 2014

The Group is to assess the impact of these changes and will apply these standards in the year in which they become effective.

### 3 CHANGES IN ACCOUNTING POLICIES

During the period was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after the 1<sup>st</sup> January 2014 as disclosed in Note 2 and which didn't have any significant impacts on the financial statements as at 30 September 2014.

### 4 DISCONTINUED OPERATIONS

During the period ended at 30 September 2013, as a result of the incorporation by merger of Optimus SGPS in Zon Multimédia – Serviços de Telecomunicações e Multimédia, the telecommunications segment (Optimus SGPS, Optimus SA, Artis Be, Be Towering, Sontária and Permar) was classified, for presentation purposes, as a discontinued operation. As set by IFRS 5, changes were made in the consolidated profit and loss statements for the period ended at 30 September 2013, in order to disclose a single caption ('Net income/(loss) for the year of discontinued operations') related to net income/(loss) of discontinued operations.

The detail of the discontinuing operations in the income statement can be analysed as follows:

	27 Aug 2013
(Amounts expressed in euro)	Discontinuing operations
Sales	17,839,599
Services rendered	434,877,950
Financial income	2,697,675
Other income	5,367,439
Cost of goods sold and materials consumed	(21,477,208)
External supplies and services	(225,940,029)
Staff costs	(30,481,543)
Depreciation and amortisation	(91,871,085)
Provisions and impairment losses	(9,601,175)
Financial expense	(2,584,998)
Other expenses	(10,381,299)
Profit/(Loss) from continuing operations, before taxation	68,445,326
Taxation	2,802,374
Profit/(Loss) from continuing operations, after taxation	71,247,700
Profit/(Loss) from discontinuing operations, after taxation	-
Investment income relating to the merger process	442,605,639
Consolidated profit/(Loss) for the period	513,853,339



The detail of the values in the statement of financial position derecognised as at August 2013 can be detailed as follows:

Assets	27 Aug 2013
<b>Non current assets</b>	
Tangible assets	556,348,626
Intangible assets	353,987,003
Goodwill	33,955,548
Deferred tax assets	98,625,768
Other non-current assets	960,878
<b>Total non-current assets</b>	<b>1,043,877,823</b>
<b>Current assets</b>	
Inventories	19,124,520
Trade accounts receivable and other current assets	263,722,481
Cash and cash equivalents	18,262,934
<b>Total current assets</b>	<b>301,109,935</b>
<b>Equity and Liabilities</b>	
Reserves Group for Medium Term Incentive Plans	(4,855,662)
Reserves non-controlling interests for Medium Term Incentive Plans	(1,612,920)
Other equity instruments	(6,468,582)
<b>Non current liabilities</b>	
Loans	(17,879,657)
Other non-current liabilities	(293,533,174)
<b>Total non-current liabilities</b>	<b>(311,412,831)</b>
<b>Current liabilities</b>	
Loans	(2,451,761)
Trade creditors and other current liabilities	(356,328,712)
Other current liabilities	(127,483,937)
<b>Total current liabilities</b>	<b>(486,264,410)</b>
<b>Total of derecognition assets and liabilities</b>	<b>540,841,936</b>

## 5 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 2014 and 31 December 2013 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 September 2014		31 December 2013	
		Direct	Total*	Direct	Total*
Sonae - SGPS, S.A.	Maia	HOLDING	HOLDING	HOLDING	HOLDING
Retail					
Arat Inmuebles, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
BB Food Service, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%

Bom Momento - Restauração, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a)	Lisbon	100.00%	100.00%	100.00%	100.00%
Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Discovery Sports, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Farmácia Seleção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1) Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia	77.43%	77.43%	74.15%	74.15%
Fundo de Investimento Imobiliário Imosona Dois	a)	Maia	98.71%	98.71%	99.48%	99.48%
Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Infocfield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalloop - Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Hiper Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo.com - Vendas p/Correspond., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmacconcept - Actividades em Saúde, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

	Predicomercial - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Predilugar - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	-	-
	SDSR - Sports Division SR, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae Center Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Sonae Financial Services, S.A.	a)	Maia	100.00%	100.00%	-	-
	Sonae Investimentos, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae MC - Modelo Continente SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho Espanha - Servicios Generales, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
2)	Sonae SR Malta Holding Limited	a)	Malta	100.00%	100.00%	-	-
	Sonaegest-Soc.Gest.Fundos Investimentos, SA	a)	Maia	100.00%	90.00%	100.00%	90.00%
	Sonaerp - Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
3)	SONAESR - Serviços e Logística, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sport Zone Canárias, SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	Sonae Specialized Retail, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
	Sport Zone Espanha - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
	Tlantic, BV	a)	Amsterdam (Netherlands)	77.66%	77.66%	77.66%	77.66%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Maia	77.66%	77.66%	77.66%	77.66%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	77.66%	77.66%	77.66%	77.66%
	Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten - Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%

	Worten Canárias, SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
	Zippy - Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy - Comercio y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istambul (Turkey)	100.00%	100.00%	100.00%	100.00%
	ZYEvolution-Invest.Desenv., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	<b>Investment Management</b>						
	ADD Avaliações Engenharia de Avaliações e Perícias, Ltda	a)	Brazil	100.00%	50.00%	100.00%	50.00%
	Cape Technologies Limited	a)	Dublin (Ireland)	100.00%	89.97%	100.00%	75.07%
	Digitmarket - Sistemas de Informação, SA	a)	Maia	75.10%	67.56%	75.10%	56.37%
	Herco Consultoria de Risco e Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
	Herco Consultoria de Risco, SA	a)	Maia	100.00%	50.01%	100.00%	50.01%
	HighDome PCC Limited	a)	Malta	100.00%	50.01%	100.00%	50.01%
2)	Itrust - Cyber Security and Intelligence, SA	a)	Maia	100.00%	89.97%	-	-
	Larim Corretora de Resseguros Ltda	a)	Brazil	99.99%	50.01%	99.99%	50.01%
	Lazam/mds Correctora Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
4)	Lookwise, S.L.	a)	Navarra (Spain)	100.00%	53.98%	-	-
5)	Lugares Virtuais, SA	a)	Maia	100.00%	89.97%	100.00%	75.07%
1)	Mainroad - Serviços em Tecnologias de Informação, S.A.	a)	Maia	100.00%	89.97%	100.00%	75.07%
	MDS - Corretor de Seguros, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS Affinity-Sociedade de Mediação Lda	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS Auto - Mediação de Seguros, SA	a)	Porto	50.01%	25.01%	50.01%	25.01%
	Mds Knowledge Centre, Unipessoal, Lda	a)	Lisbon	100.00%	50.01%	100.00%	50.01%
	MDS Malta Holding Limited	a)	Malta	100.00%	50.01%	100.00%	50.01%
6)	MDS RE - Mediador de resseguros, SGPS, SA	a)	Porto	100.00%	50.01%	100.00%	50.01%
	MDS, SGPS, SA	a)	Maia	50.01%	50.01%	50.01%	50.01%
5)	Miauger - Org. Gestão Leilões Electrónicos, SA	a)	Maia	100.00%	89.97%	100.00%	75.07%
	Modelo - Distribuição de Materiais de Construção, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
	PCJ-Público, Comunicação e Jornalismo, SA	a)	Maia	100.00%	89.97%	100.00%	75.07%
	Praesidium Services Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	75.07%
	Público - Comunicação Social, SA	a)	Porto	100.00%	89.97%	100.00%	75.07%
	RSI Corretora de Seguros, Ltda	a)	Brazil	100.00%	50.01%	100.00%	50.01%
4)	S21 Sec Barcelona, S.L.	a)	Barcelona (Spain)	100.00%	53.98%	-	-
4)	S21 Sec Brasil, Ltda	a)	São Paulo (Brazil)	99.99%	53.97%	-	-
4)	S21 Sec Frau d Risk Management, S.L.	a)	Navarra(Spain)	100.00%	53.98%	-	-

4)	S21 Sec Gestion, SA	a)	Navarra(Spain)	60.00%	53.98%	-	-
4)	S21 Sec Inc.	a)	Texas (USA)	100.00%	53.98%	-	-
4)	S21 Sec Information Security Labs, S.L.	a)	Navarra(Spain)	100.00%	53.98%	-	-
4)	S21 Sec Institute, S.L.	a)	Gipuzcoa(Spain)	100.00%	53.98%	-	-
4)	S21 Sec México, SA de CV	a)	Mexico City(Mexico)	99.87%	53.91%	-	-
4)	S21 Sec SA de CV	a)	Mexico City(Mexico)	99.99%	53.98%	-	-
	Saphety – Transacciones Electronicas SAS	a)	Bogota (Colombia)	86.99%	78.27%	86.99%	65.30%
	Saphety Brasil Transações Eletrônicas Lda	a)	São Paulo (Brazil)	86.99%	78.27%	86.99%	65.30%
	Saphety Level - Trusted Services, SA	a)	Maia	86.99%	78.27%	86.99%	65.30%
4)	Servicios de Inteligencia Estrategica Global, S.L.	a)	Navarra(Spain)	100.00%	53.98%	-	-
2)	Sonaecom-Cyber Security and Int.,SGPS,SA	a)	Maia	100.00%	89.97%	-	-
	Sonaecom – Serviços Partilhados, SGPS, SA	a)	Maia	100.00%	89.97%	100.00%	75.07%
	Sonaecom - Sistemas de Informação, SGPS, SA	a)	Maia	100.00%	89.97%	100.00%	75.07%
	Sonaecom - Sistemas de Información España, SL	a)	Madrid (Spain)	100.00%	89.97%	100.00%	75.07%
	Sonaecom BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	75.07%
	Sonaecom, SGPS, SA	a)	Maia	90.15%	89.97%	75.44%	75.07%
	Sonaetelecom, BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	75.07%
	Tecnológica Telecomunicações, Ltda	a)	Rio de Janeiro (Brazil)	99.99%	89.87%	99.99%	74.99%
	We Do Brasil Soluções Informáticas, Ltda	a)	Rio de Janeiro (Brazil)	99.91%	89.88%	99.91%	74.99%
	We Do Consulting - Sistemas de Informação, SA	a)	Maia	100.00%	89.97%	100.00%	75.07%
	We Do Poland Sp.Z.o.o.	a)	Posnan (Poland)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies (UK) Limited	a)	Berkshire (U.K.)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies Americas, Inc.	a)	Delaware (USA)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies Australia PTY Limited	a)	Sydney (Australia)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies Egypt Limited Liability Company	a)	Cairo (Egypt)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies Mexico S. de RL	a)	Mexico City (Mexico)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies Panamá SA	a)	Panamá City (Panamá)	100.00%	89.97%	100.00%	75.07%
	We Do Technologies Singapore PTE. LDT	a)	Singapore	100.00%	89.97%	100.00%	75.07%
	We Do Tecnologias BV	a)	Amsterdam (Netherlands)	100.00%	89.97%	100.00%	75.07%
	Others						
	Libra Serviços, Lda	a)	Funchal	100.00%	100.00%	100.00%	100.00%
	Sonae Investments, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%

Sonae RE, SA	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
Sonaecenter Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sontel, BV	a)	Maia	100.00%	100.00%	100.00%	100.00%

\*the percentage of ownership total represents the total direct and indirect percentage on the share capital held by the Group.

a) Control held by majority of voting rights;

b) Control held by Management control;

- 1) Company disposal during the period;
- 2) Company created during the period;
- 3) Ex-SDSR – Sports Division 2, SA;
- 4) Company acquired during the period;
- 5) Company liquidated during the period;
- 6) Ex- MDS África, SGPS, SA.

These entities are consolidated using the full consolidation method.

## 6 JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

Jointly controlled entities and associated companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 30 September 2014 and 31 December 2013 are as follows:

### 6.1 Jointly Controlled Entities

COMPANY	Head Office	Percentage of capital held			
		30 September 2014		31 December 2013	
		Direct	Total*	Direct	Total*
Shopping Centres					
3shoppings - Holding, SGPS, SA	Maia	100.00%	25.05%	100.00%	25.05%
8ª avenida Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
Adlands BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
Aegean Park, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
ALBCC – Albufeirashopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
ALEXA Administration GmbH	Berlin (Germany)	100.00%	25.00%	100.00%	25.00%
ALEXA Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
ALEXA Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%

	Algarveshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	ARP Alverca Retail Park, SA	Maia	100.00%	50.00%	50.00%	25.00%
	Arrábidasshopping - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Avenida M-40, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Beralands BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Campo Limpo Lda	S. Paulo (Brazil)	20.00%	3.33%	20.00%	3.33%
	Cascaishopping - Centro Comercial, SA	Maia	50.00%	28.62%	50.00%	28.62%
	Cascaishopping Holding I, SGPS, SA	Maia	100.00%	28.62%	100.00%	28.62%
	CCCB Caldas da Rainha - Centro Comercial,SA	Maia	100.00%	50.00%	100.00%	50.00%
	Centro Colombo - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Centro Vasco da Gama - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
1)	CITIC Capital Sierra (Hong Kong) Limited	Hong Kong (China)	50.00%	50.00%	-	-
2)	CITIC CAPITAL SIERRA Property Management (Shanghai) Limited	Shanghai (China)	50.00%	50.00%	-	-
	Coimbrashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Colombo Towers Holding, BV	The Hague (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Craiova Mall BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Dortmund Tower GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Dos Mares - Shopping Centre, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Dos Mares - Shopping Centre, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Estação Viana - Centro Comercial, SA	Viana do Castelo	100.00%	25.05%	100.00%	25.05%
	Freccia Rossa - Shopping Centre, Srl	Milan (Italy)	50.00%	25.00%	50.00%	25.00%
	Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center (FundII)	São Paulo (Brazil)	50.00%	10.34%	50.00%	10.34%
	Fundo de Investimento Imobiliário Shopping Parque Dom Pedro Shopping	São Paulo (Brazil)	87.61%	15.78%	87.61%	15.78%
	Gaiashopping I - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Gaiashopping II - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Gli Orsi Shopping Centre 1, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Guimarãeshopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Harvey Dos Iberica, SL	Madrid (Spain)	50.00%	12.53%	50.00%	12.53%
	Iberian Assets, SA	Madrid (Spain)	49.78%	12.47%	49.78%	12.47%
3)	Inparsa - Gestão de Galeria Comerc., SA	Maia	100.00%	50.00%	100.00%	50.00%
	Ioannina Development of Shopping Centres, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	La Farga - Shopping Centre, SL	Madrid (Spain)	100.00%	12.48%	100.00%	12.48%
	Land Retail, BV	Amsterdam (Netherlands)	100.00%	32.19%	100.00%	32.19%



	Larissa Development of Shopping Centres, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
	LCC – Leiriashopping – Centro Comercial, SA	Maia	100.00%	23.75%	100.00%	23.75%
4)	Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	50.00%	5.00%	50.00%	25.00%
	Loop 5 - Shopping Centre GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	Loureshopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
	Luz del Tajo - Centro Comercial, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Luz del Tajo, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Madeirashopping - Centro Comercial, SA	Funchal (Madeira)	50.00%	12.53%	50.00%	12.53%
	Maiashopping - Centro Comercial, SA	Maia	100.00%	25.05%	100.00%	25.05%
	Münster Arkaden, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Norte Shopping Retail and Leisure Centre, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Norteshopping - Centro Comercial, SA	Maia	100.00%	12.53%	100.00%	12.53%
	Pantheon Plaza BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Paracentro - Gestão de Galerias Comerciais, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Park Avenue Development of Shopping Centers, SA	Athens(Greece)	100.00%	25.00%	100.00%	25.00%
5)	Parklake Shopping, SA	Bucharest (Romania)	50.00%	25.00%	50.00%	25.00%
	Parque Atlântico Shopping - Centro Comercial SA	Ponta Delgada (Azores)	50.00%	12.53%	50.00%	12.53%
	Parque D. Pedro 1, BV Sarl	Luxembourg	100.00%	25.00%	100.00%	25.00%
	Parque de Famalicão - Empreendimentos Imobiliários, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Pátio Boavista Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Campinas Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Goiânia Shopping, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Londrina Empreendimentos e Participações, Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio São Bernardo Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Sertório Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Pátio Uberlândia Shopping Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Plaza Eboli - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Plaza Mayor Parque de Ócio, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Parque de Ócio, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Plaza Mayor Shopping, SA	Madrid (Spain)	100.00%	25.05%	100.00%	25.05%
	PORTCC – Portimãoshopping – Centro Comercial, SA	Maia	50.00%	11.88%	50.00%	11.88%
	Project SC 1, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Project Sierra 10 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%

	Project Sierra 11, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 12, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
3)	Project Sierra 6, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	Project Sierra 8 BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Project Sierra Four Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 2 (two), Shopping Centre GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Germany 4 (four), Shopping Centre, GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 2 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
3)	Project Sierra Spain 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 3, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Spain 7 - Centro Comercial, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Project Sierra Two Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	Rio Sul - Centro Comercial, SA	Lisbon	50.00%	11.88%	50.00%	11.88%
	River Plaza BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	River Plaza Mall, Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	S.C. Microcom Doi Srl	Bucharest (Romania)	100.00%	50.00%	100.00%	50.00%
	SC Aegean, BV	Amsterdam (Netherlands)	50.00%	25.00%	50.00%	25.00%
	SC Mediterranean Cosmos, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Serra Shopping - Centro Comercial, SA	Covilhã	50.00%	11.88%	50.00%	11.88%
	Shopping Centre Colombo Holding, BV	Amsterdam (Netherlands)	50.00%	12.53%	50.00%	12.53%
	Shopping Centre Parque Principado, BV	Amsterdam (Netherlands)	100.00%	25.05%	100.00%	25.05%
	Sierra Asia Limited	Hong Kong (China)	100.00%	50.00%	100.00%	50.00%
	Sierra Berlin Holding BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Brazil 1, BV	Amsterdam (Netherlands)	100.00%	25.00%	100.00%	25.00%
	Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	25.00%	50.00%	25.00%
	Sierra Cevital Shopping Center, Spa	Argelia	49.00%	24.50%	49.00%	24.50%
	Sierra Corporate Services Holland, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Developments, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
	Sierra European Retail Real Estate Assets Holdings, BV	Amsterdam (Netherlands)	50.10%	25.05%	50.10%	25.05%

	Sierra Germany GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra GP, Limited	Guernesey (U.K.)	100.00%	50.00%	100.00%	50.00%
	Sierra Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Investimentos Brasil Ltda	São Paulo (Brazil)	100.00%	16.66%	100.00%	16.66%
	Sierra Investments (Holland) 1, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments (Holland) 2, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Investments SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
3)	Sierra Italy Holding, BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Italy, Srl	Milan (Italy)	100.00%	50.00%	100.00%	50.00%
	Sierra Management, SGPS, SA	Maia	100.00%	50.00%	100.00%	50.00%
1)	Sierra – OST Property Management, SA	Moscow (Russia)	100.00%	50.00%	-	-
	Sierra Portugal, SA	Lisbon	100.00%	50.00%	100.00%	50.00%
	Sierra Project Nürnberg BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Property Management Greece, SA	Athens(Greece)	100.00%	50.00%	100.00%	50.00%
	Sierra Real Estate Greece BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Reval Gayrimenkul Yönetim Pazarlama ve Danışmanlık A.Ş.	Istambul (Turkey)	50.00%	25.00%	50.00%	25.00%
	Sierra Services Holland 2 BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Sierra Solingen Holding GmbH	Dusseldorf (Germany)	100.00%	50.00%	100.00%	50.00%
	Sierra Spain – Shopping Centers Services, SL	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Spain 2 Services, SA	Madrid (Spain)	100.00%	50.00%	100.00%	50.00%
	Sierra Zenata Project B.V	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%
	Solingen Shopping Center GmbH	Dusseldorf (Germany)	50.00%	25.00%	50.00%	25.00%
	Sonae Sierra Brasil, SA	São Paulo (Brazil)	66.65%	16.66%	66.65%	16.66%
	Sonae Sierra Brazil, BV Sarl	Luxembourg	50.00%	25.00%	50.00%	25.00%
	Sonae Sierra, SGPS, SA	Maia	50.00%	50.00%	50.00%	50.00%
	SPF - Sierra Portugal	Luxembourg	100.00%	50.00%	100.00%	50.00%
	SPF - Sierra Portugal Real Estate, Sarl	Luxembourg	47.50%	23.75%	47.50%	23.75%
	Torre Ocidente - Imobiliária, SA	Maia	50.00%	12.50%	50.00%	12.50%
	Unishopping Consultoria Imobiliária, Ltda	São Paulo (Brazil)	99.98%	16.66%	99.98%	16.66%
	Via Catarina - Centro Comercial, SA	Maia	50.00%	12.53%	50.00%	12.53%
	Vuelta Omega, S.L.	Madrid (Spain)	100.00%	12.53%	100.00%	12.53%
	Weierstadt Shopping BV	Amsterdam (Netherlands)	100.00%	50.00%	100.00%	50.00%

	Zubiarte Inversiones Inmobiliarias, SA	Madrid (Spain)	49.83%	12.48%	49.83%	12.48%
	Telecommunications					
	ZOPT, SGPS, SA	Porto	50.00%	44.99%	50.00%	37.54%
	Investment Management					
	Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
1)	Intelligent Big Data, S.L.	Gipuzcoa (Spain)	50.00%	26.99%	-	-
	Movimentos Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Nova Equador Internacional, Agência de Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
	Raso SGPS, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
	Raso - Viagens e Turismo, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
2)	Raso II - Viagens e Turismo, Unipessoal, Lda	Lisbon	50.00%	50.00%	-	-
	SIRS - Sociedade Independente de Radiodifusão Sonora, SA	Porto	45.00%	40.49%	45.00%	33.78%
1)	S21Sec Ciber seguridad SA de CV	Mexico City (Mexico)	50.00%	26.99%	-	-
	Unipress - Centro Gráfico, Lda	Vila Nova de Gaia	50.00%	44.99%	50.00%	37.54%
	Viagens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

\* the percentage of total ownership represents the total direct and indirect percentage on the share capital held by the Group.

1) Company jointly controlled acquired during the period;

2) Company jointly controlled created during the period;

3) Company jointly controlled liquidated during the period;

4) Sierra Developments Holding BV company jointly controlled sold 40% of its participation in Le Terrazze Shopping Centre 1 Srl to Union Investment Real Estate GmbH;

5) Ex- Parklake Shopping, Srl.

## 6.2 Associated Companies

COMPANY	Head Office	Percentage of capital held			
		30 September 2014		31 December 2013	
		Direct	Total*	Direct	Total*
Retail					
1) APOR – Agência para a Modernização do Porto, S.A.	Porto	9.09%	9.09%	-	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%
2) Mundo Vip – Operadores Turísticos, SA	Lisbon	-	-	33.34%	33.34%

\* the percentage of total ownership represents the total direct and indirect percentage on the share capital held by the Group.

1) Associated Company acquired during the period.

2) Associated Company liquidated during the period.

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

The share value of investments in jointly controlled entities and associated companies can be presented as follows:

COMPANY	30 September 2014	31 December 2013
Shopping Centres		
Sonae Sierra SGPS, SA (consolidated)	467,713,394	427,254,900
Telecommunications		
ZOPT, SGPS, S.A. (consolidated)	705,485,254	709,606,944
Investment Management		
Raso SGPS, SA (consolidated)	-	6,147,367
Unipress - Centro Gráfico, Lda	1,035,367	882,859
SIRS - Sociedade Independente de Radiodifusão Sonora, SA	-	-
Intelligent Big Data, S.L.	27,651	-
S21Sec Ciber seguridad SA de CV	598	-
Investments in joint ventures	1,174,262,264	1,143,892,070
Retail		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,121,323	899,945
APOR - Agência para a Modernização do Porto, S.A.	300,000	-
Mundo Vip - Operadores Turísticos, S.A.	-	-
Investment Management		
Brokerslink Management AG	41,745	-
Investment in associated companies		
	1,463,068	899,945
Total	1,175,725,332	1,144,792,015

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

Joint ventures	30 September 2014			31 December 2013		
	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Investment Management	77,668,734	48,398,312	29,270,422	72,460,580	42,979,002	29,481,578
Shopping Centres b)	3,376,654,712	1,965,716,884	1,410,937,828	3,340,574,090	2,051,816,569	1,288,757,521
Telecommunications b)	4,512,506,000	1,981,086,000	2,531,420,000	4,413,649,000	1,902,694,000	2,510,955,000
TOTAL	7,966,829,446	3,995,201,196	3,971,628,250	7,826,683,670	3,997,489,571	3,829,194,099

Joint ventures	30 September 2014			30 September 2013		
	Income	Expenses	Net Profit	Income	Expenses	Net Profit
Investment Management	34,855,149	34,930,675	(75,526)	35,111,328	34,923,372	187,956
Shopping Centres b)	345,369,434	236,304,116	109,065,318	211,928,767	205,893,359	6,035,408
Telecommunications a)b)	1,048,610,220	991,849,350	56,760,870	126,510,000	118,195,000	8,315,000
TOTAL	1,428,834,803	1,263,084,141	165,750,662	373,550,095	359,011,731	14,538,364

a) The variation from 2013 to 2014 arise from the inclusion of Zopt group;

b) Disclosed values are relative to the consolidated accounts of Sonae Sierra and Zopt.

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

Associated companies	30 September 2014			31 December 2013		
	Assets	Liabilities	Equity	Assets	Liabilities	Equity
Retail	13,260,019	6,851,678	6,408,341	12,140,682	11,125,907	1,014,775
TOTAL	13,260,019	6,851,678	6,408,341	12,140,682	11,125,907	1,014,775

Associated companies	30 September 2014			30 September 2013		
	Income	Expenses	Net Profit	Income	Expenses	Net Profit
Retail	40,661,394	39,744,493	916,901	43,615,980	43,620,217	(4,237)
TOTAL	40,661,394	39,744,493	916,901	43,615,980	43,620,217	(4,237)

During the period ended at 30 September 2014 and 2013, movements in investments in joint ventures and associated companies are as follows:

Joinr ventures and associated companies	30 September 2014			30 September 2013		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Initial balance as at January,1	594,818,353	549,973,662	1,144,792,015	379,191,284	77,255,004	456,446,288
Constitutions during the period	41,745	-	41,745	-	-	-
Acquisitions during the period	344,012	-	344,012	-	-	-
Change of consolidation method	-	-	-	624,186,444	88,480,500	712,666,944
Equity method						
Gains or losses in joint controlled and associated companies	46,454,434	-	46,454,434	5,071,328	-	5,071,328
Distributed dividends	(7,337,095)	-	(7,337,095)	(158,202)	-	(158,202)
Effect in equity capital and non-controlling interests	(2,479,027)	-	(2,479,027)	(14,831,405)	-	(14,831,405)
Impairment in associated companies	7,714,024	(13,804,776)	(6,090,752)	-	-	-
	639,556,446	536,168,886	1,175,725,332	993,459,449	165,735,504	1,159,194,953

The effect on equity is mainly the result of currency translation figures of companies with a functional currencies different from euro.

The caption "Impairment in associated companies" refers to the effect of impairment losses created in the period for the associated Raso SGPS, SA.

## 7 OTHER NON – CURRENT INVESTMENTS

The other non-current investments, their head offices, percentage of share capital held and book value as at 30 September 2014 and 31 December 2013, are as follows:

Company	Head office	Percentage of share capital held				Statement of financial position	
		30 September 2014		31 December 2013		30 September 2014	31 December 2013
		Direct	Total	Direct	Total		
<b>Retail</b>							
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Inscó - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	898,197	748,197
Solferias- Operadores Turísticos, SA	Lisbon	11.11%	11.11%	-	-	133,162	-
MOVVO, SA	Porto	9.09%	9.09%	-	-	400,000	-
<b>Investment Management</b>							
Lusa - Agên. de Notícias de Portugal, SA	Lisbon	1.38%	1.24%	1.38%	0.75%	197,344	97,344
Cooper Gay Swett & Crawford Ltd	London	9.72%	4.86%	9.72%	4.86%	15,468,095	15,468,095
Other investments						12,179,437	15,668,225
Total (Note 12)						29,286,211	31,991,837

On 30 September 2014, are included in "Other Investments", among others 10,000,127 euro (12,512,681 euro as at 31 December 2013) related to deposited amounts on an Escrow Account which is invested in investment funds with superior rating and contractual liability guarantees assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 24).

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

Financial investment in Cooper Gay Sweet & Crawford Ltd maintained its fair value at 31 December 2013. The valuation of this investment was performed on a binding acquisition proposal received from an unrelated entity and knowledgeable entity of the sector in the last quarter of 2013, which was not considered appropriate by the board of directors of the company.



## 8 CHANGES IN CONSOLIDATION PERIMETER

## 8.1 Major acquisitions of companies in the period ended at 30 September 2014 were as follows:

COMPANY	Head office	Percentage of share capital held At acquisition date	
		Direct	Total
Investment Management			
Lookwise, S.L.	Navarra (Spain)	100.00%	53.98%
S21 Sec Barcelona, S.L.	Barcelona (Spain)	100.00%	53.98%
S21 Sec Brasil, Ltda	São Paulo (Brazil)	99.99%	53.97%
S21 Sec Frau d Risk Management, S.L.	Navarra (Spain)	100.00%	53.98%
S21 Sec Gestion, SA	Navarra(Spain)	60.00%	53.98%
S21 Sec Inc.	Texas (USA)	100.00%	53.98%
S21 Sec Information Security Labs, S.L.	Navarra(Spain)	100.00%	53.98%
S21 Sec Institute, S.L.	Gipuzcoa(Spain)	100.00%	53.98%
S21 Sec México, SA de CV	Mexico City (Mexico)	99.87%	53.91%
S21 Sec SA de CV	Mexico City (Mexico)	99.99%	53.98%
Servicios de Inteligencia Estrategica Global, S.L.	Navarra(Spain)	100.00%	53.98%

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

	Investment Management	
	On the date of aquisition 31 July 2014	30 September 2014
Net assets		
Tangible and intangible assets (Note 9 and 10)	9,127,576	8,473,217
Deferred tax assets	1,111,159	1,113,359
Trade accounts receivable	2,432,775	3,473,450
Other assets	3,097,125	3,699,147
Cash and cash equivalents	2,828,615	1,440,990
Non recurrent loans	(4,606,714)	(9,786,626)
Other non-current liabilities	(5,985,899)	(2,452,392)
Recurrent loans	(1,796,210)	(620,411)
Trade creditors	(1,561,157)	(1,387,457)
Other liabilities	(3,119,613)	(2,805,880)
Total net acquired assets	1,527,657	1,147,396
Acquisition price	75,001	

As usually happens in the concentrations of business activities, we could not yet assign, for accounting purposes, the fair value of net assets acquired and liabilities assumed, having the difference between the purchase price and the net assets acquired not yet been recognized in the consolidated income statement or in goodwill arising from this operation for the period ended at 30 September 2014. The allocation of the purchase price is subject to change until conclusion of the period of one year from the date of acquisition, as permitted by IFRS 3 - Business Combinations.

## 8.2 Major disposals of companies in the period ended at 30 September 2014 were as follows:

COMPANY	Head office	Percentage of share capital held	
		At operation date	
		Direct	Total
<b>Retail</b>			
Fozmassimo - Sociedade Imobiliária, SA	Matosinhos	100.00%	100.00%
<b>Investment Management</b>			
Mainroad - Serviços em Tecnologias de Informação, S.A.	Maia	100.00%	89.90%

On January 2014, the Group sold its subsidiary Fozmassimo – Sociedade Imobiliária, SA to an external entity.

On September 2014, the subsidiary Mainroad – Serviços em Tecnologias de Informação, S.A. was sold to NOS Comunicações, S.A. Group for 14 million euro.

The impact on the financial statements can be analyzed as follows:

	At disposal data		31 December 2013	
	Retail	Investment Management	Retail	Investment Management
<b>Net assets</b>				
Tangible and intangible assets (Note 9 and 10)	2,777,380	2,607,143	2,777,380	3,046,595
Deferred tax assets	-	169,548	-	144,612
Trade accounts receivable	-	3,143,396	-	3,398,159
Other assets	23,820	927,954	23,820	990,738
Cash and cash equivalents	14,771	645,074	14,771	83,499
Deferred tax liabilities	(77,521)	-	(77,521)	-
Trade creditors	-	(2,302,029)	-	(2,577,457)
Other liabilities	(62,509)	(5,183,363)	(62,509)	(5,114,210)
	<u>2,675,941</u>	<u>7,723</u>	<u>2,675,941</u>	<u>(28,064)</u>
Non-controlling interests	-	(775)		
Shareholder's loans, treasury operations and interests	-	1,380,000		
Profit in disposal	297,373	12,613,052		
Consideration received	2,973,313	14,000,000		
Effective cash payment received	2,973,313	14,000,000		
Future cash receivements	-	-		
	<u>2,973,313</u>	<u>14,000,000</u>		
<b>Net cash-flow arising from disposal</b>				
Effective cash payment received	2,973,313	14,000,000		
Cash and cash equivalents disposed	(14,771)	(645,074)		
	<u>2,958,542</u>	<u>13,354,926</u>		

	At disposal data		30 September 2013	
	Retail	Investment Management	Retail	Investment Management
Sales	200,406	11,711,367	149,467	12,109,793
Other income	2,329	143,323	453	48,377
Other expenses	(109,011)	(11,190,071)	(83,016)	(11,099,350)
Net financial expenses	61,418	(97,632)	45,509	(153,054)
Profit/(Loss) before taxation	155,142	566,987	112,413	905,766
Profit/(Loss) before taxation	(35,122)	(118,201)	(29,789)	(3,056)
Profit/(Loss) after taxation	<u>120,020</u>	<u>448,786</u>	<u>82,624</u>	<u>902,710</u>

## 9 TANGIBLE ASSETS

During the nine months periods ended as at 30 September 2014 and 2013, movements in tangible assets as well as depreciation and accumulated impairment losses are made up as follows:

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible Assets in progress	Total Tangible Assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2014	1,659,329,823	1,248,692,623	176,539,371	31,848,923	3,116,410,740
Investment	5,419,514	1,144,476	573,335	84,601,848	91,739,173
Acquisitions of subsidiaries (Note 8.1)	928,629	631,867	2,634,828	-	4,195,324
Disposals	(6,389,351)	(31,977,240)	(4,066,266)	(3,988,278)	(46,421,135)
Disposals of subsidiaries (Note 8.2)	(8,466,427)	(2,107,714)	(1,771,001)	(87,731)	(12,432,873)
Exchange rate effect	32,887	77,638	325,358	1,559	437,442
Transfers	14,834,921	58,975,968	9,032,775	(84,701,581)	(1,857,917)
Closing balance as at 30 September 2014	1,665,689,996	1,275,437,618	183,268,400	27,674,740	3,152,070,754
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2014	409,943,585	737,980,900	141,321,852	-	1,289,246,337
Depreciation of the period	19,204,108	76,218,297	10,486,639	-	105,909,044
Acquisitions of subsidiaries (Note 8.1)	815,247	600,394	2,483,325	-	3,898,966
Disposals	(48,575)	(24,836,271)	(3,874,693)	-	(28,759,539)
Disposals of subsidiaries (Note 8.2)	(4,102,562)	(1,668,613)	(1,447,561)	-	(7,218,736)
Exchange rate effect	16,800	61,221	232,037	-	310,058
Transfers	1,517,385	(1,633,097)	(831,297)	-	(947,009)
Closing balance as at 30 September 2014	427,345,988	786,722,831	148,370,302	-	1,362,439,121
Carrying amount as at 30 September 2014	1,238,344,008	488,714,787	34,898,098	27,674,740	1,789,631,633
<b>Tangible assets</b>					
	Land and Buildings	Plant and Machinery	Others	Tangible Assets in progress	Total Tangible Assets
<b>Gross assets:</b>					
Opening balance as at 1 January 2013	1,944,250,596	2,269,285,934	392,604,946	52,690,950	4,658,832,426
Discontinued operations (Note 4)	(292,980,232)	(1,085,487,019)	(222,732,448)	(10,277,476)	(1,611,477,175)
Investment	1,216,954	3,980,036	11,283,865	101,722,820	118,203,675
Disposals	(1,982,206)	(27,942,270)	(7,063,189)	(1,194,673)	(38,182,338)
Exchange rate effect	(40,442)	(181,269)	(561,548)	(19,323)	(802,582)
Transfers	8,274,555	81,615,479	6,205,130	(107,448,479)	(11,353,315)
Closing balance as at 30 September 2013	1,658,739,225	1,241,270,891	179,736,756	35,473,819	3,115,220,691
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2013	448,370,593	1,274,180,207	333,171,848	-	2,055,722,648
Discontinued operations (Note 4)	(169,205,712)	(687,746,159)	(203,663,115)	-	(1,060,614,986)
Depreciation of the period	25,151,650	123,951,165	23,407,727	-	172,510,542
Depreciation and impairment losses of the period (Note 7.1)	96,800,000	27,100,000	-	-	123,900,000
Disposals	(89,930)	(25,888,419)	(6,896,241)	-	(32,874,590)
Exchange rate effect	(18,391)	(118,580)	(343,416)	-	(480,387)
Transfers	(374,704)	(2,667,735)	(1,545,941)	-	(4,588,380)
Closing balance as at 30 September 2013	400,633,506	708,810,479	144,130,862	-	1,253,574,847
Carrying amount as at 30 September 2013	1,258,105,719	532,460,412	35,605,894	35,473,819	1,861,645,844

The investment during the period ended at 30 September 2014 and 2013 includes:

- approximately 88 million euro (76 million euro in 2013) of assets acquisition primarily associated with the opening and remodelling of stores of Sonae retail operating segments;

- approximately 26.8 million euro in 2013 of assets acquisition associated with the UMTS operation (Universal Mobile Telecommunications Service), HSDPA (Kanguru Express), GSM (Global Standard for Mobile Communications), GPRS (General Packet Radio Service), FTTH (Fibre-to-the-Home) and LTE (Long Term Evolution). On the 27<sup>th</sup> August 2013, following the merger of Zon Optimus, the telecommunications business, including the above assets, was not recognizable (Note 4).

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Refurbishment and expansion of stores in the retail businesses located in Portugal	17,533,331	25,953,397
Refurbishment and expansion of stores in the retail businesses located in Spain	639,546	180,484
Projects of "Continente" stores for which advance payments were made	8,879,900	8,782,400
Others	621,963	557,538
	<u>27,674,740</u>	<u>35,473,819</u>

The caption "depreciation and impairment losses of the period" in September 2013 included approximately 53.3 million euro that were reclassified to discontinued operations in the income statement (Note 4).

## 10 INTANGIBLE ASSETS

During the nine month period ended at 30 September 2014 and 2013, movements in intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	<u>Intangible assets</u>			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
<b>Gross assets:</b>				
Opening balance as at 1 January 2014	115,657,930	273,625,596	29,084,967	418,368,493
Investment	37,287	1,071,906	32,657,869	33,767,062
Acquisitions of subsidiaries (Note 8.1)	18,910,087	1,779,932	-	20,690,019
Disposals	(439,489)	(908,315)	(423,110)	(1,770,914)
Disposals of subsidiaries (Note 8.2)	(26,071)	(1,638,360)	-	(1,664,431)
Exchange rate effect	483,416	2,011,860	52,837	2,548,113
Transfers	372,229	21,914,275	(22,713,837)	(427,333)
Closing balance as at 30 September 2014	<u>134,995,389</u>	<u>297,856,894</u>	<u>38,658,726</u>	<u>471,511,009</u>
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2014	32,462,492	183,051,845	-	215,514,337
Depreciation of the period	4,155,550	17,027,177	-	21,182,727
Acquisitions of subsidiaries (Note 8.1)	10,242,112	1,616,691	-	11,858,803
Disposals	(436,422)	(886,848)	-	(1,323,270)
Disposals of subsidiaries (Note 8.2)	(24,812)	(1,469,233)	-	(1,494,045)
Exchange rate effect	313,921	806,399	-	1,120,320
Transfers	48,960	(71,547)	-	(22,587)
Closing balance as at 30 September 2014	<u>46,761,801</u>	<u>200,074,484</u>	<u>-</u>	<u>246,836,285</u>
Carrying amount as at 30 September 2014	<u>88,233,588</u>	<u>97,782,410</u>	<u>38,658,726</u>	<u>224,674,724</u>

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
<b>Gross assets:</b>				
Opening balance as at 1 January 2013	574,470,896	548,119,686	44,117,440	1,166,708,022
Discontinued operations (Note 4)	(478,094,901)	(304,656,517)	(21,285,935)	(804,037,353)
Investment	15,420,177	816,278	38,090,890	54,327,345
Disposals	(1,073,797)	(173,721)	(259,306)	(1,506,824)
Exchange rate effect	(205,758)	(3,869,616)	(12,809)	(4,088,183)
Transfers	4,827,126	21,632,043	(24,638,924)	1,820,245
Closing balance as at 30 September 2013	115,343,743	261,868,153	36,011,356	413,223,252
<b>Accumulated depreciation and impairment losses</b>				
Opening balance as at 1 January 2013	205,977,682	398,275,118	-	604,252,800
Discontinued operations (Note 4)	(203,989,969)	(246,060,381)	-	(450,050,350)
Depreciation of the period	30,691,546	28,688,070	-	59,379,616
Disposals	(1,073,797)	(171,494)	-	(1,245,291)
Exchange rate effect	(61,177)	(1,485,859)	-	(1,547,036)
Transfers	(34,805)	(900,703)	-	(935,508)
Closing balance as at 30 September 2013	31,509,480	178,344,751	-	209,854,231
Carrying amount as at 30 September 2013	83,834,263	83,523,402	36,011,356	203,369,021

Under the agreed terms resulting from the grant of the UMTS License, NOS Comunicações, committed to contribute to the promotion of an 'Information Society', the total amount of the obligations assumed arose to 274 million euro which will have to be fulfilled until the end of 2015.

In accordance with the Agreement established on the 5<sup>th</sup> June 2007 with the Ministério das Obras Públicas, Transportes e Comunicações ('MOPTC') part of these commitments, up to 159 million euro, would be realized through own projects eligible as contributions to the 'Information Society' which will be incurred under the normal course of NOS Comunicações's business (investments in network and technology, if not directly related with the accomplishment of other obligations inherent to the attribution of the UMTS License, and activities of research, development and promotion of services, contents and applications). These own projects must be recognized by the MOPTC and by entities created specifically for this purpose. The total amount was already incurred and validated by the above referred entities, so, at this date, there are no additional responsibilities related to these commitments. These charges were recorded in the attached financial statements at the moment the projects were carried out and the estimated costs became known.

The remaining commitments, up to 116 million euro, has been realized, as agreed between NOS Comunicações and MOPTC, through contributions to the 'Iniciativas E' project (modem offers, discounts on tariffs, cash contributions, among others, assigned to the widespread use of broadband internet for students and teachers). These contributions are made through the 'Fund for the Information Society', now known as the 'Fundação para as Comunicações Móveis' (Foundation for Mobile Communications), established by the three mobile operators with businesses in Portugal. All responsibility was recognized as an additional cost of UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. Thus, at 31 December 2013, all the responsibilities with such commitments were derecognized from consolidated financial statements following the merger between Optimus SGPS and Zon following derecognition of assets and liabilities of the telecommunications business (Note 4).

Additionally the caption "Industrial property" includes the acquisition cost of a group of brands with indefinite useful lives, including "Continente" brand, acquired in previous years, amounting to 75,000,000 euro (the same amount on 2013).

## 11 GOODWILL

During the nine months period ended at 30 September 2014 and 2013 movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

	30 September 2014	30 September 2013
Opening balance	624,540,640	664,502,705
Discontinued operations (Note 4)	-	(33,955,548)
Decreases	-	(3,383,070)
Currency translation	1,541,327	(3,190,281)
Write-off	(2,325)	-
Closing balance	<u>626,079,642</u>	<u>623,973,806</u>
Accumulated impairment losses		
Opening balance	14,352,782	6,274,655
Increases	-	-
Closing balance	<u>14,352,782</u>	<u>6,274,655</u>
Carrying amount:	<u>611,726,860</u>	<u>617,699,151</u>

## 12 OTHERS INVESTMENTS

On 30 September 2014 and 2013 the movements in caption "Other Investments" can be detailed as follows:

	30 September 2014		30 September 2013	
	Non current	Current	Non current	Current
Other investments:				
Fair value (net of impairment losses) as at 1 January	31,991,837	202,448,454	59,877,723	881,581
Acquisitions in the period	683,191	17	5,959,529	155,879,669
Disposals in the period	(3,242,124)	(141,650,837)	(21,613,307)	(949,572)
Increase/(Decrease) in fair value	4,070	(8,217,684)	(5,798,298)	9,147,395
Transfers	(150,763)	150,763	-	-
Fair value (net of impairment losses) as at 30 September	<u>29,286,211</u>	<u>52,730,713</u>	<u>38,425,647</u>	<u>164,959,073</u>
Derivative financial instruments (Note 20)				
Fair value as at 1 January	-	35,999	-	30,341
Acquisitions in the period	-	4,678,300	-	-
Increase/(Decrease) in fair value	-	327,986	-	128,472
Fair value as at 30 September	<u>-</u>	<u>5,042,285</u>	<u>-</u>	<u>158,813</u>
	<u>29,286,211</u>	<u>57,772,998</u>	<u>38,425,647</u>	<u>165,117,886</u>

Under the caption other non-current financial investments an amount of 10,000,127 euro (12,512,674 euro in 30 September 2013) is recorded related to deposited amounts on an Escrow Account (Note 7). The caption of the "decreases in the period" during 2013 results from the use of the Escrow Account for payment concerning civil and labor cases mentioned in Note 24.

In "Other Investments" currents are recorded 52,573,828 euro (164,953,026 euro in 30 September 2013) of shares NOS, that resulted from the merger process between Optimus SGPS and ZON (Note 4). This investment is recorded at fair value through profit and loss accounts, since it is an asset for the purpose of selling in the short term. As stated in the shareholder agreement, these shares do not confer any additional voting or interfere in the situation of shared control in Zon Optimus. During the period Zon Optimus, SGPS, SA changed its name to NOS, SGPS, SA.

The decreases on 30 September 2014 represent the counterpart in shares NOS provided for under the terms of the exchange General Public and Voluntary Offer purchase of shares Sonaecom SGPS, SA. As a result of

this offer the Sonaecom has reduced its investment in shares NOS in 26,476,792 shares (141,650,837 euros) (Note 18), and now holds 11,012,532 shares representing 2.14% of the share capital of NOS.

The decrease in fair value, in 2013 under the caption "Other current Investments" includes 8,217,684 euro on the recording of the fair value of the participation of NOS. The fair value of the investment is determined based on the price of NOS shares and the respective changes are recorded in the consolidated income statement.

The other non-current Investments are recorded at acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate can be made as there is no market data available for these investments. The caption of "Other non-current Investments" includes 3,817,955 euro (3,141,937 euro in 30 September 2013) of investments recorded at acquisition cost net of impairment losses for the same reasons.

The other non-current Investments are net of impairment losses (Note 24) amounting to 257,729 euro (86,212 euro in 30 September 2013).

### 13 OTHER NON – CURRENT ASSETS

As at 30 September 2014 and 31 December 2013, other non- current assets are detailed as follows:

	30 September 2014			31 December 2013		
	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 24)	Carrying Amount
Loans granted to related parties	3,570	-	3,570	3,570	-	3,570
Trade accounts receivable and other debtors						
Legal deposits	860,050	-	860,050	818,011	-	818,011
Recognition of the value to be received from Wall Mart	8,305,523	-	8,305,523	7,858,057	-	7,858,057
Cautions	5,174,282	-	5,174,282	5,725,333	-	5,725,333
Others	603,409	-	603,409	276,249	-	276,249
	<u>14,943,264</u>	<u>-</u>	<u>14,943,264</u>	<u>14,677,650</u>	<u>-</u>	<u>14,677,650</u>
Reinsurer's' share of technical provisions	6,458,811	-	6,458,811	16,789,943	-	16,789,943
Other non-current assets	206,517	-	206,517	499,450	-	499,450
	<u>21,612,162</u>	<u>-</u>	<u>21,612,162</u>	<u>31,970,613</u>	<u>-</u>	<u>31,970,613</u>

As a result of the agreements signed in 2005 by the former subsidiary - Sonae Distribuição Brazil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process, in the Brazilian state of São Paulo, that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 8.2 million euro) for alleged expenses incurred with the mentioned stores and that, allegedly, arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses were presented to Sonae, or proof of the necessity of carrying out such costs for the licensing process as established on the mentioned agreements. The variation in the period is explained by the evolution of the exchange rate of the real against the euro.

It is the understanding of the Board of Directors and the Group attorneys that the amount paid will be recovered. The company already established legal proceedings against Carrefour Comercio e Industria, Ltda., through society Wms - Supermarkets in Brazil, SA (formerly Sonae Distribution Brazil, SA, sold to Wal-Mart Group, as mentioned above) to recover the above mentioned amount (for Sonae, by right of claim on the Wms). It's the Board of Directors and the Group attorneys understanding that the above mentioned amount is



recoverable, since Carrefour has never proved the existence of the costs that it claims and which validate the usage of the above mentioned warranty, or through the warranty expiration date (according the Brazilian law).

According to the Group attorneys, the amount improperly received by Carrefour for which a reimbursement will be requested (25,340,145.80 Brazilian real), will bear interests at the SELIC rate. It is expected that the legal proceeding will exist for a period up to 7 years, since its beginning in 2011.

## 14 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2014 and 31 December 2013, trade account receivable and other current assets are detailed as follows:

	30 September 2014	31 December 2013
Trade accounts receivable	97,630,972	85,286,518
Taxes recoverable	75,959,154	72,447,501
Granted loans to related companies	7,769,082	8,599,429
Other debtors		
Trade creditors - debtor balances	50,052,939	34,270,501
Special regime for payment of tax and social security debts	28,361,908	28,354,934
Dividends to be received of jointly controlled companies	-	10,567,050
Vouchers and gift cards	1,762,258	3,289,808
VAT recoverable on real estate assets	1,321,069	2,905,724
Advances to suppliers	377,657	665,532
Reinsurance operations	859,209	2,102,625
Deposit in favor of Cossec	-	11,798,127
TRS related to own shares	-	410,944
Interests and accounts receivable from discontinued activities <sup>a)</sup>	-	10,936,329
Other current assets	24,534,843	23,985,624
	<u>107,269,883</u>	<u>129,287,198</u>
Other current assets		
Invoices to be issued	9,746,456	6,251,905
Commercial discounts	95,646,473	30,455,235
Prepayments of external supplies and services	16,194,656	12,077,662
Prepayments - Rents	6,077,279	6,210,168
Commissions to be received	1,649,202	2,627,215
Insurance indemnities	1,529,700	2,430,736
Other current assets	13,082,695	11,484,397
	<u>143,926,461</u>	<u>71,537,318</u>
Accumulated impairment losses in receivables accounts (Note 24)	<u>(22,605,499)</u>	<u>(21,486,090)</u>
	<u>409,950,053</u>	<u>345,671,874</u>

<sup>a)</sup> The most significant variations under this caption result from the merger referred to in Note 4.

## 15 DEFERRED TAX

Deferred tax assets and liabilities as at 30 September 2014 and 31 December 2013 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Difference between fair value and acquisition cost	5,896,033	5,911,741	26,914,113	27,533,300
Amortisation and Depreciation	1,803,958	1,371,758	66,761,027	62,855,081
Provisions and impairment losses not accepted for tax purposes	34,994,173	38,828,805	639,053	-
Write off of tangible and intangible assets	2,290,442	3,663,000	-	-
Valuation of hedging derivatives	178,712	210,756	1,151,989	60,252
Amortisation of Goodwill for tax purposes	-	-	26,175,060	25,128,058
Revaluation of tangible assets	-	-	1,444,397	1,543,774
Tax losses carried forward	81,849,321	62,456,417	-	-
Reinvested capital gains/(losses)	-	-	1,413,631	1,512,257
Tax Benefits	3,855,055	4,464,928	-	-
Others	6,439,012	6,252,459	6,104,632	2,463,247
	<u>137,306,706</u>	<u>123,159,864</u>	<u>130,603,902</u>	<u>121,095,969</u>

In accordance with the tax statements and tax estimates presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 September 2014 and 31 December 2013, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 September 2014			31 December 2013		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2008	1,227,219	282,260	2014	1,296,239	298,135	2014
Generated in 2009	142,501	32,775	2015	145,240	33,405	2015
Generated in 2010	-	-	2014	99,670	22,924	2014
Generated in 2011	994,069	247,202	2015	1,199,591	294,472	2015
Generated in 2012	-	-	2017	87,055	20,023	2017
Generated in 2013	-	-	2018	-	-	-
Generated in 2014	43,316,136	9,962,710	2026	-	-	-
	<u>45,679,925</u>	<u>10,524,947</u>		<u>2,827,795</u>	<u>668,959</u>	
With a time limit different from the above mentioned (a)	236,871,018	71,324,374		205,722,563	61,787,458	
	<u>282,550,943</u>	<u>81,849,321</u>		<u>208,550,358</u>	<u>62,456,417</u>	

a) Includes, in 30 September 2014, 68 million euro (60 million euro in 31 December 2013) related to deferred tax assets for which the carry forward period count hasn't started.

As at 30 September 2014 and 31 December 2013, deferred tax assets resulting from tax losses carried forward were assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences. This evaluation centered on the business plan of Sonae entities, which were reviewed and updated periodically and on the available and identified fiscal opportunities.

As at 30 September 2014 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 65.7 million euro (57.9 million euro as at 31 December 2013). 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 2014 and 31 December 2013, was the dominant entity within the group of companies taxed in accordance with the Spanish regime for taxing groups of companies. It is the understanding of The Board of Directors, based on existing business plans, that the mentioned deferred tax assets are fully recoverable.

As at 30 September 2014 there was tax losses carried forward, for which no deferred tax assets were recognized due to uncertainties of their future use. These may be summarized as follows:

	30 September 2014			31 December 2013		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2008	7,969,612	1,833,011	2014	8,723,778	2,120,486	2014
Generated in 2009	10,679,255	2,456,229	2015	10,226,350	2,404,541	2015
Generated in 2010	11,187,572	2,573,141	2014	11,187,572	2,624,821	2014
Generated in 2011	7,520,471	1,729,708	2015	7,520,472	1,784,165	2015
Generated in 2012	11,599,479	2,667,880	2017	11,599,479	2,756,301	2017
Generated in 2013	18,046,605	4,150,719	2018	17,313,620	4,036,044	2018
Generated in 2014	6,010,896	1,382,506	2026	-	-	
	<u>73,013,890</u>	<u>16,793,194</u>		<u>66,571,271</u>	<u>15,726,358</u>	
Without limited time use	40,061,658	11,155,423		36,681,986	7,303,523	
With a time limit different from the above mentioned	265,160,592	74,102,309		253,301,226	70,394,923	
	<u>378,236,140</u>	<u>102,050,926</u>		<u>356,554,483</u>	<u>93,424,804</u>	

## 16 CASH AND CASH EQUIVALENTS

As at 30 September 2014 and 31 December 2013, Cash and cash equivalents can be detailed as follows:

	30 September 2014	31 December 2013
Cash at hand	7,378,199	7,547,903
Bank deposits	311,674,393	197,242,711
Treasury applications	163,058,744	161,518,304
Cash and cash equivalents on the statement of financial position	<u>482,111,336</u>	<u>366,308,918</u>
Bank overdrafts (Note 19)	<u>(41,019,965)</u>	<u>(439,462)</u>
Cash and cash equivalents on the statement of cash flows	<u>441,091,371</u>	<u>365,869,456</u>

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

## 17 CAPITAL SOCIAL

As at 30 September 2014, 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.

On the 15<sup>th</sup> 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 share capital.

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

In this context, although legally all the rights and obligations inherent to these shares have been transferred to the buyer, Sonae Holding did not derecognize their own shares, recording a liability in the caption "Other current liabilities" (Note 23), according to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as Sonae maintains the risks and rewards arising on the instruments sold.

Consequently, Sonae maintains the deduction from equity amounting to the acquisition cost of the 132,800,000 shares (138,568,275 euro), and has accounted for the consideration received for the above mentioned sale of own shares in the caption "Other non-current liabilities" (273,568,000 euro).

Due to the detach of Sonae Capital SGPS, SA, on the 4<sup>th</sup> January 2008, demerger rights attributable to the 132,800,000 Sonae Holding shares subject to the above mentioned agreement, Sonae recognized an asset measured at its' fair value . This asset has not been derecognized as Sonae also entered into a Cash Settled Equity Swap over the Sonae Capital SGPS, SA shares, and therefore a liability was recognized.

From 2009 to 2013 Sonae Investments BV requested a partial cancellation of the Cash Settled Equity Swap for 10,719,496 Sonae Holding shares. Thereafter, the derivative financial instrument focused on 122,080,504 Sonae Holding shares.

On the 19<sup>th</sup> October 2010 Sonae Investments BV came to an agreement with the above mentioned financial institution to extend the maturity date of the Cash Settled Equity Swap over Sonae Holding shares. The renewal of the maturity date was made for 3 additional years, until November 2013, keeping the settlement mechanism as strictly financial. The Cash Settled Equity Swap, over Sonae Capital SGPS, SA shares, at maturity date, was not renewed, as so Sonae acquired 16,600,000 Sonae Capital SGPS, SA shares at fair value, which corresponded to the amount of the liability recorded at the settlement date, representative of 6.6% of its capital. During 2012 Sonae Capital shares were disposed. In November 2013 was carried further renewal for a further period of one year, keeping the other conditions unchanged.

Considering the operations mentioned above, the amount of the liability recorded amounts to 103,720,530 euro (Note 23) (103,289,056 euro as at 31 December 2013) reflecting the market value of Sonae Holding shares.

These liabilities are adjusted at the end of each month by the effect in Sonae Holding share price, as applicable, being recognized an asset/liability in order to present the right/obligation related to the cash settlement of the operation that resets monthly.

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

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

The number of shares taken into account to calculate earnings per share includes the shares referred to above as a deduction to the shares issued by the Company (Note 28).

As at 30 September 2014, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos, SGPS, SA and affiliated	52.48

## 18 NON – CONTROLLING INTEREST

The Movements in non-controlling interests during the periods ended as at 30 September 2014 and 2013 are as follows:

	30 September 2014	30 September 2013
Opening balance as at 1 January	344,325,829	349,901,121
Dividends	(385,384)	(10,975,525)
Increased shareholding by acquisitions	(184,112,627)	(130,233,511)
Change in currency translation reserve	544,691	(1,773,627)
Obligation fulfilled by share attribution to employees	(775,482)	-
Change in the fair value of investments available for sale	-	(2,898,569)
Changes in hedge and fair value reserves	58,079	11,704
Decreased shareholding by disposals	1,225,526	-
Others	(1,259,758)	(951,002)
Profit for the period attributable to non-controlling interests	1,936,484	136,639,757
Closing balance	161,557,358	339,720,348

On the 5<sup>th</sup> February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on the 6<sup>th</sup> February and ending on the 19<sup>th</sup> February 2014.

On the 20<sup>th</sup> February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. During 2014 Sonaecom reduced its capital by 136 million as a result of the extinction of the own shares acquired (54,906,831 shares) and reduction of the nominal value of the remaining shares of capital stock of the of Sonaecom 1 euro to 0.74 euro per share, resulting in an increase in the percentage of ownership of the Group and consequently a significant reduction of non-controlling interest, included in the above table in the caption " Increased shareholding by acquisitions " in the period ending 30 September 2014.

As a return for the own shares acquired in this General Public Offer and Voluntary process Sonaecom delivered 26,476,792 shares representing the share capital of NOS which were recorded in the balance sheet by 141,650,837 euro (Note 12) and the amount of 19,632 euro in cash.

## 19 LOANS

As at 30 September 2014 and 31 December 2013, "Loans" are made up as follows:

	30 September 2014		31 December 2013	
	Outstanding amount		Outstanding amount	
	Current	Non current	Current	Non current
Bank loans				
Sonae, SGPS, SA / 2012	1,961,683	-	1,961,683	-
Sonae, SGPS, SA / 2012/2015	75,000,000	-	-	75,000,000
Sonae, SGPS, SA - commercial paper	-	135,000,000	-	20,000,000
Sonae Investimentos, SGPS, SA - commercial paper	65,000,000	70,000,000	32,500,000	65,000,000
Sonae Holding affiliated /2014/2017	-	20,000,000	-	-
Sonae Investimentos affiliated /2011/2026	20,000,000	35,000,000	20,000,000	45,000,000
MDS, SGPS, SA - commercial paper	4,500,000	15,750,000	2,500,000	15,700,000
MDS SGPS, SA affiliated / 2011/2016	7,462,350	5,353,425	3,530,206	12,125,491
Others	3,471,531	10,877,169	4,925,194	9,429,115
	177,395,564	291,980,594	65,417,083	242,254,606
Bank overdrafts (Note 16)	41,019,965	-	439,462	-
Up-front fees beard with the issuance of borrowings	(341,638)	(265,993)	(64,638)	(1,090,766)
Bank loans	218,073,891	291,714,601	65,791,907	241,163,840
Bonds				
Bonds Sonae SGPS / 2007/2014	-	-	150,000,000	-
Bonds Sonae SGPS / 2007/2015	250,000,000	-	-	250,000,000
Bonds Continente -7% /2012/2015	197,352,166	-	-	200,000,000
Bonds Sonae Investments BV/ 2014/2019	-	210,500,000	-	-
Bonds Sonae Investimentos SGPS / 2007/2015	200,000,000	-	-	200,000,000
Bonds Sonae Investimentos SGPS / 2007/2015	155,000,000	-	-	155,000,000
Bonds Sonae Investimentos SGPS / 2009/2014	-	-	10,000,000	-
Bonds Sonae Investimentos SGPS/ 2012/2017	-	170,000,000	-	170,000,000
Bonds Sonae Investimentos SGPS/ 2013/2018	-	50,000,000	-	50,000,000
Sonae Investimentos SGPS/2013-EUR 75 M.Floating R.Notes-2018	-	75,000,000	-	75,000,000
Bonds Sonae SGPS/ 2014/2018	-	60,000,000	-	-
Bonds Sonae SGPS/ 2014/2020	-	50,000,000	-	-
Bonds Sonaecom SGPS/ 2013/2016	-	-	-	20,000,000
Conversion option	-	(22,002,431)	-	-
Up-front fees beard with the issuance of borrowings	(1,736,694)	(6,233,162)	(37,642)	(6,600,100)
Bonds	800,615,472	587,264,407	159,962,358	1,113,399,900
	23,261	36,910	33,466	53,936
Derivative instruments (Note 20)	598,197	-	3,836,167	-
Other loans	621,458	36,910	3,869,633	53,936
Obligations under finance leases	3,461,271	6,084,246	4,314,843	7,980,489
	1,022,772,092	885,100,164	233,938,741	1,362,598,165

In September 2014 a subsidiary of Sonae SGPS, SA issued bonds that are convertible into Sonae shares already issued and fully subscribed or to be the subject of further issue.

The bonds were issued at par in a nominal amount of 100,000 euro per bond, with a maturity of 5 years, and will pay a fixed coupon of 1.625% per annum, payable semi-annually in arrears.

The bonds will be redeemable at par at maturity. The Issuer will have the right to redeem all outstanding bonds at par plus accrued interest on or after the third anniversary following the issue of the bonds if the aggregate value of the shares per bond for a specified period of time exceeds 130% of the nominal amount of the bonds or if 85% or more of the bonds initially issued shall have been converted, redeemed or purchased and cancelled.

In this context Sonae registered the convertible bond for the amount of 188,187,000 euro, deducted by the fair value of the conversion option into Sonae SGPS shares, in the amount of 22,313,000 euro. This amount is recorded in the caption "Fair value reserve" in equity. The average interest rate at 30 September 2014 of bonds and loans was of 3.07% (3.19% on 31 December 2013). Most bonds and bank loans bear interests at variable interest rates indexed to Euribor.

At 30 September 2014, Sonae has agreed lines of credit and commercial paper amounting to 1,214 million euro, out of which 377 million euro with firm commitments with maturity not exceeding 1 year and 534 million euro with firm commitments with maturity over 1 year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, Group had 597 million euro credit facilities available to meet its liquidity requirements.

The derivative instruments are recorded at fair value (Note 20).

The loans nominal value has the following maturities:

	30 September 2014	31 December 2013
N+1 <sup>a)</sup>	1,024,252,227	230,204,854
N+2	85,644,425	953,858,993
N+3	160,652,855	159,231,129
N+4	136,198,133	99,897,102
N+5	430,589,569	149,488,617
After N+5	100,516,768	7,813,190
	<u>1,937,853,977</u>	<u>1,600,493,885</u>

a) Includes the 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.

## 20 DERIVATIVES

### Exchange rate derivatives

Sonae uses exchange rate derivatives, essentially to hedge future cash flows.

Thus Sonae entered into several exchange rate "forwards" and options in order to manage its exchange rate exposure.

As at 30 September 2014, there are no exchange rate derivatives which haven't been considered heading instruments. The fair value of exchange rate derivatives hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is 598,197 euro as liabilities and assets as 5,042,285 euro (1,415,143 euro as liabilities and 35,999 euro as assets as at 31 December 2013).

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



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

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

#### Interest rate derivatives

As at 30 September 2014, Sonae has not hired hedging instruments that refer to swaps and interest rate options ("cash flow hedges"). These were negotiated to hedge the interest rate risk of loans. As at 31 December 2013 the covered amount by this type of financial derivatives was 150,000,000 euro. The net fair value of these derivatives amounts to -2,421,024 euro.

The derivatives were valued considering the estimated future cash-flows, assuming that the cancellation options by the counterparties would be exercised when the forward interest rates are higher than the established fixed interest rate. Sonae intends to keep these derivatives until their maturity date, therefore, this valuation is considered to be the most appropriate to estimate the future cash flow of these instruments, as confirmed during 2014.

These interest rate derivatives are valued at fair value, at the statement of financial position date, based on valuations performed by Sonae using specific software and on external valuations when this software does not deal with specific instruments. The fair value of swaps was computed, as at the statement of financial position date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg. The calculation of the fair value of options was based on the "Black-Scholes" and similar models. The estimation of future cash flows is made on the basis of quotations forward market curve are implicit in, and the respective discount to the present, is accomplished using the higher interest rate curve is representative of the market, based on information from credible sources provided by Bloomberg, amongst others. Comparative quotes from financial institutions for specific instruments or similar, are used as a benchmark for evaluation. This analysis assumes that all other variables remain constant.

#### Interest rate and exchange rate derivatives

As at 30 September 2014 no contracts existed related to interest rate and exchange rate derivatives at the same time.

#### Fair value of derivatives

The fair value of derivatives is detailed as follows:

	Assets		Liabilities	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Hedging derivatives				
Exchange rate	5,042,285	35,999	598,197	1,415,143
Interest rate	-	-	-	2,421,024
	5,042,285	35,999	598,197	3,836,167

## 21 OTHER NON – CURRENT LIABILITIES

As at 30 September 2014 and 31 December 2013, "Other non-current liabilities" are detailed as follows:

	30 September 2014	31 December 2013
Shareholders loans	13,577,424	13,298,924
Fixed assets suppliers	1,589,208	1,626,708
Deferral of the disposal of the extended warranties	37,760,368	25,679,570
Other non-current liabilities	3,204,575	3,210,995
Accruals and deferrals	8,918,016	7,431,684
Other non-current liabilities	65,049,591	51,247,881

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

## 22 SHARE BASED PAYMENTS

In 2014 and previous years, Sonae in accordance with the remuneration policy described in the corporate governance report of 2013, granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the 3<sup>rd</sup> year of the grant date and the end of that year.

As at 30 September 2014, all Sonae SGPS share plans responsibilities are accounted in the statement of financial position under "other reserves" and in the Profit and Loss statement under caption "staff costs". They are recognized at the shares fair value on the grant date, concerning the 2014, 2013 and 31 December 2012. Share-based payments costs are recognized on a straight line basis between the grant and the settlement date.

On the 10<sup>th</sup> March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. This conversion was based on the terms set out in tender offer for the general and voluntary acquisition of own shares on the 20<sup>th</sup> February 2014, referred to in Note 18 to determinate the fair value of Sonaecom plans, and based on the price of shares Sonae SGPS. In this way, each Sonaecom share corresponded to 0.48228346 shares NOS.

The conversion of the plans was based Sonae / Sonae SGPS implied ratio arising from the tender offer (1 Sonaecom Share – approximately 2.05 Sonae SGPS shares).

As at 30 September 2014 and 31 December 2013, the number of attributed shares related to the assumed responsibilities arising from share based payments, which have not yet vested, can be detailed as follows:

	Grant year	Vesting year	Number of shares						
			Number of participants		Share price on date of assignment		30 September 2014		31 December 2013
			Sonae SGPS	Sonaecom	Sonae SGPS	Sonaecom	Sonae SGPS	Sonae SGPS	Sonaecom
Shares	2011	2014	55	44	0.811	1.399	-	3,984,562	477,778
	2012	2015	72	22	0.401	1.256	7,723,525	6,648,312	540,805
	2013	2016	77	24	0.701	1.505	5,133,890	3,471,375	406,903
	2014	2017	261	-	1.199	1.258	4,457,260	-	-
Total							17,314,675	14,104,249	1,425,486

As at 30 September 2014 and 31 December 2013, the movements on the above mentioned share based plans were the following:

	Sonae Shares		Sonaecom Shares	
	Aggregate number of participants	Number of Shares	Aggregate number of participants	Number of Shares
Closig balance as at 31 December 2013	181	14,104,249	135	1,425,486
Grant	283	4,651,005	-	-
Vesting	(117)	(4,516,138)	-	-
Converted	135	2,923,738	(135)	(1,425,486)
Canceled / extinct / corrected / transferred <sup>(1)</sup>	46	1,038,098	-	-
Canceled / extinct / corrected / transferred <sup>(1)</sup>	(72)	(886,277)	-	-
Closig balance as at 30 September 2014	456	17,314,675	-	-

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

As at 30 September 2014 and 31 December 2013, the fair value of total liabilities on the date of allocation arising from share-based payments, which have not yet vested, may be summarized as follows:

Grant year	Vesting year	Fair value *		
		30 September 2014	31 December 2013	
		Sonae SGPS	Sonae SGPS	Sonaecom
2011	2014	-	3,831,488	212,649
2012	2015	8,063,843	3,487,040	269,234
2013	2016	3,378,839	606,912	47,778
2014	2017	1,279,234	-	-
Total		12,721,916	7,925,440	529,661

\* Share market value as of 30 September 2014 and 31 December 2013.

As at 30 September 2014 and 31 December 2013 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	30 September 2014	31 December 2013
Recorded in staff costs	3,412,134	3,547,677
Recorded in previous years	4,971,676	2,928,998
	8,383,810	6,476,675
Recorded in other liabilities	2,073,889	592,658
Recorded value in Other reserves	6,309,921	5,884,017
	8,383,810	6,476,675

## 23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2014 and 31 December 2013, "Trade creditors and other current liabilities" were made up as follows:

	30 September 2014	31 December 2013
Trade creditors	1,063,300,176	1,162,317,682
Taxes payable	74,075,002	55,757,125
Other creditors		
Fixed asset suppliers	29,967,057	140,215,384
Related undertakings	110,025	-
Other debts	166,832,265	173,098,204
	<u>196,909,347</u>	<u>313,313,588</u>
Other current liabilities		
Tangible assets accrued costs	10,387,193	5,090,656
Holiday pay and bonuses	118,398,297	106,440,174
Interests payable	14,801,108	15,321,429
Invoices to be issued	3,290,869	2,252,529
Marketing expenses	9,506,320	14,853,351
Other external supplies and services	41,039,315	41,371,260
Advance receipts from trade receivables	7,656,332	10,813,245
Accrued income - rents	6,647,377	4,207,271
Others	19,058,119	14,318,679
	<u>230,784,930</u>	<u>214,668,594</u>
	<u>1,565,069,455</u>	<u>1,746,056,989</u>

The caption "Other debts" includes the amount of 103,720,530 euro (103,289,056 euro as at 31 December 2013) concerning at fair value of shares Sonae Holding covered by financial derivative referred to in Note 17.

As at 31 December 2013, the caption "Suppliers of fixed assets" included the amount of 102,095,077 euro relating to an agreement with a subsidiary of France Telecom ("FT - Orange") on the transfer of 20% of equity of Sonaecom SGPS, SA to Sonae SGPS, SA. This account payable is accounted for at its discounted amount (to be paid on August 2014).

## 24 PROVISION AND ACCUMULATED IMPAIRMENT LOSSES

The movement in "Provisions and impairment losses" during nine month period ended at 30 September 2014 and 2013 were as follows:

Caption	Balance as at 1 January 2014	Changes in perimeter	Increase	Decrease	Balance as at 30 September 2014
Accumulated impairment losses on investments (Notes 6 and 12)	2,358,392	-	6,091,426	(2,101,337)	6,348,481
Impairment losses on fixed tangible assets	152,883,610	-	-	(5,989,686)	146,893,924
Impairment losses on intangible assets	1,497,119	-	-	(18)	1,497,101
Accumulated impairment losses on trade account receivables and other debtors (Note 14)	21,486,090	1,353,410	1,485,068	(1,719,069)	22,605,499
Accumulated impairment losses on inventories	32,667,082	-	-	(3,164,105)	29,502,977
Non current provisions	50,659,919	-	1,249,059	(17,246,297)	34,662,681
Current provisions	2,828,507	-	6,293	(4,250)	2,830,550
	<u>264,380,719</u>	<u>1,353,410</u>	<u>8,831,846</u>	<u>(30,224,762)</u>	<u>244,341,213</u>

Caption	Balance as at 1 January 2013	Increase	Decrease	Discontinuing operations	Balance as at 30 September 2013
Accumulated impairment losses on investments	1,187,115	-	(1,707)	-	1,185,408
Impairment losses on fixed tangible assets	1,496,933	123,900,000	-	-	125,396,933
Accumulated impairment losses on other non-current assets	1,000,000	-	-	-	1,000,000
Accumulated impairment losses on trade account receivables and other debtors	101,205,188	21,930,905	(28,820,020)	(73,162,600)	21,153,473
Accumulated impairment losses on inventories	47,538,542	-	(5,113,980)	(2,303,630)	40,120,932
Non current provisions	114,470,445	14,354,670	(37,714,515)	(35,224,237)	55,886,363
Current provisions	2,426,809	15,783,979	(764,051)	-	17,446,737
	<u>267,828,099</u>	<u>175,969,554</u>	<u>(72,414,273)</u>	<u>(110,690,467)</u>	<u>262,189,846</u>

As at 30 September 2014 and 31 December 2013, provision's details can be analyzed as follows:

	30 September 2014	31 December 2013
Technical provisions on reinsurance	9,633,272	18,116,091
Future liabilities relating to subsidiaries of retail in Brazil sold	11,774,770	13,470,170
Clients guarantees	9,505,338	13,890,215
Judicial claims	1,829,337	2,592,579
Others	4,750,514	5,419,371
	<u>37,493,231</u>	<u>53,488,426</u>

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

## 25 CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2014 and 31 December 2013, major contingent liabilities were guarantees given and can be detailed as follows:

### - Guarantees and sureties given

	30 September 2014	31 December 2013
Guarantees given:		
on tax claims	915,631,288	853,320,334
on judicial claims	356,420	211,268
on municipal claims	6,378,443	6,284,639
contract by proper compliments	19,463,645	19,829,236
other guarantees	5,742,902	3,531,287

### a) Tax claims

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

- Sonae MC and Sonae SR retail operating segment subsidiaries of the Company granted guarantees or securities in favor of the Portuguese Tax Administration, associated with tax claims for additional VAT payment amounting to 435.4 million euro (375 million euro as at 31 December 2013) related from 2004 to 2010, which the Company has presented, or has the intention of presenting, a tax appeal. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers which depend on the purchases made by the Group during the year, as it considers that the

discounts correspond to services rendered by the company. Tax authorities also claim that the company should not have deducted VAT from discount vouchers used by its non-corporate clients;

- The caption guarantees given on tax claims include guarantees granted, in the amount of 83.9 million euro, in favor of Tax authorities regarding 2007, 2008, 2009 and 2010. Concerning these guarantees, the most significant amount relates to an increase in equity arising on the disposal of own shares to a third party in 2007, as well as to the disregard of the reinvestment concerning capital gains in share disposal, and the fact that demerger operations must be disregarded for income tax purposes. The Company has presented an appeal against this additional tax claim, being the Board of Directors understanding, based on its advisors assessment, that such appeal will be favorable;
- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, following the correction of taxable income for corresponding to a prior cover tax losses accumulated by the subsidiary, which has been brought to the cost of participation, moreover, as is understanding already signed by the Tax Administration itself, and now understood that in this case should not consider the amount of the cost of participation, thus including cover losses upon liquidation of the subsidiary company;
- Sureties in the amount of, approximately 50 million euro, following a tax appeal presented by the Company concerning additional tax assessments made by Tax authorities, relating to 31 December 2002, which refer to the non-acceptance by Tax authorities of tax losses arising on the sale and liquidation of a subsidiary of the Group;
- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 21.3 million euro (65.6 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 41.5 million euro (127.9 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

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

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security - Decree of Law 151-A/2013 e Decree of Law 248-A), the Group made tax payments in the amount of, approximately, 28 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As permitted by law, the Group maintains the legal proceedings, in order to establish the recovery of those amounts.

#### c) Other contingent liabilities

- Contingent liabilities related to discontinued activities in subsidiaries in Brazil

In addition to the previously disclosed guarantees, as a consequence of the sale of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavorable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (on the 13<sup>th</sup> December 2005) and that exceed 40 million euro. On the 30<sup>th</sup> September 2014, the amount claimed by the Brazilian Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid (28.3 million euro) related to programs for the Brazilian State of tax recovery, amount to near 37.8 million euro (37.8 million euro on the 31<sup>st</sup> December 2013). Furthermore, there are other tax assessments totaling 61.3 million euro (61.3 million euro on the 31<sup>st</sup> December 2013) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary;

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

## 26 RELATED PARTIES:

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Parent Company	117,544	116,801	563,600	470,978
Jointly controlled companies	14,390,647	8,816,500	37,241,159	25,837,467
Associated companies	23,393,128	23,157,216	766,171	886,304
Other related parties	47,318,174	48,057,535	15,151,478	13,230,042
	<u>85,219,493</u>	<u>80,148,052</u>	<u>53,722,408</u>	<u>40,424,791</u>

Transactions	Interest income		Interest expenses	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Parent Company	-	-	45,542	31,438
Jointly controlled companies	279,129	1,864,321	36,492	1,833,692
Associated companies	-	13,670	-	-
Other related parties	-	167	324,841	429,938
	<u>279,129</u>	<u>1,878,158</u>	<u>406,875</u>	<u>2,295,068</u>

Balances	Accounts receivable		Accounts payable	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Parent Company	17,496	51,445	538,408	767,433
Jointly controlled companies	9,254,065	32,554,816	12,888,681	17,795,118
Associated companies	2,965,550	6,612,647	69,784	364,066
Other related parties	15,529,403	14,510,202	7,818,403	7,475,633
	<u>27,766,514</u>	<u>53,729,110</u>	<u>21,315,276</u>	<u>26,402,250</u>

Balances	Loans			
	Obtained		Granted	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Jointly controlled companies	-	-	7,750,000	8,599,429
Other related parties	13,059,789	13,383,628	-	3,570
	<u>13,059,789</u>	<u>13,383,628</u>	<u>7,750,000</u>	<u>8,602,999</u>

The caption "other related parties" includes, Sonae Indústria, SGPS, SA and Sonae Capital, SGPS, SA affiliated, associated and jointly controlled companies, and also other shareholders of affiliated companies or jointly controlled companies of Sonae, as well as other affiliated companies of the parent company Efanor Investimentos, SGPS, SA.



## 27 INCOME TAX

The Income Taxes" recognized in the periods ended as at 30 September 2014 and 2013, are detailed as follows:

	30 September 2014	30 September 2013
Current tax	18,037,889	17,637,567
Deferred tax	(5,879,743)	(6,339,197)
	<u>12,158,146</u>	<u>11,298,370</u>

## 28 EARNINGS PER SHARE

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

	30 September 2014	30 September 2013	
	Continuing Operations	Continuing Operations	Discontinued Operations
Net profit			
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	95,181,730	(103,120,098)	385,725,550
Effect of dilutive potential shares	-	-	-
Interest related to convertible bonds (net of tax)	-	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>95,181,730</u>	<u>(103,120,098)</u>	<u>385,725,550</u>
Number of shares			
Weighted average number of shares used to calculate basic earnings per share	1,873,690,591	1,873,392,761	1,873,392,761
Effect of dilutive potential ordinary shares from convertible bonds	-	-	-
Outstanding shares related with share based payments	17,314,675	12,698,981	12,698,981
Shares related to performance bonus that can be bought at market price	(3,527,926)	(3,695,492)	(3,695,492)
Weighted average number of shares used to calculate diluted earnings per share	<u>1,887,477,340</u>	<u>1,882,396,250</u>	<u>1,882,396,250</u>
Earnings per share			
Basic	0.050799	(0.055045)	0.205897
Diluted	<u>0.050428</u>	<u>(0.054781)</u>	<u>0.204912</u>

## 29 DIVIDENDS

In the Shareholders Annual General Meeting held on the 30<sup>th</sup> April 2014, the payment of a gross dividend of 0.0348 euro per share (0.0331 euro per share in 2013) corresponding to a total value of 69,600,000 euro (66,200,000 euro in 2013) was approved.

## 30 SEGMENT INFORMATION

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

In retail, the group has three segments:

- Sonae MC is a food retail unit, operating 470 stores and 123 stores operated under franchise and joint venture agreements under Continente, Continente Modelo, Continente Bom Dia, Meu Super business concepts and even some adjacent business concepts Bom Bocado, note! and Wells
- Sonae SR is a specialised retail unit, with a presence in the electronics, sports and fashion market operating 518 stores and 63 stores operated under franchise agreements under the Worten, Sport Zone, MO and Zippy business concepts.
- Sonae RP is a retail real estate unit which actively manages properties of Sonae, composed principally of stores operating under the brand Continente and under other brands of Sonae SR.

The Investment Management operating segment includes a company that operates in the retail DIY products, building and garden (Maxmat), a travel agency (Geostar), insurance brokers (MDS) as well as companies of software and information systems (WedoTechnologies, Saphety, Mainroad and Bizdirect) and a newspaper (Publico).

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

Sonae's reportable segment information regarding the income statement in accordance with IFRS 8 can be analysed as follows:

Turnover	30 September 2014		Inter-segment income		30 September 2013		Inter-segment income	
Sonae MC	2,537,121,820		(4,865,844)		2,491,722,101		(3,071,512)	
Sonae SR	913,255,504		(20,668,291)		827,065,933		(18,884,599)	
Sonae RP	94,507,337		(73,568,314)		92,589,990		(81,965,573)	
Investment management	186,323,746		(20,822,746)		164,180,303		(9,138,985)	
Other, eliminations and adjustments	(121,122,543)		(120,000)		(108,500,278)		(80,000)	
Total consolidated	3,610,085,864		(120,045,195)		3,467,058,049		(113,140,669)	

	Depreciation and amortisation		Provisions and impairment losses		EBIT	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Sonae MC	62,829,513	62,393,202	963,871	1,225,689	104,591,880	120,718,211
Sonae SR	32,247,314	43,580,828	468,955	9,916,169	(44,324,476)	(73,597,329)
Sonae RP	21,789,239	22,910,103	-	-	64,724,124	60,620,392
Investment management	9,895,609	11,130,804	115,612	762,214	7,629,332	(3,798,440)
Other, eliminations and adjustments <sup>(1)</sup>	348,771	-	-	390,359	29,002,327	48,587,562
Total direct consolidated	127,110,446	140,014,937	1,548,438	12,294,431	161,623,187	152,530,396

	Net financial expenses <sup>(2)</sup>		Income tax <sup>(2)</sup>	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Retail businesses	(50,645,009)	(52,743,030)	13,976,065	7,538,031
Investment management	(1,481,721)	(6,599,385)	69,374	2,298,383
Holding <sup>(1)</sup>	(5,518,931)	(5,430,600)	(1,887,293)	1,461,956
Total consolidated	(57,645,661)	(64,773,015)	12,158,146	11,298,370

	Investment (CAPEX)		Net invested capital	
	30 September 2014	30 September 2013	30 September 2014	31 December 2013
Sonae MC	62,438,636	69,837,533	533,027,808	476,722,790
Sonae SR	40,684,404	17,851,050	162,240,778	100,910,578
Sonae RP	18,812,327	22,260,700	1,218,967,084	1,253,629,991
Investment management	11,927,183	73,031,686	155,941,519	148,105,153
Other, eliminations and adjustments <sup>(1)</sup>	146,499,008	108,558,869	1,138,581,644	1,148,007,447
<b>Total consolidated</b>	<b>280,361,558</b>	<b>291,539,838</b>	<b>3,208,758,833</b>	<b>3,127,375,959</b>

	Total net debt <sup>(2)(3)</sup>	
	30 September 2014	31 December 2013
Retail businesses	800,135,191	749,628,495
Investment management	64,642,525	56,363,559
Holding <sup>(1)</sup>	549,381,063	413,272,470
<b>Total consolidated</b>	<b>1,414,158,779</b>	<b>1,219,264,524</b>

(1) Includes Sonae Individual accounts;

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

(3) Includes shareholder loans and excluding inter-segment securitized debt.

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

	Turnover		EBIT	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Inter-segment income	(120,045,195)	(113,140,669)	-	-
Contributos das empresas não incluídas nos segmentos	(1,077,348)	4,066,168	(7,300,159)	(1,965,346)
Equity method	-	-	34,559,830	41,479,256
Others	-	574,223	1,742,656	9,073,652
<b>Other, eliminations and adjustments</b>	<b>(121,122,543)</b>	<b>(108,500,278)</b>	<b>29,002,327</b>	<b>48,587,562</b>

	Investment		Invested capital	
	30 September 2014	30 September 2013	30 September 2014	31 December 2013
Inter-segment balances	2,079,478	-	59,907,467	14,233,065
Increase of participation in Sonaecom (Note 18)	144,419,530	108,558,869	-	-
Investment in associated companies and joint ventures (Note 6)	-	-	1,175,725,332	1,144,792,015
Cash settled equity swap <sup>(4)</sup>	-	-	(103,720,530)	(103,289,056)
Debt to France Télécom-Orange (Note 23)	-	-	-	(102,095,077)
Others eliminations and adjustments	-	-	6,669,375	(8,075,850)
<b>Other, eliminations and adjustments</b>	<b>146,499,008</b>	<b>108,558,869</b>	<b>1,138,581,644</b>	<b>1,148,007,447</b>

(4) Financial Instrument reported in Note 23.

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

## Glossary:

Net Invested capital = Total net debt + total shareholder funds;

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

Other eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, ie are included in addition to Sonae SGPS companies identified as "Others" in Note 5.

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

### 31 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

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

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

The reconciliation between consolidated income and direct-indirect income for the periods ended 30 September 2014 and 2013 can be summarised as follows:

	30 September 2014			30 September 2013			
	Consolidated accounts	Indirect income	Direct income	Consolidated accounts	Adjustments pro forma basis (€)	Indirect income	Direct income
Turnover	3,610,085,864	-	3,610,085,864	3,467,058,049	-	-	3,467,058,049
Investment income							
Dividends	1,621,915	1,321,885	300,030	93,392	-	-	93,392
Others	6,943,776	-	6,943,776	(32,094)	-	-	(32,094)
Other income							
Impairment losses reversal	1,607,244	-	1,607,244	5,629,187	-	-	5,629,187
Others	382,386,771	-	382,386,771	301,797,224	-	-	301,797,224
Total income	4,002,645,570	1,321,885	4,001,323,685	3,774,545,758	-	-	3,774,545,758
Total expenses	(3,739,955,524)	-	(3,739,955,524)	(3,511,091,858)	-	-	(3,511,091,858)
Depreciation and amortisation	(127,110,446)	-	(127,110,446)	(140,014,937)	-	-	(140,014,937)
Non-recurring impairment losses over inventories	(4,736,646)	-	(4,736,646)	-	-	-	-
Provisions and impairment							
Impairments on fixed assets	-	-	-	(123,900,000)	-	(123,900,000)	-
Others	(1,548,438)	-	(1,548,438)	(32,294,431)	-	(20,000,000)	(12,294,431)
<b>Profit before financial results and share of results in associated companies</b>	129,294,516	1,321,885	127,972,631	(32,755,468)	-	(143,900,000)	111,144,532
Non-recurring Profit/(Loss)	(609,244)	-	(609,244)	-	-	-	-
Gains and losses on investments recorded at fair value through results	(8,217,685)	(8,217,685)	-	-	-	-	-
Financial profit/(loss)	(57,645,661)	-	(57,645,661)	(55,625,620)	-	9,147,395	(64,773,015)
Share of results in joint ventures and associated undertakings							
Sonae Sierra	29,899,411	11,894,604	18,004,807	2,550,910	-	(18,816,261)	21,367,171
ZOPT	16,260,635	-	16,260,635	2,058,000	17,591,667	-	19,649,667
Others	294,388	-	294,388	462,418	-	-	462,418
<b>Profit before income tax</b>	109,276,360	4,998,804	104,277,556	(83,309,760)	17,591,667	(153,568,866)	87,850,773
Income tax	(12,158,146)	-	(12,158,146)	(11,298,370)	-	-	(11,298,370)
<b>Profit/(Loss) from continuing operations</b>	97,118,214	4,998,804	92,119,410	(94,608,130)	17,591,667	(153,568,866)	76,552,403
<b>Profit/(Loss) from discontinued operations</b>	-	-	-	513,853,339	-	442,605,639	71,247,700
<b>Net profit for the period</b>	97,118,214	4,998,804	92,119,410	419,245,209	17,591,667	289,036,773	147,800,103
Attributable to equity holders of Sonae	95,181,730	4,998,804	90,182,926	282,605,452	13,205,237	178,695,187	117,115,502
Non-controlling interests	1,936,484	-	1,936,484	136,639,757	4,386,429	110,341,586	26,298,171
<b>"Underlying" EBITDA (a)</b>			259,460,887				257,731,321
<b>EBITDA (b)</b>			293,411,473				299,210,577
<b>EBIT (c)</b>			161,623,187				152,530,396

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

- (g) The figures of NOS related to 2013 were adjusted in the profit and loss statements on a pro forma basis for the nine months period ended as at 30 September 2013, assuming that the NOS merger occurred on the 1<sup>st</sup> January 2013, with some consolidation effects in our co-controlled vehicle company. This criterion, besides assuring an easy and fair comparability between 2013 and 2014 results.

## 32 APPROVAL OF THE FINANCIAL STATEMENTS

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The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on the 11 November 2014.

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Bernd Bothe

Christine Cross

Michel Marie Bon

José Neves Adelino

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

# Condensed individual financial statements



**Condensed Individual Statement of Financial Position as at 30 September 2014 and 2013 and as at 31 December 2013**

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

(Amounts expressed in euro)

ASSETS	Notes	30.September.2014	30.September.2013	31.December.2013
<b>NON-CURRENT ASSETS:</b>				
Tangible assets		120,061	153,080	144,778
Intangible assets		6,598	15,793	13,245
Investments in affiliated companies	4	3,624,329,334	3,649,517,918	3,638,337,796
Other investments	5	30,063,711	35,541,727	29,367,435
Deferred taxes		9,962,711	-	-
Other non-current assets	6	462,400,000	357,066,551	472,066,551
Total non-current assets		4,126,882,415	4,042,295,069	4,139,929,805
<b>CURRENT ASSETS:</b>				
Trade account receivables and other current assets	7	49,456,856	37,425,622	17,553,530
Cash and cash equivalents	8	225,213,691	30,053,289	96,239,237
Total current assets		274,670,547	67,478,911	113,792,767
<b>TOTAL ASSETS</b>		<b>4,401,552,962</b>	<b>4,109,773,980</b>	<b>4,253,722,572</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	9	2,000,000,000	2,000,000,000	2,000,000,000
Treasury shares		(6,864,524)	-	-
Reserves and retained earnings		1,337,305,855	1,250,863,367	1,271,218,283
Profit for the period		29,685,414	25,004,220	159,490,511
<b>TOTAL EQUITY</b>		<b>3,360,126,745</b>	<b>3,275,867,587</b>	<b>3,430,708,794</b>
<b>LIABILITIES:</b>				
<b>NON-CURRENT LIABILITIES:</b>				
Loans	10	242,880,979	520,974,466	541,508,790
Other non-current liabilities		-	901,158	1,127,105
Total non-current liabilities		242,880,979	521,875,624	542,635,895
<b>CURRENT LIABILITIES:</b>				
Loans	10	522,623,307	156,724,458	154,354,943
Trade creditors and other current liabilities	11	275,921,931	155,306,311	126,022,940
Total current liabilities		798,545,238	312,030,769	280,377,883
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,401,552,962</b>	<b>4,109,773,980</b>	<b>4,253,722,572</b>

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

The Board of Directors

## Condensed Individual Income Statements for the periods ended 30 September 2014 and 2013

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

(Amounts expressed in euro)

	Notes	3rd Quarter 2014	3rd Quarter 2013	30.September.2014	30.September.2013
Services rendered		119,094	119,180	357,282	357,540
Gains or losses on investments	14	-	(381,859)	34,224,473	34,283,149
Financial income		9,535,801	6,753,543	30,622,517	25,332,758
Other income		823,048	816,989	2,452,296	2,363,168
External supplies and services		(754,377)	(891,265)	(2,532,982)	(2,616,440)
Staff costs		(993,982)	(611,066)	(2,243,044)	(1,746,009)
Depreciation and amortisation		(9,728)	(13,580)	(31,887)	(52,551)
Financial expense		(12,823,123)	(11,466,721)	(34,773,303)	(32,421,238)
Other expenses		(69,805)	(83,259)	(318,190)	(488,507)
Profit/(Loss) before taxation		(4,173,072)	(5,758,038)	27,757,162	25,011,870
Taxation		378,187	(2,351)	1,928,252	(7,650)
Profit/(Loss) after taxation		(3,794,885)	(5,760,389)	29,685,414	25,004,220
Profit/(Loss) per share					
Basic	15	(0.001887)	(0.002880)	0.014877	0.012502
Diluted	15	(0.001887)	(0.002879)	0.014870	0.012492

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

The Board of Directors

**Condensed Individual Statements of Comprehensive Income for the periods ended at 30 September 2014 and 2013**

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

(Amounts expressed in euro)

	3 <sup>rd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2013	30.September.2014	30.September.2013
Net Profit / (Loss) for the period	(3,794,885)	(5,760,389)	29,685,414	25,004,220
Changes on fair value of available-for-sale financial assets	(5,463,086)	35,915,540	(22,767,620)	48,353,163
Changes in hedge and fair value reserves	-	1,072,801	(1,163,254)	2,339,306
Other comprehensive income for the period	(5,463,086)	36,988,341	(23,930,874)	50,692,469
Total comprehensive income for the period	(9,257,971)	31,227,952	5,754,540	75,696,689

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

The Board of Directors

**Condensed Individual Statements of Changes in Equity for the periods ended at 30 September 2014 and 2013**

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

(Amounts expressed in euro)

	Share capital	Treasury shares	Reserves and retained earnings				Total reserves and retained earnings	Net profit/(loss)	Total
			Legal reserve	Fair value reserve	Hedging reserve	Other reserves and retained earnings			
Balance as at 1 January 2013	2,000,000,000	-	187,137,648	512,403,476	(2,383,292)	545,977,500	1,243,135,332	22,964,317	3,266,099,649
Total comprehensive income for the period	-	-	-	48,353,163	2,339,306	-	50,692,469	25,004,220	75,696,689
Appropriation of profit of 2012:									
Transfer to legal reserves and retained earnings	-	-	1,148,216	-	-	21,816,101	22,964,317	(22,964,317)	-
Dividends distributed	-	-	-	-	-	(66,200,000)	(66,200,000)	-	(66,200,000)
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	271,249	271,249	-	271,249
Balance as at 30 September 2013	2,000,000,000	-	188,285,864	560,756,639	(43,986)	501,864,850	1,250,863,367	25,004,220	3,275,867,587
Balance as at 1 January 2014	2,000,000,000	-	188,285,864	580,329,718	1,163,254	501,439,447	1,271,218,283	159,490,511	3,430,708,794
Total comprehensive income for the period	-	-	-	(22,767,620)	(1,163,254)	-	(23,930,874)	29,685,414	5,754,540
Appropriation of profit of 2013:									
Transfer to legal reserves and retained earnings	-	-	7,974,526	-	-	81,915,985	89,890,511	(89,890,511)	-
Dividends distributed	-	-	-	-	-	2,569	2,569	(69,600,000)	(69,597,431)
Purchase of treasury shares	-	(12,685,847)	-	-	-	-	-	-	(12,685,847)
Sale of treasury shares	-	5,256,043	-	-	-	-	-	-	5,256,043
Share based payments	-	565,280	-	-	-	125,366	125,366	-	690,646
Balance as at 30 September 2014	2,000,000,000	(6,864,524)	196,260,390	557,562,098	-	583,483,367	1,337,305,855	29,685,414	3,360,126,745

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

The Board of Directors

Condensed Individual Cash Flow Statements for the periods ended 30 September 2014 and 2013

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

(Amounts expressed in euro)

	Notes	3 <sup>rd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2013	30. September. 2014	30. September. 2013
<b>OPERATING ACTIVITIES</b>					
Net cash flow from operating activities (1)		(766,039)	(1,133,839)	6,562	(2,795,871)
<b>INVESTMENT ACTIVITIES</b>					
Cash receipts arising from:					
Investments		-	4,660,000	-	13,980,000
Tangible and intangible assets		-	-	1,450	-
Interest and similar income		3,797,461	497,614	6,274,168	1,082,004
Dividends		44,725,086	34,158,036	44,791,523	34,665,008
Loans granted		-	217,807,000	1,241,064,938	690,243,000
		48,522,547	257,122,650	1,292,132,079	739,970,012
Cash Payments arising from:					
Investments		(105,064,605)	-	(114,642,176)	(10,000,541)
Tangible and intangible assets		(24)	(11,108)	(2,338)	(14,192)
Others		-	(4,444,000)	-	(4,444,000)
Loans granted		-	(217,787,000)	(1,231,398,387)	(694,486,551)
		(105,064,629)	(222,242,108)	(1,346,042,901)	(708,945,284)
Net cash used in investment activities (2)		(56,542,082)	34,880,542	(53,910,822)	31,024,728
<b>FINANCING ACTIVITIES</b>					
Cash receipts arising from:					
Loans obtained		713,815,683	107,702,683	1,995,846,183	406,411,683
Sale of treasury shares		3,424,091	-	5,334,550	255,144
		717,239,774	107,702,683	2,001,180,733	406,666,827
Cash Payments arising from:					
Loans obtained		(584,518,486)	(111,476,627)	(1,703,644,017)	(468,995,049)
Interest and similar charges		(14,133,760)	(9,213,895)	(32,411,155)	(28,331,775)
Dividends		(13,509)	-	(69,595,270)	(66,198,604)
Purchase of treasury shares		-	-	(12,685,847)	-
		(598,665,755)	(120,690,522)	(1,818,336,289)	(563,525,428)
Net cash used in financing activities (3)		118,574,019	(12,987,839)	182,844,444	(156,858,601)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		61,265,898	20,758,864	128,940,184	(128,629,744)
Cash and cash equivalents at the beginning of the period		163,913,523	9,279,015	96,239,237	158,667,623
Cash and cash equivalents at the end of the period	8	225,179,421	30,037,879	225,179,421	30,037,879

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

The Board of Directors

# SONAE, SGPS, SA

## NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

(Amounts expressed in euro)

### 1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding"), has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

### 2 BASIS OF PREPARATION

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

### 3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those described in the file of annual financial statements for the year ended 31 December 2013.

### 4 INVESTMENTS IN AFFILIATED COMPANIES

As at 30 September 2014 and 31 December 2013 the company held investments in the following affiliated companies:

Companies	% Held	30.September.2014				Closing balance
		Opening balance	Increase	Decrease	Changes in fair value	
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,219,480	-	-	-	1,893,219,480
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	3,672,059	-	-	-	3,672,059
Sonae Sierra SGPS, SA (b)	50.00%	500,118,000	-	-	47,672,500	547,790,500
Sonaecom, SGPS, SA	26.02%	196,989,312	9,895,571	-	(71,576,533)	135,308,350
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV	35.87%	405,641,099	-	-	-	405,641,099
Total		3,836,337,796	9,895,571	-	(23,904,033)	3,822,329,334
Impairment		198,000,000	-	-	-	198,000,000
Total		3,638,337,796	9,895,571	-	(23,904,033)	3,624,329,334

31.December.2013

Companies	% Held	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Interlog, SGPS, SA	1.02%	106,686	-	-	-	106,686
Sonae Investimentos, SGPS, SA (a)	76.86%	1,893,219,480	-	-	-	1,893,219,480
Sonae Investments, BV	100.00%	835,700,000	-	-	-	835,700,000
Sonae RE, SA	99.92%	3,672,059	-	-	-	3,672,059
Sonae Sierra SGPS, SA (b)	50.00%	524,986,000	-	-	(24,868,000)	500,118,000
Sonaecom, SGPS, SA	20.94%	5,079,830	97,289,802	-	94,619,680	196,989,312
Sonaegest, SA	20.00%	159,615	-	-	-	159,615
Sonaecenter Serviços, SA	100.00%	731,545	-	-	-	731,545
Sontel, BV	35.87%	405,641,099	-	-	-	405,641,099
Total		3,669,296,314	97,289,802	-	69,751,680	3,836,337,796
Impairment		165,500,000	32,500,000	-	-	198,000,000
Total		3,503,796,314	64,789,802	-	69,751,680	3,638,337,796

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

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

During the first nine months 2014 the Company acquired 4,343,590 of Sonaecom, SGPS, SA capital shares.

During 2012, Sonae entered into a contract with Sonaecom, SGPS, SA, in which it agrees to handover Sonaecom shares to employees of that subsidiary during 2016. In July 2014 the companies agreed to terminate the contract.

During the 1st half of 2013, Sonae entered into an agreement with a subsidiary of France Telecom ("FT-Orange") to transfer 20% of the capital of Sonaecom, SGPS, SA to Sonae, SGPS, SA. In August 2014, the value of debt was paid (104,746,605 euro).

The accumulated impairment loss on subsidiaries recorded in previous year's amounts to 198,000,000 euro and relates to financial investment held in Sontel BV (165,500,000 euro) and Sonae Investments, BV (32,500,000 euro).

## 5 OTHER INVESTMENTS

As at 30 September 2014 and 31 December 2013 other investments are as follows:

Companies	30.September.2014				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	29,315,009	-	-	696,276	30,011,285
Total	29,367,435	-	-	696,276	30,063,711

Companies	31.December.2013				
	Opening balance	Increase	Decrease	Changes in fair value	Closing balance
Associação Escola Gestão Porto	49,880	-	-	-	49,880
Fundo Especial de Invest.Imob. Fechado Imosonae Dois	2,546	-	-	-	2,546
Fundo de Investimento Imobiliário Fechado Imosede	19,936,181	10,000,541	-	(621,713)	29,315,009
Magma No. 1 Securitisation Notes	18,640,000	-	(18,640,000)	-	-
Total	38,628,607	10,000,541	(18,640,000)	(621,713)	29,367,435



## 6 OTHER NON-CURRENT ASSETS

As at 30 September 2014 and 31 December 2013 other non-current assets are detailed as follows:

	<u>30.September.2014</u>	<u>31.December.2013</u>
Loans granted to group companies:		
Sonae Investments, BV	115,000,000	124,666,551
Sonae Investimentos, SGPS, SA	<u>347,400,000</u>	<u>347,400,000</u>
	<u>462,400,000</u>	<u>472,066,551</u>

The amount recognized under the caption loans granted to Sonae Investimentos, SGPS, SA, refers to a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions in 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each, bearing fixed interest rate with full reimbursement in the end of the period. In December 2011, 1,052 bonds were sold to a subsidiary for 42,080,000 euro.

The fair value of the bonds related to this loan as at 30 September 2014, is 42,135 euro (41,495 euro as at 31 December 2013) per bond, according with a valuation made by the use of discounted cash flow models. There is no evidence of impairment on this loan.

The other 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 2014 and 31 December 2013 trade accounts receivable and other current assets are detailed as follows:

	<u>30.September.2014</u>	<u>31.December.2013</u>
Trade accounts receivable	213,259	468,059
Group companies:		
Dividends	-	10,567,050
Interests	-	388,391
Taxes - Special Regime for taxation of groups of companies	21,520,857	-
Taxes and contributions receivable	2,090,021	2,589,020
Accrued income and prepayments	25,280,649	3,302,072
Others	<u>352,070</u>	<u>238,938</u>
Total	<u>49,456,856</u>	<u>17,553,530</u>

The caption "Accrued income and prepayments" mainly includes receivables relating to interests from loans granted to group companies (Note 6).

## 8 CASH AND CASH EQUIVALENTS

As at 30 September 2014 and 31 December 2013 cash and cash equivalents are detailed as follows:

	<u>30.September.2014</u>	<u>31.December.2013</u>
Cash at hand	89	89
Bank deposits	<u>225,213,602</u>	<u>96,239,148</u>
Cash and cash equivalents on the balance sheet	<u>225,213,691</u>	<u>96,239,237</u>
Bank overdrafts	<u>34,270</u>	<u>-</u>
Cash and cash equivalents on the cash flow statement	<u>225,179,421</u>	<u>96,239,237</u>

## 9 SHARE CAPITAL

As at 30 September 2014 and 31 December 2013 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

## 10 LOANS

As at 30 September 2014 and 31 December 2013, loans are made up as follows:

	30.September.2014	31.December.2013
Bonds Sonae 2014/2018	60,000,000	-
Bonds Sonae 2014/2020	50,000,000	-
Bonds Sonae 2010/2015	-	250,000,000
Bonds Continente - 7% - 2015	-	200,000,000
Up-front fees not yet charged to income statement	(2,119,021)	(2,911,460)
Bonds	107,880,979	447,088,540
Nominal value of bank loans	135,000,000	95,000,000
Up-front fees not yet charged to income statement	-	(579,750)
Bank loans	135,000,000	94,420,250
Non-current loans	242,880,979	541,508,790
Bonds Sonae 2010/2015	250,000,000	150,000,000
Bonds Continente - 7% - 2015	197,352,166	-
Up-front fees not yet charged to income statement	(1,724,812)	(27,764)
Bonds	445,627,354	149,972,236
Bank overdrafts	34,270	-
Derivatives	-	2,421,024
Other bank loans	76,961,683	1,961,683
Current loans	522,623,307	154,354,943

As at 30 September 2014 Sonae, SGPS has agreed lines of credit and commercial paper programs amounting to 520 million euro, out of which 181.5 million euro with firm commitments with maturity not exceeding one year and 135 million euro with firm commitments with maturity over one year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, Sonae, SGPS had 146.4 million euro credit facilities available to meet its liquidity requirements.

The interest rate as at 30 September 2014 of the bonds and bank loans was, in average, 3.95% (3.58% as at 31 December 2013).

### Maturity of Borrowings

As at 30 September 2014 and 31 December 2013 the analysis of maturity of loans excluding the derived instruments having in consideration its nominal value is as follows:

	30.September.2014	31.December.2013
N+1	524,348,119	-
N+2	-	151,961,683
N+3	-	525,000,000
N+4	60,000,000	-
N+5	90,000,000	-
after N+5	95,000,000	20,000,000

## 11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2014 and 31 December 2013, trade creditors and other current liabilities are detailed as follows:

	<u>30.September.2014</u>	<u>31.December.2013</u>
Trade creditors	155,440	189,969
Group companies:		
Loans	232,380,000	12,530,000
Taxes - Special Regime for taxation of groups of companies	26,131,227	-
Taxes and contributions payable	5,511,151	454,452
Accrued expenses	11,651,872	10,535,690
Others	92,241	102,312,829
Total	<u>275,921,931</u>	<u>126,022,940</u>

At 31 December 2013 the amount recorded under the caption "other creditors" included the amount payable on the acquisition of 20% share capital of Sonaecom, SGPS, SA. In August 2014 the current value of the debt (104,746,605 euro) was paid.

## 12 CONTINGENT LIABILITIES

As at 30 September 2014 and 31 December 2013, contingent liabilities are detailed as follows:

	<u>30.September.2014</u>	<u>31.December.2013</u>
Guarantees given:		
on tax claims	83,913,842	71,421,912
on judicial claims	70,766	70,766
Guarantees given in favour of subsidiaries	a) 277,170,778	272,612,454

(a) Guarantees given to Tax Authorities in favour of subsidiaries to suspend claims from tax authorities.

## 13 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	<u>30.September.2014</u>	<u>31.December.2013</u>
Balance:		
Group companies	46,387,198	3,836,846
Jointly controlled companies	589,634	10,780,435
Other partners in group companies	75,188	98,005
Accounts receivable	<u>47,052,020</u>	<u>14,715,286</u>
Parent company	537,992	767,423
Group companies	29,955,914	1,462,346
Jointly controlled companies	8,576	2,098
Other partners in group companies	3,985	4,712
Accounts payable	<u>30,506,467</u>	<u>2,236,579</u>
Group companies	<u>462,400,000</u>	<u>472,066,551</u>
Loans granted	<u>462,400,000</u>	<u>472,066,551</u>
Group companies	<u>232,380,000</u>	<u>12,530,000</u>
Loans obtained	<u>232,380,000</u>	<u>12,530,000</u>

## 9 MONTHS RESULTS 2014

Transactions:	30.September.2014	30.September.2013
Group companies	2,554,198	2,462,658
Jointly controlled companies	162,351	162,540
Other partners in group companies	75,000	75,406
Services rendered and other income	<u>2,791,549</u>	<u>2,700,604</u>
Parent company	563,600	470,978
Group companies	1,034,999	991,297
Jointly controlled companies	29,362	41,625
Other partners in group companies	4,067	9,417
Purchases and services obtained	<u>1,632,027</u>	<u>1,513,317</u>
Group companies	28,063,503	22,563,376
Interest income	<u>28,063,503</u>	<u>22,563,376</u>
Group companies	5,296,326	1,282,225
Interest expenses	<u>5,296,326</u>	<u>1,282,225</u>
Group companies	34,224,473	34,665,008
Dividend income (Note 14)	<u>34,224,473</u>	<u>34,665,008</u>
Parent company	2,580	-
Other partners in group companies	<u>3,048,735</u>	<u>10,000,541</u>
Acquisition of investments	<u>3,051,315</u>	<u>10,000,541</u>
Group companies	4,477,201	-
Jointly controlled companies	914,712	-
Other partners in group companies	<u>28,627</u>	-
Sale of treasury shares	<u>5,420,540</u>	-

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

## 14 INVESTMENTS INCOME

As at 30 September 2014 and 2013, investment income can be detailed as follows:

	30.September.2014	30.September.2013
Dividends	34,224,473	34,665,008
Gains / (losses) on sale investments	-	(381,859)
	<u>34,224,473</u>	<u>34,283,149</u>

Dividends were distributed from Sonae Investimentos, SGPS, SA (34,158,036 euro) and Sonaegest, SA (66,437 euro).

## 15 EARNINGS PER SHARE

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

	<u>30.September.2014</u>	<u>30.September.2013</u>
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	29,685,414	25,004,220
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share:	<u>29,685,414</u>	<u>25,004,220</u>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings	1,995,391,363	2,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Outstanding shares related with deferred performance bonus	1,413,584	2,250,549
Number of shares that could be acquired at average market price	<u>(508,753)</u>	<u>(655,341)</u>
Weighted average number of shares used to calculate diluted earnings per share	<u>1,996,296,194</u>	<u>2,001,595,208</u>
<b>Profit/(Loss) per share</b>		
Basic	0.014877	0.012502
Diluted	<u>0.014870</u>	<u>0.012492</u>

## 16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 11 November 2014.

## 17 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 September 2014 short-term loan contracts were entered into with the following companies:

Sonae Investmentos, SGPS, SA

Sonaecenter Serviços, SA

Sonaecom, SGPS, SA

Sontel, BV

As at 30 September 2014 amounts owed by subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonae Investments, BV	<u>115,000,000</u>
Total	<u>115,000,000</u>

## 9 MONTHS RESULTS 2014

As at 30 September 2014 amounts owed to subsidiaries can be summarized as follows:

	<u>Closing Balance</u>
Sonaecenter Serviços, SA	357,000
Sontel, BV	<u>232,023,000</u>
Total	<u>232,380,000</u>

The Board of Directors

Belmiro Mendes de Azevedo

Álvaro Carmona e Costa Portela

Álvaro Cuervo Garcia

Bernd Bothe

Christine Cross

Michel Marie Bon

José Neves Adelino

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

## SAFE HARBOUR

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

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

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

Report available at Sonae's institutional website  
[www.sonae.pt](http://www.sonae.pt)

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