SONAE

9 MONTHS RESULTS 2012/

IMPROVING LIFE

1 HIGHLIGHTS

Retail turnover underpinned by gains in market share and international growth

- Sonae MC increases market share in the 9M12 by an estimated 0.8 p.p.
- Sonae SR grows international sales by 12% year-on-year
- Worten reinforces market leadership in Portugal, growing its market share by 2.4 p.p.

Recurrent EBITDA margin up 70 bps against last year

- Sonae MC increases EBITDA margin by 0.7 p.p., driven by productivity gains
- Sonaecom and Sonae Sierra improve EBITDA margins by 3.2 and 0.7 p.p. respectively

Strengthening of capital structure driven by a positive operational cash flow generation

- Net financial debt down by 178 M€, the 12th consecutive quarter with a year-on-year reduction
- Working capital improvement thanks to a 17% reduction in stock levels against 9M11
- Refinancing requirements secured until 2014

"I am pleased to report that Sonae was again able in 3Q12 to deliver a consistent top line performance and, importantly, growth in consolidated operating profitability and cash flow generation. This performance was made possible by the capacity of our food retail business to reinforce its share in the Portuguese market, while continuously seeking efficiency improvements. This focus on productivity continues to enable us to deliver more value to our customers. Sonae SR is addressing the significant reductions experienced in the demand for the more discretionary categories, by gaining market share at Worten and by reducing costs across all activities. It is also worth highlighting the upward trend in profitability that Sonaecom has once again been able to maintain during the quarter.

The announcement and implementation of more severe austerity measures in Portugal and Spain is expected to further impact the levels of disposable income and private consumption in Iberia in the coming year. Against this negative backdrop, it is critical that we continue to deliver the best value proposals to our customers, which should again allow for a sales performance above market, and that our teams continue the successful implementation of the on-going efficiency and productivity projects.

Based on the operating and financial performance in the first nine months of the year, I remain confident that we are following the most appropriate path to deal with the current market contractions in Iberia: growing market share and protecting profitability at home whilst growing in international markets, as has been the case, for example, for Sonae Sierra in Brazil and for Zippy in several new markets."

Paulo Azevedo, CEO Sonae

2 OVERALL PERFORMANCE

Consolidated profit & loss account
Million euros

	9M11PF (1)	9M12	Var
Turnover	4,023	3,935	-2%
Turnover (ex-fuel)	**4,005**	**3,935**	**-2%**
Recurrent EBITDA	**418**	**436**	**4%**
Recurrent EBITDA margin	10.4%	11.1%	0.7 p.p
EBITDA	**429**	**431**	**1%**
EBITDA margin	10.7%	11.0%	0.3 p.p
EBIT	**166**	**161**	**-3%**
Net financial activity	-60	-69	-17%
Other items	-2	2	-
Shopping centers direct results	22	23	5%
EBT	**126**	**116**	**-8%**
Taxes	-10	-9	12%
Direct results	**115**	**107**	**-7%**
Indirect results	**-8**	**-15**	**-76%**
Net income	107	92	-14%
... Group share	84	64	-24%

(1) The 2011 results were restated to reflect (i) the change in the consolidation method applicable to Sonae Sierra and Geostar; and (ii) the change made by Sonaecom in the accounting criteria for costs related to customers' loyalty contracts. For further information please refer to the Methodological Notes in Section 10.

Net invested capital
Million euros

	9M11PF	FY11PF	9M12
Net invested capital	**3,901**	**3,663**	**3,723**
Technical investment[1]	3,119	3,253	3,163
Financial investment	548	541	509
Goodwill	669	660	666
Working capital	-434	-791	-615
Total shareholders funds	**1,673**	**1,700**	**1,676**
Total net debt[2]	**2,228**	**1,963**	**2,047**
Net debt / Invested capital	57%	54%	55%

(1) Includes available for sale assets; (2) Financial net debt + net shareholder loans.

- During the first nine months of 2012, the level of private consumption in Iberia has been strongly influenced by the implementation of austerity measures in both Portugal and Spain, aimed at correcting the identified macroeconomic imbalances. For example, in the case of Portugal, it is estimated that retail sales contracted by more than 5% during this period[1]. Despite this challenging macroeconomic backdrop, Sonae has been able to attain **market share** gains in its main business areas, which has allowed for a reduction of the consolidated **turnover** of just 2%[2], to 3.9 billion Euros in this period.

- Recurrent **EBITDA** amounted to 436 M€ in the 9M12, an improvement of 4% in comparison with the previous year. This positive performance was determined by the growth in the recurrent EBITDA generation of the food retail and telecommunications businesses, enabling the company to reach a consolidated EBITDA margin of 11%, 0.3 p.p. above the comparable period of 2011, despite the fact that no capital gains associated with the sale & leaseback of stores were registered in 2012.

- Total **net income** amounted to 92 M€, 15 M€ below the figure registered in the same period last year, mainly due to the non-existence of capital gains associated with the sale of assets by Sonae RP (vs. 16 M€ registered in 9M11), but also to a deterioration of Sonae Sierra's non-cash, indirect results, essentially driven by the devaluation of shopping centres in Iberia. In the same period, the share of net income attributable to the group reached 64 M€.

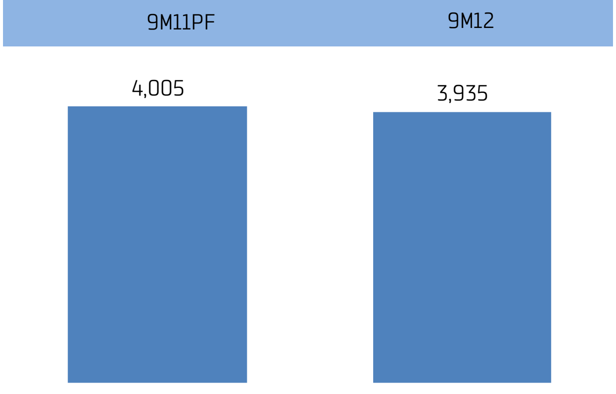
- The consolidated **CAPEX** reached 177 M€, having been essentially allocated to remodelling and maintenance of retail assets in Iberia and, in the case of Sonaecom, to the development of its telecommunications network, related mainly with the 4G network deployment.

- On 30th Sep 2012, **total net debt** totalled 2,047 M€, 181 M€ below the same period in 2011, despite the impact of the initial payment of the LTE spectrum acquisition (83 M€) made by Sonaecom and the payment of dividends to Sonae's shareholders (66 M€). The company is thus continuing in the path of strengthening its capital structure, with the consolidated net financial debt decreasing sustainably y.o.y. over the last 12 quarters and representing, at the end of the 3Q12, 55% of invested capital (2 p.p. lower than in the same period of 2011).

[1] Source: Eurostat; overall retail sales, except motor vehicles and fuel
[2] The universe under analysis excludes sales related to petrol stations (as the company has transferred the management of all its petrol stations during 2011), and incorporates the change in the consolidation of Sonae Sierra and Geostar's to the Equity Method (see Methodological Notes in Section 10 of this report)

3 TURNOVER

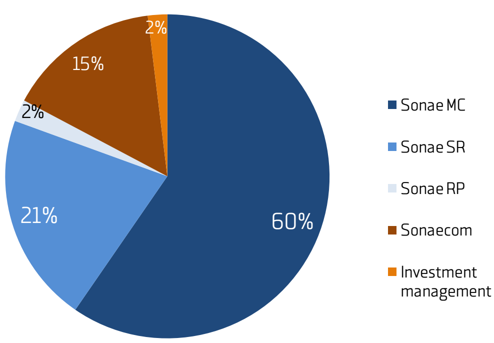
Turnover - Ex-fuel
Million euros



Turnover
Million euros

	9M11PF	9M12	Var
Turnover	4,023	3,935	-2%
Turnover (ex-fuel)	**4,005**	**3,935**	**-2%**
Sonae MC	2,421	2,405	-1%
Sonae SR	861	846	-2%
Sonae RP	89	89	0%
Sonaecom	650	617	-5%
Investment management	81	78	-3%
Eliminations & adjustments	-97	-100	-3%
Petrol stations	18	0	-100%

Turnover breakdown (9M12)
% total turnover ex-fuel



During the first nine months of 2012, Sonae registered a **consolidated turnover** of 3,935 M€[3], a reduction of just 2% against the previous year. The main contributors for this evolution were the following:

- **Sonae MC** with 2,405 M€ (-1%). The 16 M€ reduction reflects a slight negative evolution in sales on a "LfL" basis (-1.4% in the 9M12). This performance was still above market average, with Sonae MC again strengthening its leading market share in the Portuguese food retail sector during the 9M12[4]. It is particularly noteworthy the fact that Sonae MC's "LfL" sales evolution in the 3Q12 was almost flat (-0.3%), corresponding to the best performance in the market during that period. In this environment, Continente's private label portfolio continued to increase its relative weight, reaching a representativeness of almost 31% in the sales of FMCG categories during the 9M12 (+2 p.p. y.o.y.).

- **Sonae SR** with 846 M€ (-2% or -8.1% on a "LfL" basis), reflecting the negative evolution of sales witnessed in the Iberian markets during the last quarters and despite a 3% increase in the sales area in the last 12 months. Sales from the various Sonae SR formats in Portugal decreased by circa 7%, which was only partially compensated by the 12% growth in the international markets. Sales outside of Portugal represented almost 30% of total sales in the 9M12, 4 p.p. above the figure registered in the same period of 2011. In the consumer electronics segment, the segment where more reliable market share information is available, Worten continued to strengthen its position in the Iberian market, with the market share in Portugal estimated to have increased y.o.y. by an estimated 2.4p.p.[5].

- **Sonae RP** with 89 M€, completely in line with the 9M11, as there were no relevant changes in its asset portfolio between the 2 periods. Sonae currently maintains a level of *freehold* of approximately 77% (-1 p.p.) of its food retail selling area, still clearly above the average for other European food retailers, and 27% of its non-food retail space.

- **Sonaecom**'s turnover totalled 617 M€, 5.1% below 9M11. The y.o.y. reduction results from decreases both at the level of product sales (-19.5%) and service revenues (-3.7%), with the later evolution determined not only by the impact of the austerity measures over the level of telecoms spend but also by the lower level of regulated tariffs (mobile termination rates and roaming). It is worth noting the positive performance of the IT/IS division (SSI), with the respective service revenues up by 11.1% y.o.y. in the 9M12.

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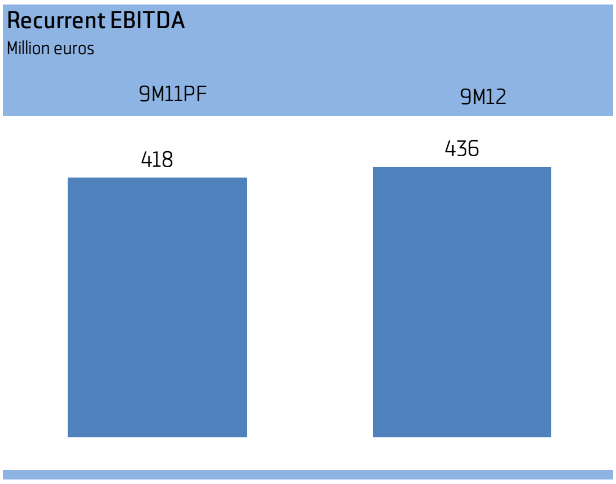
[3] see note 2 on previous page
[4] For example, A.C.Nielsen's Homescan 2012 YTD evolution until 9 September: estimated + 0.8 p.p. market share
[5] Source: GfK, August 2012 YTD

4 RECURRENT EBITDA



Recurrent EBITDA Million euros	9M11PF	9M12	Var
Sonae	**418**	**436**	**4%**
Sonae MC	152	169	11%
Sonae SR	-15	-24	-63%
Sonae RP	81	82	0%
Sonaecom	180	191	6%
Investment management	6	3	-41%
Eliminations & adjustments	14	16	13%

Recurrent EBITDA % of turnover	9M11PF	9M12	Var
Sonae	**10.4%**	**11.1%**	**0.7 p.p**
Sonae MC	6.3%	7.0%	0.7 p.p
Sonae SR	-1.7%	-2.9%	-1.1 p.p
Sonae RP	90.9%	91.2%	0.3 p.p
Sonaecom	27.7%	31.0%	3.2 p.p
Investment management	7.2%	4.4%	-2.8 p.p

In consolidated terms, Group **Recurrent EBITDA** totalled 436 M€, 4% above the 9M11, representing an operational profitability margin of 11.1% (an increase of 0.7 p.p.). In a difficult macroeconomic environment, this performance was supported by the productivity gains and operating efficiency improvements in the different business areas. In terms of performance per business, it is worth highlighting:

- **Sonae MC** with 169 M€ (+11% or +17 M€), representing a profitability of 7.0% of the respective turnover (+0.7 p.p. compared to the 9M11), a very positive outcome in the current environment of consumption retraction. Sonae MC was able, during this period, to sustain its competitiveness in the market and improve its operational profitability via a combination of a relevant promotional effort, leveraged on its "Continente" loyalty card (which was involved in approximately 90% of sales in the period), a rigorous cost control, a strict inventory management policy and further productivity gains delivered by the successful implementation of several internal initiatives.

- **Sonae SR**'s contribution totalled -24 M€, which compares with a figure of -15 M€ registered in the same period last year. This deterioration essentially reflects an additional reduction in sales per square meter, as a result of the negative behaviour of retail revenues on the Iberian Peninsula, which has been particularly evident in the discretionary categories. This reduction in the level of sales density has more than offset the significant cost savings and gains in efficiency obtained by its formats. It is important to note that, despite a further reduction on sales and thanks to the efficiency measures under implementation, during the 3Q12 the level of EBITDA losses at Sonae SR was almost in line with the comparable period of last year. On the electronics segment, Worten continued to demonstrate a strong resilience and adaptability to the current consumption retraction period, as evidenced by the delivery of a stable EBITDA margin both in Portugal and Spain.

- **Sonae RP** with 82 M€, 1 M€ above previous year, which translates into a margin of approximately 91% over sales, a clear evidence of the efficient management and continuous enhancement of the retail real estate assets in its portfolio (mainly comprised of stores operated by Sonae MC and Sonae SR formats).

- Still in the 9M12, **Sonaecom**´s contribution reached 191 M€ (+6% or +11 M€), corresponding to a 31% margin over sales (+3.2 p.p. against the same period in 2011). Once again all its business areas registered a positive growth in their respective profitability. It is particularly worth highlighting the benchmark EBITDA margin obtained by the Optimus' mobile business (45.1% in the 3Q12).

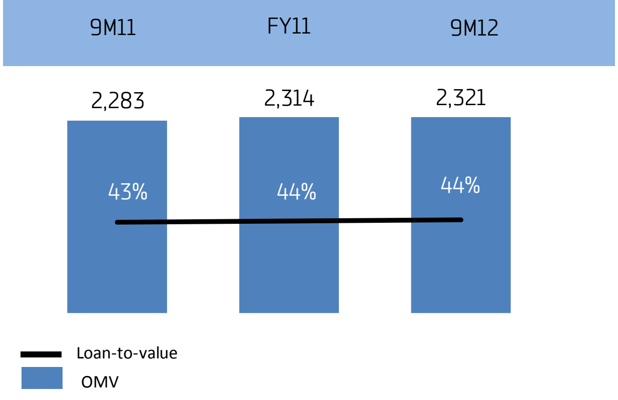
5 SONAE SIERRA RESULTS

RESULTS OF ASSOCIATED COMPANIES

Sonae Sierra - Operational data	9M11	9M12	Var
Footfall (million visitors)	312	313	0,4%
Europe	238	234	-1,7%
Brazil	73	79	7,3%
Ocuppancy rate (%)	97%	96%	-0,8 p.p
Europe	96%	96%	-0,7 p.p
Brazil	99%	98%	-1,3 p.p
Tenant sales (million euros)	3.661	3.650	-0,3%
Europe	2.477	2.373	-4,2%
Brazil	1.184	1.277	7,9%
# shopping centres owned/co-owned (EOP)	49	51	2
Europe	39	40	1
Brazil	10	11	1
GLA owned in operating centres ('000 m2)	1.921	2.015	5%
Europe	1.551	1.589	2%
Brazil	369	426	15%

Sonae Sierra - Financial indicators	9M11	9M12	Var
Turnover	154	156	1%
EBITDA	84	86	2%
EBITDA margin	54,8%	55,6%	0,7 p.p
Direct result	44	46	4%
Indirect result	-17	-29	-73%
Net results	27	17	-38%
... atributable to Sonae	14	8	-38%

Sonae Sierra
Open Market Value (OMV) and leverage



- In a context of a strong consumer retraction in southern European countries, with inevitable impacts on the retail real estate occupancy rates, Sonae Sierra, maintained, at the end of the 9M12, an **overall occupancy rate** in its portfolio of 96%, a decrease of just 0.8 p.p. when compared to the same period in 2011. In the portfolio under management, tenant sales decreased by 0.3% mainly impacted by the economic conditions in Portugal and Spain, which drove tenant sales down by 4.2% in the European portfolio. This trend was partly offset by the continued excellent operating performance in Brazil, with an 8.9% growth in "LfL" tenant sales, in local currency terms, during the 9M12.

- Sonae Sierra's **turnover**[6] increased by circa 1%, to 156 M€ in the 9M12, with the negative evolution of rental income in Europe being more than compensated by the effect of the new openings, the growth attained in Brazil and the expansion of development services rendered to third parties.

- **EBITDA** grew to 86 M€ in the 9M12 (+2%), reflecting the resilient top line performance and the gains in efficiency delivered by the cost control efforts across all areas of the company, which translated into a 55.6% EBITDA margin in the period, 0.7 p.p. above the comparable period in 2011.

- In the same period, Sonae Sierra reached **net results** of 17 M€, of which the share attributable to Sonae was 8 M€, down by 6 M€ when compared to the 9M11. This reduction was solely determined by an unfavourable evolution of **indirect results** (down by 12 M€) mainly as result of yields expansion in Portugal (+20 bps), Spain (+17 bps) and Italy (+9 bps), only partially compensated by the compression of yields in Brazil. It should be noted that Sonae Sierra, in line with market practices, only revalues its portfolio on a semi-annual basis. Importantly, Sierra's direct results reached 46 M€, up by approximately 4% versus the 9M11.

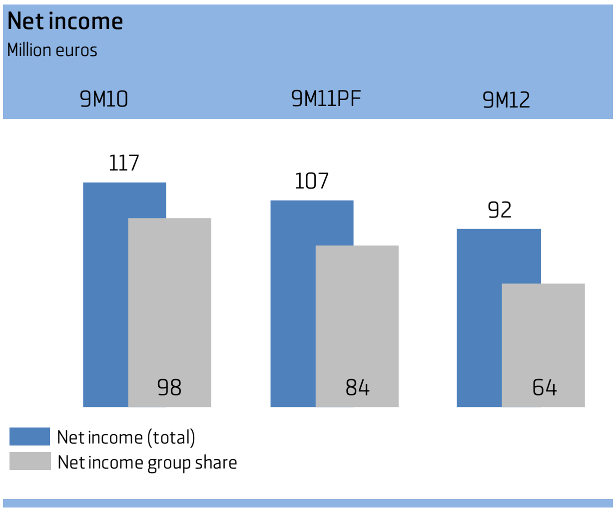
- On 30th Sep 2012, the company´s **OMV** (Open Market Value) was 2.3 Bn€, in line with the 2011 year-end figure. It is worth highlighting the 2 openings that occurred during 2012: "Le Terrazze" in Italy and "Uberlândia" in Brazil. In what concerns leverage, essentially due to the development of projects under construction in Brazil and Germany, the "Loan-to-value" ratio increased from 43% in the same period last year to a still conservative 44% at the end of September 2012. As a result of the above, Sonae Sierra's **Net Asset Value** reached 1.13 Bn€ at the end of the 9M12.

[6] Financial indicators as published by Sonae Sierra on 6 November 2012 (management accounts). Sonae holds a 50% stake in Sonae Sierra.

6 NET RESULTS

Consolidated results Million euros	9M11PF	9M12	Var
Recurrent EBITDA	**418**	**436**	**4%**
Recurrent EBITDA margin	10.4%	11.1%	0.7 p.p
EBITDA	**429**	**431**	**1%**
EBITDA margin	10.7%	11.0%	0.3 p.p
Depreciations & amortizations (1)	-263	-271	-3%
EBIT	**166**	**161**	**-3%**
Net financial activity	-60	-69	-17%
Other items	-2	2	-
Shopping centers direct results	22	23	5%
EBT	**126**	**116**	**-8%**
Taxes	-10	-9	12%
Net results	**115**	**107**	**-7%**
Indirect results	**-8**	**-15**	**-76%**
Net income	107	92	-14%
... group share	84	64	-24%

(1) Includes provisions & impairments.



- In the 9M12, **consolidated EBITDA** reached 431 M€. This figure represents an increase of 1% in relation to the same period last year, totally explained by the improved operational performance of Sonae MC and Sonaecom, as evidenced by the recurrent EBITDA growth of +4% or +18 M€ versus the 9M11. This evolution more than compensated the inexistence of capital gains obtained by Sonae RP in this period (vs. 16 M€ in 9M11), as no retail property sale & leaseback transactions were completed during 2012.

- In the same period, the expenses related to **depreciations, amortizations and provisions** stood at 271 M€, 3% above the previous year, mainly driven by the asset base growth.

- **Net financial expenses** totalled 69 M€ in 9M12, 17% above the figure registered in the same period last year, with the decrease in average debt being more than compensated by the increase in the effective global interest rates, solely determined by the increase in *spreads* paid, as Euribor rates remain at historically low levels. The average interest rate of credit facilities outstanding at the end of September 2012 was circa 3.1%, which compares with 2.7% at the end of the 9M11.

- **EBT** reached 116 M€, down by 8% against the 9M11, with the higher depreciation and net financial expenses partially compensated by the improved consolidated EBITDA generation and the 5% growth of Sonae Sierra's direct results contribution.

- **Indirect results** reflects Sonae's share (50%) in Sonae Sierra's non-cash indirect results, the evolution of which was described in Section 5 of this report.

- Basically as a consequence of no capital gains being registered in this period and the impact of Sonae Sierra's indirect results, **total net income** was down, against the comparable period in 2011, by 14%, to 92 M€ in the 9M12, of which the amount attributable to the Group was 64 M€.

7 INVESTED CAPITAL

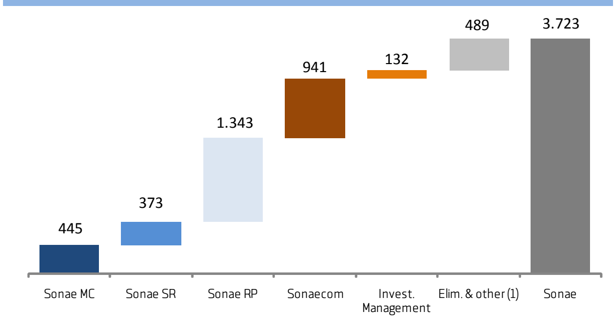
Capex
Million euros

	9M11PF	9M12	% of Turnover
Sonae	**210**	**177**	**4%**
Sonae MC	54	35	1%
Sonae SR	60	18	2%
Sonae RP	8	10	11%
Sonaecom	82	111	18%
Investment management	6	1	1%
Eliminations & adjustments	0	2	-
Recurrent EBITDA - CAPEX	**208**	**260**	-

Net invested capital
Million euros

	9M11PF	FY11PF	9M12
Invested capital	**3,901**	**3,663**	**3,723**
Technical investment	3,119	3,253	3,163
Financial investment	548	541	509
Goodwill	669	660	666
Working capital	-434	-791	-615

Breakdown invested capital (9M12)
Million euros



(1) includes the value of partnerships accounted as financial investments

During the first nine months of 2012 Sonae carried out a **total investment** of 177 M€, significantly below the figure registered during the same period in 2011. This reduction is mostly justified by the lower degree of international expansion carried out by Sonae SR during the current year, determined by the outlook for the Spanish market and by the consolidation of the strong investments made over the last 3 years. The reductions in the retail businesses have more than compensated the higher level of CAPEX at Sonaecom, as further explained below.

The investment carried out in the 9M12 was essentially distributed amongst the following projects:

- Selective opening of new retail stores in Portugal, including 1 Continente Modelo, 4 Continente Bom Dia and 2 Worten stores;
- Consolidation of Sonae SR's own store network in the international markets. As at the end of September 2012, Sonae SR's formats had a total of 137 stores outside of Portugal, including 14 under franchising agreements. The lower rate of store openings by Sonae SR's formats is clearly evidenced by the 42 M€ y.o.y. reduction on its CAPEX;
- Programmed remodelling of a number of retail units so as to ensure they remain as a reference in their respective catchment areas;
- Strengthening of the coverage and capacity of the Optimus´ mobile network. After securing the ideal combination of LTE spectrum bands, Optimus is now well advanced on the 4G network deployment, making significant progress towards reaching the target of 80% population coverage by the end of 2012;
- Also at Sonaecom, the acquisition by WeDo Technologies of Connectiv Solutions Inc, an US software company, an investment of 10 M€ made during the 2Q12, thus reinforcing WeDo's position in the global business assurance telecom market.

The increasing **cash flow generation** of Sonae's businesses continues to be evidenced by the 52 M€ growth at the level (recurrent EBITDA – Capex) registered in the 9M12, when compared to last year.

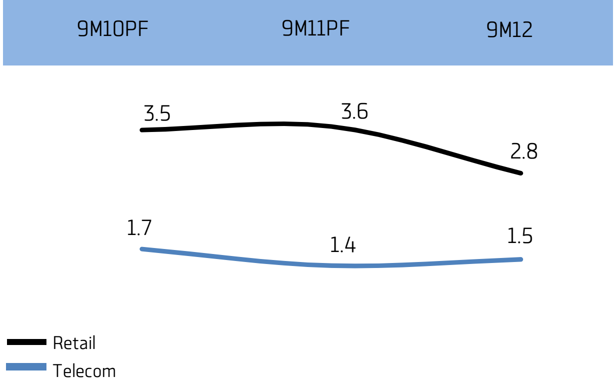
On 30th Sep 2012, Sonae´s overall **net invested capital** reached 3,723 M€, of which circa 57% is invested in the retail businesses, corresponding to Sonae RP an overall asset portfolio with a book value of 1,343 M€. mostly comprised of stores operated by Sonae MC and Sonae SR. Sonaecom´s contribution to the previously referred invested capital reached 941 M€, 116 M€ above the same period last year, essentially as a result of the investments carried out in the 4G network and spectrum acquisition.

8 CAPITAL STRUCTURE

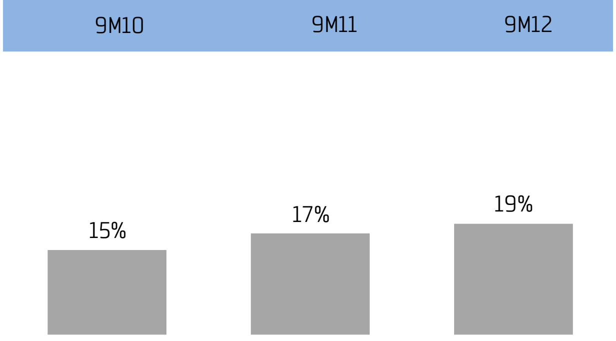
Net debt
Million euros

	9M11PF	9M12	Var
Net financial debt	**2,192**	**2,014**	**-178**
Retail units	1,259	982	-277
Sonaecom	324	371	47
Investment management	21	27	7
Holding & other	589	635	46
Shareholder loans	**36**	**33**	**-4**

Capital structure
Net debt to recurrent EBITDA



Capital Structure
Loan-to-value (%) - Holding



At the end of the 9M12, Sonae´s **financial net debt** amounted to 2,014 M€, a 178 M€ decrease from the same period in 2011, despite the impact resulting from the initial payment (83 M€), made in the beginning of 2012, relative to the acquisition of the LTE spectrum by Sonaecom and the continuation of Sonae's dividend policy. In cumulative terms, in the last 3 years, the total reduction in net financial debt reached 424 M€, a particularly remarkable achievement when considering the strong investments in international growth carried out by the company during this period.

At the end of September 2012, consolidated net debt represented 55% of the total capital employed, 2 p.p. below the level registered at the end of the 9M11. In terms of allocation per business, the following is worth highlighting:

- The **retail units** net debt totalled 982 M€ at the end of the 9M12, 277 M€ below the same period in 2011, exclusively as a result of the business´ strong capacity to generate *cash-flow* as no *sale & leaseback* of retail real estate assets were completed between the two periods. This reduction in net debt has allowed for an improvement of the Net Debt to recurring EBITDA ratio, from 3.6x at the end of the 9M11 to 2.8x at the end of September 2012.

- **Sonaecom**´s net debt increased by 47 M€, compared to the same period in 2011, to 371 M€ at the end of 9M12, as a result of the initial payment foreseen under LTE spectrum acquisition (83 M€) and the circa 25 M€ dividends distribution made in the 2Q12. The Net Debt to recurrent EBITDA ratio slightly increased, from 1.4x to 1.5x at the end of the 9M12, with the previously explained higher net debt level more than offsetting the positive EBITDA performance

- The **holding net debt** increased circa 46 M€, to 635 M€ at the end of September 2012, mostly driven by the impact of the dividend payment made in the 2012 (66 M€). It should be noted that, in terms of quarterly evolution, the holding net debt registered a reduction of approximately 30 M€ against the end of the 2Q12. The "loan-to-value" ratio of the holding thus remains at conservative levels, having reached 19% at the end of the 9M12.

9 CORPORATE INFORMATION

Main corporate events 3Q12

On **July 23**, Sonae announced the final results of the placement of € 200 million "Obrigações Continente", a **bond issued** by Sonae SGPS, S.A. and made available through a public subscription offer to retail investors. These bonds have a maturity of 3 years and carry a gross annual coupon of 7%. The subscription period lasted from 2 to 20 July 2012 and, taking into account the success of the placement, with total demand reaching more than 4x the initial target amount of € 100 million.

On **July 31**, Sonae announced that it had completed, directly and through its subsidiaries, additional **medium and long term financing transactions**, in the total amount of €370 million, of which €200 million correspond to the a retail bond issue and €75 million to a long term financing signed with an international bank, that becomes part of the group of banks that support its activities. These operations, together with the facilities previously negotiated in 2012, enabled Sonae to complete the refinancing program of its medium and long-term credit facilities maturing until the end of 2013, as well as to partially ensure the refinancing of debt maturities in 2014.

On **August 21**, Sonae MC was awarded an international certification for its **private label** management system. This certification, provided by SGS ICS – International Certification Services, included all "Continente" branded products and acknowledged the quality of the own brand development programme, as well as the monitoring of suppliers and products after their introduction in the market.

On **August 23**, Sonae SR announced the signature of an agreement for the **expansion of its international presence** in the Caucasus region. This expansion plan foresees the entry of the "Zippy" format in Azerbaijan, Armenia and Georgia and will be done via a "capital light" approach trough the widening of the scope of the existing franchising agreement signed with the Fawaz Alhokair Group for the Middle East region.

Subsequent events

On **October 15,** Sonae SR has further strengthened its international presence with the opening of its first store in **Latin America**. This first step towards establishing the international presence in the region took place with the opening of a "Zippy" store in the Dominican Republic, under a franchising agreement with the Phoenix Group. The expansion plan for Latin America envisages the opening of another 25 Zippy stores through until 2016.

On **October 4**, **Sonae Sierra Brasil** ("SSB"), a Sonae Sierra subsidiary, announced the **acquisition of an additional stake** of 9.5% in the "Franca Shopping" for a consideration of R$9 million (bringing its total stake in that asset to 76.9%). Subsequently, on **November 5**, the company announced the agreement for the **sale of its ownership interests in 3 shopping centres** - 51% in "Shopping Penha", 30% in "Tivoli Shopping" and 10.4% in "Pátio Brasil Shopping" - for a total of R$212.9 million (approximately €81 million). These transactions were fully aligned with SSB's strategy of focusing on the control of dominant shopping centres in the region and recycling capital from mature, non-controlled assets to other projects with development potential.
With these transactions, Sonae Sierra currently has a portfolio of 8 shopping centres in Brazil, which represent a total of approximately 321.7 thousand m² of GLA, and has 2 new projects under construction, with a combined GLA of circa 125.9 thousand m2.

Sonae provides additional operating and financial information in Excel format.
Click here to be taken to the information directly or visit our website (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.

The norm IFRS 11 - Joint Arrangements alters the accounting method of joint-controlled investments, namely eliminating the possibility of proportional consolidation of entities that fall under the concept of joint-ventures, as is the case of Sonae Sierra and Geostar. Under these terms, Sonae has decided, as already possible under the current norms, anticipating the likely requirement for this change to be implemented for annual reporting periods beginning on 1 January 2013 and in order to facilitate a future comparison of its financial reporting, to start reporting Sonae Sierra and Geostar according the Equity Method (the only possible method according to this new norm) from 1 January 2012.

During the 1Q12, in line with best practice in the telecoms sector, Sonaecom changed its accounting criteria for costs related to customers' loyalty contracts. Until then, these costs were recorded as an expense in the year they occurred. From 1 January 2012, the costs incurred for customers' loyalty contracts are capitalised and amortised over the period of their respective contracts, as it was possible to apply a reliable cost allocation to the respective contracts, thus fulfilling the criteria for capitalisation required under IAS 38.

Accordingly, the 2011 results of Sonae were restated to reflect these accounting changes.

Glossary

CAPEX	Investments in tangible and intangible assets and investments in acquisitions; Gross CAPEX, not including cash inflows from the sale of assets
Direct income	Results excluding contributions to indirect income
EBITDA	Turnover + other revenues - impairment reversal - negative goodwill - operating costs (based on direct net income) - provisions for warranties extensions + gain/losses from sales of companies
EBITDA margin	EBITDA / Turnover
Eliminations & others	Intra-groups + consolidation adjustments + contributions from other companies not included in the identified segments
EOP	End of period
Free Cash Flow (FCF)	EBITDA - operating CAPEX - change in working capital - financial investments - financial results - income taxes
Financial net debt	Total net debt excluding shareholders loans
GLAs	Gross Leasable Area: equivalent to the total area available to be rented in the shopping centres
Indirect income	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 (including goodwill) and; (iv) provision for assets at risk; The data used for the analysis of indirect income was computed based on the proportional method for all companies owned by Sonae Sierra

Net Invested capital	Total net debt + total shareholder funds
Investment properties	Shopping centres in operation owned by Sonae Sierra
Liquidity	Cash & equivalents + current investments
Like for Like sales (“LfL”)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods
Loan to value Holding	Holding Net debt/ Investment Portfolio Gross Asset Value; gross asset value based on Market multiples, real estate NAV and market capitalization for listed companies
Loan to value Shopping Centres	Net debt / (investment properties + properties under development)
LTE	“Long Term Evolution” is a standard for wireless communication of high-speed data for mobile phones and data terminals developed by the Third Generation Partnership Project, an industry trade group. LTE provides significantly increased capacity and speed for wireless broadband, using new modulation techniques.
Net asset value (NAV)	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities
Net Debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash, bank deposits, current investments and other long term financial applications
Other income	Share of results of associated undertakings + dividends
Other loans	Bonds, leasing and derivatives
Open market value (OMV)	Fair value of properties in operation and under development (100%), provided by an independent entity
RoIC (Return on invested capital)	EBIT(12 months) /Net invested capital
ROE (Return on equity)	Total net income $_{n}$ (equity holders)/ Shareholders’ Funds $_{n-1}$ (equity holders)
Recurrent EBITDA	EBITDA excluding non-recurrent items, namely gains in sales of investments and other movements that distort comparability
Technical investment	Tangible assets + intangible assets + other fixed assets - depreciations and amortizations
Value created on investment and development properties (VCIDP)	Increase (decrease) in the valuation of shopping centres in operation and under development; shopping centres under development are only included if a high degree of certainty concerning their conclusion and opening exists.

Consolidated Income Statement

Consolidated profit and loss account Million euros	9M11PF	9M12	Var	3Q11PF	3Q12	Var
Turnover	**4.023**	**3.935**	**-2,2%**	**1.420**	**1.404**	**-1,1%**
Recurrent EBITDA (1)	**418**	**436**	**4,3%**	**166**	**167**	**0,5%**
Recurrent EBITDA margin	10,4%	11,1%	0,7 p.p	11,7%	11,9%	0,2 p.p
EBITDA	**429**	**431**	**0,7%**	**164**	**165**	**0,8%**
EBITDA margin	10,7%	11,0%	0,3 p.p	11,5%	11,8%	0,2 p.p
Depreciations & amortizations (2)	-263	-271	-2,9%	-88	-91	-3,4%
EBIT	**166**	**161**	**-3,0%**	**76**	**74**	**-2,4%**
Net financial Activity	-60	-69	-16,7%	-19	-25	-27,9%
Other items (3)	-2	2	-	0	1	157,2%
Shopping centers direct results	22	23	4,8%	8	7	-6,4%
EBT	**126**	**116**	**-7,8%**	**64**	**57**	**-10,9%**
Taxes	-10	-9	12,4%	-3	-1	65,0%
Direct results	**115**	**107**	**-7,4%**	**61**	**56**	**-7,9%**
Indirect results (4)	-8	-15	-75,6%	-1	0	60,3%
Net income	107	92	-13,8%	60	56	-7,2%
... Group share	84	64	-23,7%	49	45	-8,9%
... Minority interests	23	28	22,1%	11	11	0,0%

(1) EBITDA excluding extraordinary items; (2) Includes provisions, impairments, reversion of impairments and negative goodwill; (3) Share of results of associated undertakings + dividends; (4) Statutory figures. For management purposes, Sonae uses the decomposition of the Indirect Result according to the notes to the consolidated financial statements.

Consolidated Balance Sheet

Balance sheet Million euros	9M11PF	9M12	Var	FY11PF	Var
TOTAL ASSETS	6.045	5.968	-1,3%	6.317	-5,5%
Non current assets	4.627	4.641	0,3%	4.747	-2,2%
Tangible and intangible assets	3.118	3.163	1,4%	3.252	-2,8%
Goodwill	669	666	-0,5%	660	0,9%
Other investments	582	543	-6,7%	575	-5,6%
Deferred tax assets	220	226	2,9%	222	2,1%
Others	39	44	13,2%	38	14,8%
Current assets	1.417	1.327	-6,4%	1.570	-15,5%
Stocks	648	537	-17,2%	651	-17,5%
Trade debtors	157	147	-6,3%	175	-16,1%
Liquidity	233	304	30,6%	426	-28,7%
Others (2)	380	340	-10,6%	318	6,8%
SHAREHOLDERS' FUNDS	1.673	1.676	0,2%	1.700	-1,4%
Equity holders	1.338	1.333	-0,4%	1.364	-2,2%
Attributable to minority interests	335	343	2,2%	337	1,8%
LIABILITIES	4.371	4.292	-1,8%	4.616	-7,0%
Non-current liabilities	2.175	2.228	2,4%	2.164	3,0%
Bank loans	465	530	14,0%	401	32,0%
Other loans	1.384	1.325	-4,3%	1.389	-4,6%
Deferred tax liabilities	130	133	2,3%	134	-0,7%
Provisions	70	97	38,9%	91	6,1%
Others	126	143	13,2%	148	-3,2%
Current liabilities	2.196	2.065	-6,0%	2.453	-15,8%
Bank loans	239	220	-8,1%	227	-3,2%
Other loans	370	277	-25,0%	373	-25,6%
Trade creditors	1.056	1.046	-1,0%	1.245	-16,0%
Others	531	522	-1,6%	609	-14,2%
SHAREHOLDERS' FUNDS + LIABILITIES	6.045	5.968	-1,3%	6.317	-5,5%

(1)Includes assets available for sale.

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

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

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

Report available at Sonae's institutional website
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