



SONAE/
9 MONTHS
RESULTS
2011



SONAE

1 HIGHLIGHTS

Market share gains mitigate declining consumption and enable profitability levels to be maintained

- Consolidated turnover¹ totalled 4,153 M€ in the 9M11, in line with the previous year
- Sonae's Recurrent EBITDA in the third quarter (185 M€) unchanged compared to last year
- Consolidated EBITDA for the 9M11 of 481 M€, representing an 11.5% margin on sales
- Net results group share for the period totalled 84 M€
- Sonae Sierra's direct income remains stable despite assets sales and the IPO in Brazil and Sonaecom's results continue to improve, in particular EBITDA and FCF performance

Strengthening of the capital structure

- Net Debt to EBITDA at our retail businesses down vs. same period last year to 3.2x
- Consolidated Net Debt reduced by 178M€ compared to the 3Q10
- Relative weight of leverage in the total invested capital down to 60%, the most conservative level since 2007

"The first nine months of 2011 were marked by the announcement of various austerity measures in Iberia, which have already translated into a significant decrease in private consumption, particularly pronounced in the non-food segments. Under these adverse conditions, Sonae strengthened its commitment to support the consumer, always seeking to offer the most attractive value proposition, namely by expanding the scope of our private label offers.

The gains in market share in Portugal, achieved as a result of the distinctive positioning of our formats and the capacity to respond to changes in consumer habits, together with the growing contribution from our international business, enabled us to maintain the level of consolidated turnover during this period.

In light of the real reductions in disposable income, we expect some deterioration of LfL sales during the fourth quarter in the Portuguese market. Nevertheless, we are confident that we will be able to continue to grow our market shares, to strengthen our capital structure and to implement our agreed strategic guidelines, namely that of pursuing the path of internationalisation, albeit at a slower pace than we had intended."

Paulo Azevedo, CEO Sonae

¹ Ex-fuel sales

2 OVERALL PERFORMANCE

Consolidated profit & loss account

Million euros

| | 9M10 | 9M11 | Var |
|---------------------------------------|--------------|--------------|-------------|
| Turnover ² | 4 231 | 4 172 | -1% |
| Turnover^(ex-fine) 3 | 4 156 | 4 153 | 0% |
| Recurrent EBITDA | 480 | 471 | -2% |
| Recurrent EBITDA margin | 11,3% | 11,3% | -0,1 pp |
| EBITDA | 493 | 481 | -2% |
| EBITDA margin | 11,6% | 11,5% | -0,1 pp |
| EBIT | 260 | 230 | -12% |
| Net financial activity | -78 | -78 | -1% |
| Other items | 0 | 0 | - |
| EBT | 183 | 151 | -17% |
| Taxes | -42 | -17 | 59% |
| Direct results | 141 | 134 | -5% |
| ...Group share | 113 | 92 | -18% |
| Indirect results | -24 | -12 | 49% |
| ...Group share | -15 | -8 | 44% |
| Net income | 117 | 122 | 4% |
| ...Group share | 98 | 84 | -14% |

Net invested capital

Million euros

| | 9M10 | YE10 | 9M11 |
|------------------------------------|--------------|--------------|--------------|
| Net invested capital | 4 899 | 4 714 | 4 898 |
| Investment properties ¹ | 1 770 | 1 778 | 1 717 |
| Technical investment ² | 3 189 | 3 191 | 3 109 |
| Financial investment | 44 | 35 | 33 |
| Goodwill | 734 | 741 | 738 |
| Working capital | -838 | -1 032 | -700 |
| Total shareholders funds | 1 764 | 1 862 | 1 940 |
| Total net debt³ | 3 136 | 2 852 | 2 958 |
| Net debt / Invested capital | 64% | 61% | 60% |

(1) Includes shopping centres accounted for as financial investments in the balance sheet; (2) Includes assets available for sale; (3) Financial net debt + net shareholder loans.

- During the first nine months of 2011, Sonae has faced different macroeconomic environments in the countries where it operates. The growth attained in Brazil and the relatively stable environment in other European countries was off-set by the weak economic dynamism in the Iberian markets, particularly in Portugal, where the announcement of the new austerity measures have strongly impacted family consumption levels (private consumption is estimated to have fallen in the 3Q11 by 4%²). Under this challenging environment, **Sonae's turnover** remained stable at 4.15 billion Euros in the first nine months of 2011³, an achievement only possible thanks to **market share gains** in the main business areas during the course of this period.
- In this period, **recurrent EBITDA** surpassed 471 M€, representing 11.3% of overall turnover. This figure was naturally impacted by Sonae SR's investments in internationalisation, but also by the effect of consumer retraction in the Iberian markets, which continues to be felt, particularly in the non-food categories. The efficiency measures and optimisation of cost structures have nevertheless enabled the maintenance of EBITDA margins at levels much similar to those of the same period last year.
- In 9M11, **direct net result** totalled 134 M€, 5% below the figure registered in the same period last year, essentially due to the EBIT evolution. In the same period, the indirect result, relative to Sonae Sierra's shopping centres portfolio, was -12M€, a significant improvement compared to 9M10. Consequently, **total net result** for the period totalled 122 M€ (+4%), of which the share attributable to the Group corresponds to circa 84 M€.
- During 9M11, **total investment** for the group surpassed 235 M€, having essentially been allocated to the development of international operations and the remodelling and maintenance of assets in Portugal.
- As at 30th September, **total net debt** totalled 2,958 M€, which represents a reduction of 178M€ compared to 9M10. The company continues to strengthen its financial structure, with its debt decreasing sustainably and representing, at the end of September 2011, 60% of invested capital (vs. 64% one year ago).

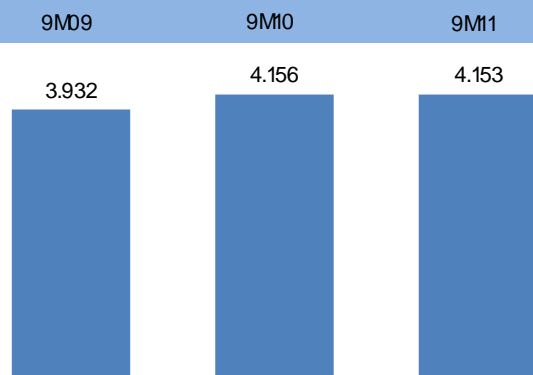
² Source: Bank of Portugal – Monthly economic Indicators

³ The analysis excludes the sales relative to petrol stations (as during 2Q10 Sonae transferred the operation of 8 petrol stations to a third party), and incorporates the re-statement of Geostar's 2010 turnover, taking into account the analysis of the sector practices (see Note on Section 9 of this report)

3 TURNOVER

Turnover-Ex-fuel

Million euros



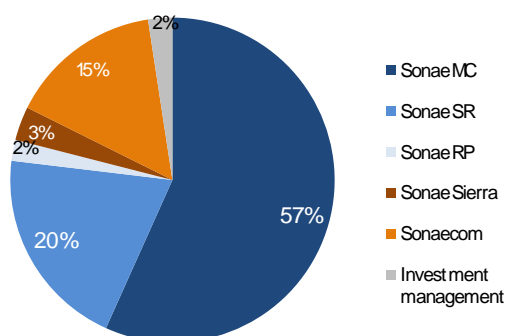
Turnover-ex-fuel

Million euros

| | 9M10 | 9M11 | Var |
|---------------------------------------|--------------|--------------|-----------|
| Turnover ⁴ | 4 231 | 4 172 | -1% |
| Turnover (ex-fuel)⁴ | 4 156 | 4 153 | 0% |
| Sonae MC | 2 375 | 2 421 | 2% |
| Sonae SR | 870 | 861 | -1% |
| Sonae RP | 95 | 89 | -6% |
| Sonae Sierra | 143 | 144 | 1% |
| Sonaeacom | 684 | 650 | -5% |
| Investment management | 104 | 103 | -1% |
| Eliminations & adjustments | -114 | -115 | -1% |
| Petrol stations | 75 | 18 | -75% |

Turnover breakdown - 9M11

% total turnover ex-fuel



During the first nine months 2011, Sonae registered a **consolidated turnover** of 4,153 M€⁴, practically in line with 9M10. The most significant contributions for this evolution were the following:

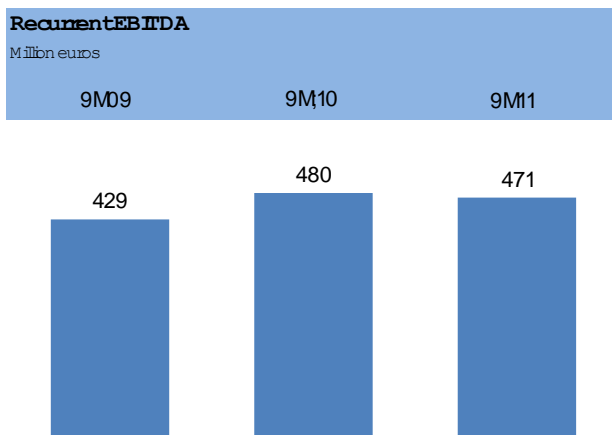
- **Sonae MC** with 2,421 M€ (+2%). This figure incorporates a circa +1% sales growth on a comparable store universe basis, despite the continued effects of trading down carried out by consumers in Portugal. This positive evolution was made possible by the increase in sales volumes in store during 9M11. Sonae MC continues to strengthen its market leadership (+0.9 p.p. of market share)⁵, with a strong contribution from its private label portfolio, which is currently representing circa 30% of sales in the relevant categories.
- **Sonae SR** with 861 M€ (-1%), reflecting the evolution of circa -13% of sales on a comparable store universe basis, in light of the significant decrease felt in its home markets during the course of 2011. Despite this less favourable evolution, we estimate that our formats behaved better in terms of sales performance than the market average, consequently, attaining new gains in market share.⁶
- **Sonae Sierra** with 144 M€ (+1%). Within a context of lower consumption levels across most European countries, Sonae Sierra once again demonstrated the quality of its assets by increasing the average occupation rates to 96.8%. Sierra is benefiting from its exposure to emerging markets, with a particular reference to the contribution from the Brazilian operations, in order to sustain the overall sales volume, on a LfL basis, of the shopping centres under its control.
- **Sonaeacom** with 650 M€ (-5%). The reduction results exclusively from lower product sales (driven by the end of the "e-initiatives" programme) and by the decrease in regulated tariffs (mobile termination rates and roaming tariffs), as Optimus was able to maintain a positive evolution at the level of mobile customer revenues and grow its revenue market share, while SSI was able to increase its respective services revenues.

⁴ See note 3 on previous page

⁵ Source: A.C.Nielsen / Homescan: YTD evolution until 9th October

⁶ Source: GfK, with regards to the electronics market, internal estimates for remaining markets

4 RECURRENT EBITDA



Recurrent EBITDA
Million euros

| | 9M10 | 9M11 | Var |
|----------------------------|------------|------------|------------|
| Sonae | 480 | 471 | -2% |
| Sonae MC | 149 | 152 | 2% |
| Sonae SR | 16 | -15 | -192% |
| Sonae RP | 85 | 81 | -5% |
| Sonae Sierra | 69 | 67 | -3% |
| Sonae com | 149 | 164 | 10% |
| Investment management | 4 | 6 | 69% |
| Eliminations & adjustments | 8 | 15 | 94% |

Recurrent EBITDA
% of turnover

| | 9M10 | 9M11 | Var |
|-----------------------|--------------|--------------|---------------|
| Sonae | 11,3% | 11,3% | -0,1pp |
| Sonae MC | 6,3% | 6,3% | 0,0pp |
| Sonae SR | 1,9% | -1,7% | -3,6pp |
| Sonae RP | 89,5% | 90,9% | 1,4pp |
| Sonae Sierra | 48,7% | 47,0% | -1,7pp |
| Sonae com | 21,8% | 25,2% | 3,4pp |
| Investment management | 3,5% | 6,0% | 2,5pp |

In consolidated terms, **the Group's recurrent EBITDA** totalled 471 M€, representing a profitability margin of 11.3%, practically in line with the same period last year. In a difficult macroeconomic environment, this performance was supported by the widespread implementation of projects to improve the operating efficiency in our different business areas. In terms of performance per business, it is worth highlighting:

- **Sonae MC** with 152 M€ (+2%), representing a profitability of 6.3% of the respective turnover (completely in line with the same period last year). Sonae MC was able to sustain its competitiveness during this period via a combination of relevant promotional activities, leveraged on its customer loyalty card (which was involved in over 85% of sales in the period), a rigorous cost control, gains in efficiency and in the optimisation of its supply chain
- **Sonae SR's** contribution totalled -15 M€, which compares with a figure of +16 M€ registered in the same period last year. This evolution essentially reflects the negative sales behaviour in the Iberian market, but is also a result of the costs incurred in terms of store openings, training and brand awareness, so as to constitute a relevant market position in Spain, and related to the entering into new geographies.
- **Sonae RP** with 81 M€. This figure is slightly below that of the same period last year (-4 M€ or -5%), solely due to the reduction of the asset portfolio, which resulted from the sales executed between the two periods.
- **Sonae Sierra's** contribution to the Group's consolidated results remained practically stable, despite the sales of assets in Spain, having reached 67 M€ in 9M11, which translated into profitability margin of 47% in this period. This performance was determined by the sustainability achieved in its operations and by the growth attained in Brazil.
- Still in the first nine months of 2011, **Sonae com's** contribution totalled 164 M€ (+10%), corresponding to an increase in sales margin of 3.4 p.p. (to 25.2%), resulting mainly from the optimisation of its cost structure but also from the positive performance in terms of mobile customer revenues.

5 NET RESULTS

Consolidated direct results

Million euros

| | 9M10 | 9M11 | Var |
|-------------------------|------------|------------|-------------|
| Recurrent EBITDA | 480 | 471 | -2% |
| Recurrent EBITDA margin | 11,3% | 11,3% | -0,1 pp |
| EBITDA | 493 | 481 | -2% |
| EBITDA margin | 11,6% | 11,5% | -0,1 pp |
| EBIT | 260 | 230 | -12% |
| Net financial activity | -78 | -78 | -1% |
| Other items | 0 | 0 | - |
| EBT | 183 | 151 | -17% |
| Taxes | -42 | -17 | 59% |
| Direct results | 141 | 134 | -5% |
| ... Group share | 113 | 92 | -18% |

Indirect results

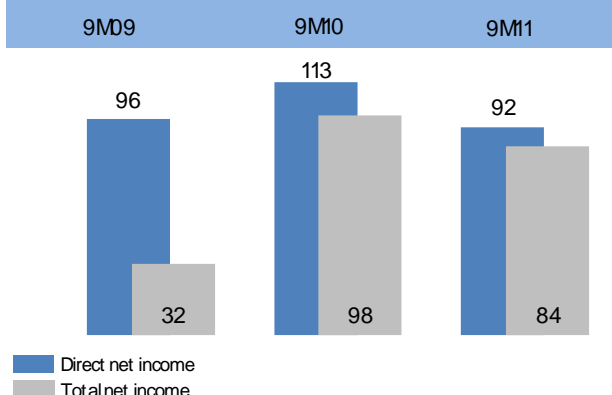
Million euros

| | 9M10 | 9M11 | Var |
|-------------------------|------------|------------|------------|
| Indirect results | -24 | -12 | 49% |
| ... Group share | -15 | -8 | 44% |
| VCPD ¹ | 4 | 0 | -4 |
| Other | -5 | -4 | 1 |
| Taxes | -14 | -5 | 9 |

(1) Value created on investment and development properties; includes one-off investments.
Management figures details

Net Income (group share)

Million euros



- In the first nine months of 2011, **consolidated EBITDA** reached 481 M€. This figure represents a decrease of only 2% in relation to the same period last year, essentially translating the evolution of the level of recurrent EBITDA. Non-recurring gains in 9M11 reached a figure of 10 M€ (in line with the previous year), mainly due to the capital gains registered by Sonae RP in the disposals of retail real estate assets completed in the beginning of the current year.
- In the same period, expenses relating to **depreciations and amortizations** stood at 231 M€ (+13 M€, driven by the growth in the asset base and the accelerated depreciation of the Modelo brand) and the **net financial expenses** totalled 78 M€. This last figure is practically in line with the amount registered in 9M10, despite the lower amount of average debt outstanding, as a result of the increase in effective interest costs, which was still mostly explained by the higher market rates (Euribor) but also by the anticipated increase in spreads.
- The **direct income** for the period (attributable to shareholders) totalled 92 M€, circa 18% below the figure registered in 9M10, basically translating the EBIT evolution described above.
- The contribution of **indirect results** (attributable to shareholders), relative to the shopping centres portfolio of Sonae Sierra, was negative by 8 M€ (which compares favourably with -15 M€ registered in the same period last year), mainly as a result an (average) yield expansion in Portugal of 31 bps (resulting in an accumulated increase since the beginning of 2008 of approximately 190 bps), which was partially compensated by the increase in the valuation of assets in Brazil, resulting exclusively by improvements in the operational activity.
- As a result of the above described evolution, **total net result** for the first nine months 2011 reached 122 M€ (+4%), of which the amount attributable to the Group was 84 M€.

6 INVESTED CAPITAL

Capex

Million euros

| | 9M10 | 9M11 | % Tum. |
|---------------------------------|------------|------------|-----------|
| Sonae | 278 | 235 | 6% |
| Sonae MC | 58 | 54 | 2% |
| Sonae SR | 59 | 60 | 7% |
| Sonae RP | 18 | 8 | 9% |
| Sonae Sierra | 41 | 40 | 28% |
| Sonaeacom | 88 | 66 | 10% |
| Investment management | 11 | 6 | 6% |
| Elimination & adjustments | 4 | 0 | - |
| Recurrent EBITDA - CAPEX | 202 | 236 | - |

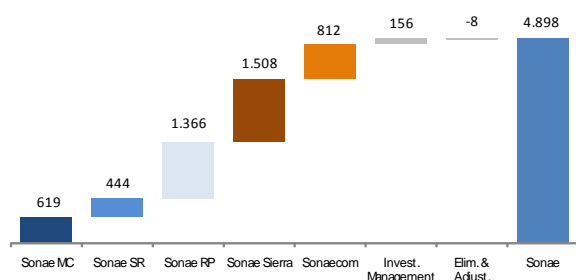
Net invested capital

Million euros

| | 9M10 | YE10 | 9M11 |
|-------------------------|--------------|--------------|--------------|
| Invested capital | 4 899 | 4 714 | 4 898 |
| Investment properties | 1 770 | 1 778 | 1 717 |
| Technical investment | 3 189 | 3 191 | 3 109 |
| Financial investment | 44 | 35 | 33 |
| Goodwill | 734 | 741 | 738 |
| Working capital | -838 | -1 032 | -700 |

Breakdown of invested capital (9M11)

Million euros



During the course of the first 9 months of 2011, Sonae carried out a **total investment** of 235 M€, essentially distributed amongst the following projects:

- selective opening of new retail stores in Portugal, including 1 Continente Modelo store and 9 new Sonae SR stores, with very positive return expectations;
- broadening of Sonae SR own store network in the Spanish market, with the opening of 32 thousand new sqm of sales area (reaching a total of 115 stores in Spain), thus pursuing this important internationalisation effort. Additionally, 2 new own stores were opened in Turkey (under the Zippy format);
- selective remodelling of a number of retail units so as to ensure that they remain as a reference in their respective areas of implementation
- actively manage the attractiveness of Sonae Sierra's current shopping centres and pursue the new development projects in Italy (Le Terrazze), Germany (Solingen) and Brazil (Uberlândia, Londrina and Goiânia), which represent a total of more than 230 thousand sqm of GLA and with expected openings in the period between 2012 and 2014;
- selective strengthening of the coverage and capacity of Optimus' network, a distinctive strategic asset of Sonaeacom, so as to maintain its distinctive quality level.

The **cash flow generation** of the Sonae businesses continues to increase, as evidenced by the increase of +17% or +34 M€ at the level of (Recurrent EBITDA – Capex) registered during the first nine months of 2011.

As at 30th September, Sonae's overall **net capital employed** was 4,898 M€. Sonae Sierra's contribution to this total amount was 1,508 M€ (-73 M€ compared to the same period last year, resulting from stake reductions in 2 shopping centres in operation in Spain). Sonae RP's overall asset portfolio was of 1,366 M€ (-95 M€, driven by the implementation of the sale & lease back programme of retail real estate assets).

7 CAPITAL STRUCTURE

Netdebt

Million euros

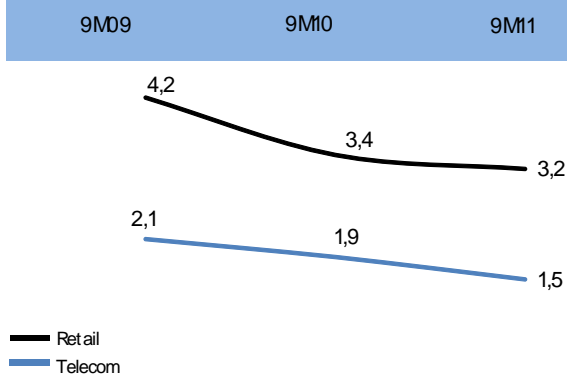
| | 9M10 | 9M11 | Var |
|---|--------------|--------------|-------------|
| Netdebt including shareholder bans | 3 136 | 2 958 | -178 |
| Net debt/Invested capital | 64% | 60% | -3,6 pp |

| Netdebt excluding shareholder bans | 3 090 | 2 912 | -179 |
|---|--------------|--------------|-------------|
| Retail units | 1 374 | 1 256 | -118 |
| Sonae Sierra | 831 | 715 | -115 |
| Sonae com | 354 | 324 | -30 |
| Investment management | 5 | 24 | 19 |
| Holding & other | 528 | 593 | 66 |

| Shareholder bans | 45 | 46 | 1 |
|-------------------------|-----------|-----------|----------|
|-------------------------|-----------|-----------|----------|

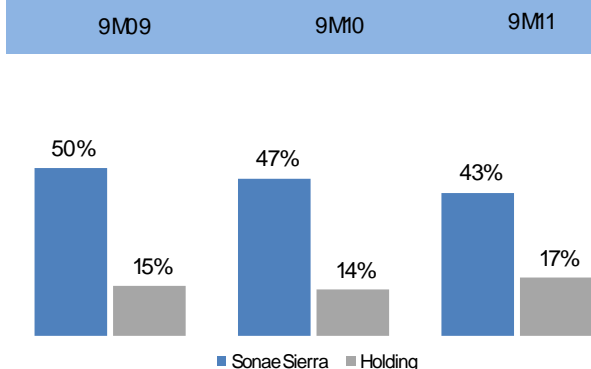
Capital structure

Net Debt to EBITDA



Capital structure

Loan-to-value (%)



As at the end of September 2011, Sonae's **total net debt** amounted to 2,958 M€, translating in a significant reduction (178 M€ or -6%) over the course of the last 12 months. This evolution is all the more significant when considered over the last two years (a cumulative reduction of 479 M€), and within a context of a strong investment in international growth.

Sonae thus pursues its strategy of strengthening its capital structure, having already entered into negotiations for the refinancing of the remaining 2012 maturities. As at September 2011, consolidated net debt represented 60% of capital employed (which compares with 64% at the end of 9M10), the lowest level since the acquisition of Carrefour Portugal in 2007.

- As at end of September 2011, the **retail units** net debt totalled 1,256 M€, 118 M€ below the same period in 2010 and corresponding to a Net Debt to EBITDA ratio of 3.2x. The reduction in leverage against the 9M10 was driven by the combination of a strong cash-flow generation with the completion of a number of sale & leaseback transactions, which have reduced Sonae MC's level of *freehold* to approximately 78% (vs. 84% at the end of 9M10).
- Sonae Sierra's** net debt decreased by 115 M€ to 715 M€, benefitting from the sale of participations in the "Plaza Éboli" and "El Rosal" shopping centres (in Spain), and from the cash in-flow resulting from Sonae Sierra Brazil's IPO. The combination of these operations reflects the implementation of the defined capital "recycling" strategy, which enables the continued development of its business, whilst reducing leverage, as evidenced by the evolution of the loan-to-value ratio (which went from 47% in the same period last year to 43% at the end of September 2011).
- Sonae com's** net debt decreased by 30 M€ to 324 M€, mainly as a result of the increasing capacity of its businesses to generate positive free cash-flows and despite the dividends distributed in 2011 (the first in its history).

8 CORPORATE INFORMATION

Outlook for 2011

Taking into account the expected reduction in disposable income, as a result, namely, of the extraordinary tax approved in Portugal, we expect that, in particular regarding the more cyclical segments, the overall retail market experiences a contraction in sales, namely over the Christmas season. We expect the remaining European markets and Brazil to perform in line with or slightly below the year-to-date performance.

As such, and so as to minimise the impacts on the Group's solid profitability levels, the programmes which have the potential to improve productivity and efficiency levels will continue to be implemented. We will thus continue to guarantee the delivery of the best value propositions to the end consumer, allowing for the further strengthening of our competitive position over time.

Sonae will also continue to ensure a strong scrutiny over investment decisions and, despite the contraction of demand for Portuguese real estate assets, will continue to pursue its programme to free up invested capital in its retail real estate arm, whenever adequate opportunities arise, which reflect the high quality of the underlying assets.

3Q11 main corporate events

On 4th July, Sonae became the first Portuguese retailer to be recognised for its best practices by EuroCommerce, the European association for retailers and wholesalers. The institution distinguished a total of 10 Sonae **corporate responsibility** projects, placing it in the league of companies who adopt the best practices in their activities.

On 5th July and 22nd August, Sonae's entry into **Egypt** and **Kazakhstan** (respectively) was announced, with the opening of the first Zippy stores in their respective capital cities. These expansions were carried out under a franchise regime, via a previously established partnership with the Fawaz Alhokair Group, thus following the strategy of diversification of investment styles.

At the end of July, **Sonae's corporate identity** was distinguished at the "Red Dot Awards", a prestigious international festival which takes place in Germany, and rewards, on a yearly basis, the best design works. This is the second international distinction awarded to the Sonae brand, after having been awarded a "Gold Lion" in the Cannes festival back in June.

On 15th September, Sonae announced the strengthening of its international presence with the opening of a second Zippy store in **Turkey** (having entered into that market during the 2Q11). The new store is located in the largest shopping centre in Europe, in Istanbul, and will enable a more in-depth test of a market with a strong potential for its formats.

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)



9 ADDITIONAL INFORMATION

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 figures and accumulated figures until 30 September was not audited.

In light of the IAS 18 clarification, the information pertaining to Geostar's turnover now solely includes the component of services rendered and commissions earned. This methodological change implied the re-expression of historical financial figures with regards to turnover and costs, but does not imply any impact on the amount of cash-flow registered or balance sheet components.

Sonae consolidated turnover

Million euros

| | 1Q10 | 2Q10 | 3Q10 | 4Q10 | FY10 |
|--------------------------------------|------|------|------|------|--------------|
| As reported in 2010 | 1358 | 1418 | 1509 | 1628 | 5 914 |
| According to the current methodology | 1344 | 1400 | 1487 | 1614 | 5 845 |

Glossary

| | |
|----------------------------------|--|
| CAPEX | Investments in tangible and intangible assets, investment properties and acquisitions; Gross CAPEX, not including cash inflows from the sale of assets |
| Direct income | Direct income excludes 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 |
| Indirect income | Indirect Income includes Sierra's contributions net of taxes to the consolidated income statement, 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; for Sonae, the analysis was done using the consolidation method for each company, as stated in the consolidated financial accounts. |

| | |
|---|---|
| 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) |
| 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 |
| Shopping Centre Services business | Asset management services + property management services |
| 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 ⁽¹⁾ | | | | | | |
|---|------------|------------|---------------|------------|-----------|---------------|
| Million euros | | | | | | |
| | 9M10 | 9M11 | Var | 3Q10 | 3Q11 | Var |
| Direct results | | | | | | |
| Turnover | 4 231 | 4 172 | -1,4% | 1 487 | 1 468 | -1,2% |
| Recurrent EBITDA ⁽²⁾ | 480 | 471 | -2,0% | 185 | 185 | 0,0% |
| Recurrent EBITDA margin | 11,3% | 11,3% | -0,1pp | 12,4% | 12,6% | 0,1pp |
| EBITDA | 493 | 481 | -2,4% | 188 | 182 | -3,0% |
| EBITDA margin | 11,6% | 11,5% | -0,1pp | 12,6% | 12,4% | -0,2pp |
| Provisions & impairments ⁽³⁾ | -15 | -21 | -46,5% | -5 | -8 | -78,2% |
| Depreciations & amortizations | -218 | -231 | -5,8% | -72 | -77 | -7,8% |
| EBIT | 260 | 230 | -11,6% | 111 | 97 | -12,5% |
| Net financial activity | -78 | -78 | -0,8% | -27 | -26 | 4,1% |
| Other items ⁽⁴⁾ | 0 | 0 | - | 0 | 0 | - |
| EBT | 183 | 151 | -17,2% | 84 | 72 | -14,4% |
| Taxes | -42 | -17 | 58,8% | -17 | -5 | 73,3% |
| Direct results | 141 | 134 | -4,8% | 67 | 67 | 0,5% |
| Group share | 113 | 92 | -17,9% | 58 | 50 | -13,5% |
| Minority interests | 28 | 42 | 47,9% | 9 | 17 | 88,3% |
| Shopping centers indirect results | | | | | | |
| Indirect results ⁽⁵⁾ | -24 | -12 | 48,6% | 1 | -4 | - |
| Group share | -15 | -8 | 43,8% | -1 | -1 | 28,2% |
| Minority interests | -9 | -4 | 56,3% | 2 | -3 | - |
| Net income | | | | | | |
| Net income | 117 | 122 | 4,3% | 68 | 64 | -6,9% |
| Group share | 98 | 84 | -14,0% | 57 | 49 | -13,3% |
| Minority interests | 19 | 38 | 99,6% | 11 | 14 | 25,0% |

(1) 9M figures are unaudited; (2) EBITDA excluding extraordinary items; (3) Includes reversion of impairments and negative goodwill; (4) Share of results of associated undertakings + dividends; (5) 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⁽¹⁾ | | | | | |
|--|--------------|--------------|---------------|--------------|--------------|
| Million euros | | | | | |
| | 9M10 | 9M11 | Var | YE10 | Var |
| TOTAL ASSETS | 7 382 | 7 475 | 1,3% | 7 552 | -1,0% |
| Non current assets | 6 018 | 5 915 | -1,7% | 6 046 | -2,2% |
| Tangible and intangible assets | 3 189 | 3 109 | -2,5% | 3 182 | -2,3% |
| Goodwill | 734 | 738 | 0,5% | 741 | -0,4% |
| Investment properties in operation | 1 617 | 1 564 | -3,3% | 1 631 | -4,2% |
| Investment properties under development | 101 | 111 | 9,2% | 102 | 8,8% |
| Other investments | 96 | 109 | 13,9% | 113 | -3,7% |
| Deferred tax assets | 235 | 233 | -1,0% | 221 | 5,5% |
| Others | 45 | 52 | 14,9% | 56 | -6,5% |
| Current assets | 1 364 | 1 559 | 14,3% | 1 506 | 3,5% |
| Stocks | 639 | 648 | 1,4% | 682 | -5,0% |
| Trade debtors | 181 | 174 | -3,8% | 187 | -7,0% |
| Liquidity | 183 | 320 | 74,9% | 263 | 21,5% |
| Others ⁽²⁾ | 361 | 417 | 15,6% | 374 | 11,8% |
| SHAREHOLDERS' FUNDS | 1 764 | 1 940 | 10,0% | 1 862 | 4,2% |
| Equity holders | 1 257 | 1 331 | 5,8% | 1 337 | -0,5% |
| Attributable to minority interests | 506 | 609 | 20,3% | 524 | 16,2% |
| LIABILITIES | 5 618 | 5 535 | -1,5% | 5 690 | -2,7% |
| Non-current liabilities | 3 744 | 3 177 | -15,2% | 3 455 | -8,1% |
| Bank loans | 1 315 | 1 143 | -13,1% | 1 128 | 1,4% |
| Other loans | 1 811 | 1 444 | -20,2% | 1 712 | -15,6% |
| Deferred tax liabilities | 369 | 380 | 3,0% | 371 | 2,2% |
| Provisions | 58 | 70 | 20,0% | 63 | 10,9% |
| Others | 191 | 140 | -26,9% | 181 | -22,9% |
| Current liabilities | 1 874 | 2 358 | 25,8% | 2 235 | 5,5% |
| Bank loans | 134 | 307 | 129,4% | 165 | 86,5% |
| Other loans | 13 | 370 | - | 100 | - |
| Trade creditors | 1 053 | 1 077 | 2,3% | 1 265 | -14,8% |
| Others | 674 | 603 | -10,5% | 706 | -14,5% |
| SHAREHOLDERS' FUNDS + LIABILITIES | 7 382 | 7 475 | 1,3% | 7 552 | -1,0% |

(1) 9M figures are unaudited; (2) Includes assets available for sale.

Maia, 22 November 2011

The Board of Directors

Belmiro Mendes de Azevedo

Michel Marie Bon

Álvaro Carmona e Costa Portela

José Neves Adelino

Álvaro Cuervo Garcia

Duarte Paulo Teixeira de Azevedo

Bernd Bothe

Ângelo Gabriel Ribeirinho dos Santos Paupério

Christine Cross

Nuno Manuel Moniz Trigoso Jordão

Condensed consolidated financial statements

SONAE, SGPS, SA

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2011 AND 2010
AND AT 31 DECEMBER 2010*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

| ASSETS | Notes | 30 September 2011 | 30 September 2010 | 31 December 2010 |
|---|----------|----------------------|----------------------|----------------------|
| NON-CURRENT ASSETS: | | | | |
| Tangible assets | 9 | 2,669,438,214 | 2,731,767,364 | 2,721,492,972 |
| Intangible assets | 10 | 439,329,787 | 457,295,105 | 460,368,523 |
| Investment properties | 11 | 1,674,272,327 | 1,717,990,241 | 1,733,205,596 |
| Goodwill | 12 | 738,102,997 | 734,272,294 | 740,738,759 |
| Investments in associates | 6 | 68,590,230 | 84,069,078 | 70,031,466 |
| Other investments | 7 and 13 | 40,658,842 | 11,824,326 | 43,468,060 |
| Deferred tax assets | 16 | 232,858,910 | 235,181,133 | 220,721,455 |
| Other non-current assets | 14 | 52,065,628 | 45,300,662 | 55,699,300 |
| Total Non-Current Assets | | 5,915,316,935 | 6,017,700,203 | 6,045,726,131 |
| CURRENT ASSETS: | | | | |
| Inventories | | 647,928,850 | 639,067,374 | 682,103,957 |
| Trade accounts receivable and other current assets | 15 | 590,838,179 | 542,076,127 | 551,237,994 |
| Investments | 13 | 5,478,059 | 48,588,558 | 15,653,114 |
| Cash and cash equivalents | 17 | 314,415,747 | 134,362,275 | 247,592,050 |
| Total Current Assets | | 1,558,660,835 | 1,364,094,334 | 1,496,587,115 |
| Assets available for sale | | 720,338 | - | 9,500,686 |
| TOTAL ASSETS | | 7,474,698,108 | 7,381,794,537 | 7,551,813,932 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY: | | | | |
| Share capital | 18 | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 |
| Own shares | | (131,895,330) | (135,679,489) | (135,679,489) |
| Reserves and retained earnings | | (621,379,906) | (704,852,897) | (694,787,895) |
| Profit/(Loss) for the period attributable to the equity holders of the Parent Company | | 84,113,508 | 97,852,873 | 167,940,582 |
| Equity attributable to the equity holders of the Parent Company | | 1,330,838,272 | 1,257,320,487 | 1,337,473,198 |
| Equity attributable to non-controlling interests | 19 | 609,038,167 | 506,228,473 | 524,088,940 |
| TOTAL EQUITY | | 1,939,876,439 | 1,763,548,960 | 1,861,562,138 |
| LIABILITIES: | | | | |
| NON-CURRENT LIABILITIES: | | | | |
| Loans | 20 | 2,587,645,272 | 3,126,358,370 | 2,839,950,773 |
| Other non-current liabilities | 22 | 139,737,656 | 191,214,931 | 181,359,120 |
| Deferred tax liabilities | 16 | 379,572,899 | 368,572,648 | 371,308,829 |
| Provisions | 25 | 69,681,332 | 58,070,949 | 62,823,444 |
| Total Non-Current Liabilities | | 3,176,637,159 | 3,744,216,898 | 3,455,442,166 |
| CURRENT LIABILITIES: | | | | |
| Loans | 20 | 677,570,854 | 147,002,650 | 264,464,248 |
| Trade creditors and other current liabilities | 24 | 1,677,417,594 | 1,724,937,592 | 1,967,607,152 |
| Provisions | 25 | 3,196,062 | 2,088,437 | 2,738,228 |
| Total Current Liabilities | | 2,358,184,510 | 1,874,028,679 | 2,234,809,628 |
| TOTAL LIABILITIES | | 5,534,821,669 | 5,618,245,577 | 5,690,251,794 |
| TOTAL EQUITY AND LIABILITIES | | 7,474,698,108 | 7,381,794,537 | 7,551,813,932 |

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

The Board of Directors

SONAE, SGPS, SA

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 2010*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

| | Notes | 3 rd Quarter 2011 | 3 rd Quarter 2010 | 30 September 2011 | 30 September 2010 Note 1 |
|--|----------|------------------------------|------------------------------|-------------------|-----------------------------|
| Sales | | 1,199,253,697 | 1,212,544,279 | 3,373,046,671 | 3,422,308,853 |
| Services rendered | | 269,233,240 | 274,259,127 | 798,523,227 | 808,746,276 |
| Value created on investment properties | 11 | (373,970) | 7,349,803 | 3,714,118 | 3,391,846 |
| Investment income | | (93,337) | 1,000,427 | 36,984 | 5,890,703 |
| Financial income | | 6,634,706 | 2,281,490 | 15,416,345 | 9,073,419 |
| Other income | | 95,785,081 | 100,318,030 | 360,474,549 | 317,592,429 |
| Cost of goods sold and materials consumed | | (915,606,667) | (931,604,057) | (2,642,045,375) | (2,669,665,305) |
| Changes in stocks of finished goods and work in progress | | 31,655 | (176,378) | 397,922 | 120,119 |
| External supplies and services | | (269,633,845) | (274,738,275) | (807,873,296) | (814,867,121) |
| Staff costs | | (170,565,452) | (167,381,192) | (532,146,595) | (511,516,888) |
| Depreciation and amortisation | 9 and 10 | (77,447,244) | (71,866,576) | (230,590,936) | (217,960,920) |
| Provisions and impairment losses | | (11,976,922) | (7,610,094) | (31,480,358) | (25,080,145) |
| Financial expense | | (32,254,663) | (28,987,259) | (94,873,643) | (86,892,611) |
| Other expenses | | (21,775,152) | (24,635,753) | (61,309,422) | (59,589,594) |
| Share of results of associated undertakings | 6 | (923,508) | (528,801) | (4,040,840) | (803,418) |
| Profit/(Loss) before taxation | | 70,287,619 | 90,224,771 | 147,249,351 | 180,747,643 |
| Taxation | 28 | (6,667,508) | (21,912,949) | (25,575,432) | (64,073,429) |
| Profit/(Loss) after taxation | - | 63,620,111 | 68,311,822 | 121,673,919 | 116,674,214 |
| Attributable to: | | | | | |
| Equity holders of the Parent Company | | 49,372,412 | 56,913,700 | 84,113,508 | 97,852,873 |
| Non-controlling interests | 19 | 14,247,699 | 11,398,122 | 37,560,411 | 18,821,341 |
| Profit/(Loss) per share | | | | | |
| Basic | 29 | 0.026358 | 0.030443 | 0.044905 | 0.052341 |
| Diluted | 29 | 0.026237 | 0.030314 | 0.044712 | 0.052147 |

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

The Board of Directors

SONAE, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS
ENDED 30 SEPTEMBER 2011 AND 2010

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

(Amounts expressed in euro)

| | 3rd Quarter 2011 | 3rd Quarter 2010 | 30 September 2011 | 30 September 2010 |
|---|------------------|------------------|-------------------|-------------------|
| Net Profit / (Loss) for the period | 63,620,110 | 68,311,822 | 121,673,919 | 116,674,214 |
| Exchange differences arising on translation of foreign operations | (29,644,015) | (9,395,378) | (32,787,255) | 14,998,024 |
| Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method | (264,795) | (1,432,673) | 3,214,668 | (3,794,377) |
| Changes on fair value of available-for-sale financial assets | (996,000) | (664,000) | (2,656,000) | (6,474,000) |
| Changes in hedge and fair value reserves | (9,103,942) | (2,098,270) | 4,679,013 | (9,060,175) |
| Deferred related to changes in fair values reserves | 1,439,019 | (232,084) | (1,001,498) | 69,239 |
| Others | (888,515) | 464,984 | (606,248) | (297,916) |
| Other comprehensive income for the period | (39,458,248) | (13,357,421) | (29,157,320) | (4,559,205) |
| Total comprehensive income for the period | 24,161,862 | 54,954,401 | 92,516,599 | 112,115,009 |
| Attributable to: | | | | |
| Equity holders of parent company | 20,868,282 | 46,644,022 | 63,007,712 | 93,847,109 |
| Non controlling interests | 3,293,580 | 8,310,379 | 29,508,887 | 18,267,900 |

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

The Board of Directors

SONAE, S.G.P.S., S.A.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

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

| | Attributable to Equity Holders of Parent Company | | | | | | | Net Profit/(Loss) | Total | Non controlling Interests (Note 19) | Total Equity | |
|--|--|---------------|---------------|------------------------------|-----------------|--------------------------------|--------------------------------------|-------------------|---------------|-------------------------------------|--------------|---------------|
| | Share Capital | Own Shares | Legal Reserve | Currency Translation Reserve | Hedging Reserve | Investments Fair Value Reserve | Other Reserves and Retained Earnings | | | | | |
| Balance as at 1 January 2010 | 2,000,000,000 | (136,911,861) | 163,229,582 | 27,670,569 | 11,801,654 | (21,082,667) | (915,302,573) | (733,683,435) | 93,760,817 | 1,223,165,521 | 477,968,755 | 1,701,134,276 |
| Total comprehensive income for the period | - | - | - | 12,089,461 | (6,474,000) | (7,155,146) | (2,466,079) | (4,005,764) | 97,852,873 | 93,847,109 | 18,267,900 | 112,115,009 |
| Appropriation of profit of 2009: | | | | | | | | | | | | |
| Transfer to legal reserves and retained earnings | - | - | 4,586,452 | - | - | - | 89,174,365 | 93,760,817 | (93,760,817) | - | - | - |
| Dividends distributed | - | - | - | - | - | - | (59,264,042) | (59,264,042) | - | (59,264,042) | (1,752,069) | (61,016,111) |
| Disposal of own shares/ attribution to employees | - | 1,232,372 | - | - | - | - | (693,484) | (693,484) | - | 538,888 | (57,894) | 480,994 |
| Partial Disposal of affiliated companies | - | - | - | - | - | - | 748,000 | 748,000 | - | 748,000 | (877,017) | (129,017) |
| Capital increase and share premium | - | - | - | - | - | - | - | - | - | - | 15,287,888 | 15,287,888 |
| Others | - | - | - | - | - | - | (1,714,989) | (1,714,989) | - | (1,714,989) | (2,609,090) | (4,324,079) |
| Balance as at 30 September 2010 | 2,000,000,000 | (135,679,489) | 167,816,034 | 39,760,030 | 5,327,654 | (28,237,813) | (889,518,802) | (704,852,897) | 97,852,873 | 1,257,320,487 | 506,228,473 | 1,763,548,960 |
| Saldo em 1 de Janeiro de 2011 | 2,000,000,000 | (135,679,489) | 167,816,034 | 46,340,054 | 4,829,654 | (18,288,904) | (895,484,733) | (694,787,895) | 167,940,582 | 1,337,473,198 | 524,088,940 | 1,861,562,138 |
| Total comprehensive income for the period | - | - | - | (23,848,948) | (2,656,000) | 3,855,419 | 1,543,733 | (21,105,796) | 84,113,508 | 63,007,712 | 29,508,887 | 92,516,599 |
| Appropriation of profit of 2010: | | | | | | | | | | | | |
| Transfer to legal reserves and retained earnings | - | - | 19,321,614 | - | - | - | 148,618,968 | 167,940,582 | (167,940,582) | - | - | - |
| Dividends distributed | - | - | - | - | - | - | (66,200,000) | (66,200,000) | - | (66,200,000) | (9,816,968) | (76,016,968) |
| Disposal of own shares/ attribution to employees | - | 3,784,159 | - | - | - | - | 4,786,468 | 4,786,468 | - | 8,570,627 | - | 8,570,627 |
| Partial disposal or acquisitions of affiliated companies | - | - | - | (5,696,771) | - | - | (6,449,635) | (12,146,406) | - | (12,146,406) | 65,351,146 | 53,204,740 |
| Acquisitions of affiliated companies | - | - | - | - | - | - | - | - | - | - | 282,237 | 282,237 |
| Others | - | - | - | - | - | - | 133,141 | 133,141 | - | 133,141 | (376,075) | (242,934) |
| Balance as at 30 September 2011 | 2,000,000,000 | (131,895,330) | 187,137,648 | 16,794,335 | 2,173,654 | (14,433,485) | (813,052,058) | (621,379,906) | 84,113,508 | 1,330,838,272 | 609,038,167 | 1,939,876,439 |

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

The Board of Directors

SONAE, S.G.P.S., S.A.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE PERIODS ENDED 30 SEPTEMBER 2011 AND 2010*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

| | Notes | 3rd Quarter 2011 | 3rd Quarter 2010 | 30 September 2011 | 30 September 2010 |
|---|-------|------------------|------------------|-------------------|-------------------|
| OPERATING ACTIVITIES | | | | | |
| Net cash flow from operating activities (1) | | 176,881,089 | 153,231,604 | 180,061,813 | 222,103,951 |
| INVESTMENT ACTIVITIES | | | | | |
| Cash receipts arising from: | | | | | |
| Investments | | 593,446 | 3,214,294 | 11,872,506 | 59,242,424 |
| Tangible, intangible assets and investments properties | | 1,163,041 | 35,976,477 | 134,852,030 | 63,811,802 |
| Dividends | | 208,874 | 356,023 | 634,211 | 1,267,496 |
| Others | | 4,487,515 | 1,034,842 | 19,958,249 | 17,234,629 |
| | | 6,452,876 | 40,581,636 | 167,316,996 | 141,556,351 |
| Cash Payments arising from: | | | | | |
| Investments | | (3,923,804) | (9,048,399) | (14,280,211) | (20,104,156) |
| Tangible, intangible assets and investments properties | | (80,076,743) | (90,870,892) | (278,139,803) | (315,146,942) |
| Others | | (33,458,977) | (484,805) | (35,649,137) | (846,596) |
| | | (117,459,524) | (100,404,096) | (328,069,151) | (336,097,694) |
| Net cash used in investment activities (2) | | (111,006,648) | (59,822,460) | (160,752,155) | (194,541,343) |
| FINANCING ACTIVITIES | | | | | |
| Cash receipts arising from: | | | | | |
| Loans obtained | | 1,734,012,485 | 1,150,124,478 | 2,995,180,346 | 4,500,305,077 |
| Capital increases, shareholder's loans and share premiums | | - | 67,885 | - | 71,500 |
| Others | | - | - | 49,967,319 | - |
| | | 1,734,012,485 | 1,150,192,363 | 3,045,147,665 | 4,500,376,577 |
| Cash Payments arising from: | | | | | |
| Loans obtained | | (1,720,021,815) | (1,193,222,401) | (2,832,451,221) | (4,401,625,689) |
| Interest and similar charges | | (37,802,776) | (27,721,925) | (92,057,820) | (81,909,450) |
| Dividends | | (504,894) | (431,774) | (76,145,590) | (64,742,809) |
| Others | | (752,009) | 13,452,456 | (4,189,457) | (10,015,932) |
| | | (1,759,081,494) | (1,207,923,644) | (3,004,844,088) | (4,558,293,880) |
| Net cash used in financing activities (3) | | (25,069,009) | (57,731,281) | 40,303,577 | (57,917,303) |
| Net increase in cash and cash equivalents (4) = (1) + (2) + (3) | | 40,805,432 | 35,677,863 | 59,613,235 | (30,354,695) |
| Effect of foreign exchange rate | | 4,191,846 | 673,296 | 3,940,501 | (976,082) |
| Cash and cash equivalents at the beginning of the period | 17 | 256,533,081 | 84,083,073 | 237,473,933 | 148,466,253 |
| Cash and cash equivalents at the end of the period | 17 | 293,146,667 | 119,087,640 | 293,146,667 | 119,087,640 |

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

The Board of Directors

SONAE, SGPS, SA

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL

STATEMENTS FOR THE PERIOD ENDED

30 SEPTEMBER 2011

(Amounts expressed in euro)

(Translation of condensed consolidated financial statements originally issued in Portuguese.

In case of discrepancies the Portuguese version prevails.)

1 INTRODUCTION

SONAE, SGPS, SA ("Sonae Holding"), has its head office at Lugar do Espido, Via Norte, Apartado 1011, 4471-909 Maia, Portugal, and is the parent company of a group of companies, as detailed in Notes 4 to 7 ("Sonae"). Sonae's operations and operating segments are described in Note 31.

Revenue recognition Geostar business

According to the recent amendment to IAS 18, revenues must include the gross inflows of economic benefits received and receivable by the entity of its own. Amounts collected on behalf of third parties are not economic benefits which flow to the entity and are therefore excluded from revenue. This methodological change resulted in the restatement of turnover and related costs for the same period of 30 September 2010.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended 31 December 2010.

2.1. Basis of preparation

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, subsidiaries and joint ventures, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments which are stated at fair value.

3 CHANGES IN ACCOUNTING POLICIES

During the period were adopted a set of accounting standards, interpretations, amendments and revisions issued in previous years and whose implementation has become mandatory for the year 2011 as disclosed in financial statements for the year ended 31 December 2010, which did not have significant impacts on the financial statements 30 September 2011.

4 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 2011 and 31 December 2010 are as follows:

| COMPANY | Head Office | Percentage of capital held | | | |
|--|---------------------|----------------------------|---------|------------------|---------|
| | | 30 September 2011 | | 31 December 2010 | |
| | | 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% |
| 2) Best Offer - Prestação de Informações por Internet, SA | a) Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 2) Bikini, Portal de Mulheres, SA | a) Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Bom Momento - Comércio Retalhista, 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% |
| Carnes do Continente - Indústria e Distribuição Carnes, SA | a) Santarém | 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% |
| 1) Discovery Sports, SA | a) Matosinhos | 100.00% | 100.00% | - | - |
| Edições Book.it, SA | a) Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 3) Efanor - Design e Serviços, SA | a) Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Estevão Neves - Hipermercados da Madeira, SA | a) Madeira | 100.00% | 100.00% | 100.00% | 100.00% |
| Farmácia Selecção, SA | a) Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Fashion Division, SA | a) Maia | 100.00% | 100.00% | 100.00% | 100.00% |

| | | | | | | | |
|----|---|----|--------------------|---------|---------|---------|---------|
| 1) | Fashion Division Canárias, SL | a) | Tenerife (Spain) | 100.00% | 100.00% | - | - |
| | Fozimo - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Fozmassimo - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Fundo de Investimento Imobiliário Fechado Imosede | a) | Maia | 54.55% | 54.55% | 54.55% | 54.55% |
| | Fundo de Investimento Imobiliário Imosonae Dois | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 2) | Global S - Hipermercado, Lda | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 2) | Good and Cheap - Comércio Retalhista, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 2) | Hipotética - Comércio Retalhista, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | 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% |
| | Infofield - Informática, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 4) | Just Sport - Comércio de Artigos de Desporto, SA | a) | Matosinhos | 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% |
| 4) | NA - Comércio de Artigos de Desporto, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 5) | NA - Equipamentos para o Lar, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Peixes do Continente - Indústria e Distribuição de Peixes, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Pharmacontinente - Saúde e Higiene, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Pharmaconcept – 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% |
| | 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 (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| 2) | Solaris Supermercados, SA | a) | Matosinhos | 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% |
| | 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% |
| 8) | Sonaegest-Soc.Gest.Fundos Investimentos, SA | a) | Maia | 100.00% | 90.00% | 80.00% | 70.00% |
| | Sonaerp - Retail Properties, SA | a) | Porto | 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 (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sport Zone - Comércio de Artigos de Desporto, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sport Zone Espanã - Comércio de Articulos de Deporte, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | Sport Zone spor malz.per.satis ith.ve tic.ltd.sti | a) | Istanbul (Turkey) | 100.00% | 100.00% | - | - |
| | Têxtil do Marco, SA | a) | Marco de Canaveses | 92.76% | 92.76% | 92.76% | 92.76% |
| | Tlantic Portugal - Sistemas de Informação, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| | Tlantic Sistemas de Informação, Ltda | a) | Porto Alegre (Brazil) | 100.00% | 100.00% | 100.00% | 100.00% |
| | Todos os Dias - Com. Ret. Expl. C. Comer., SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Valor N, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| 5) | Well W - Electrodomésticos e Equipamentos, 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 Espanha Distribución, S.L. | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| 6) | Worten Canárias, SL | a) | Tenerife (Spain) | 51.00% | 51.00% | 100.00% | 100.00% |
| | Zippy – Comércio e Distribuição, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| | Zippy - Comércio Y Distribución, SA | a) | Madrid (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) | Zippy cocuk malz.dag.ith.ve tic.ltd.sti | a) | Istanbul (Turkey) | 100.00% | 100.00% | - | - |
| 1) | ZYEvolution-Invest.Desenv.,SA | a) | Matosinhos | 100.00% | 100.00% | - | - |

Telecommunications

| | | | | | | | |
|-----|--|----|-----------------------------|---------|--------|---------|--------|
| | Be Artis - Concepção, Construção e Gestão de Redes de Comunicações, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Be Towering – Gestão de Torres de Telecomunicações, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Cape Technologies Limited | a) | Dublin (Ireland) | 100.00% | 54.51% | 100.00% | 54.54% |
| | Digitmarket - Sistemas de Informação, SA | a) | Maia | 75.10% | 40.94% | 75.10% | 40.96% |
| | Lugares Virtuais, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| 10) | M3G - Edições Digitais, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Magma - Operação de Titularização de Créditos | c) | Portugal | 100.00% | 54.51% | 100.00% | 54.54% |
| | Mainroad Serviços em Tecnologias de Informação, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Miauger - Org. Gestão Leilões Electrónicos, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Optimus - Comunicações, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | PCJ-Público, Comunicação e Jornalismo, SA | a) | Maia | 100.00% | 54.51% | 100,00% | 54.54% |
| | Per-Mar - Sociedade de Construções, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Praesidium Services Limited | a) | Berkshire (U.K.) | 100.00% | 54.51% | 100.00% | 54.54% |
| | Público - Comunicação Social, SA | a) | Porto | 100.00% | 54.51% | 100.00% | 54.54% |
| | Saphety Level - Trusted Services, SA | a) | Maia | 86.99% | 47.42% | 86.99% | 47.45% |
| | Sonaecom BV | a) | Amsterdam (The Netherlands) | 100.00% | 54.51% | 100.00% | 54.54% |
| | Sonae Telecom, SGPS, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Sonaecom - Sistemas de Informação, SGPS, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | Sonaecom - Sistemas de Información España, SL | a) | Madrid | 100.00% | 54.51% | 100.00% | 54.54% |
| | Sonaecom, SGPS, SA | a) | Maia | 55.63% | 54.51% | 55.69% | 54.54% |
| | Sonaetelecom, BV | a) | Amsterdam (The Netherlands) | 100.00% | 54.51% | 100.00% | 54.54% |
| | Sontária - Empreendimentos Imobiliários, SA | a) | Maia | 100.00% | 54.51% | 100,00% | 54.54% |
| | Tecnológica Telecomunicações, Ltda | a) | Rio de Janeiro (Brazil) | 99.99% | 54.46% | 99.99% | 54.49% |
| | We Do Consulting - Sistemas de Informação, SA | a) | Maia | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Brasil Soluções Informáticas, Ltda | a) | Rio de Janeiro (Brazil) | 99.91% | 54.46% | 99.91% | 54.49% |
| | We Do Poland Sp.Z.o.o. | a) | Posnan (Poland) | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Americas, Inc. | a) | Miami (USA) | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Australia PTY Limited | a) | Australia | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies BV | a) | Amsterdam (The Netherlands) | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Chile, SpA | a) | Santiago (Chile) | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Egypt Limited Liability Company | a) | Cairo (Egypt) | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Mexico S. de RL | a) | Mexico City | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Panamá SA | a) | Panama City | 100.00% | 54.51% | 100.00% | 54.54% |
| | We Do Technologies Singapore PTE. LDT | a) | Singapore | 100.00% | 54.51% | 100.00% | 54.54% |

| | | | | | | | |
|------------------------------|---|----|-----------------------------|---------|---------|---------|---------|
| | We Do Technologies (UK) Limited | a) | Berkshire (U.K.) | 100.00% | 54.51% | 100.00% | 54.54% |
| Investment Management | | | | | | | |
| | ADD Avaliações Engenharia de Avaliações e Perícias, Ltda | a) | Brazil | 100.00% | 50.00% | 100.00% | 50.00% |
| | ADDmakler Administração e Corretagem de Seguros, Ltda | a) | Brazil | 99.98% | 50.00% | 99.98% | 50.00% |
| | ADDmakler Administradora, Corretora de Seguros Partic. Ltda | a) | Brazil | 100.00% | 50.00% | 100.00% | 50.00% |
| | Fontana Corretora de Seguros Ltda | a) | Brazil | 99.99% | 50.01% | 99.99% | 50.01% |
| | Hercos Consultoria de Risco e Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | 100.00% | 50.01% |
| | 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% |
| 11) | MDS Auto - Mediação de Seguros, SA | a) | Porto | 50.01% | 25.01% | 50.00% | 25.01% |
| | MDS - Corretor de Seguros, SA | a) | Porto | 100.00% | 50.01% | 100.00% | 50.01% |
| | MDS, SGPS, SA | a) | Maia | 50.01% | 50.01% | 50.01% | 50.01% |
| | MDS Consultores, SA | a) | Maia | 100.00% | 50.01% | 100.00% | 50.01% |
| 1) | Mds Knowledge Centre, Unipessoal, Lda | a) | Lisboa | 100.00% | 100.00% | - | - |
| 9) | MDS Affinity – Sociedade de Mediação, Lda | a) | Porto | 100.00% | 50.01% | 100.00% | 50.01% |
| | Miral Administração e Corretagem de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | 100.00% | 50.01% |
| 7) | Polinsur - Mediação de Seguros, Lda | a) | Oeiras | 100.00% | 50.01% | - | - |
| | Modelo - Distribuição de Materiais de Construção, SA | b) | Maia | 50.00% | 50.00% | 50.00% | 50.00% |
| | Quorum Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | 100.00% | 50.01% |
| | RSI Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | 100.00% | 50.01% |
| 7) | Serenitas - Soc. Mediação Seguros, Lda | a) | Lisboa | 100.00% | 50.01% | - | - |
| | Terra Nossa Corretora de Seguros, Ltda | a) | Brazil | 100.00% | 50.01% | 100.00% | 50.01% |
| Others | | | | | | | |
| | Libra Serviços, Lda | a) | Funchal | 100.00% | 100.00% | 100.00% | 100.00% |
| | Sonae Investments, BV | a) | Amsterdam (The 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) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |

a) Majority of voting rights;

b) Management control;

c) Control determined in accordance with SIC 12 - Special purpose entities.

1) Companies created during the period;

2) Companies merged into Modelo Continente Hipermercados, SA, at 1 January 2011;

- 3) Companies merged into Modalfa Comércio e Serviços, SA, at 1 January 2011;
- 4) Companies merged into Sport Zone- Comércio de Artigos de Desporto, SA, at 1 January 2011;
- 5) Companies merged into Worten – Equipamentos para o Lar, SA, at 1 January 2011;
- 6) Capital increase in the subsidiary made by non-controlling interests resulting in a dilution of interests over the subsidiary;
- 7) Subsidiary acquired during the period;
- 8) Company previously included in “Others” Segment. Reclassified to “Investment Management” segment, by acquisition of 20%;
- 9) Ex- Modelo Continente Seguros – Sociedade de Mediação, LDA;
- 10) Companies liquidated in the period;
- 11) Acquisition of shares in July 2011, rising thereafter to hold control of the subsidiary and it includes the full consolidation method.

These group companies are consolidated using the full consolidation method.

5 JOINTLY CONTROLLED COMPANIES

Jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by Sonae as at 30 September 2011 and 31 December 2010 are as follows:

| COMPANY | Head Office | Percentage of capital held | | | |
|--|-----------------------------|----------------------------|--------|------------------|--------|
| | | 30 September 2011 | | 31 December 2010 | |
| | | Direct | Total | Direct | Total |
| Shopping Centres | | | | | |
| 3DO Shopping Centre GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| 3shoppings - Holding, SGPS, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| Adlands BV | Amsterdam (The Netherlands) | 100.00% | 25.00% | 50.00% | 25.00% |
| Aegean Park, SA | Athens (Greece) | 100.00% | 25.00% | 100.00% | 25.00% |
| Airone - Shopping Centre, Srl | Milan (Italy) | 100.00% | 25.05% | 100.00% | 25.05% |
| ALEXA Administration GmbH | Berlin (Germany) | 100.00% | 25.00% | 100.00% | 25.00% |
| ALEXA Holding GmbH | Dusseldorf (Germany) | 50.00% | 25.00% | 50.00% | 25.00% |
| ALEXA Shopping Centre GmbH | Dusseldorf (Germany) | 100.00% | 25.00% | 100.00% | 25.00% |
| Algarveshopping - Centro Comercial, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| ARP Alverca Retail Park, SA | Maia | 50.00% | 25.00% | 50.00% | 25.00% |
| Arrábidasshopping - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| Avenida M-40, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| Beralands BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |

| | | | | | |
|--|-----------------------------|---------|--------|---------|--------|
| Cascaishopping - Centro Comercial, SA | Maia | 50.00% | 12.53% | 50.00% | 12.53% |
| Cascaishopping Holding I, SGPS, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| 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% |
| Coimbrashopping - Centro Comercial, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| Colombo Towers Holding, BV | The Hague (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| Craiova Mall BV | Amsterdam (The 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 (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| Dos Mares - Shopping Centre, SA | Madrid (Spain) | 100.00% | 25.05% | 100.00% | 25.05% |
| El Rosal Shopping, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| 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 Investimento Imob. Parque Dom Pedro Shopping Center, SA | São Paulo (Brazil) | 15.97% | 3.99% | 15.97% | 3.99% |
| Fundo Investimento Imob. Shopping Parque D. Pedro Shopping, SA | São Paulo (Brazil) | 87.61% | 16.90% | 87.61% | 21.27% |
| 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 1 Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| Guimarãesshopping - 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% |
| Le Terrazze – Shopping Centre 1, Srl | Milan (Italy) | 50.00% | 25.00% | 50.00% | 25.00% |
| Iberian Assets, SA | Madrid (Spain) | 49.80% | 12.48% | 49.80% | 12.48% |
| Inparsi - 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% |
| Larissa Development of Shopping Centres, SA | Athens (Greece) | 100.00% | 25.00% | 100.00% | 25.00% |
| Loop 5 - Shopping Centre GmbH | Dusseldorf(Germany) | 50.00% | 25.00% | 50.00% | 25.00% |
| Luz del Tajo - Centro Comercial, SA | Madrid (Spain) | 100.00% | 25.05% | 100.00% | 25.05% |
| Luz del Tajo, BV | Amsterdam (The 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 (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| Norte Shopping Retail and Leisure Centre, BV | Amsterdam (The 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 (The 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% |
| 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% |
| Parque Principado, SL | Madrid (Spain) | 50.00% | 12.53% | 50.00% | 12.53% |
| Pátio Boavista Shopping, Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Pátio Goiânia Shopping, Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Pátio Londrina Empreendimentos e Participações, Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Pátio Penha Shopping, Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Pátio São Bernardo Shopping Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Pátio Sertório Shopping Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Pátio Uberlândia Shopping Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Plaza Eboli - Centro Comercial, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| Plaza Eboli, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Plaza Mayor Holding, SGPS, SA | Maia | 100.00% | 25.05% | 100.00% | 25.05% |
| Plaza Mayor Parque de Ócio, BV | Amsterdam (The 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 (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| Plaza Mayor Shopping, SA | Madrid (Spain) | 75.00% | 18.79% | 75.00% | 18.79% |
| 3) Ploi Mall BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| 3) Pridelease Investments, Ltd | Cascais | 100.00% | 50.00% | 100.00% | 50.00% |
| Project 4, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project SC 1, BV | Amsterdam (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| Project SC 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 6, BV | Amsterdam (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| Project Sierra 7 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 8 BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| Project Sierra 9 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra 10 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Project Sierra Four SA | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |

| | | | | | | |
|----|---|-----------------------------|---------|--------|---------|--------|
| | Project Sierra Germany 2 (two), Shopping Centre GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Germany 3 (three), 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 Germany Shopping Centre 1 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Germany Shopping Centre 2 BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| 3) | Project Sierra Italy 1 - Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 2 - Development of Shopping Centres, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 3 - Shopping Centre, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Italy 5 - Development of Shopping Centres Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Portugal VIII - Centro Comercial, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 1, BV | Amsterdam (The 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% |
| | Project Sierra Spain 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 3 - Centro Comercial, SA | Madrid (Spain) | 50.00% | 25.00% | 50.00% | 25.00% |
| | Project Sierra Spain 3, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| 3) | Project Sierra Spain 6 - Centro Comercial, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Spain 6, BV | Amsterdam (The 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 Spain 7, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Three Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Project Sierra Two Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | River Plaza BV | Amsterdam (The 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 (The Netherlands) | 50.00% | 25.00% | 50.00% | 25.00% |
| | SC Mediterranean Cosmos, BV | Amsterdam (The Netherlands) | 50.00% | 12.53% | 50.00% | 12.53% |
| | Shopping Centre Colombo Holding, BV | Amsterdam (The Netherlands) | 50.00% | 12.53% | 50.00% | 12.53% |
| | Shopping Centre Parque Principado, BV | Amsterdam (The Netherlands) | 100.00% | 25.05% | 100.00% | 25.05% |
| | Sierra Asset Management - Gestão de Activos, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Brazil 1, BV | Amsterdam (The 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 Charagionis Development of Shopping Centers, SA | Athens (Greece) | 50.00% | 25.00% | 50.00% | 25.00% |
| 3) | Sierra Charagionis Property Management, SA | Athens (Greece) | 50.00% | 25.00% | 50.00% | 25.00% |
| | Sierra Corporate Services - Apoio à Gestão, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Corporate Services Holland, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Development of Shopping Centres Greece, SA | Athens (Greece) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments - Serviços de Promoção Imobiliária, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments Germany GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Berlin Holding BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments Iberia 1, Promoção Imobiliária, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments Italy, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments Romania SRL | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments Spain - Promociones de Centros Comerciales, SL | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Developments, SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Enplanta, Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| | Sierra European Retail Real Estate Assets Holdings, BV | Amsterdam (The Netherlands) | 50.10% | 25.05% | 50.10% | 25.05% |
| | Sierra GP, Limited | Guernesey (U.K.) | 100.00% | 49.99% | 100.00% | 49.99% |
| | Sierra Investimentos Brasil Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| | Sierra Investments (Holland) 1, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Investments (Holland) 2, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Investments Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Investments SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Italy Holding, BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Management Germany, GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Management Italy, Srl | Milan (Italy) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Management Portugal - Gestão de Centros Comerciais, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Management Spain - Gestión de Centros Comerciales, SA | Madrid (Spain) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Management, SGPS, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Property Management Greece, SA | Athens (Greece) | 100.00% | 50.00% | 100.00% | 50.00% |
| | Sierra Property Management, Srl | Bucharest (Romania) | 100.00% | 50.00% | 100.00% | 50.00% |
| 1) | Sierra Solingen Holding GmbH | Dusseldorf (Germany) | 100.00% | 50.00% | 100.00% | 50.00% |
| 2) | Solingen Shopping Center GmbH | Dusseldorf (Germany) | 100.00% | 25.00% | - | - |

| | | | | | |
|---|-----------------------------|---------|--------|---------|--------|
| Sonae Sierra Brasil, SA | São Paulo (Brazil) | 66.65% | 16.66% | 95.79% | 23.95% |
| Sonae Sierra Brasil, 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% |
| Torre Ocidente - Imobiliária, SA | Maia | 50.00% | 12.50% | 50.00% | 12.50% |
| Unishopping Administradora, Ltda | São Paulo (Brazil) | 100.00% | 16.66% | 100.00% | 23.95% |
| Unishopping Consultoria Imobiliária, Ltda | São Paulo (Brazil) | 99.98% | 16.66% | 99.98% | 23.95% |
| Valecenter, Srl | Milan (Italy) | 100.00% | 25.05% | 100.00% | 25.05% |
| 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% |
| Weiterstadt Shopping BV | Amsterdam (The Netherlands) | 100.00% | 50.00% | 100.00% | 50.00% |
| Zubiarte Inversiones Inmobiliarias, SA | Madrid (Spain) | 49.83% | 12.48% | 49.83% | 12.48% |
| Telecommunications | | | | | |
| Unipress - Centro Gráfico, Lda | Vila Nova de Gaia | 50.00% | 27.20% | 50.00% | 27.20% |
| Investment Management | | | | | |
| Equador & Mendes - Agência de Viagens e Turismo, Lda | Lisbon | 50.00% | 37.50% | 50.00% | 37.50% |
| 4) MDS Auto – Mediação de Seguros, SA | Porto | 50,00% | 25,01% | 50,00% | 25,01% |
| Marcas do Mundo - Viagens e Turismo, Sociedade Unipessoal, Lda | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% |
| 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% | 37.50% | 50.00% | 37.50% |
| Puravida - 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% | 37.50% | 50.00% | 37.50% |
| 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% |
| Viagens y Turismo de Geotur España, S.L. | Madrid (Spain) | 50.00% | 50.00% | 50.00% | 50.00% |

1) Ex- 3DO Holding GmbH;

2) Companies created in the period;

3) Companies liquidated in the period;

4) Acquisition of shares in July 2011, rising thereafter to hold control of the subsidiary and it includes the full consolidation method.

These entities are consolidated using the proportionate consolidation method.

Aggregate amounts, excluding intragroup eliminations, corresponding to the percentage of capital held in these jointly controlled companies included in the financial statements for the period, using the proportionate consolidation method, can be summarized as follows:

| | 30 September 2011 | 31 December 2010 |
|-------------------------|-------------------|-------------------------------|
| Non-current assets | 4,875,346,657 | 4,795,927,878 |
| Current assets | 408,526,719 | 402,831,446 |
| Non-current liabilities | 1,477,150,357 | 1,630,182,262 |
| Current liabilities | 440,124,212 | 480,960,660 |
| | 30 September 2011 | 30 September 2010 (Note 1) |
| Income | 220,794,522 | 223,878,063 |
| Expenses | 190,573,123 | 210,404,467 |

6 INVESTMENTS IN ASSOCIATES

Associated companies, their head offices and the percentage of share capital held as at 30 September 2011 and 31 December 2010 are as follows:

| COMPANY | Head Office | Percentage of capital held | | | | Carrying amount in the statement of financial position | |
|--|----------------------|----------------------------|--------|------------------|--------|--|-------------------|
| | | 30 September 2011 | | 31 December 2010 | | 30 September | 31 December 2010 |
| | | Direct | Total | Direct | Total | | |
| Retail | | | | | | | |
| Sempre a Postos - Produtos Alimentares e Utilidades, Lda | Lisbon | 25.00% | 25.00% | 25.00% | 25.00% | 1,006,690 | 1,246,672 |
| Mundo Vip - Operadores Turísticos, SA | Lisbon | 33.34% | 33.34% | 33.34% | 33.34% | 1,101,337 | 1,101,337 |
| Shopping Centres | | | | | | | |
| 1) 8ª Avenida Centro Comercial, SA | Maia | 100.00% | 23.75% | 100.00% | 23.75% | - | - |
| Alexa Asset GmbH & Co | Dusseldorf (Germany) | 9.00% | 2.25% | 9.00% | 2.25% | 3,727,631 | 3,550,247 |
| 1) Arrábidasshopping - Centro Comercial, SA | Maia | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| Campo Limpo Lda | S. Paulo (Brazil) | 20.00% | 3.33% | 20.00% | 4.79% | 2,496,410 | 2,305,574 |
| 1) Gaiashopping I - Centro Comercial, SA | Maia | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| 1) Gaiashopping II - Centro Comercial, SA | Maia | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| 1) Loureshopping - Centro Comercial, SA | Maia | 100.00% | 23.75% | 100.00% | 23.75% | - | - |
| 1) PORTCC - Portimãoshopping - Centro Comercial, SA | Maia | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| 1) Rio Sul - Centro Comercial, SA | Lisbon | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| 1) Serra Shopping - Centro Comercial, SA | Covilhã | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| 1) ALBCC - Albufeirashopping - Centro Comercial, SA | Maia | 50.00% | 11.88% | 50.00% | 11.88% | - | - |
| 1) LCC - LeiriaShopping - Centro Comercial, S.A. | Maia | 100.00% | 23.75% | 100.00% | 23.75% | - | - |
| SPF - Sierra Portugal Real estate, Sarl | Luxembourg | 47.50% | 23.75% | 47.50% | 23.75% | 39,585,272 | 41,872,289 |
| Telecommunications | | | | | | | |
| SIRS - Sociedade Independente de Radiodifusão Sonora, SA | Porto | 45.00% | 24.53% | 45.00% | 24.54% | - | - |
| Investment Management | | | | | | | |
| Cooper Gay Swett & Crawford Ltd | U.K. | 25.10% | 12.55% | 25.10% | 12.55% | 20,672,890 | 19,955,347 |
| Total | | | | | | 68,590,230 | 70,031,466 |

- 1) Nil balances result from the application of the equity method over the consolidated financial statements of Sierra Portugal Real estate, which holds these participations.

Associated companies are included in the consolidated financial statements using the equity method.

As at 30 September 2011 and 31 December 2010, aggregate values of main financial indicators of associated companies can be analysed as follows:

| | 30 September 2011 | 31 December 2010 |
|-------------------|-------------------|-------------------|
| Total Assets | 1,276,580,058 | 1,296,791,695 |
| Total Liabilities | 985,117,085 | 1,002,483,753 |
| | 30 September 2011 | 30 September 2010 |
| Income | 325,946,188 | 245,361,872 |
| Expenses | 308,851,792 | 203,026,728 |

During the periods ended 30 September 2011 and 2010, movements in Investments in Associates, are made up as follows:

| | 30 September 2011 | | | 30 September 2010 | | |
|--|----------------------|------------|------------------|----------------------|-------------|------------------|
| | Proportion on equity | Goodwill | Total investment | Proportion on equity | Goodwill | Total investment |
| Investments in Associates | | | | | | |
| Initial balance as at January, 1 | 28,183,811 | 41,847,655 | 70,031,466 | 33,224,083 | 41,425,310 | 74,649,393 |
| Capital increase in associated companies | - | - | - | 14,381,368 | - | 14,381,368 |
| Capital reduction in associated companies | - | - | - | (2,310,176) | - | (2,310,176) |
| Change of consolidation method | - | - | - | 1,366,260 | 190,680 | 1,556,940 |
| Equity method | | | | | | |
| Share of result in associated companies | (4,040,840) | - | (4,040,840) | (803,418) | - | (803,418) |
| Other effects in the income statement | - | - | - | 365,873 | - | 365,873 |
| Distributed dividends | (401,711) | - | (401,711) | (897,450) | - | (897,450) |
| Effect in equity capital and non-controlling interests | 670,666 | 2,330,649 | 3,001,315 | (199,902) | (2,673,550) | (2,873,452) |
| | 24,411,926 | 44,178,304 | 68,590,230 | 45,126,638 | 38,942,440 | 84,069,078 |

The effect in equity is mainly the effect of currency translation of equity and net income of associated Companies with a functional currency different from euro.

7 GROUP COMPANIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES EXCLUDED FROM CONSOLIDATION AND OTHER NON-CURRENT INVESTMENTS

Group companies, jointly controlled companies and associated companies excluded from consolidation and other non-current investments, their head offices, percentage of share capital held and book value as at 30 September 2011 and 31 December 2010 are made up as follows:

| COMPANY | Head Office | Percentage of capital held | | | | Value in the statement of financial position | |
|--|------------------|----------------------------|--------|------------------|--------|--|-------------------|
| | | 30 September 2011 | | 31 December 2010 | | 30 September | 31 December 2010 |
| | | Direct | Total | Direct | Total | | |
| Retail | | | | | | | |
| Dispar - Distrib. de Participações, SGPS, SA | Lisbon | 14.28% | 14.28% | 14.28% | 14.28% | 9,976 | 9,976 |
| Insco - Insular de Hipermerc., SA | Ponta Delgada | 10.00% | 10.00% | 10.00% | 10.00% | 748,197 | 748,197 |
| Shopping Centres | | | | | | | |
| Ercasa Cogeneracion SA | Grancasa (Spain) | 10.00% | 1,25% | 10.00% | 1,25% | 23,949 | 23,949 |
| Telecommunications | | | | | | | |
| Lusa - Agên. de Notícias de Portugal, SA | Lisbon | 1.38% | 0.75% | 1.38% | 0.75% | 197,344 | 197,344 |
| Other investments | | | | | | 39,679,376 | 42,488,594 |
| Total (Note 13) | | | | | | 40,658,842 | 43,468,060 |

As at 30 September 2011 the caption "Other investments" includes:

- 33,745,053 euro (33,732,640 euro at 31 December 2010) for amounts deposited in an Escrow Account which are invested in investments funds with high credit rating and guarantee contractual liabilities assumed on the past sale of Brazil retail operation for which provisions have been recognized (Note 25);
- 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 ongoing tax additional assessments that have not yet been decided. It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers, that the company is acting in accordance with the agreement and that this amount shall be entirely received, and that there are legal means that may be operated so as to compel the buyer to authorize the reimbursement of the Escrow account. There are negotiations currently under way between the two parties in order to release the above mentioned amount; And
- 4,150,000 euro (6,806,000 euro in 31 December 2010) corresponding to the fair value of Sonae Capital SGPS, S.A. shares which are measured at fair value in accordance with the market price at the date of the statement of consolidated financial position.

8 CHANGES TO THE CONSOLIDATION PERIMETER

8.1 Main acquisitions of Companies over the six month period ended 30 September 2011 are as follows:

| COMPANY | Head Office | Percentage of capital held | |
|---------------------------------------|-------------|----------------------------|--------|
| | | At acquisition date | |
| | | Direct | Total |
| Management investments | | | |
| Serentis - Soc. Mediação Seguros, Lda | Lisbon | 100.00% | 50.01% |
| Polinsur - Mediação de Seguros, Lda | Oeiras | 100.00% | 50.01% |

Acquisitions mentioned above, had the following impact on the consolidated financial statements for the period ended 30 September 2011:

| | Investment Management | |
|---|-----------------------|-------------------|
| | At acquisition date | 30 September 2011 |
| Acquired net assets | | |
| Tangible and intangible assets (Note 9) | 651,036 | 635,469 |
| Other assets | 187,401 | 357,157 |
| Cash and cash equivalents | 471,712 | 740,933 |
| Loans | (515,853) | (462,170) |
| Other liabilities | (258,434) | (687,966) |
| | 535,862 | 583,423 |
| Goodwill (Note 12) | 2,332,375 | |
| Non-controlling interests (Note 19) | (282,237) | |
| Acquisition price | 2,586,000 | |
| Payments made accounted as investments | 1,671,000 | |
| Accounts Payable | 915,000 | |
| | 2,586,000 | |
| Net cash outflow arising from acquisition | | |
| Cash consideration paid | 1,671,000 | |
| Cash and cash equivalents acquired | (471,712) | |
| | 1,199,288 | |

9 TANGIBLE ASSETS

During the nine months period ended 30 September 2011 and 2010, movements in Tangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

| | Tangible assets | | | | Total Tangible Assets |
|---|-----------------------|------------------------|--------------|-----------------------------------|-----------------------------|
| | Land and Buildings | Plant and Machinery | Others | Tangible assets in progress | |
| Gross costs: | | | | | |
| Opening balance as at 1 January 2011 | 1,956,383,060 | 2,100,297,445 | 372,674,199 | 83,390,472 | 4,512,745,176 |
| Capital expenditure | 5,587,129 | 6,836,579 | 11,983,845 | 140,089,215 | 164,496,768 |
| Acquisitions of subsidiaries (Note 8) | 666,625 | 15,936 | 406,591 | - | 1,089,152 |
| Change in method | 763,887 | - | 223,269 | - | 987,156 |
| Disposals | (32,520,086) | (59,291,618) | (11,613,973) | (1,681,750) | (105,107,427) |
| Exchange rate effect | (34,757) | (221,580) | (603,428) | (1,369) | (861,134) |
| Transfers | 10,628,409 | 133,520,357 | 14,386,267 | (161,589,249) | (3,054,216) |
| Closing balance as at 30 September 2011 | 1,941,474,267 | 2,181,157,119 | 387,456,770 | 60,207,319 | 4,570,295,475 |
| Accumulated depreciation and impairment losses | | | | | |
| Opening balance as at 1 January 2011 | 383,552,541 | 1,107,784,559 | 299,915,104 | - | 1,791,252,204 |
| Charge for the period | 30,775,888 | 121,635,232 | 29,006,402 | - | 181,417,522 |
| Acquisitions of subsidiaries (Note 8) | 55,875 | 15,936 | 366,305 | - | 438,116 |
| Change in method | 222,913 | - | 207,911 | - | 430,824 |
| Disposals | (6,300,959) | (51,293,581) | (11,337,329) | - | (68,931,869) |
| Exchange rate effect | (9,699) | (142,507) | (300,075) | - | (452,281) |
| Transfers | (21,952) | (2,988,201) | (287,102) | - | (3,297,255) |
| Closing balance as at 30 September 2011 | 408,274,607 | 1,175,011,438 | 317,571,216 | - | 1,900,857,261 |
| Carrying amount | | | | | |
| As at 30 September 2011 | 1,533,199,660 | 1,006,145,681 | 69,885,554 | 60,207,319 | 2,669,438,214 |
| Tangible assets | | | | | |
| | Land and Buildings | Plant and Machinery | Others | Tangible assets in progress | Total Tangible Assets |
| Gross costs: | | | | | |
| Opening balance as at 1 January 2010 | 1,986,853,135 | 1,909,707,144 | 356,672,971 | 192,384,479 | 4,445,617,729 |
| Capital expenditure | 7,497,313 | 4,941,055 | 13,251,883 | 168,961,914 | 194,652,165 |
| Acquisitions of subsidiaries | 763,887 | - | 711,975 | - | 1,475,862 |
| Disposals | (35,190,999) | (36,638,578) | (7,690,348) | (1,286,237) | (80,806,162) |
| Disposals of subsidiaries | (30,071,609) | (250,482) | - | - | (30,322,091) |
| Exchange rate effect | 26,168 | 148,845 | 217,782 | 27 | 392,822 |
| Transfers | 62,163,918 | 194,863,007 | 10,187,880 | (275,884,463) | (8,669,658) |
| Closing balance as at 30 September 2010 | 1,992,041,813 | 2,072,770,991 | 373,352,143 | 84,175,720 | 4,522,340,667 |
| Accumulated depreciation and impairment losses | | | | | |
| Opening balance as at 1 January 2010 | 356,057,319 | 1,030,564,372 | 277,818,463 | - | 1,664,440,154 |
| Charge for the period | 29,266,608 | 111,379,503 | 31,125,768 | - | 171,771,879 |
| Acquisitions of subsidiaries | 212,913 | - | 436,722 | - | 649,635 |
| Disposals | (2,588,091) | (30,586,331) | (7,079,557) | - | (40,253,979) |
| Disposals of subsidiaries | (4,622,572) | (68,612) | - | - | (4,691,184) |
| Exchange rate effect | 16,705 | 65,948 | 98,531 | - | 181,184 |
| Transfers | 29,612 | (1,374,586) | (179,412) | - | (1,524,386) |
| Closing balance as at 30 September 2010 | 378,372,494 | 1,109,980,294 | 302,220,515 | - | 1,790,573,303 |
| Carrying amount | | | | | |
| As at 30 September 2010 | 1,613,669,319 | 962,790,697 | 71,131,628 | 84,175,720 | 2,731,767,364 |

The value of net disposals in "Tangible assets" includes at 30 September 2011 25,748,719 euro related with the Sale & Leaseback operation performed of Retail segment Continente and Worten stores located in Centro Comercial Vasco da Gama. The operation was followed by the beginning of operating lease for an initial period of 20 years, automatically renewable at the option of the lessee, for two consecutive periods of 10 years each.

During the periods ended 30 September 2011, the Board of Directors of the Group, reviewed the estimated useful life of a set of fixed and mobile telecommunications networks assets and of all UMTS network assets. These changes in estimates were recorded

prospectively from 1 January 2011. Such change in the estimates reduced the depreciation amounts for the period ended 30 September 2011 on approximately 7.2 million euro when compared with the 3rd quarter of 2010 .

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

| | 30 September 2011 | 30 September 2010 |
|--|-------------------|-------------------|
| Refurbishment and expansion of stores in the retail businesses located in Portugal | 21,662,819 | 30,850,500 |
| Refurbishment and expansion of stores in the retail businesses located in Spain | 4,236,269 | 4,078,245 |
| Projects of "Continente" stores for which advance payments were made | 9,194,617 | 10,323,231 |
| Deployment of fixed and mobile network | 19,514,504 | 31,570,328 |
| Construction in progress in Maia (Business Park) | - | 4,451,620 |
| Others | 5,599,110 | 2,901,796 |
| | <u>60,207,319</u> | <u>84,175,720</u> |

10 INTANGIBLE ASSETS

During the nine month period ended 30 September 2011 and 2010, movements in Intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

| | Intangible assets | | | Total Intangible Assets |
|---|----------------------------------|--------------------|-------------------------------|-------------------------|
| | Patents and other similar rights | Others | Intangible assets in progress | |
| Gross costs: | | | | |
| Opening balance as at 1 January 2011 | 412,377,255 | 465,745,498 | 33,188,720 | 911,311,473 |
| Capital expenditure | 4,479,531 | 2,738,754 | 24,186,321 | 31,404,606 |
| Disposals | (4,169) | (39,871) | (706,255) | (750,295) |
| Exchange rate effect | (11,977) | (4,402,806) | (12,731) | (4,427,514) |
| Transfers | 3,979 | 34,359,331 | (33,797,904) | 565,406 |
| Closing balance as at 30 September 2011 | <u>416,844,619</u> | <u>498,400,906</u> | <u>22,858,151</u> | <u>938,103,676</u> |
| Accumulated depreciation and impairment losses | | | | |
| Opening balance as at 1 January 2011 | 122,410,080 | 328,532,870 | - | 450,942,950 |
| Charge for the period | 15,634,090 | 33,539,324 | - | 49,173,414 |
| Disposals | (3,441) | (9,933) | - | (13,374) |
| Exchange rate effect | (159) | (1,012,796) | - | (1,012,955) |
| Transfers | (188,205) | (127,941) | - | (316,146) |
| Closing balance as at 30 September 2011 | <u>137,852,365</u> | <u>360,921,524</u> | <u>-</u> | <u>498,773,889</u> |
| Carrying amount | | | | |
| As at 30 September 2011 | <u>278,992,254</u> | <u>137,479,382</u> | <u>22,858,151</u> | <u>439,329,787</u> |

| | Intangible assets | | | Total Intangible Assets |
|---|----------------------------------|-------------|-------------------------------|-------------------------|
| | Patents and other similar rights | Others | Intangible assets in progress | |
| Gross costs: | | | | |
| Opening balance as at 1 January 2010 | 404,407,706 | 392,398,702 | 31,279,161 | 828,085,569 |
| Acquired Assets Fair Value | - | 27,276,799 | - | 27,276,799 |
| Reexpressed opening balance as at 1 January 2010 | 404,407,706 | 419,675,501 | 31,279,161 | 855,362,368 |
| Capital expenditure | 7,838,555 | 1,951,318 | 22,200,357 | 31,990,230 |
| Disposals | (1,385,769) | (1,137,031) | (261,948) | (2,784,748) |
| Exchange rate effect | 905 | 2,717,133 | - | 2,718,038 |
| Transfers | 886,997 | 29,219,468 | (25,476,208) | 4,630,257 |
| Closing balance as at 30 September 2010 | 411,748,394 | 452,426,389 | 27,741,362 | 891,916,145 |
| Accumulated depreciation and impairment losses | | | | |
| Opening balance as at 1 January 2010 | 99,146,402 | 288,900,669 | - | 388,047,071 |
| Charge for the period | 17,442,469 | 28,746,572 | - | 46,189,041 |
| Disposals | (3,235) | (1,024,826) | - | (1,028,061) |
| Exchange rate effect | 69 | 270,922 | - | 270,991 |
| Transfers | (46,780) | 1,188,778 | - | 1,141,998 |
| Closing balance as at 30 September 2010 | 116,538,925 | 318,082,115 | - | 434,621,040 |
| Carrying amount | | | | |
| As at 30 September 2010 | 295,209,469 | 134,344,274 | 27,741,362 | 457,295,105 |

As at 30 September 2011 and 2010, Sonae kept recorded under the heading "Patents and other similar rights" the amounts of 184,066,702 euro and 193,628,608 euro, respectively, that correspond to the investments net of depreciations made in the development of the UMTS network, including: (i) 57,755,546 euro (amount of 60,755,834 euro in 2010) relating to the license; (ii) 19,298,245 euro (amount of 20,300,752 euro in 2010) related to the agreement signed in 2002 between Oni Way and the other three mobile telecommunication operators in Portugal with licenses; (iii) 5,927,074 euro (amount of 6,234,974 euro in 2010) related to a contribution to the Information Society Fund, established in 2007, under an agreement made between the Ministry of Public Works, Transport and Communications ("Ministério das Obras Públicas, Transportes e Comunicações") and the three mobile telecommunication operators in Portugal; and (iv) 96,151,171 euro (amount of 101,146,037 euro in 2010) relating to the "Iniciativas E" program, the latter relating to commitments assumed by Sonae in the "Fund for Information Society".

Additionally, this heading also includes the fair value attributed to a group of brands with indefinite useful lives, among which the "Continente" brand, 75,000,000 euro (the same amount as at 2010).

11 INVESTMENT PROPERTIES

Investment properties are recorded at fair value. These assets are owned by the shopping centres operating segment and are consolidated using the proportionate method.

As at 30 September 2011 and 31 December 2010, Investment properties are detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|------------------------------------|----------------------|----------------------|
| Investment properties in operation | 1,563,525,503 | 1,631,435,084 |
| Investment properties in progress | 110,746,824 | 101,770,512 |
| | <u>1,674,272,327</u> | <u>1,733,205,596</u> |

Investment properties in operation correspond to the fair value of the Sonae's share of shopping centres, which can be detailed as follows:

| | 30 September 2011 | | | 31 December 2010 | | |
|--------------------------|-----------------------------|----------------|----------------------|-----------------------------|---------------|----------------------|
| | 10 years "discount rate" | Yields | Amount | 10 years "discount rate" | Yields | Amount |
| Portugal and Spain | 8,30% e 12,35% | 6,30% e 10,35% | 993,171,326 | 8,45% e 11,75% | 6,20% e 9,25% | 1,070,321,495 |
| Other European Countries | 6,50% e 11,80% | 6,00% e 9,00% | 343,924,000 | 6,75% e 11,75% | 6,00% e 9,00% | 336,848,999 |
| Brazil | 12,75% e 14,00% | 8,25% e 9,50% | 226,430,177 | 12,75% e 14,00% | 8,25% e 9,50% | 224,264,590 |
| | | | <u>1,563,525,503</u> | | | <u>1,631,435,084</u> |

The fair value was determined by a valuation performed as at 30 September 2011 by an independent specialized entity, based on valuation criteria generally accepted in the real estate business.

The reduction on the amount of Investment properties in progress caption results mainly of the sale of two shopping centres in Spain, El Rosal and Plaza Eboli although the Group retained the management of those properties.

Value created on investment properties over the nine months periods ended 30 September 2011 and 2010 can be detailed as follows:

| | 30 September 2011 | 30 September 2010 |
|--|-------------------|-------------------|
| Properties which were under development and were concluded during the period | 3,131,513 | 2,021,543 |
| Changes in fair value of investment properties in operation | 5,285,598 | 1,689,795 |
| Changes in fair value of investment properties in progress | (4,702,993) | (319,492) |
| | <u>3,714,118</u> | <u>3,391,846</u> |

As at 30 September 2011 and 31 December 2010, Investment properties in progress can be detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|---|--------------------------|-------------------------|
| Investment Properties in progress at cost: | | |
| Portugal: | | |
| Alverca | 3,072,737 | 3,068,353 |
| Centro Bordalo | 1,886,009 | 1,736,394 |
| Parque de Famalicão | 628,500 | 628,500 |
| Others | 8,830 | 3,375 |
| Germany: | | |
| Alexa (Tower) | 3,000,000 | 3,000,000 |
| Garbsen | 960,654 | 959,742 |
| Solingen | 6,163,443 | - |
| Others | 7,212 | 7,212 |
| Brazil: | | |
| Goiânia Shopping | 5,257,052 | 5,308,199 |
| Others | 160,265 | 126,586 |
| Spain: | | |
| Dos Mares - expansion | 215,000 | 1,404,902 |
| Pulianas Shopping | 103,105 | 103,105 |
| Greece: | | |
| Ioannina | 8,662,055 | 8,630,507 |
| Aegean Park | 5,019,639 | 4,981,339 |
| Pantheon Plaza | 889,064 | 889,064 |
| Italy: | | |
| Le Terraze (Hypermarket) | - | 3,653,700 |
| Caldogno | 3,974,000 | 4,957,922 |
| Others | - | 252,372 |
| Romania: | | |
| Craiova Shopping | 16,122,349 | 17,674,406 |
| Ploiesti Shopping | 7,195,451 | 7,317,640 |
| | <u>63,325,365</u> | <u>64,703,318</u> |
| Impairment losses | (3,452,000) | (2,197,000) |
| | <u>59,873,365</u> | <u>62,506,318</u> |
| Investment Properties in progress at fair value: | | |
| Portugal: | | |
| Torres Oriente and Ocidente | - | 6,137,875 |
| Brazil: | | |
| Uberlândia Shopping | 15,765,645 | 11,038,042 |
| Boulevard Londrina Shopping | 13,265,064 | 6,323,777 |
| Italy: | | |
| Le Terraze | 21,842,750 | 15,764,500 |
| | <u>50,873,459</u> | <u>39,264,194</u> |
| | <u>110,746,824</u> | <u>101,770,512</u> |

As at 30 September 2011, the following investment properties were mortgaged:

| | |
|----------------------|-------------------|
| Airone | Madeirashopping |
| Algarveshopping | Maiashopping |
| Alverca | Manauara Shopping |
| Arrabidashopping | Max Center |
| Cascaishopping | Munster Arkaden |
| Centro Colombo | Norteshopping |
| Centro Vasco da Gama | Parque Atlântico |
| Coimbrashopping | Parque Principado |
| Dos Mares | Pátio Boavista |
| Estação Viana | Pátio Londrina |

| | |
|------------------|----------------------|
| Freccia Rossa | Pátio Uberlândia |
| Gaiashopping | Plaza Mayor |
| Gli Orsi | Plaza Mayor Shopping |
| Grancasa | River Plaza Mall |
| Guimarãeshopping | Solingen |
| La Farga | Torre Occidente |
| Le Terrazze | Valecenter |
| Loop 5 | Valle Real |
| Luz del Tajo | Viacatarina |
| | Zubiarte |

12 GOODWILL

During the nine month periods ended 30 September 2011 and 2010 movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

| | 30 September 2011 | 30 September 2010 |
|---|-------------------|-------------------|
| Gross value: | | |
| Opening balance | 752,655,036 | 759,786,674 |
| Re-allocation of Goodwill | - | (17,395,216) |
| Restated opening balance | 752,655,036 | 742,391,458 |
| New companies in the consolidation perimeter (Note 8) | 2,332,375 | 3,243,892 |
| Increases | 2,613,686 | 1,408,752 |
| Decreases | (1,812,921) | (1,928,177) |
| Transfers | - | (190,680) |
| Currency translation | (5,164,751) | 2,793,032 |
| Write-off | - | (1,529,706) |
| Closing balance | 750,623,425 | 746,188,571 |
| Accumulated impairment losses: | | |
| Opening balance | 11,916,277 | 13,445,983 |
| Increases | 604,151 | - |
| Write-off | - | (1,529,706) |
| Closing balance | 12,520,428 | 11,916,277 |
| Carrying amount: | 738,102,997 | 734,272,294 |

13 OTHER INVESTMENTS

During the nine months period ended 30 September 2011 and 2010 movements in other investments were made up as follows:

| | 30 September 2011 | | 30 September 2010 | |
|---|-------------------|--------------|-------------------|--------------|
| | Non-current | Current | Non-current | Current |
| Investments in group companies, jointly controlled companies or associated companies excluded from consolidation | | | | |
| Opening balance as at 1 January | 393,447 | - | 925,769 | - |
| Acquisitions in the period | - | - | - | - |
| Disposals in the period | - | - | - | - |
| Transfers | (60,000) | - | 64,470 | - |
| Closing balance as at 30 September | 333,447 | - | 990,239 | - |
| Accumulated impairment losses | - | - | - | - |
| | 333,447 | - | 990,239 | - |
| Other investments: | | | | |
| Fair value (net of impairment losses) as at 1 January | 43,074,613 | 15,195,954 | 17,201,722 | 57,313,909 |
| Acquisitions in the period | 12,839 | 587,542 | 105,149 | 2,677,225 |
| Disposals in the period | (106,057) | (12,604,795) | (249) | (11,402,745) |
| Increase/(Decrease) in fair value | (2,656,000) | - | (6,474,000) | - |
| Transfers | - | - | 1,465 | - |
| Fair value (net of impairment losses) as at 30 September | 40,325,395 | 3,178,701 | 10,834,087 | 48,588,389 |
| Other Investments (Note 7) | 40,658,842 | 3,178,701 | 11,824,326 | 48,588,389 |
| Derivative financial instruments (Note 21) | | | | |
| Fair value as at 1 January | - | 457,160 | - | 365,122 |
| Increase/(Decrease) in fair value | - | 1,842,198 | - | (364,953) |
| Fair value as at 30 September | - | 2,299,358 | - | 169 |
| | 40,658,842 | 5,478,059 | 11,824,326 | 48,588,558 |

The financial investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at the acquisition cost net of impairment losses. It is Sonae understanding that no reliable fair value estimate could be made as there is no market data available for these investments. The heading of Other non-current investments includes 2,763,750 euro (3,530,087 euro as at 30 September 2010) of investments recorded at the cost net of impairment losses for the same reasons.

The investments available for sale are net of impairment losses (Note 25) amounting to 104,978 euro (31,757 euro as at 30 September 2010).

Under the caption other non-current financial investments is recorded an amount of 33,745,053 euro related to deposited amounts on an Escrow Account (Note 7).

14 OTHER NON - CURRENT ASSETS

As at 30 September 2011 and 31 December 2010, Other non- current assets are detailed as follows:

| | 30 September 2011 | | | 31 December 2010 | | |
|--|-------------------|-------------------------------|-------------------|-------------------|-------------------------------|-------------------|
| | Gross Value | Accumulated impairment losses | Carrying Amount | Gross Value | Accumulated impairment losses | Carrying Amount |
| Loans granted to related parties | 8,805,366 | - | 8,805,366 | 8,862,867 | - | 8,862,867 |
| Trade accounts receivable and other debtors | | | | | | |
| Legal deposits | 820,983 | - | 820,983 | 927,976 | - | 927,976 |
| Recognition of an amount receivable from Carrefour (a) | 10,212,120 | - | 10,212,120 | 11,543,000 | - | 11,543,000 |
| Cautions | 5,879,932 | - | 5,879,932 | 4,660,630 | - | 4,660,630 |
| Lisbon Town Council | 3,888,477 | - | 3,888,477 | 3,888,477 | - | 3,888,477 |
| Malaga Town Council | 824,948 | - | 824,948 | 824,948 | - | 824,948 |
| Rent deposits from tenants | 3,172,022 | - | 3,172,022 | 4,089,802 | - | 4,089,802 |
| Financial investments Disposals | 2,249,779 | - | 2,249,779 | 2,367,815 | - | 2,367,815 |
| Others | 3,135,788 | - | 3,135,788 | 3,134,408 | - | 3,134,408 |
| | <u>30,184,049</u> | <u>-</u> | <u>30,184,049</u> | <u>31,437,056</u> | <u>-</u> | <u>31,437,056</u> |
| Non-current derivatives (Note 21) | 16,313 | - | 16,313 | 423,774 | - | 423,774 |
| Reinsurer's' share of technical provisions | 12,460,286 | - | 12,460,286 | 14,326,517 | - | 14,326,517 |
| Other non-current assets | 599,614 | - | 599,614 | 649,086 | - | 649,086 |
| | <u>52,065,628</u> | <u>-</u> | <u>52,065,628</u> | <u>55,699,300</u> | <u>-</u> | <u>55,699,300</u> |

a) 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 10 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.

It is the understanding of the Board of Directors and the Group attorneys that the amount paid will be recovered. The company will start the legal proceedings against Carrefour Comércio e Indústria, Ltda. to recover the above mentioned amount. It's the Board of Directors and the Group attorneys understanding that the 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 with Brazilian law).

According to Group attorneys, the amount improperly received by Carrefour for which a reimbursement will be requested (25,340,145.80 Brazilian real), will earn interests at the SELIC rate, and it is the Board of Directors understanding that the legal proceedings will last up to 8 years.

15 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2011 and 31 December 2010, Trade account receivable and other current assets are detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|---|--------------------|--------------------|
| Trade accounts receivable | 263,442,604 | 273,371,190 |
| Taxes recoverable | 116,344,257 | 96,469,674 |
| Granted loans to related companies | 8,386 | 41,489 |
| Other debtors | | |
| Trade creditors - debtor balances | 71,144,016 | 59,155,520 |
| Special regime for payment of tax and social security debts | 12,047,567 | 12,282,502 |
| VAT recoverable on real estate assets and discount granted | 5,716,817 | 6,308,923 |
| Vouchers and gift cards | 1,268,748 | 1,478,041 |
| Accounts receivable from the disposal of fixed assets | 738,120 | 2,648,223 |
| "Initiativas E" program | 14,098,292 | 17,390,276 |
| Advances for the acquisition of a real estate project | 7,967,500 | 7,967,500 |
| Revocation of contracts for acquisition of stores | 318,766 | 7,080,423 |
| Advances to suppliers | 6,819,421 | 17,663,045 |
| Advances to agents | 915,148 | 1,263,597 |
| Reinsurance operations | 12,080,057 | 4,960,287 |
| Other current assets | 25,328,389 | 29,298,593 |
| | <u>158,442,841</u> | <u>167,496,930</u> |
| Other current assets | | |
| Invoices to be issued | 62,268,975 | 59,169,355 |
| Commercial Discounts | 48,519,992 | 16,696,170 |
| Commissions to be received | 1,645,742 | 1,539,228 |
| Prepayments - Rents | 7,281,092 | 6,369,289 |
| Prepayments of external supplies and services | 26,307,507 | 19,205,197 |
| Other current assets | 17,193,439 | 16,664,201 |
| | <u>163,216,747</u> | <u>119,643,440</u> |
| Accumulated impairment losses in receivables accounts (Note 25) | (110,616,656) | (105,784,729) |
| | <u>590,838,179</u> | <u>551,237,994</u> |

16 DEFERRED TAX

Deferred tax assets and liabilities as at 30 September 2011 and 31 December 2010 can be detailed as follows, split between the different types of temporary differences:

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---------------------|--------------------|--------------------------|--------------------|
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| Difference between fair value and acquisition cost | 2,626,386 | 2,626,386 | 290,902,001 | 291,729,664 |
| Harmonisation adjustments | 7,048,718 | 7,147,763 | 55,455,746 | 50,215,050 |
| Provisions and impairment losses not accepted for tax purposes | 35,796,400 | 19,036,149 | - | - |
| Write off of tangible and intangible assets | 40,137,551 | 47,390,799 | - | - |
| Write off of deferred costs | 21,893,353 | 26,225,648 | 1,380,775 | 2,069,556 |
| Valuation of hedging derivatives | 4,733,248 | 5,450,779 | 442,882 | 158,914 |
| Temporary differences arising from the securitization operation | 7,245,000 | 9,660,000 | - | - |
| Amortisation of Goodwill for tax purposes | - | - | 26,175,060 | 20,940,048 |
| Non taxed exchange differences | - | - | - | 247,167 |
| Revaluation of tangible assets | - | - | 1,773,123 | 1,862,802 |
| Tax losses carried forward | 109,521,733 | 96,392,351 | - | - |
| Reinvested capital gains/(losses) | - | - | 1,931,029 | 2,050,170 |
| Others | 3,856,521 | 6,791,580 | 1,512,283 | 2,035,458 |
| | <u>232,858,910</u> | <u>220,721,455</u> | <u>379,572,899</u> | <u>371,308,829</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 2011 and 31 December 2010, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

| | 30 September 2011 | | | 31 December 2010 | | |
|--|----------------------------|---------------------|------------|----------------------------|---------------------|------------|
| | Tax losses carried forward | Deferred tax assets | Time limit | Tax losses carried forward | Deferred tax assets | Time limit |
| With limited time use | | | | | | |
| Generated in 2005 | 296,604 | 74,151 | 2011 | 296,604 | 74,151 | 2011 |
| Generated in 2006 | 296,731 | 74,183 | 2012 | 299,784 | 74,946 | 2012 |
| Generated in 2007 | 1,740,323 | 435,081 | 2013 | 1,308,603 | 327,151 | 2013 |
| Generated in 2008 | 3,541,103 | 885,276 | 2014 | 3,541,099 | 885,276 | 2014 |
| Generated in 2009 | 34,627,364 | 8,656,841 | 2015 | 34,626,954 | 8,656,739 | 2015 |
| Generated in 2010 | 1,302,932 | 325,733 | 2014 | 1,263,284 | 315,818 | 2014 |
| Generated in 2011 | 13,851,791 | 3,462,949 | 2015 | - | - | |
| | <u>55,656,848</u> | <u>13,914,214</u> | | <u>41,336,328</u> | <u>10,334,081</u> | |
| Without limited time use | 9,718,549 | 2,768,501 | | 7,285,741 | 2,094,121 | |
| With a time limit different from the above mentioned | 309,641,189 | 92,839,018 | | 280,136,743 | 83,964,149 | |
| | <u>319,359,738</u> | <u>95,607,519</u> | | <u>287,422,484</u> | <u>86,058,270</u> | |
| | <u>375,016,586</u> | <u>109,521,733</u> | | <u>328,758,812</u> | <u>96,392,351</u> | |

As at 30 September 2011 and 31 December 2010, deferred tax assets resulting from tax losses carried forward were re-assessed against each company's business plans, which are regularly updated, and available tax planning opportunities. Deferred tax assets have only been recognized to the extent that future taxable profits will arise which may be offset against available tax losses or against deductible temporary differences. This evaluation was based in the company's business plans, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

As at 30 September 2011 there was tax losses carried forward tax losses carried forward, for which no deferred tax assets were recognized due to prudential reasons. These may be summarised as follows:

| | 30 September 2011 | | | 31 December 2010 | | |
|--|----------------------------|---------------------|------------|----------------------------|---------------------|------------|
| | Tax losses carried forward | Deferred tax credit | Time limit | Tax losses carried forward | Deferred tax credit | Time limit |
| With limited time use | | | | | | |
| Generated in 2005 | 5,415,229 | 1,353,807 | 2011 | 17,295,106 | 4,323,777 | 2011 |
| Generated in 2006 | 48,091,032 | 12,022,758 | 2012 | 53,377,911 | 13,344,477 | 2012 |
| Generated in 2007 | 56,150,777 | 14,037,695 | 2013 | 60,528,122 | 15,132,031 | 2013 |
| Generated in 2008 | 8,591,397 | 2,147,850 | 2014 | 13,577,675 | 3,394,420 | 2014 |
| Generated in 2009 | 19,820,422 | 4,955,104 | 2015 | 27,961,443 | 6,990,387 | 2015 |
| Generated in 2010 | 9,368,184 | 2,342,046 | 2014 | 16,800,963 | 4,200,239 | 2014 |
| Generated in 2011 | 5,050,779 | 1,262,695 | 2015 | | | |
| | <u>152,487,820</u> | <u>38,121,955</u> | | <u>189,541,220</u> | <u>47,385,331</u> | |
| Without limited time use | 68,488,956 | 17,672,928 | | 56,081,477 | 13,834,353 | |
| With a time limit different from the above mentioned | 335,619,582 | 85,148,049 | | 333,736,403 | 85,332,332 | |
| | <u>404,108,538</u> | <u>102,820,977</u> | | <u>389,817,880</u> | <u>99,166,685</u> | |
| | <u>556,596,358</u> | <u>140,942,932</u> | | <u>579,359,100</u> | <u>146,552,016</u> | |

17 CASH AND CASH EQUIVALENTS

As at 30 September 2011 and 31 December 2010, Cash and cash equivalents can be detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|--|-------------------|------------------|
| Cash at hand | 7,123,926 | 7,343,569 |
| Bank deposits | 120,466,059 | 217,226,030 |
| Treasury applications | 186,825,762 | 23,022,451 |
| Cash and cash equivalents on the balance sheet | 314,415,747 | 247,592,050 |
| Bank overdrafts (Note 20) | (21,269,080) | (10,118,117) |
| Cash and cash equivalents on the statement of cash flows | 293,146,667 | 237,473,933 |

Bank overdrafts are disclosed in the balance sheet under Current loans.

18 SHARE CAPITAL

As at 30 September 2011, 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 15 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 maximum maturity of three years and 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 non-current liabilities" (Note 22). According to the interpretation made by Sonae of the IAS 39, applied by analogy to own equity instruments, the derecognition of own shares is not allowed as 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, as at 4 January 2008, demerger rights attributable to the 132,800,000 Sonae SGPS, SA 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.

On 23 April 2009, 10 March 2010 and 28 March 2011 Sonae Investments BV requested a partial cancellation of the Cash settled Equity Swap for 1,134,965, 1,185,144 and 3,639,140 shares of Sonae Holding respectively. Consequently the derivative underlying asset was updated to 126,840,751 Sonae Holding shares.

On 19 October 2010 Sonae Investments BV has agreed with a financial institution to extend the maturity of the Cash Settled Equity Swap over the 130,479,891 Sonae Holding´s shares. The renovation is done for a maximum of 3 additional years, until November 2013 and maintains the settlement mechanism of the transaction that remains strictly cash settled. The Cash Settled Equity Swap, over shares of Sonae Capital, was not subject to extension of maturity, and Sonae acquired 16,600,000 shares in the market representing 6.6% of the capital of Sonae Capital, in result of fair value.

Therefore and for the transactions described above, the value of liabilities at the date of 30 September 2011, is 66,591,394 euro on the market value of Sonae Holding (Note 22).

These liabilities are adjusted at the end of each month by the effect in Sonae Holding share price, being recognized a current 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 recorded in the income statement.

The receivable amount arising on dividends distributed by the Company is credited to Equity in order to offset the charge of the distribution. The amount of dividends attributable to the shares Sonae SGPS, SA during the period ended 30 September 2011, amounts to 4,198,429 euro (4,110,117 euro in 2010) which was credited to equity.

The number of shares taken into consideration to calculate earnings per share includes the shares referred to above as a deduction to the shares issued by the Company (Note 29).

At 30 September 2011, the following entities held more than 20% of the subscribed share capital:

| Entity | % |
|---|-------|
| Efanor Investimentos, SGPS, SA and subsidiaries | 52.98 |

19 NON-CONTROLLING INTERESTS

Movements in non-controlling interests during the periods ended 30 September 2011 and 2010 are as follows:

| | 30 September 2011 | 30 September 2010 |
|---|-------------------|-------------------|
| Opening balance as at 1 January | 524,088,940 | 477,968,755 |
| Dividends | (9,816,968) | (1,752,069) |
| Exchange rate effect | (7,647,148) | 1,655,818 |
| Acquisition of subsidiaries (Note 8) | 282,237 | (2,757,465) |
| Capital increase and share premium | 1,276,562 | 15,287,888 |
| Increase of capital with shareholding variation | 61,734,261 | - |
| Increased shareholding by acquisitions | 2,340,323 | (877,017) |
| Changes in hedge and fair value reserves | (760,814) | (1,835,790) |
| Others | (19,637) | (282,987) |
| Profit for the period attributable to non controlling interests | 37,560,411 | 18,821,340 |
| Closing balance | 609,038,167 | 506,228,473 |

20 LOANS

As at 30 September 2011 and 31 December 2010, Loans are made up as follows:

| | 30 September 2011 | | 31 December 2010 | |
|---|--------------------|----------------------|--------------------|----------------------|
| | Outstanding amount | | Outstanding amount | |
| | Current | Non Current | Current | Non Current |
| Bank loans | | | | |
| Sonae, SGPS, SA - commercial paper | 93,500,000 | - | 61,000,000 | - |
| Sonae Investimentos, SGPS, S.A. - commercial paper | 5,000,000 | 425,000,000 | - | 292,000,000 |
| a)b) Sonae Sierra affiliated companies | 22,622,169 | 266,988,899 | 17,761,891 | 382,680,843 |
| a)b)c) Sonae Sierra affiliated companies | 39,995,667 | 385,783,558 | 36,525,264 | 342,636,063 |
| a)b)d) Sonae Sierra affiliated companies | - | 21,736,910 | - | - |
| a) Sonae Sierra affiliated companies | 489,596 | 5,497,812 | 5,368,935 | 5,979,416 |
| a)c)d) Sonae Sierra affiliated companies | 443,256 | 1,403,643 | - | - |
| Sonaecom SGPS, SA - commercial paper | 121,140,916 | - | 28,250,000 | 85,000,000 |
| MDS, SGPS, SA - commercial paper | - | 10,000,000 | - | 10,000,000 |
| Lazam, SA | - | 20,345,430 | - | - |
| Others | 3,844,855 | 10,168,700 | 6,497,903 | 13,844,568 |
| | <u>287,036,459</u> | <u>1,146,924,952</u> | <u>155,403,993</u> | <u>1,132,140,890</u> |
| Bank overdrafts (Note 17) | 21,269,080 | - | 10,118,117 | - |
| Up-front fees beard with the issuance of borrowings | (1,068,792) | (3,766,960) | (769,792) | (4,465,330) |
| Bank loans | <u>307,236,747</u> | <u>1,143,157,992</u> | <u>164,752,318</u> | <u>1,127,675,560</u> |
| Bonds | | | | |
| Bonds Sonae / 05 | - | 100,000,000 | - | 100,000,000 |
| Bonds Sonae 2007/2014 | - | 150,000,000 | - | 150,000,000 |
| Bonds Sonae 2007/2015 | - | 250,000,000 | - | 250,000,000 |
| e) Bonds Modelo Continente / 2003 | - | - | 82,000,000 | - |
| Bonds Modelo Continente / 2005 / 2012 | 150,000,000 | - | - | 150,000,000 |
| Bonds Modelo Continente / 2007 / 2012 | 200,000,000 | - | - | 200,000,000 |
| Bonds Sonae Distribuição / 2007 / 2015 | - | 200,000,000 | - | 200,000,000 |
| Bonds Sonae Distribuição / 2007 / 2015 | - | 310,000,000 | - | 310,000,000 |
| Bonds Sonae Distribuição / 2009 / 2014 | 16,000,000 | 26,000,000 | 8,000,000 | 42,000,000 |
| Bonds Sonaecom / 2005/2013 | - | 150,000,000 | - | 150,000,000 |
| Bonds Sonaecom / 2010/2013 | - | 30,000,000 | - | 30,000,000 |
| Bonds Sonaecom / 2010/2015 | - | 40,000,000 | - | 40,000,000 |
| Bonds Sonaecom / 2011/2015 | - | 100,000,000 | - | - |
| Bonds Sonae Sierra / 2008/2013 | - | 37,500,000 | - | 37,500,000 |
| Up-front fees beard with the issuance of borrowings | (256,342) | (7,195,985) | (499,580) | (7,515,653) |
| Bonds | <u>365,743,658</u> | <u>1,386,304,015</u> | <u>89,500,420</u> | <u>1,651,984,347</u> |
| Other loans | 8,860 | 162,625 | 33,466 | 550,174 |
| Derivative instruments (Note 21) | 85,986 | 33,103,561 | 5,245,380 | 33,272,397 |
| Other loans | 94,846 | 33,266,186 | 5,278,846 | 33,822,571 |
| Obligations under finance leases | 4,495,603 | 24,917,079 | 4,932,664 | 26,468,295 |
| | <u>677,570,854</u> | <u>2,587,645,272</u> | <u>264,464,248</u> | <u>2,839,950,773</u> |

- a) These amounts are proportionate considering the percentage held by Sonae;
- b) These loans are guaranteed by mortgages of investment properties held by those affiliated companies;
- c) These loans are guaranteed by a pledge of shares held by those affiliated companies;
- d) These loans are guaranteed by bank guarantees;
- e) The group acquired all of the Bonds Modelo Continente in 2003, and proceeded to their amortization.

At 30 September 2011, Sonae has agreed lines of credit and commercial paper amounting to 1,449 million euro, of which 695 million with firm commitments with maturity not exceeding one year and 470 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 500 million credit facilities available to meet its liquidity requirements.

The interest rate as at 30 September 2011 of bonds and loans were in average 2.67% (2.04% 31 December 2010).

Bank loans bear interests at market rates based on Euribor for each interest payment term, therefore the fair value of bank loans are estimated to be similar to their market value.

The derivative instruments are recorded at fair value (Note 21).

The repayment schedule of the nominal value of loans can be summarised as follows:

| | 30 September 2011 | 31 December 2010 |
|-------------------|----------------------|----------------------|
| N+1 ^{a)} | 678,810,002 | 260,488,240 |
| N+2 | 548,383,337 | 506,287,216 |
| N+3 | 569,924,804 | 556,923,415 |
| N+4 | 847,402,534 | 548,918,015 |
| N+5 | 229,948,241 | 742,517,918 |
| After N+5 | 369,845,740 | 464,012,795 |
| | <u>3,244,314,658</u> | <u>3,079,147,599</u> |

a) Includes the amounts drawn under commercial paper programs.

The maturities above were estimated in accordance with the contractual terms of loans that do not include financial covenants.

21 DERIVATIVES

Exchange rate derivatives

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

Sonae contracted several exchange rate forwards and options in order to manage its exchange rate exposure.

As at 30 September 2011, the fair value of exchange rate derivatives which haven't been considered hedging instruments, calculated based on present market value of equivalent financial instruments of exchange rate, is null in liabilities as in the caption current investments (76,618 and zero euro as of 31 December 2010)

The computation of the fair value of these financial instruments was made taking into consideration the present value at balance sheet date of the forward settlement amount of the relevant contract. The settlement amount considered in the valuation, is equal to the reference currency notional amount (foreign currency) multiplied by the difference between the contracted forward exchange rate and the forward exchange market rate to the settlement date as at the valuation date.

Gains and 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 caption "Net financial expenses".

Gains and losses for the period arising from fair value change of derivatives qualified as hedging instruments were recorded in the caption "Hedging reserve" of Comprehensive Income.

Interest rate derivatives

As at 30 September 2011, derivatives used by Sonae refer essentially to swaps and interest rate options ("cash flow hedges"). These were negotiated to hedge the interest rate risk of loans amounting to 1,006,234,394 euro (1,118,050,663 euro as at 31 December 2010). The fair value of these derivatives amounts to -33,087,248 euro (-37,139,105 euro as at 31 December 2010), and is disclosed as assets amounting to 16,313 euro (423,774 euro as at 31 December 2010) and as liabilities 33,103,561 euro (37,562,879 euro as at 31 de December de 2010).

Derivatives were valued considering the estimated future cash-flows, assuming the exercise of the cancellation options by the counterparties when the forward interest rates are higher than the established fixed interest rate. Sonae intends to keep these derivatives until their expiration date, therefore, this valuation is considered to be the most appropriate to estimate the future cash flow of these instruments.

These interest rate derivatives are valued at fair value, at the balance sheet 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 calculated, at the balance sheet 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.

Interest rate and exchange rate derivatives

As at 30 September 2011 no contracts existed related to interest rate and exchange rate derivatives.

Fair value of derivatives

The fair value of derivatives is detailed as follows:

| | Assets | | Liabilities | |
|--------------------------------------|-------------------|------------------|-------------------|-------------------|
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| Derivatives not qualified as hedging | | | | |
| Exchange rate (Note 13 and 20) | - | - | - | 76,618 |
| Hedging derivatives | | | | |
| Exchange rate (Note 13 and 20) | 2,299,358 | 457,160 | 85,986 | 878,280 |
| Interest rate (Note 14 and 20) | 16,313 | 423,774 | 33,103,561 | 37,562,879 |
| | <u>2,315,671</u> | <u>880,934</u> | <u>33,189,547</u> | <u>38,517,777</u> |

22 OTHER NON - CURRENT LIABILITIES

As at 30 September 2011 and 31 December 2010, "Other non-current liabilities" is detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|-------------------------------|--------------------|--------------------|
| Shareholders loans | 40,800,727 | 39,351,233 |
| Fixed assets suppliers | 4,504,310 | 4,862,095 |
| "Iniciativas E" program | 2,253,107 | 2,253,107 |
| Other non-current liabilities | 90,503,545 | 133,574,695 |
| Accruals and deferrals | 1,675,967 | 1,317,990 |
| Other non-current liabilities | <u>139,737,656</u> | <u>181,359,120</u> |

The caption Shareholders loans relates to affiliated undertakings in the retail, shopping centres and investment management segments. These liabilities do not have a defined vesting date and bear interests at variable market rates.

The caption Other non-current liabilities includes the amount of 66,591,394 euro (101,774,315 euro as at 31 December 2010) related to the fair value of the derivative on Sonae Holding shares referred to in Note 18.

23 SHARE-BASED PAYMENTS

In 2011 and in previous years, Sonae granted deferred performance bonuses to its directors and eligible employees. These are either based on shares to be acquired at nil cost, three years after they were attributed to the employee, or based on share options with the exercise price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year.

Sonae Holding plans, are settled in shares therefore as at 30 September 2011, all Sonae Holding plans are recorded in the statement of financial position under the caption "Other reserves" with the corresponding cost being recorded as "Staff costs".

The plans that continue to be settled in cash, shall remain recorded in the balance sheet, in the figure other liabilities of the balance sheet, and staff costs in the income statement.

As at 30 September 2011 and 31 December 2010, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

| | Grant year | Vesting year | Number of participants | Fair value | |
|--------------|------------|--------------|------------------------|-------------------|-------------------|
| | | | | 30 September 2011 | 31 December 2010 |
| Shares | | | | | |
| | 2008 | 2011 | 459 | - | 5,610,174 |
| | 2009 | 2012 | 480 | 9,072,759 | 8,300,686 |
| | 2010 | 2013 | 491 | 3,984,666 | 4,706,106 |
| | 2011 | 2014 | 488 | 4,482,461 | - |
| Total | | | | 17,539,886 | 18,616,966 |

As at 30 September 2011 and 31 December 2010 the financial statements include the following amounts corresponding to the period elapsed between those dates and the date of granting deferred bonus plans, which have not yet vested:

| | 30 September 2011 | 31 December 2010 |
|----------------------------------|-------------------|-------------------|
| Staff costs | 6,334,586 | 6,319,318 |
| Recorded in previous years | 8,392,211 | 7,572,574 |
| | <u>14,726,797</u> | <u>13,891,892</u> |
| Recorded in other liabilities | 5,072,079 | 7,238,557 |
| Recorded value in Other reserves | 9,654,718 | 6,653,335 |
| | <u>14,726,797</u> | <u>13,891,892</u> |

24 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2011 and 31 December 2010, Trade creditors and other current liabilities were made up as follows:

| | 30 September 2011 | 31 December 2010 |
|--------------------------------------|----------------------|----------------------|
| Trade creditors | 1,077,256,546 | 1,264,689,283 |
| Taxes payable | 75,488,841 | 108,704,088 |
| Other creditors | | |
| Fixed asset suppliers | 49,968,719 | 101,063,532 |
| Related undertakings | 5,851,080 | 5,888,302 |
| Other debts | 75,851,750 | 83,339,503 |
| | <u>131,671,549</u> | <u>190,291,337</u> |
| Other current liabilities | | |
| Property investments accruals | 3,262,490 | 5,556,771 |
| Fixed assets accrued costs | 2,913,680 | 8,803,150 |
| Holiday pay and bonuses | 133,242,472 | 126,653,883 |
| Interests payable | 18,434,097 | 16,631,751 |
| Invoices to be issued | 41,325,346 | 43,994,715 |
| Commissions | 4,241,393 | 5,618,354 |
| Marketing expenses | 22,635,325 | 27,054,939 |
| Information society | 19,365,985 | 33,219,196 |
| Other external supplies and services | 61,447,630 | 58,979,060 |
| Accrued income - trade debtors | 35,359,979 | 34,025,665 |
| Accrued income - rents | 5,097,284 | 5,149,995 |
| Others | 45,674,977 | 38,234,965 |
| | <u>393,000,658</u> | <u>403,922,444</u> |
| | <u>1,677,417,594</u> | <u>1,967,607,152</u> |

25 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in Provisions and impairment losses over the nine months period ended 30 September 2011 and 2010 were as follows:

| Caption | Balance as at 31 December 2010 | Increase | Decrease | Balance as at 30 September 2011 |
|--|-----------------------------------|-------------------|---------------------|------------------------------------|
| Accumulated impairment losses on investments (Note 13) | 26,769 | 78,718 | (509) | 104,978 |
| Accumulated impairment losses on trade account receivables and other debtors (Note 15) | 105,784,729 | 21,857,547 | (17,025,620) | 110,616,656 |
| Accumulated impairment losses on inventories | 35,596,931 | 15,271,852 | (5,021,877) | 45,846,906 |
| Non-current provisions | 62,823,444 | 9,643,708 | (2,785,820) | 69,681,332 |
| Current provisions | 2,738,228 | 1,481,344 | (1,023,510) | 3,196,062 |
| | <u>206,970,101</u> | <u>48,333,169</u> | <u>(25,857,336)</u> | <u>229,445,934</u> |

| Caption | Balance as at 31 December 2009 | Increase | Decrease | Balance as at 30 September 2010 |
|--|-----------------------------------|-------------------|---------------------|------------------------------------|
| Accumulated impairment losses on investments (Note 13) | 67,925 | 535 | (36,703) | 31,757 |
| Accumulated impairment losses on other non-current assets | 141,988 | - | - | 141,988 |
| Accumulated impairment losses on trade account receivables and other debtors | 103,988,411 | 17,404,051 | (15,545,579) | 105,846,883 |
| Accumulated impairment losses on inventories | 31,644,772 | 7,042,754 | (3,932,316) | 34,755,210 |
| Non-current provisions | 50,607,367 | 7,905,526 | (441,944) | 58,070,949 |
| Current provisions | 2,617,751 | 270,708 | (800,022) | 2,088,437 |
| | <u>189,068,214</u> | <u>32,623,574</u> | <u>(20,756,564)</u> | <u>200,935,224</u> |

As at 30 September 2011 and 31 December 2010, Provisions can be analysed as follows:

| | 30 September 2011 | 31 December 2010 |
|--|-------------------|------------------|
| Technical provisions on reinsurance | 8,318,224 | 8,069,284 |
| Future liabilities relating to subsidiaries of retail sold in Brazil | 9,605,187 | 10,856,969 |
| Dismantling of telecommunication sites | 22,825,571 | 22,729,081 |
| Clients Guarantees | 13,585,855 | 7,833,843 |
| Judicial claims | 7,832,177 | 7,744,369 |
| Others | 10,710,380 | 8,328,126 |
| | 72,877,394 | 65,561,672 |

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

26 CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2011 and 31 December 2010, major contingent liabilities were guarantees given and can be detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|---------------------|-------------------|------------------|
| Guarantees given: | | |
| on tax claims | 326,624,223 | 270,130,723 |
| on judicial claims | 614,885 | 575,115 |
| on municipal claims | 6,802,273 | 7,011,523 |
| others | 48,811,580 | 54,745,874 |

The caption "Others" includes 5,240,092 euro (13,194,442 euro as at 31 December 2010) to guarantee part of the debt of Sonae Sierra affiliates related with the purchase, sale and exchange of land.

Companies of Retail segment provided guarantees to the tax authorities associated with processes relating to VAT, amounting to 102,100,000 million euros, for which they were made or intends to submit their disputes. This processes is a understanding of Tax Administration that the Group should credit of Value Added Tax in respect of discounts given by suppliers and calculated based on values of purchases, the Tax Administration claims alleged match services to those entities, and the relative values for the regularization in debit in Value Added Tax in favor of the group related to loyalty programs discounts offer to customers.

In addition to guarantees above were made by Sonae SGPS, SA a pledge in favour of Sonae Investimentos, SGPS, SA amounting to 122,065,143 euro (71,485,070 as at 31 December 2010) for the purpose of suspension of tax cases. The most relevant of which, amounting to about 60 million, arising as a result of judicial review lodged by the Company in respect of adjustments made by the Tax Administration to income tax for the exercise ended at 31 December 2005, corresponding to a cover losses accumulated by the subsidiary, which was brought to the costs 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, including therefore to cover losses when the liquidation of the subsidiary.

Guarantees given on tax claims include a guarantee granted by a company of the Retail segment in Brazil, of approximately 29.6 million euro (74,078,784 brazilian real as at 31 December 2010), which is being judged by tax courts.

As a consequence of the sale of a subsidiary company in Brazil, Sonae guaranteed the buyer all the losses incurred by that company arising on unfavourable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2010, 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 (27.6 million euro) related to programmes for the Brazilian State of tax recovery amount to near 39.8 million euro.

Furthermore, there are other tax lawsuits totalling 54.7 million euro for which the Board, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary referred above.

At 31 December 2010, the Telecommunications segment, there are outstanding balances with national operators registered under the headings of customers and suppliers, amounting to 37,139,253 Euros and 29,913,608 euro respectively, as well as balances of "Other assets currents" in the amount of 411,649 euro, and "Other current liabilities" in the amount of 6,817,553 euro, resulting from a dispute remained essentially with the TMN-Mobile Telecommunications SA on the vagueness of the interconnection prices for the year 2001,

their costs and revenues were recorded in that year. The Group considered the financial statements more penalizing tariffs. First Instance in the sentence was wholly favourable to the Group. The Court of Appeal, on appeal, dismissed again rejected the attempts of TMN. However, TMN again appeal this decision, now before the Supreme Court, which upheld the Court of Appeal dismissing the thoughts of the TMN, thus concluding that the interconnection prices for 2001 were not defined. The settlement of outstanding amounts will depend on the price that will be established.

No provision has been recognized on possible risks related with the events / disputes for which guarantees were granted as in accordance with its best knowledge it is the Board understanding that the resolution of those events / disputes will not lead to any liabilities to Sonae.

27 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

| Transactions | Sales and services rendered | | Purchases and services obtained | |
|------------------------------------|-----------------------------|-------------------|---------------------------------|-------------------|
| | 30 September 2011 | 30 September 2010 | 30 September 2011 | 30 September 2010 |
| Parent Company | 117,496 | 123,793 | - | - |
| Jointly controlled companies | 9,808,553 | 8,474,770 | 14,443,325 | 13,969,450 |
| Associated companies | 28,419,857 | 28,857,384 | 2,567,504 | 1,272,603 |
| Other partners and Group companies | 49,851,912 | 51,250,353 | 18,053,095 | 25,468,854 |
| | <u>88,197,818</u> | <u>88,706,300</u> | <u>35,063,924</u> | <u>40,710,907</u> |
| | | | | 0 |
| Transactions | Interest income | | Interest expenses | |
| | 30 September 2011 | 30 September 2010 | 30 September 2011 | 30 September 2010 |
| Parent Company | - | - | 401,984 | - |
| Jointly controlled companies | 3,782 | - | - | 3,173 |
| Associated companies | 282,959 | 49 | - | - |
| Other partners and Group companies | 65,579 | 67,068 | 1,386,419 | 1,624,337 |
| | <u>352,320</u> | <u>67,117</u> | <u>1,788,403</u> | <u>1,627,510</u> |
| Balances | Accounts receivable | | Accounts payable | |
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| Parent Company | 16,729 | 102,607 | 401,984 | - |
| Jointly controlled companies | 6,311,672 | 2,697,745 | 5,205,030 | 5,641,691 |
| Associated companies | 5,084,375 | 4,152,235 | 1,533,714 | 2,443,183 |
| Other partners and Group companies | 15,481,140 | 19,311,222 | 11,481,086 | 15,664,418 |
| | <u>26,893,916</u> | <u>26,263,809</u> | <u>18,621,814</u> | <u>23,749,292</u> |
| Balances | Loans | | | |
| | Obtained | | Granted | |
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| Parent Company | - | - | - | - |
| Jointly controlled companies | - | - | 88,812 | 85,763 |
| Associated companies | - | - | 7,450,244 | 7,528,812 |
| Other partners and Group companies | 44,644,225 | 44,819,198 | 262,819 | 248,393 |
| | <u>44,644,225</u> | <u>44,819,198</u> | <u>7,801,875</u> | <u>7,862,968</u> |

The caption "Other partners in Group companies" 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.

28 INCOME TAX

As at 30 September 2011 and 2010, income tax is detailed as follows:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--------------|--------------------------|--------------------------|
| Current tax | 23,600,250 | 37,245,303 |
| Deferred tax | 1,975,182 | 26,828,126 |
| | <u>25,575,432</u> | <u>64,073,429</u> |

29 EARNINGS PER SHARE

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

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--|--------------------------|--------------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period) | 84,113,508 | 97,852,873 |
| Effect of dilutive potential shares | - | - |
| Interest related to convertible bonds (net of tax) | - | - |
| | <u>84,113,508</u> | <u>97,852,873</u> |
| Number of shares | | |
| Weighted average number of shares used to calculate basic earnings per share | 1,873,159,249 | 1,869,520,109 |
| Effect of dilutive potential ordinary shares from convertible bonds | - | - |
| Outstanding shares related with share based payments | 13,302,296 | 12,050,889 |
| Shares related to performance bonus that can be bought at market price | (5,237,227) | (5,101,577) |
| | <u>1,881,224,318</u> | <u>1,876,469,421</u> |
| Earnings per share | | |
| Basic | 0.044905 | 0.052341 |
| Diluted | <u>0.044712</u> | <u>0.052147</u> |

30 DIVIDENDS

In the Shareholders Annual General Meeting held on 27 April 2011, the payment of a gross dividend of 0.0331 euro per share (0.0315 euro per share in 2010) corresponding to a total of 66,200,000 euro (63,000,000 euro in 2010) was approved.

31 SEGMENT INFORMATION

As described with more detail in the Management Report the operating segments used by Sonae management are as follows:

- Food based retail
- Specialized retail
- Retail real estate
- Shopping Centres
- Telecommunications
- Investment Management

The amounts reported below, are calculated, when applicable, excluding contributions to indirect income as explained in Note 33.

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

| | 30 September 2011 | Inter-segment income | 31 September 2010 (Note 1) | Inter-segment income |
|---|----------------------|-------------------------|-------------------------------|-------------------------|
| Turnover | | | | |
| Food based retail | 2,439,257,793 | (4,434,270) | 2,449,257,147 | (4,751,733) |
| Ex-Fuel | 2,420,943,382 | (4,434,270) | 2,374,671,086 | (4,751,733) |
| Fuel | 18,314,411 | - | 74,586,061 | - |
| Specialized retail | 861,091,445 | - | 869,761,764 | - |
| Retail real estate | 89,361,575 | (84,857,996) | 95,228,485 | (89,061,687) |
| Shopping centres | 143,638,953 | (10,020,317) | 142,655,891 | (9,891,646) |
| Telecommunications | 650,308,824 | (18,788,157) | 684,127,676 | (14,882,131) |
| Investment management | 102,845,607 | 80,700 | 104,149,243 | (501,548) |
| Eliminations and adjustments | (114,934,299) | (163,371) | (114,125,077) | (870,214) |
| Total direct consolidated | 4,171,569,898 | (118,183,411) | 4,231,055,129 | (119,958,959) |
| Operational cash-flow (EBITDA) | | | | |
| Food based retail | 149,151,527 | | 149,034,592 | |
| Specialized retail | (15,841,034) | | 16,238,480 | |
| Retail real estate | 97,502,294 | | 97,047,664 | |
| Shopping centres | 67,447,267 | | 69,459,299 | |
| Telecommunications | 164,017,079 | | 148,988,549 | |
| Investment management | 6,166,723 | | 3,654,418 | |
| Eliminations and adjustments | 12,317,677 | | 8,251,042 | |
| Total direct consolidated | 480,761,533 | | 492,674,044 | |
| Operational profit/(loss) (EBIT) | | | | |
| Food based retail | 81,028,690 | | 89,901,154 | |
| Specialized retail | (55,635,524) | | (15,983,043) | |
| Retail real estate | 74,493,004 | | 72,998,732 | |
| Shopping centres | 64,200,774 | | 67,070,131 | |
| Telecommunications | 70,263,893 | | 50,798,688 | |
| Investment management | (7,361) | | (1,811,199) | |
| Eliminations and adjustments | (4,454,588) | | (2,775,377) | |
| Total direct consolidated | 229,888,888 | | 260,199,086 | |
| Investment (CAPEX) | | | | |
| | 30 September 2011 | | 30 September 2010 | |
| Food based retail | 53,958,857 | | 57,737,134 | |
| Specialized retail | 60,413,961 | | 59,359,223 | |
| Retail real estate | 8,260,245 | | 17,762,053 | |
| Shopping centres | 40,475,554 | | 40,870,471 | |
| Telecommunications | 65,880,000 | | 87,522,758 | |
| Investment management | 5,830,049 | | 10,698,366 | |
| Eliminations and adjustments (1) | (179,861) | | 4,218,500 | |
| Total consolidated | 234,638,805 | | 278,168,505 | |

| | 30 September 2011 | 31 December 2010 |
|----------------------------------|----------------------|----------------------|
| Invested capital | | |
| Food based retail | 618,867,218 | 479,204,374 |
| Specialized retail | 444,248,343 | 337,037,521 |
| Retail real estate | 1,366,238,564 | 1,418,165,276 |
| Shopping centres | 1,507,832,927 | 1,576,617,718 |
| Telecommunications | 811,860,198 | 781,749,152 |
| Investment management | 156,478,322 | 155,569,048 |
| Eliminations and adjustments (1) | (7,877,380) | (34,500,775) |
| Total consolidated | 4,897,648,192 | 4,713,842,314 |
| Total net debt (2) | | |
| Retail businesses | 1,237,469,959 | 1,046,670,860 |
| Shopping centres | 725,192,474 | 829,279,533 |
| Telecommunications | 323,646,414 | 348,085,829 |
| Investment management | 93,097,327 | 80,627,179 |
| Holding (1) | 578,365,587 | 547,616,771 |
| Total consolidated | 2,957,771,761 | 2,852,280,172 |

(1) Includes Sonae Individual accounts;

(2) Includes shareholders loans;

The caption "Eliminations and Adjustments" can be analysed as follows:

| | Turnover | | Operational cash-flow (EBITDA) | | Operational profit/(loss) (EBIT) | |
|---|----------------------|----------------------|--------------------------------|-------------------|----------------------------------|--------------------|
| | 30 September 2011 | 30 September 2010 | 30 September 2011 | 30 September 2010 | 30 September 2011 | 30 September 2010 |
| Inter-segment income | (118,183,411) | (119,958,959) | 1,013,728 | (707,870) | 908,457 | (259,480) |
| Adjustment on telecommunications provisions (3) | - | - | 16,545,953 | 11,389,585 | - | - |
| Others | 3,249,112 | 5,833,882 | (5,242,004) | (2,430,673) | (5,363,045) | (2,515,896) |
| Eliminations and adjustments | (114,934,299) | (114,125,077) | 12,317,677 | 8,251,042 | (4,454,588) | (2,775,377) |

(3) The sub-holding considers provisions as EBITDA.

| | Investment | | Invested capital | |
|-------------------------------------|-------------------|-------------------|--------------------|---------------------|
| | 30 September 2011 | 30 September 2010 | 30 September 2011 | 31 December 2010 |
| Inter-segment balances | 236,624 | 4,046,805 | 48,624,195 | 67,339,294 |
| Dividends | - | - | - | - |
| Cash settled equity swap (4) | - | - | (66,591,394) | (97,077,039) |
| Others | (416,485) | 171,695 | 10,089,819 | (4,763,030) |
| Eliminations and adjustments | (179,861) | 4,218,500 | (7,877,380) | (34,500,775) |

(4) Financial Instrument reported in Note 18.

Glossary:

Invested capital = Gross real estate assets + other fixed assets (including Goodwill) - amortisations and impairment losses + financial investments + working capital (includes non-current assets and non-current liabilities excluding total net debt); all figures at book value with the exception of Shopping Centres building block;

Total Net debt = Bonds + bank loans + other loans + shareholders loans + finance leases + derivatives - cash, bank deposits and current investments-other long term applications;

EBITDA = Turnover + other revenues + negative Goodwill – reversion of impairment losses – operational costs - Provisions for warranty extensions + profit/losses on disposals of subsidiaries;

Eliminations and adjustments = Inter-segment + consolidation adjustments + contribution of companies not included in the segments;

CAPEX = Investments in tangible and intangible assets, investment properties and acquisitions of subsidiaries; less amounts generated over assets disposals;

Direct income - excludes contributions to indirect income;

Indirect Income - includes the Shopping Centre operating segment contributions net of taxes to consolidated income statement, 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 Development Funds at Risk.

32 COMMITMENTS WITH "INFORMATION SOCIETY"

Under the agreed terms resulting from the grant of the UMTS License, Optimus – Comunicações, S.A. assumed commitments in the area of promotion of the Information Society, totalling 274 million euro, to be complied with up to the end of the licence period (2015)

In accordance with the Agreement established on 5 June 2007 with the Ministry of Public Works, Transports and Communications ("MOPTC"), a part of those commitments, up to 159 million euro, will be accomplished through its own projects as contributions to qualifying Information Society and incurred in the normal activity of Sonacom - Communications Services (investment and networking technology that does not derive from the need for compliance with obligations relating to the allocation of the UMTS license and research activities, development and promotion services, content and applications), which must be recognized by MOPTC and entities set up especially for this purpose. As at 30 September 2010, 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 financial statements at the moment the projects were carried out and the estimated costs became known.

The remaining commitments, up to the amount of around 116 million euro, will be fulfilled as agreed between Optimus – Comunicações, S.A. and MOPTC, through contributions to the "Iniciativas E" project (offer of modems, discounted rates, cash contributions, among others, relating to the widespread use of broadband internet by students and teachers), those contributions being made through Information Society Fund ("Fundo para a Sociedade de Informação") now known as the "Fundação para as Comunicações Móveis" (Foundation for Mobile Communications), to be created by the three mobile operators operating in Portugal. The responsibilities were recorded, at 31 December 2010, as an added cost of the UMTS license, against an entry in the captions 'Other non-current liabilities' and 'Other current liabilities'. As at 30 September 2011 these responsibilities were all recorded in the financial statements.

At 30 September 2011, the caption "Patents and other similar rights", of intangible assets includes the amount of 111.5 million euro, that correspond to the present value of the estimated responsibility with "Iniciativas E" program, recorded in June 2008 and updated September 2009.

33 PRESENTATION OF CONSOLIDATED INCOME STATEMENT

In the Management Report, and for the purposes of calculating financial indicators as EBITDA, and as well for segments income presentation purposes, the income statement is divided between Direct Income and Indirect Income, according to common practice in the Shopping Centre business.

The Indirect Income includes the contribution of the Shopping Centre operating segment to the consolidated income statement, 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 (including goodwill) and (iv) provisions for "Development Funds at Risk".

The value of the EBITDA is calculated only in the Direct Income, excluding the indirect contributions.

The reconciliation between consolidated income and direct/indirect income for the nine month periods ended 30 September 2011 and 2010 can be summarised as follows:

| | 30 September 2011 | | | 30 September 2010 (Note 1) | | |
|--|-------------------|-----------------|---------------|-------------------------------|-----------------|---------------|
| | Consolidated | Indirect income | Direct income | Consolidated | Indirect income | Direct income |
| Operational income | | | | | | |
| Sales | 3,373,046,671 | - | 3,373,046,671 | 3,422,308,853 | - | 3,422,308,853 |
| Services rendered | 798,523,227 | - | 798,523,227 | 804,746,276 | - | 804,746,276 |
| Value created on investment properties | 3,714,118 | 3,714,118 | - | 3,391,846 | 3,391,846 | - |
| Investment income | - | - | - | - | - | - |
| Dividends | 232,500 | - | 232,500 | 405,263 | - | 405,263 |
| Other | (195,516) | - | (195,516) | 5,485,440 | (949,478) | 6,434,918 |
| Other income | | | | | | |
| Badwill | 988,475 | - | 988,475 | - | - | - |
| Reversion of impairment losses | 2,599,010 | - | 2,599,010 | 3,762,961 | - | 3,762,961 |
| Other | 357,284,986 | 2,012,732 | 355,272,254 | 313,949,587 | - | 313,949,587 |
| Total income | 4,536,193,471 | 5,726,850 | 4,530,466,621 | 4,554,050,226 | 2,442,368 | 4,551,607,858 |
| Total cost (a) | 4,305,445,982 | 5,100,749 | 4,300,345,233 | 4,294,679,973 | 3,676,463 | 4,291,003,510 |
| Depreciation and amortisation | 230,590,936 | - | 230,590,936 | 217,960,920 | - | 217,960,920 |
| Provisions and impairment losses | - | - | - | - | - | - |
| Provisions for warranty extensions | 5,752,012 | - | 5,752,012 | 4,199,645 | - | 4,199,645 |
| Others | 25,728,346 | 1,859,151 | 23,869,195 | 20,880,500 | 2,603,500 | 18,277,000 |
| Profit before financial results and share of results of associated | 230,747,489 | 626,101 | 230,121,388 | 259,370,253 | (1,234,095) | 260,604,348 |
| Financial profit/(loss) | (79,457,298) | (1,004,869) | (78,452,429) | (77,819,192) | - | (77,819,192) |
| Share of results of associated undertakings | (4,040,840) | (3,744,058) | (296,782) | (803,418) | (776,017) | (27,401) |
| Profit before income tax | 147,249,351 | (4,122,826) | 151,372,177 | 180,747,643 | (2,010,112) | 182,757,755 |
| Income tax | (25,575,432) | (8,278,918) | (17,296,514) | (64,073,429) | (22,126,027) | (41,947,402) |
| Net profit for the period | 121,673,919 | (12,401,744) | 134,075,663 | 116,674,214 | (24,136,139) | 140,810,353 |
| - attributable to equity holders of Sonae | 84,113,508 | (8,331,296) | 92,444,804 | 97,852,873 | (14,811,429) | 112,664,302 |
| - attributable to non controlling interests | 37,560,411 | (4,070,448) | 41,630,859 | 18,821,341 | (9,324,710) | 28,146,051 |
| Operational cash-flow (EBITDA) (b) | | | 480,761,534 | | | 492,674,044 |

(a) The amount recorded in Indirect income relates mainly to the reduction of investment properties value, accruals for "Development Funds at Risk" and recognized impairment losses;

(b) EBITDA is computed as Turnover + Other Income + Negative goodwill – Impairment losses reversal – Operational expenses - Provisions for warranty extensions + Gains/(losses) in disposals.

34 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 22 November 2011.

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

Nuno Manuel Moniz Trigos Jordão

Condensed individual financial statements

SONAE, SGPS, SA

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011 AND 2010 AND AS AT 31 DECEMBER 2010

(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.2011 | 30.September.2010 | 31.December.2010 |
|--|-------|----------------------|----------------------|----------------------|
| NON-CURRENT ASSETS: | | | | |
| Tangible assets | | 198,348 | 242,802 | 225,499 |
| Intangible assets | | 94,382 | 1,192 | 118,252 |
| Investments in affiliated companies | 4 | 3,645,328,932 | 3,019,380,722 | 3,177,377,209 |
| Other investments | 5 | 46,679,880 | 61,767,380 | 63,795,880 |
| Other non-current assets | 6 | 428,047,946 | 553,578,871 | 808,550,697 |
| Total non-current assets | | 4,120,349,488 | 3,634,970,967 | 4,050,067,537 |
| CURRENT ASSETS: | | | | |
| Trade account receivables and other current assets | 7 | 21,851,992 | 4,487,563 | 60,651,789 |
| Cash and cash equivalents | 8 | 229,622 | 81,982 | 307,130 |
| Total current assets | | 22,081,614 | 4,569,545 | 60,958,919 |
| TOTAL ASSETS | | 4,142,431,102 | 3,639,540,512 | 4,111,026,456 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY: | | | | |
| Share capital | 9 | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 |
| Reserves and retained earnings | | 1,434,579,192 | 1,032,798,538 | 1,147,143,401 |
| Profit for the period | | 23,619,926 | 64,946,032 | 386,432,293 |
| TOTAL EQUITY | | 3,458,199,118 | 3,097,744,570 | 3,533,575,694 |
| LIABILITIES: | | | | |
| NON-CURRENT LIABILITIES: | | | | |
| Loans | 10 | 510,072,851 | 514,018,887 | 511,140,968 |
| Other non-current liabilities | | - | - | 71,727 |
| Total non-current liabilities | | 510,072,851 | 514,018,887 | 511,212,695 |
| CURRENT LIABILITIES: | | | | |
| Loans | 10 | 93,505,847 | 21,298,859 | 61,000,000 |
| Trade creditors and other current liabilities | 11 | 80,653,286 | 6,478,196 | 5,238,067 |
| Total current liabilities | | 174,159,133 | 27,777,055 | 66,238,067 |
| TOTAL EQUITY AND LIABILITIES | | 4,142,431,102 | 3,639,540,512 | 4,111,026,456 |

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

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL INCOME STATEMENTS FOR THE PERIODS ENDED 30
SEPTEMBER 2011 AND 2010

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

(Amounts expressed in euro)

| | Notes | 3 th Quarter 2011 | 3 th Quarter 2010 | 30.September.2011 | 30.September.2010 |
|--------------------------------|-------|------------------------------|------------------------------|-------------------|-------------------|
| Services rendered | | 101,150 | 262,500 | 303,450 | 262,500 |
| Investment income | 14 | - | - | 11,993,439 | 71,616,617 |
| Financial income | | 11,188,066 | 3,951,583 | 33,471,121 | 11,966,199 |
| Other income | | 11,125 | 102,663 | 360,953 | 640,503 |
| External supplies and services | | (496,324) | (640,975) | (1,559,872) | (2,050,164) |
| Staff costs | | (554,542) | (520,370) | (1,676,292) | (1,615,728) |
| Depreciation and amortisation | | (24,788) | (10,276) | (76,212) | (35,925) |
| Financial expense | | (6,406,985) | (5,512,976) | (17,622,149) | (15,251,332) |
| Other expenses | | (56,320) | (43,885) | (509,193) | (586,638) |
| Profit/(Loss) before taxation | | 3,761,382 | (2,411,736) | 24,685,245 | 64,946,032 |
| Taxation | | (751,000) | - | (1,065,319) | - |
| Profit/(Loss) after taxation | | 3,010,382 | (2,411,736) | 23,619,926 | 64,946,032 |
| Profit/(Loss) per share | | | | | |
| Basic | 15 | 0.003615 | (0.001206) | 0.011810 | 0.032473 |
| Diluted | 15 | 0.003612 | (0.001205) | 0.011805 | 0.032461 |

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

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 30 SEPTEMBER 2011 AND 2010

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

(Amounts expressed in euro)

| | 3 th Quarter 2011 | 3 th Quarter 2010 | 30.September.2011 | 30.September.2010 |
|---|------------------------------|------------------------------|-------------------|-------------------|
| Net Profit / (Loss) for the period | 3,010,382 | (2,411,736) | 23,619,926 | 64,946,032 |
| Changes on fair value of available-for-sale financial assets | (18,580,850) | 1,676,327 | (34,432,252) | 12,026,107 |
| Changes in hedge and fair value reserves | (2,973,517) | 855,717 | 1,635,522 | (4,566,166) |
| Other comprehensive income for the period | (21,554,367) | 2,532,044 | (32,796,730) | 7,459,941 |
| Total comprehensive income for the period | (18,543,985) | 120,308 | (9,176,804) | 72,405,973 |

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

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED AT 30 SEPTEMBER 2011 AND 2010

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

(Amounts expressed in euro)

| | Share capital | Own 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 2010 | 2,000,000,000 | - | 163,229,582 | 488,904,537 | (5,807,343) | 350,006,260 | 996,333,036 | 91,729,048 | 3,088,062,084 |
| Total comprehensive income for the period | - | - | - | 12,026,107 | (4,566,166) | - | 7,459,941 | 64,946,032 | 72,405,973 |
| Appropriation of profit of 2009: | | | | | | | | | |
| Transfer to legal reserves and retained earnings | - | - | 4,586,452 | - | - | 24,142,596 | 28,729,048 | (28,729,048) | - |
| Dividends distributed | - | - | - | - | - | - | - | (63,000,000) | (63,000,000) |
| Share based payments | - | - | - | - | - | 276,513 | 276,513 | - | 276,513 |
| Balance as at 30 September 2010 | 2,000,000,000 | - | 167,816,034 | 500,930,644 | (10,373,509) | 374,425,369 | 1,032,798,538 | 64,946,032 | 3,097,744,570 |
| Balance as at 1 January 2011 | 2,000,000,000 | - | 167,816,034 | 612,472,662 | (7,662,771) | 374,517,476 | 1,147,143,401 | 386,432,293 | 3,533,575,694 |
| Total comprehensive income for the period | - | - | - | (34,432,252) | 1,635,522 | - | (32,796,730) | 23,619,926 | (9,176,804) |
| Appropriation of profit of 2010: | | | | | | | | | |
| Transfer to legal reserves and retained earnings | - | - | 19,321,614 | - | - | 300,910,679 | 320,232,293 | (320,232,293) | - |
| Dividends distributed | - | - | - | - | - | - | - | (66,200,000) | (66,200,000) |
| Purchase of own shares | - | (289,862) | - | - | - | - | - | - | (289,862) |
| Share based payments | - | 289,862 | - | - | - | 228 | 228 | - | 290,090 |
| Balance as at 30 September 2011 | 2,000,000,000 | - | 187,137,648 | 578,040,410 | (6,027,249) | 675,428,383 | 1,434,579,192 | 23,619,926 | 3,458,199,118 |

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

The Board of Directors

SONAE, SGPS, SA

CONDENSED INDIVIDUAL CASH FLOW STATEMENTS FOR THE PERIODS
ENDED 30 SEPTEMBER 2011 AND 2010

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

(Amounts expressed in euro)

| | Notes | 3 th Quarter 2011 | 3 th Quarter 2010 | 30.September.2011 | 30.September.2010 |
|---|-------|------------------------------|------------------------------|------------------------|------------------------|
| OPERATING ACTIVITIES | | | | | |
| Net cash flow from operating activities (1) | | (102,967) | (1,362,593) | (2,892,410) | (2,231,637) |
| INVESTMENT ACTIVITIES | | | | | |
| Cash receipts arising from: | | | | | |
| Investments | | 4,720,000 | 4,887,500 | 14,749,954 | 15,722,500 |
| Tangible and intangible assets | | 50 | 80,795 | 1,917 | 659,186 |
| Interest and similar income | | 7,363,912 | 6,832,685 | 30,660,756 | 14,593,577 |
| Dividends | | - | - | 107,599 | 71,616,617 |
| Loans granted | | 625,773,678 | 397,589,302 | 1,188,933,177 | 802,347,750 |
| | | <u>637,857,640</u> | <u>409,390,282</u> | <u>1,234,453,403</u> | <u>904,939,630</u> |
| Cash Payments arising from: | | | | | |
| Investments | | (499,999,699) | (142,877) | (499,999,699) | (142,877) |
| Tangible and intangible assets | | (13,900) | (15,460) | (24,395) | (77,599) |
| Loans granted | | (254,688,000) | (393,711,001) | (755,488,000) | (825,482,267) |
| | | <u>(754,701,599)</u> | <u>(393,869,338)</u> | <u>(1,255,512,094)</u> | <u>(825,702,743)</u> |
| Net cash used in investment activities (2) | | <u>(116,843,959)</u> | <u>15,520,944</u> | <u>(21,058,691)</u> | <u>79,236,887</u> |
| FINANCING ACTIVITIES | | | | | |
| Cash receipts arising from: | | | | | |
| Loans obtained | | 865,825,000 | 454,060,000 | 1,333,482,000 | 1,018,825,000 |
| | | <u>865,825,000</u> | <u>454,060,000</u> | <u>1,333,482,000</u> | <u>1,018,825,000</u> |
| Cash Payments arising from: | | | | | |
| Loans obtained | | (745,565,000) | (465,885,000) | (1,229,627,000) | (1,022,350,000) |
| Interest and similar charges | | (3,611,926) | (3,077,393) | (13,500,927) | (13,330,649) |
| Dividends | | - | - | (66,196,465) | (62,986,476) |
| Purchase of own shares | | - | - | (289,862) | - |
| | | <u>(749,176,926)</u> | <u>(468,962,393)</u> | <u>(1,309,614,254)</u> | <u>(1,098,667,125)</u> |
| Net cash used in financing activities (3) | | <u>116,648,074</u> | <u>(14,902,393)</u> | <u>23,867,746</u> | <u>(79,842,125)</u> |
| Net increase in cash and cash equivalents (4) = (1) + (2) + (3) | | (298,852) | (744,042) | (83,355) | (2,836,875) |
| Cash and cash equivalents at the beginning of the period | | 522,627 | 677,165 | 307,130 | 2,769,998 |
| Cash and cash equivalents at the end of the period | 8 | <u>223,775</u> | <u>(66,877)</u> | <u>223,775</u> | <u>(66,877)</u> |

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 2011

(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 2010.

4 INVESTMENTS IN AFFILIATED COMPANIES

As at 30 September 2011 and 31 December 2010 the company held investments in the following affiliated companies:

| 30.September.2011 | | | | |
|----------------------------------|---------|----------------------|----------------------|--------------------|
| Company | % Held | Carrying amount | Acquisition cost | Fair value reserve |
| Sonae Investimentos SGPS, SA (a) | 76.86% | 1,893,270,729 | 1,416,192,180 | 477,078,549 |
| Sonae Sierra SGPS, SA (b) | 50.00% | 593,814,000 | 490,113,339 | 103,700,661 |
| Sonaecom, SGPS, SA | 0.18% | 733,199 | 650,000 | 83,199 |
| Sontel BV | 42.86% | 405,641,099 | 405,641,099 | - |
| Sonae Investments BV | 100.00% | 835,700,000 | 835,700,000 | - |
| Others | - | 4,669,905 | 4,669,905 | - |
| Impairment | | (88,500,000) | - | - |
| Total | | 3,645,328,932 | 3,152,966,523 | 580,862,409 |

| 31.December.2010 | | | | |
|----------------------------------|---------|----------------------|----------------------|--------------------|
| Company | % Held | Carrying amount | Acquisition cost | Fair value reserve |
| Sonae Investimentos SGPS, SA (a) | 76.86% | 1,893,270,729 | 1,416,192,180 | 477,078,549 |
| Sonae Sierra SGPS, SA (b) | 50.00% | 625,463,000 | 490,113,339 | 135,349,661 |
| Sonaecom, SGPS, SA | 0.23% | 1,132,175 | 921,724 | 210,452 |
| Sontel BV | 42.86% | 191,341,400 | 191,341,400 | - |
| Sonae Investments BV | 100.00% | 550,000,000 | 550,000,000 | - |
| Others | - | 4,669,905 | 4,669,905 | - |
| Impairment | | (88,500,000) | - | - |
| Total | | 3,177,377,209 | 2,653,238,548 | 612,638,662 |

(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.

5 OTHER INVESTMENTS

As at 30 September 2011 and 31 December 2010 other investments are as follows:

| 30.September.2011 | | | |
|----------------------------------|-------------------|-------------------|--------------------|
| | Carrying amount | Acquisition cost | Fair value reserve |
| Magma No. 1 Securitisation Notes | 42,480,000 | 42,480,000 | - |
| Sonae Capital, SGPS, SA | 4,150,000 | 6,972,000 | (2,822,000) |
| Outros | 49,880 | 49,880 | - |
| Total | 46,679,880 | 49,501,880 | (2,822,000) |

| | 31.December.2010 | | |
|----------------------------------|------------------|------------------|--------------------|
| | Carrying amount | Acquisition cost | Fair value reserve |
| Magma No. 1 Securitisation Notes | 56,940,000 | 56,940,000 | - |
| Sonae Capital, SGPS, SA | 6,806,000 | 6,972,000 | (166,000) |
| Outros | 49,880 | 49,880 | - |
| Total | 63,795,880 | 63,961,880 | (166,000) |

6 OTHER NON-CURRENT ASSETS

As at 30 September 2011 and 31 December 2010 other non-current assets are detailed as follows:

| | 30.September.2011 | 31.December.2010 |
|----------------------------------|-------------------|------------------|
| Loans granted to group companies | 428,047,946 | 808,550,697 |

This caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos, SGPS, SA at market conditions. This loan was fully subscribed and paid by Sonae SGPS, SA on 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each. As at 30 September 2011 it's estimated that the carrying amount of the loan it's approximately its fair value.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2011 and 31 December 2010 trade accounts receivable and other current assets are detailed as follows:

| | 30.September.2011 | 31.December.2010 |
|------------------------------------|-------------------|------------------|
| Trade accounts receivable | 2,084 | 497,176 |
| Group companies | 11,925,184 | 58,499,980 |
| Taxes and contributions receivable | 602,385 | 924,706 |
| Accrued income and prepayments | 9,050,050 | 470,643 |
| Others | 272,289 | 259,284 |
| Total | 21,851,992 | 60,651,789 |

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 2011 and 31 December 2010 cash and cash equivalents are detailed as follows:

| | 30.September.2011 | 31.December.2010 |
|--|-------------------|------------------|
| Cash at hand | 89 | 89 |
| Bank deposits | 229,533 | 307,041 |
| Cash and cash equivalents on the balance sheet | 229,622 | 307,130 |
| Bank overdrafts | 5,847 | - |
| Cash and cash equivalents on the cash flow statement | 223,775 | 307,130 |

9 SHARE CAPITAL

As at 30 September 2011 and 31 December 2010 share capital consisted of 2,000,000,000 ordinary shares of 1 euro each.

10 LOANS

As at 30 September 2011 and 31 December 2010 this caption included the following loans:

| | 30.September.2011 | 31.December.2010 |
|---|-------------------|------------------|
| Nominal value of bonds | 500,000,000 | 500,000,000 |
| Up-front fees not yet charged to income statement | (2,214,210) | (2,849,786) |
| Bonds | 497,785,790 | 497,150,214 |
| Derivatives | 12,287,061 | 13,990,754 |
| Non-current loans | 510,072,851 | 511,140,968 |
| Commercial paper | 93,500,000 | 61,000,000 |
| Bank overdrafts | 5,847 | - |
| Current loans | 93,505,847 | 61,000,000 |

Non-current loans

Bonds Sonae / 05 amounting to 100,000,000 euro, repayable after 8 years, in one installment, on 31 March 2013. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Bonds Sonae 2007/2014 amounting to 150,000,000 euro, repayable after 7 years, in one installment, on 11 April 2014. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, with no extra cost, on the date of the 10th and 12th coupons.

Bonds Sonae 2010/2015 amounting to 250,000,000 euro, repayable after 5 years, in one installment, on 16 April 2015. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

Current loans

Commercial paper - Program of issuance of short-term commercial paper, by private subscription, released on August 23, 2004, valid for a period of 10 years with an extension possibility by Company's initiative, with a maximum of 350,000,000 euro.

The above mentioned loans are unsecured and its estimated fair value is considered to be near its carrying amount, as they bear interests at variable market rates.

Interest rate as at 30 September 2011 of the bonds and bank loan was, on average, 3.1% (2.5% as at 31 December 2010).

Maturity of Borrowings

As at 30 September 2011 and 31 December 2010 the analysis of the maturity of loans is as follows:

| | <u>30.September.2011</u> | <u>31.December.2010</u> |
|-----|--------------------------|-------------------------|
| N+1 | 93,505,847 | 61,000,000 |
| N+2 | 100,000,000 | - |
| N+3 | 150,000,000 | 100,000,000 |
| N+4 | 250,000,000 | 150,000,000 |
| N+5 | - | 250,000,000 |

11 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 September 2011 and 31 December 2010, trade creditors and other current liabilities are detailed as follows:

| | <u>30.September.2011</u> | <u>31.December.2010</u> |
|---------------------------------|--------------------------|-------------------------|
| Trade creditors | 757,880 | 1,193,408 |
| Group companies | 71,760,000 | 405,000 |
| Taxes and contributions payable | 1,114,741 | 153,684 |
| Accrued expenses | 6,937,321 | 3,412,195 |
| Others | 83,344 | 73,780 |
| Total | <u>80,653,286</u> | <u>5,238,067</u> |

12 CONTINGENT LIABILITIES

As at 30 September 2011 and 31 December 2010, contingent liabilities are detailed as follows:

| | <u>30.September.2011</u> | <u>31.December.2010</u> |
|---|--------------------------|-------------------------|
| Guarantees given: | | |
| on tax claims | 307,664 | 307,664 |
| on judicial claims | 145,256 | 145,256 |
| Guarantees given in favour of subsidiaries a) | 124,909,412 | 74,329,339 |

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

13 RELATED PARTIES

Transactions and balances with related parties are detailed as follows:

| Transactions | 30.September.2011 | 30.September.2010 |
|---|--------------------------|-------------------------|
| Group companies | 123,246 | 534,355 |
| Jointly controlled companies | 153,450 | 150,000 |
| Other partners in group companies | 75,069 | 75,000 |
| Services rendered and other income | 351,765 | 759,355 |
| Group companies | 846,259 | 914,772 |
| Jointly controlled companies | 25,033 | 31,783 |
| Other partners in group companies | 33,503 | 105,699 |
| Purchases and services obtained | 904,795 | 1,052,254 |
| Group companies | 31,603,252 | 9,698,909 |
| Interest income | 31,603,252 | 9,698,909 |
| Parent company | 401,984 | - |
| Group companies | 240,441 | 331,063 |
| Interest expenses | 642,425 | 331,063 |
| Group companies | 107,599 | 57,960,737 |
| Jointly controlled companies | 11,867,610 | 13,655,880 |
| Dividend income (Note 14) | 11,975,209 | 71,616,617 |
| Group companies | 289,954 | - |
| Disposal of investments | 289,954 | - |
| Balance | 30.September.2011 | 31.December.2010 |
| Group companies | 8,836,494 | 6,107,634 |
| Jointly controlled companies | 12,021,060 | 219,976 |
| Other partners in group companies | 78,445 | 146,536 |
| Accounts receivable | 20,935,999 | 6,474,146 |
| Parent company | 401,984 | - |
| Group companies | 947,651 | 1,041,762 |
| Jointly controlled companies | 997 | - |
| Other partners in group companies | 12,011 | 13,938 |
| Accounts payable | 1,362,643 | 1,055,700 |
| Group companies | 428,105,519 | 861,550,697 |
| Loans granted | 428,105,519 | 861,550,697 |
| Group companies | 71,760,000 | 405,000 |
| Loans obtained | 71,760,000 | 405,000 |

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

14 INVESTMENTS INCOME

As at 30 September 2011 and 30 September 2010, investment income can be detailed as follows:

| | 30.September.2011 | 30.September.2010 |
|--------------------------------------|-------------------|-------------------|
| Dividends | 11,975,209 | 71,616,617 |
| Gains / (losses) on sale investments | 18,230 | - |
| | <u>11,993,439</u> | <u>71,616,617</u> |

The dividends mentioned above were distributed by the affiliates Sonae Sierra, SGPS, SA (11,867,610 euro), Sonaegest, SA (75,099 euro) and Sonaecom, SGPS, SA (32,500 euro).

15 EARNINGS PER SHARE

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

| | 30.September.2011 | 30.September.2010 |
|---|----------------------|----------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (Net profit for the period) | 23,619,926 | 64,946,032 |
| 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>23,619,926</u> | <u>64,946,032</u> |
| Number of shares | | |
| Weighted average number of shares used to calculate basic earnings | 2,000,000,000 | 2,000,000,000 |
| Effect of dilutive potential ordinary shares from convertible bonds | - | - |
| Outstanding shares related with deferred performance bonus | 1,407,223 | 1,322,666 |
| Number of shares that could be acquired at average market price | <u>(569,446)</u> | <u>(554,327)</u> |
| Weighted average number of shares used to calculate diluted earnings per share | <u>2,000,837,777</u> | <u>2,000,768,339</u> |
| Profit/(Loss) per share | | |
| Basic | 0.011810 | 0.032473 |
| Diluted | <u>0.011805</u> | <u>0.032461</u> |

16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 22 November 2011.

17 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended 30 September 2011 shareholders' loan contracts were entered into with the following companies:

Sonae Investments, BV

Sontel, BV

During the period ended 30 September 2011 short-term loan contracts were entered into with the following companies:

Efanor Investimentos, SGPS, SA

Sonae Investments, BV

Sonae Specialized Retail, SGPS, SA

Sonaecenter Serviços, SA

Sonaecom, SGPS, SA

As at 30 September 2011 amounts owed by affiliated undertakings can be summarized as follows:

| <u>Companies</u> | <u>Closing Balance</u> |
|--------------------------|------------------------|
| Sonae Investments, BV | 27,262,933 |
| Sonaecenter Serviços, SA | 57,574 |
| Sontel, BV | 785,012 |
| Total | <u>28,105,519</u> |

As at 30 September 2011 amounts owed from affiliated undertakings can be summarized as follows:

| <u>Companies</u> | <u>Closing Balance</u> |
|-----------------------|------------------------|
| Sonae Investments, BV | 71,760,000 |
| Total | <u>71,760,000</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

Nuno Manuel Moniz Trigoso Jordão

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 are not historical facts.

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

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

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

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

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