

SONAE INVESTIMENTOS, SGPS, SA

Head Office: Rua João Mendonça, 529 – 4464-501 Senhora da Hora

Share Capital 1,000,000,000 Euro

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

30 June 2011

Management Report

Management Report

Sonae Investimentos – S.G.P.S., S.A.

In accordance with Portuguese Law and the company's articles of association, we hereby present the management report of Sonae Investimentos - S.G.P.S., S.A. for the first six months of 2011.

Activity evolution for the period

During the course of the first semester of 2011, the consolidated turnover of Sonae Investimentos totalled 2,176 million Euro, which corresponds to a decrease of 1% compared to the same period in the previous year¹. Of the overall amount recorded in the period, circa 13 million Euro corresponds to petrol sales.

In the same period, the Company's operating cash-flow (EBITDA) reached 136 million Euro. This figure represents a 11% decline in relation to the same period in 2010 and reflects the deterioration of 0.5 percentage points in the operating profitability margin of the Company to 6.3%.

In terms of operating results (EBIT), the consolidated figure reached 46 million Euro in the period, which represents a decrease of 29 million Euro compared to the first six months of 2010.

During this period, Sonae Investimentos consolidated net result totalled 11 million Euro, 30 million Euro below the total realised in the same period of 2010.

At the end of June, Sonae Investimentos detained an overall portfolio of 1,054 stores, corresponding to a sales area of 1,001,000 m². At this time, the Company's passed the 100 stores landmark in Spain with a store portfolio of 107 units with 127,000 m² worth of sales area – corresponding to almost 13% of the overall referential.

During the first six months of 2011, the Company strengthened its presence in Portugal opening 23 units representing an additional 11,000 m² of sales area. In the Spanish market, the Company continued its strong pace of store openings, having inaugurated an additional 21,000 m² worth of sales area, divided amongst 23 new units.

The effort to modernise the existing store portfolio was not neglected, and in parallel the effort to expand the company's store portfolio both in Portugal and in Spain. On the whole, during the first six months of the year, the Company invested a total of circa 83 million Euro.

¹ The analysis incorporates the re-statement of Geostar's 2010 consolidated turnover, taking into account the analysis of the sector practice. See additional information.

Capital structure

On 30th June 2011, Sonae Investimentos consolidated net debt totalled 1,363 million Euro. This figure, which represents a 54 million Euro decrease from the same period on the previous year, is directly impacted by the capacity to generate cash-flow, in addition to the completion of several assets' sales.

Outlook

Sonae Investimentos strategic guidelines privilege growth and the strengthening of the value proposition based on a continued investment in efficiency and innovation. This positioning, consistently adopted by the Company, has allowed for the combination of strong growth rhythms with strong profitability benchmarks, and once again will be at the basis of the Company's performance during the course of the next months.

Additional information

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 component.

Consolidated Turnover

Million Euro	1Q10	2Q10	3Q10	4Q10	FY10
As reported in 2010	1,084	1,142	1,229	1,346	4,801
According to the current methodology	1,070	1,124	1,207	1,332	4,732

Matosinhos, 22nd August 2011

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigo Jordão

Glossary

Turnover (t)

sale of articles + services rendered.

Operating Cash-flow (EBITDA)

turnover + investment income + other income – negative goodwill – reversal of impairment losses – operational costs - provision for extensions of guarantees

Operating results (EBIT)

turnover + other income + negative goodwill – operational costs - provision for extensions of guarantees + gains / losses on sales of businesses – amortisations and impairment losses.

Net Investment

increase in gross fixed assets (tangible and intangible) + changes in perimeter (as a result of acquisitions and disposals) - disposals in gross fixed assets (tangible and intangible) + increases in goodwill. To calculate the investment in acquisitions (measured by changes occurred in consolidation perimeter) the net accumulated amortizations were considered

Net debt

current borrowings + noncurrent borrowings + financial leasing creditors – cash and cash equivalents – other current financial investments

Gearing

ratio between net financial debt and shareholders' funds

Net Capital Employed

gross real estate assets + other gross real estate assets (including goodwill) - amortisations and impairment losses + financial investments + working capital

Appendix

Statement under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the progress of the business and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Appendix required by articles 9 nr.1, a) and 14, nr.7 of CMVM Regulation nr.05/2008

	Date	Additions		Reductions		Balance as of 30.06.2011
		Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
Duarte Paulo Teixeira de Azevedo (*) (**) (***) (****)						
Efanor Investimentos, SGPS, SA (1)						1
Migracom, SGPS, SA (6)						1,969,996
Sonae, SGPS, SA (3)						3,293 (a)
Shares attributed under a Share Based Compensation Plan	20.05.2011	355,103	0.000			
Sale	20.05.2011			355,103	0.828	
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)						
Sonae, SGPS, SA (3)						355,233
Shares attributed under a Share Based Compensation Plan	10.03.2011	105,233	0.000			
	Date	Additions		Reductions		Balance as of 30.06.2011
		Quantity	Aver. Price €	Quantity	Aver. Price €	Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (3)						74,400,000
Sale	29.04.2011			585,250,000	0.811	
Pareuro, BV (2)						2,000,000
(2) Pareuro, BV						
Sonae, SGPS, SA (3)						985,250,000
Purchase	29.04.2011	585,250,000	0.811			
(3) Sonae, SGPS, SA						
Sonae Investments, BV (4)						2,000,000
Sonae Investimentos, SGPS, SA						768,580,810
(4) Sonae Investments, BV						
Sonae Investimentos, SGPS, SA						131,419,190
(5) Sonae - Specialied Retail, SGPS, SA						
Sonae Investimentos, SGPS, SA						100,000,000
(6) Migracom, SGPS, SA						
Sonae, SGPS, SA (3)						1,840,103
Purchase	20.05.2011	355,103	0.828			
Imparfin, SGPS, SA (7)						150,000
(7) Imparfin, SGPS, SA						
Sonae, SGPS, SA (3)						4,105,280

(*) Member of the Board of Directors of Sonae Investimentos, SGPS, SA

(**) Member of the Board of Directors of Sonae, SGPS, SA (directly and indirectly dominant company) (3)

(***) Member of the Board of Directors of Efanor Investimentos SGPS, SA (directly and indirectly dominant company) (1)

(****) Member of the Board of Directors of Imparfin, SGPS, SA (7)

(a) Shares held by underage descendants under his/her charge

Qualified holdings

Shares held and voting rights of companies owning more than 2% of the share capital of the company, as required by article 9 nr.1 c) of Securities Market Regulation Board (CMVM) regulation 05/2008

Shareholder	Nr. of shares	% Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, SA			
By Sonae, SGPS, SA	768,580,810	76.858%	85.398%
By Sonae Investments, BV	131,419,190	13.142%	14.602%
By da Sonae - Specialized Retail, SGPS, SA (1)	100,000,000	10.000%	-
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.000%	100.000%

1) Considered treasury shares in accordance with Commercial Companies Code as Sonae - Specialized Retail, SGPS, SA is fully owned by Sonae Investimentos, SGPS, SA.

**Condensed consolidated
financial statements**

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT
30 JUNE 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 June 2011	30 June 2010	31 December 2010
NON-CURRENT ASSETS:				
Tangible assets	9	2,100,942,418	2,184,197,237	2,132,257,452
Intangible assets	10	148,989,405	156,068,586	153,674,164
Goodwill	11	518,406,312	520,275,996	518,235,811
Investments in associates	6	50,901,362	1,643,960	53,887,757
Other investments	7	34,513,330	763,618	34,556,256
Deferred tax assets	15	120,249,535	99,526,983	98,959,834
Other non-current assets	13	39,139,926	5,447,695	37,391,624
Total Non-Current Assets		3,013,142,288	2,967,924,075	3,028,962,898
CURRENT ASSETS:				
Inventories		617,788,631	593,502,655	664,630,207
Trade accounts receivable and other current assets	14	287,774,091	254,210,683	228,606,868
Investments	12	4,361,692	62,805,789	15,642,909
Cash and cash equivalents	16	86,035,212	42,597,713	200,024,469
Total Current Assets		995,959,626	953,116,840	1,108,904,453
Assets available for sale		720,338	-	9,500,686
TOTAL ASSETS		4,009,822,252	3,921,040,915	4,147,368,037
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	17	1,000,000,000	1,000,000,000	1,000,000,000
Own shares		(320,000,000)	-	(320,000,000)
Reserves and retained earnings		19,318,748	(96,550,924)	(148,415,659)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		11,686,018	41,145,813	168,595,954
Equity attributable to the equity holders of the Parent Company		711,004,766	944,594,889	700,180,295
Equity attributable to non-controlling interests	18	76,448,130	74,589,175	75,434,780
TOTAL EQUITY		787,452,896	1,019,184,064	775,615,075
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	19	1,158,258,043	1,434,668,401	1,210,270,255
Other non-current liabilities	21	426,399,549	24,214,792	425,408,286
Deferred tax liabilities	15	114,923,128	105,536,315	108,202,465
Provisions	24	25,563,425	13,090,590	21,495,563
Total Non-Current Liabilities		1,725,144,145	1,577,510,098	1,765,376,569
CURRENT LIABILITIES:				
Loans	19	295,190,128	87,471,850	108,475,740
Trade creditors and other current liabilities	23	1,199,688,110	1,235,061,863	1,496,213,674
Provisions	24	2,346,973	1,813,040	1,686,979
Total Current Liabilities		1,497,225,211	1,324,346,753	1,606,376,393
TOTAL LIABILITIES		3,222,369,356	2,901,856,851	3,371,752,962
TOTAL EQUITY AND LIABILITIES		4,009,822,252	3,921,040,915	4,147,368,037

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 30 JUNE 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	2nd Quarter 2011	2nd Quarter 2010 (Note 1)	30 June 2011	30 June 2010 (Note1)
Sales		1,112,172,251	1,105,351,359	2,140,446,345	2,160,910,503
Services rendered		18,413,526	17,956,458	36,005,329	32,651,269
Investment income		232,500	6,033,071	232,500	6,038,022
Financial income		1,588,332	408,319	3,819,750	881,268
Other income		123,477,366	110,631,383	256,473,734	206,525,535
Cost of goods sold and materials consumed		(866,520,361)	(842,632,962)	(1,690,289,023)	(1,685,163,165)
Changes in stocks of finished goods and work in progress		269,094	191,136	366,267	296,497
External supplies and services		(143,361,322)	(137,077,458)	(276,133,852)	(256,096,320)
Staff costs		(143,639,356)	(135,160,464)	(286,575,391)	(267,633,808)
Depreciation and amortisation	9 and 10	(42,865,254)	(38,851,910)	(88,761,011)	(77,446,763)
Provisions and impairment losses		(3,207,533)	(5,776,008)	(5,616,165)	(6,789,453)
Financial expense		(20,785,224)	(12,393,111)	(40,749,154)	(23,694,283)
Other expenses		(20,426,166)	(21,447,060)	(39,581,673)	(38,379,070)
Share of results of associated undertakings	6	281,302	326,333	(184,358)	390,470
Profit/(Loss) before taxation		15,629,155	47,559,086	9,453,298	52,490,702
Taxation	27	(4,052,742)	(9,658,800)	1,733,198	(10,997,134)
Profit/(Loss) after taxation		11,576,413	37,900,286	11,186,496	41,493,568
Attributable to:					
Equity holders of the Parent Company		11,737,895	37,749,790	11,686,018	41,145,813
Non-controlling interests		(161,482)	150,496	(499,522)	347,755
Profit/(Loss) per share					
Basic	28	0.013042	0.037750	0.012984	0.041146
Diluted	28	0.013042	0.037750	0.012984	0.041146

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS
ENDED 30 JUNE 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)*

	2nd Quarter 2011	2nd Quarter 2010	30 June 2011	30 June 2010
Net Profit / (Loss) for the period	11,576,413	37,900,286	11,186,496	41,493,568
Exchange differences arising on translation of foreign operations	252,137	112,044	(909,767)	321,589
Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method	(326,587)	-	(952,588)	-
Changes on fair value of available-for-sale financial assets	-	-	-	-
Changes in hedge and fair value reserves	1,742,994	1,046,166	1,157,474	1,413,874
Deferred tax related to changes in fair value reserves	(465,748)	(277,233)	(293,524)	(374,676)
Other comprehensive income for the period	1,202,796	880,977	(998,405)	1,360,787
Total comprehensive income for the period	12,779,209	38,781,263	10,188,091	42,854,355
Attributable to:				
Equity holders of Parent Company	12,899,007	38,630,767	10,687,613	42,506,600
Non controlling interests	(119,798)	150,496	(499,522)	347,755

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

The Board of Directors

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 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											
	Share Capital	Own Shares	Reserves and Retained Earnings					Total	Net Profit/(Loss)	Total	Non-controlling interests	Total Equity
Legal Reserve			Currency Translation Reserve	Hedging Reserve	Legal reserves in accordance with article 342º CSC	Other Reserves and Retained Earnings						
Balance as at 1 January 2010	1,000,000,000	-	114,000,000	82,609	(4,441,228)	-	(275,596,322)	(165,954,941)	138,171,091	972,216,150	74,344,125	1,046,560,275
Total comprehensive income for the period	-	-	-	321,589	1,039,198	-	-	1,360,787	41,145,813	42,506,600	347,755	42,854,355
Appropriation of profit of 2009:												
Transfer to legal reserves and retained earnings	-	-	3,087,918	-	-	-	135,083,173	138,171,091	(138,171,091)	-	-	-
Dividends distributed	-	-	-	-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)	-	(70,000,000)
Acquisitions of shares of affiliated undertakings	-	-	-	-	-	-	(67,249)	(67,249)	-	(67,249)	(102,359)	(169,608)
Other reserves	-	-	-	-	3	-	(60,615)	(60,612)	-	(60,612)	(346)	(60,958)
Balance as at 30 June 2010	1,000,000,000	-	117,087,918	404,198	(3,402,027)	-	(210,641,013)	(96,550,924)	41,145,813	944,594,889	74,589,175	1,019,184,064
Balance as at 1 January 2011	1,000,000,000	(320,000,000)	117,087,918	402,475	(2,107,724)	342,000,000	(605,798,328)	(148,415,659)	168,595,954	700,180,295	75,434,780	775,615,075
Total comprehensive income for the period	-	-	-	(909,767)	863,950	-	(952,588)	(998,405)	11,686,018	10,687,613	(499,522)	10,188,091
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	22,526,963	-	-	-	146,068,991	168,595,954	(168,595,954)	-	-	-
Variation in percentage of subsidiaries	-	-	-	-	-	-	193,439	193,439	-	193,439	1,276,561	1,470,000
Others	-	-	-	-	-	-	(56,581)	(56,581)	-	(56,581)	236,311	179,730
Balance as at 30 June 2011	1,000,000,000	(320,000,000)	139,614,881	(507,292)	(1,243,774)	342,000,000	(460,545,067)	19,318,748	11,686,018	711,004,766	76,448,130	787,452,896

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR
THE PERIODS ENDED 30 JUNE 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	2nd Quarter 2011	2nd Quarter 2010	30 June 2011	30 June 2010
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		115,062,173	116,966,617	(129,063,853)	(61,161,052)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		362,384	33,354,387	17,324,233	33,359,587
Tangible, intangible assets and investments properties		239,434	2,804,460	57,328,729	17,103,124
Interest and similar income		2,446,159	201,153	3,310,464	500,543
Loans granted		35,639,000	1,000,000	41,980,637	2,665,000
Dividends		564,285	1,332,982	564,285	1,333,149
Others		1,217,213	9,800,158	1,247,167	9,800,158
		40,468,475	48,493,140	121,755,515	64,761,561
Cash Payments arising from:					
Investments		(229,276)	(1,391,443)	(229,276)	(3,480,116)
Tangible, intangible assets and investments properties		(41,522,123)	(34,733,867)	(104,536,737)	(125,841,961)
Loans granted		(51,072,136)	-	(54,733,136)	(1,665,000)
Others		1	-	(12,806)	-
		(92,823,534)	(36,125,310)	(159,511,955)	(130,987,077)
Net cash used in investment activities (2)		(52,355,059)	12,367,830	(37,756,440)	(66,225,516)
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		387,032,050	1,615,555,750	1,386,552,050	3,171,965,750
Others		-	-	1,470,000	-
		387,032,050	1,615,555,750	1,388,022,050	3,171,965,750
Cash Payments arising from:					
Loans obtained		(458,929,623)	(1,672,874,743)	(1,294,209,782)	(3,011,025,781)
Interest and similar charges		(22,711,538)	(5,182,259)	(37,295,181)	(18,188,989)
Dividends		-	(70,000,000)	(68)	(70,000,000)
Others		(911,580)	(69,635)	(1,315,995)	(207,937)
		(482,552,741)	(1,748,126,637)	(1,332,821,026)	(3,099,422,707)
Net cash used in financing activities (3)		(95,520,691)	(132,570,887)	55,201,024	72,543,043
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(32,813,577)	(3,236,440)	(111,619,269)	(54,843,525)
Effect of foreign exchange rate		(4,214)	(50,520)	10,860	(102,406)
Cash and cash equivalents at the beginning of the period	16	113,639,487	36,786,583	192,460,253	88,341,782
Cash and cash equivalents at the end of the period	16	80,830,124	33,600,663	80,830,124	33,600,663

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, S.A.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 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 INVESTIMENTOS, SGPS, S.A. ("the Company" or "Sonae Investimentos"), with head office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, is the Parent-company of a group of companies, as detailed in Notes 4, 5 and 6 ("Sonae Investimentos Group"), which business activity is described in the Note 29.

These consolidated financial statements were not subject to a limited revision carried out by the external auditor.

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 June 30, 2010.

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended as at 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 financial instruments which are stated at fair value.

3 CHANGES IN ACCOUNTING POLICIES

During the period it was adopted a set of accounting standards, interpretations, amendments and revisions issued in previous periods and whose implementation became mandatory after 1st January 2011 as disclosed in the financial statements presented for the period ended as at 31 December 2010 and which didn't have any significant impacts on the financial statements as at 30 June 2011.

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

The subsidiaries included in the consolidated financial statements, its head offices and percentage of capital held as at 30 June 2011 and 31 December 2010 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 June 2011		31 December 2010	
		Direct	Total	Direct	Total
Sonae Investimentos, SGPS, SA	Matosinhos	MÃE	MÃE	MÃE	MÃE
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 - Industria 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 Imosedo	a)	Maia	54.55%	54.55%	54.55%	54.55%
	Fundo de Investimento Imobiliário Fechado 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 - Distribuição de Materiais de Construção, SA	b)	Maia	50.00%	50.00%	50.00%	50.00%
Modelo Continente Hipermercados, SA	a)	Matosinhos	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 Hiper Imobiliária, SA	a)	Maia	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%
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)	Amesterdam (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 MC – Modelo Continente, SGPS, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaecenter Serviços II, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
7) Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a)	Maia	60.00%	60.00%	40.00%	40.00%
Sonaerp – Retail Properties, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sonae Specialized Retail, 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%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

Sonvecap, BV	a)	Amesterdam (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 Canarias , SL	a)	Tenerife (Spain)	51.00%	51.00%	51.00%	51.00%
Sport Zone España - Comércio de Articulos de Deporte, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	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%
6) Worten Canarias, S.L.	a)	Tenerife (Spain)	51.00%	51.00%	100.00%	100.00%
Worten – Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	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) ZYEvolution- Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	-	-

a) Control held by majority of voting rights;

b) Control held by management control.

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) Acquisition of 20% shareholding on May 23, gaining control over that company thus being consolidated from that date onwards by the full consolidation method.

These entities are consolidated using the full consolidation method, considering that they are controlled by Sonae Investimentos SGPS, S.A..

5 JOINTLY CONTROLLED COMPANIES

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

COMPANY	Head Office	Percentage of capital held			
		31 June 2011		31 December 2010	
		Direct	Total	Direct	Total
Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
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%
Viajens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

These entities were 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 June 2011	31 December 2010
Non-current assets	38,045,537	39,834,261
Current assets	21,372,227	28,372,242
Non-current liabilities	6,505,263	8,165,019
Current liabilities	27,609,724	34,048,800
	30 June 2011	30 June 2010 (Note1)
Income	16,887,447	17,388,634
Expenses	17,577,355	17,858,758

6 INVESTMENTS IN ASSOCIATES

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

COMPANY	Head Office	Percentage of capital held				Book value	
		30 June 2011		31 December 2010		30 June 2011	31 December 2010
		Direct	Total	Direct	Total		
MDS SGPS, SA	Maia	46.92%	46.92%	46.92%	46.92%	48,617,667	51,000,000
Mundo VIP	Maia	33.34%	33.34%	33.34%	33.34%	1,101,337	1,101,337
1) Sonaegest - Soc. Gestora de Fundos de Investimento, SA	Maia	60.00%	60.00%	40.00%	40.00%	-	539,748
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,182,358	1,246,672
Total						50,901,362	53,887,757

1) Acquisition of 20% shareholding on May 23, gaining control over that company thus being consolidated from that date onwards by the full consolidation method.

Associated companies were consolidated using the equity method.

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

	30 June 2011	31 December 2010
Total Assets	164,067,375	172,289,345
Total Liabilities	120,783,568	121,455,627
	30 June 2011	30 June 2010
Income	68,288,108	32,711,607
Expenses	68,542,271	31,293,983

During the periods ended 30 June 2011 and 2010, movements in investments in associated companies, are made up as follows:

	30 June 2011	30 June 2010
Investments in associated companies		
Balance as at 1 January	53,887,757	2,376,473
Change of consolidation method	(466,552)	-
Equity method		
Effect in net income	(184,358)	390,470
Dividends	(513,371)	(1,122,983)
Effect in equity	(1,822,114)	-
	50,901,362	1,643,960

7 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, proportion of capital held and their book value as at 30 June 2011 and 31 December 2010 are as follows:

COMPANY	Head Office	Percentage of capital held				Book value	
		30 June 2011		31 December 2010		30 June 2011	31 December 2010
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insko - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Other investments						33,755,157	33,798,083
						<u>34,513,330</u>	<u>34,556,256</u>

During the periods ended as at 30 June 2011 and 2010, movements in other non-current investments, are made up as follows:

	30 June 2011	30 June 2010
Investments in other companies		
Opening balance as at 1 January	34,518,594	841,053
Acquisitions in the period	4,562	-
Disposals in the period	-	(36,953)
Transfers	12,512	-
Closing balance as at 30 June	34,535,668	804,100
Accumulated impairment losses (Note 24)	(22,338)	(40,482)
	<u>34,513,330</u>	<u>763,618</u>
Financial investments advance:		
Opening balance as at 1 January	60,000	-
Disposals in the period	(60,000)	-
Closing balance as at 30 June	-	-
	<u>34,513,330</u>	<u>763,618</u>

Under the caption other non-current investments there is an amount of 33,745,150 euro (33,732,640 euro as at 31 December 2010), related to deposited amounts on an Escrow Account which are invested in investment funds with superior rating and guarantee contractual liabilities assumed by Sonae Investimentos which may arise from the sale of Sonae Distribuição Brasil, S.A. and for which provisions were recorded (Note 24).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer. That didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as to whether or not, to retain the Escrow Account for ongoing fiscal procedures 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.

8 CHANGES TO THE CONSOLIDATION PERIMETER

The detail of acquisition over the period ended as at 30 June 2011, is as follows:

COMPANY	Head Office	Direct	Total
Investments Management			
Sonaegest- Soc.Gestora de Fundos de Investimento, SA	Maia	60.00%	60.00%

Acquisition mentioned above had the following impact on the financial statements for the period ended as at 30 June 2011:

	At acquisition date
Net assets	
Tangible and intangible assets (Note 9)	1,883
Other assets	63,701
Cash and cash equivalents	1,217,213
Other liabilities	(282,021)
	<u>1,000,776</u>
Goodwill (Note 11)	170,502
Non-controlling interests (Note 18)	(479,989)
Transfer of investments in associates (Note 6)	(466,552)
	<u>224,736</u>
Acquisition cost	<u>224,736</u>
	-
Effective cash payment	<u>224,736</u>
	<u>224,736</u>
	-
Net cash-flow arising from acquisition	-
Effective cash payment	224,736
Cash and cash equivalents acquired	(1,217,213)
	<u>(992,477)</u>

9 TANGIBLE ASSETS

During the six months period ended 30 June 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 assets:					
Opening balance as at 1 January 2011	1,674,889,100	1,058,343,633	164,175,552	42,313,845	2,939,722,130
Acquisitions	289,109	1,388,971	394,149	72,448,927	74,521,156
Acquisitions of subsidiaries (Note 8)	-	-	43,720	-	43,720
Disposals	(31,282,356)	(7,980,426)	(3,405,011)	(718,583)	(43,386,376)
Exchange rate effect	-	(22,642)	(20,236)	-	(42,878)
Transfers	399,563	55,306,550	8,412,632	(67,355,277)	(3,236,532)
Closing balance as at 30 June 2011	<u>1,644,295,416</u>	<u>1,107,036,086</u>	<u>169,600,806</u>	<u>46,688,912</u>	<u>2,967,621,220</u>
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	233,202,633	455,451,288	118,810,757	-	807,464,678
Depreciation and impairment losses	15,263,689	53,206,903	9,188,960	-	77,659,552
Acquisitions of subsidiaries (Note 8)	-	-	41,837	-	41,837
Disposals	(5,204,059)	(7,088,679)	(3,221,428)	-	(15,514,166)
Exchange rate effect	-	(12,532)	(7,759)	-	(20,291)
Transfers	(2,832)	(2,729,215)	(167,882)	(52,879)	(2,952,808)
Closing balance as at 30 June 2011	<u>243,259,431</u>	<u>498,827,765</u>	<u>124,644,485</u>	<u>(52,879)</u>	<u>866,678,802</u>
Carrying amount					
As at 30 June 2011	<u>1,401,035,985</u>	<u>608,208,321</u>	<u>44,956,321</u>	<u>46,741,791</u>	<u>2,100,942,418</u>

	Tangible assets				Total Tangible Assets
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	
Gross assets:					
Opening balance as at 1 January 2010	1,724,171,225	948,112,682	168,570,680	92,462,861	2,933,317,448
Acquisitions	7,038,099	520,422	1,014,659	85,817,094	94,390,274
Disposals of subsidiaries	(31,096,814)	(250,482)	-	-	(31,347,296)
Disposals	(14,794,374)	(17,997,134)	(4,838,139)	(1,266,975)	(38,896,622)
Exchange rate effect	21,382	145,890	121,456	-	288,728
Transfers	47,609,399	73,408,714	4,756,879	(127,875,776)	(2,100,784)
Closing balance as at 30 June 2010	1,732,948,917	1,003,940,092	169,625,535	49,137,204	2,955,651,748
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2010	218,182,843	398,544,190	118,096,992	-	734,824,025
Depreciation and impairment losses	14,017,348	43,549,530	9,875,261	-	67,442,139
Disposals of subsidiaries	(5,040,880)	(68,612)	-	-	(5,109,492)
Disposals	(5,181,529)	(15,074,097)	(4,741,413)	-	(24,997,039)
Exchange rate effect	12,385	76,499	46,633	-	135,517
Transfers	-	(492,512)	(348,127)	-	(840,639)
Closing balance as at 30 June 2010	221,990,167	426,534,998	122,929,346	-	771,454,511
Carrying amount					
As at 30 June 2010	1,510,958,750	577,405,094	46,696,189	49,137,204	2,184,197,237

At 30 June 2011, the value of disposals in "Tangible assets" includes 25,748,719 euro relating with the sale and leaseback transaction of company stores Continente and Worten located at Vasco da Gama Shopping Centre. 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.

The most significant values included in the caption "Tangible assets in progress" refer to the following projects:

	30 June 2011	30 June 2010
Refurbishment and expansion of stores in the retail businesses located in Portugal	27,136,221	30,302,650
Refurbishment and expansion of stores in the retail businesses located in Spain	7,414,078	1,690,378
Construction in progress in Maia (Business Park)	-	6,286,979
Projects of stores for which advance payments were made	10,389,232	9,573,231
Others	1,802,260	1,283,966
	46,741,791	49,137,204

10 INTANGIBLE ASSETS

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

	Intangible assets			
	Patents and other similar rights	Others	Intangible assets in progress	Total Intangible Assets
Gross assets				
Opening balance as at 1 January 2011	101,430,461	159,639,470	14,382,674	275,452,605
Acquisitions	254,196	181,512	6,460,783	6,896,491
Disposals	(3,885)	(1,502)	(154,608)	(159,995)
Exchange rate effect	-	(8,078)	-	(8,078)
Transfers	(52,232)	5,605,088	(5,913,753)	(360,897)
Closing balance as at 30 June 2011	101,628,540	165,416,490	14,775,096	281,820,126
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2011	14,590,542	107,187,899	-	121,778,441
Depreciation and impairment losses	1,894,315	9,207,144	-	11,101,459
Disposals	(3,157)	(1,175)	-	(4,332)
Exchange rate effect	-	(3,309)	-	(3,309)
Transfers	(188,104)	146,566	-	(41,538)
Closing balance as at 30 June 2011	16,293,596	116,537,125	-	132,830,721
Carrying amount				
As at 30 June 2011	85,334,944	48,879,365	14,775,096	148,989,405

	Intangible assets			
	Patents and other similar rights	Others	Intangible assets in progress	Total Intangible Assets
Gross assets				
Opening balance as at 1 January 2010	100,024,071	154,435,898	11,463,185	265,923,154
Acquisitions	1,189,073	102,043	3,894,735	5,185,851
Disposals	(426)	(1,117,744)	(2,156)	(1,120,326)
Exchange rate effect	-	26,019	-	26,019
Transfers	(192,275)	3,194,448	(4,367,811)	(1,365,638)
Closing balance as at 30 June 2010	101,020,443	156,640,664	10,987,953	268,649,060
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2010	11,122,066	92,480,785	-	103,602,851
Depreciation and impairment losses	1,783,900	8,220,724	-	10,004,624
Disposals	(426)	(1,024,642)	-	(1,025,068)
Exchange rate effect	-	20,326	-	20,326
Transfers	(22,231)	(28)	-	(22,259)
Closing balance as at 30 June 2010	12,883,309	99,697,165	-	112,580,474
Carrying amount				
As at 30 June 2010	88,137,134	56,943,499	10,987,953	156,068,586

The value of "Intangible assets in progress" relates mainly to IT projects and software development.

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 GOODWILL

During the period ended on 30 June 2011 and 31 December 2010, movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

	30 June 2011	31 December 2010
Gross value:		
Opening balance	519,610,038	528,076,621
New companies in the consolidation perimeter (Note 8)	170,502	-
Disposals of subsidiaries	-	(9,886,491)
Transfers	-	1,419,908
Closing balance	<u>519,780,540</u>	<u>519,610,038</u>
Accumulated impairment losses:		
Opening balance	1,374,227	8,191,583
Disposals of subsidiaries	-	(6,817,356)
Increases	-	-
Closing balance (Note 24)	<u>1,374,227</u>	<u>1,374,227</u>
Carrying amount:	<u>518,406,312</u>	<u>518,235,811</u>

12 OTHER INVESTMENTS

As at 30 June 2011 and 2010 movements in this caption can be detailed as follows:

	30 June 2011	30 June 2010
Other investments:		
Opening balance as at 1 January	15,185,750	57,294,670
Increases in the period	-	2,864,730
Decreases in the period	(11,147,593)	-
Closing balance as at 30 June	<u>4,038,157</u>	<u>60,159,400</u>
Accumulated impairment losses	-	-
	<u>4,038,157</u>	<u>60,159,400</u>
Derivative financial instruments		
Fair value as at 1 January	457,159	365,121
Increase/(Decrease) in fair value	(133,624)	2,281,268
Fair value as at 30 June	<u>323,535</u>	<u>2,646,389</u>
Other Investments	<u>4,361,692</u>	<u>62,805,789</u>

13 OTHER NON-CURRENT ASSETS

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

	30 June 2011	31 December 2010
Loans granted to related parties	18,728,371	17,555,234
Trade accounts receivable and other debtors		
Bails	5,515,216	4,680,630
Legal deposits (Note 21)	910,566	927,976
Account receivable from Carrefour (a)	11,326,435	11,543,000
Amount receivable for selling the Modelo Cont. Seguros	2,225,015	2,170,773
Others	-	14,539
	<u>38,705,603</u>	<u>36,892,152</u>
Other non-current assets	434,323	499,472
	<u>39,139,926</u>	<u>37,391,624</u>

a) As a result of agreements signed in 2005 by former subsidiary - Sonae Distribuição Brazil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed the 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 11 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 was presented to Sonae, or proof of necessity of carrying out such costs for the licensing process as established on the mentioned agreement.

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.

14 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2011 and 31 December 2010, "Trade accounts receivable and other current assets" are made up as follows:

	30 June 2011	31 December 2010
Trade accounts receivable	42.622.908	46.055.684
Taxes recoverable	56.301.625	38.933.630
Granted loans to related companies	14.490.322	41.268
Other debtors		
Trade suppliers - debtor balances	69.606.079	61.381.139
Advances to suppliers	5.172.092	13.460.862
Credit sales sold to third parties	3.912.003	4.121.362
Special regime for settlement of tax and social security debts	12.047.567	12.382.502
VAT recoverable on real estate assets	5.705.268	5.676.892
Disposal of investments	-	8.860.291
Accounts receivable from the disposal of tangible fixed assets	741.871	2.646.339
Advances on suppliers	-	6.700.000
Other debtors	12.109.721	11.540.237
	<u>109.294.601</u>	<u>126.769.623</u>
Other current assets		-
Commercial Discounts	62.100.184	15.897.088
Interests to be received	1.477.527	1.764.353
Commissions to be received	2.259.449	1.679.770
Rents	7.154.659	5.843.859
Condominiums management fee's	1.754.905	1.784.906
Insurance premiums paid in advance	6.189.673	3.855.977
Claims	1.102.534	1.514.969
Software Licenses	-	1.354.762
Other current assets	9.041.392	8.255.392
	<u>91.080.323</u>	<u>41.951.076</u>
Accumulated impairment losses (Note 24)	<u>(26.015.688)</u>	<u>(25.144.413)</u>
	<u>287.774.091</u>	<u>228.606.868</u>

15 DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2011 and 31 December 2010 are as follows, taking into consideration its temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Difference between fair value and acquisition cost	2,636,088	2,636,088	29,559,676	29,793,323
Harmonisation adjustments	10,496	10,696	57,123,210	54,161,634
Provisions and impairment losses not accepted for tax purposes	9,380,561	5,794,376	-	-
Write-off of tangible and intangible assets	5,486,625	6,042,666	-	-
Valuation of hedging derivatives	480,641	815,455	13,610	54,899
Amortisation of Goodwill for tax purposes	-	-	24,430,056	20,940,048
Revaluation of tangible assets	-	-	1,793,955	1,856,488
Tax losses carried forward	102,195,500	83,007,413	-	-
Reinvested capital gains/(losses)	-	-	1,268,302	1,338,941
Others	59,624	653,140	734,319	57,132
	<u>120,249,535</u>	<u>98,959,834</u>	<u>114,923,128</u>	<u>108,202,465</u>

As at 30 June 2011 and 31 December 2010, and in accordance with tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 June 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	-	-	2012	-	-	2012
Generated in 2007	1,233,239	308,310	2013	801,519	200,380	2013
Generated in 2008	3,541,103	885,276	2014	3,541,099	885,276	2014
Generated in 2009	9,829,967	2,457,492	2015	9,829,967	2,457,492	2015
Generated in 2010	1,249,203	312,301	2014	1,209,556	302,387	2014
Generated in 2011	29,831,210	7,457,800	2015	-	-	
	<u>45,981,326</u>	<u>11,495,330</u>		<u>15,678,745</u>	<u>3,919,686</u>	
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	302,333,897	90,700,170		263,625,755	79,087,727	
	<u>348,315,223</u>	<u>102,195,500</u>		<u>279,304,500</u>	<u>83,007,413</u>	

As at 30 June 2011 and 31 December 2010, deferred tax assets resulting from tax losses were assessed and only recognized to the extent it was probable that sufficient taxable profits will be available in the future against which the deferred tax assets can be used, or when taxable temporary differences are recognized by the same entity and expected to reverse in the same period. This assessment was based on business plans of Sonae Investimentos companies, which are periodically reviewed and updated, and on identified and available tax planning opportunities.

As at 30 June 2011 tax losses carried forward, have not originated deferred tax assets for prudential reasons. These may be summarized as follows:

	30 June 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	18,959	4,740	2011	22,523	5,631	2011
Generated in 2006	337,684	84,420	2012	337,684	84,420	2012
Generated in 2007	337,461	84,366	2013	819,543	204,886	2013
Generated in 2008	1,532,594	383,149	2014	1,532,594	383,149	2014
Generated in 2009	1,124,333	281,082	2015	1,124,333	281,082	2015
Generated in 2010	5,410,677	1,352,669	2014	5,468,556	1,367,140	2014
Generated in 2011	3,429,986	857,497	2015	-	-	
	<u>12,191,694</u>	<u>3,047,923</u>		<u>9,305,233</u>	<u>2,326,308</u>	
Without limited time use	12,610,628	4,287,614		11,077,728	3,766,427	
With a time limit different from the above mentioned	7,848,179	1,962,044		13,830,335	3,457,584	
	<u>32,650,501</u>	<u>9,297,581</u>		<u>34,213,296</u>	<u>9,550,319</u>	

16 CASH AND CASH EQUIVALENTS

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

	30 June 2011	31 December 2010
Cash at hand	6,522,367	6,847,595
Bank deposits	79,500,384	193,164,261
Treasury applications	12,461	12,613
Cash and cash equivalents on the balance sheet	86,035,212	200,024,469
Bank overdrafts (Note 19)	(5,205,088)	(7,564,216)
Cash and cash equivalents on the statement of cash flows	80,830,124	192,460,253

Bank overdrafts, are recorded in the balance sheet under the caption Current bank loans.

17 SHARE CAPITAL

As at 30 June 2011, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares which do not hold right to any fixed income, with a nominal value of 1 Euro each.

As at 30 June 2011, the subscribed share capital was held as follows:

Entity	%
Sonae, SGPS, S.A.	76.86%
Sonae Investments, BV	13.14%
Sonae Specialized Retail, SGPS, S.A.	10.00%

As at 30 June 2011, Efanor Investimentos S.G.P.S., S.A. and its subsidiaries held 52.98% of the share capital of Sonae, SGPS, S.A..

18 NON-CONTROLLING INTERESTS

Movements in non-controlling interests during the periods ended as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
Opening balance as at 1 January	75,434,780	74,344,125
Acquisition/Incorporation of subsidiaries (Note 8)	479,989	980,000
Disposal of subsidiaries	-	(557,535)
Cover losses	-	995,750
Variations in ownership percentage	1,276,562	-
Others	(243,679)	(97,327)
Profit for the period attributable to non-controlling interests	(499,522)	(230,233)
Closing balance as at 30 June 2011	76,448,130	75,434,780

19 LOANS

As at 30 June 2011 and 31 December 2010, loans are made up as follows:

	30 June 2011		31 December 2010	
	Current	Non-Current	Current	Non-Current
Bank loans				
Sonae Investimentos, SGPS, SA - commercial paper	65,000,000	450,000,000	-	292,000,000
Others	3,333,333	10,000,000	3,333,334	11,666,666
	<u>68,333,333</u>	<u>460,000,000</u>	<u>3,333,334</u>	<u>303,666,666</u>
Bank overdrafts (Note 16)	5,205,088	-	7,564,216	-
Up-front fees beard with the issuance of loans	(7,667)	(51,435)	(7,667)	(67,409)
Bank loans	<u>73,530,754</u>	<u>459,948,565</u>	<u>10,889,883</u>	<u>303,599,257</u>
Bonds				
a) 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	34,000,000	8,000,000	42,000,000
Up-front fees beard with the issuance of loans	(172,129)	(2,075,870)	(445,382)	(2,662,489)
Bonds	<u>215,827,871</u>	<u>691,924,130</u>	<u>89,554,618</u>	<u>899,337,511</u>
Other loans	15,351	162,624	33,466	162,624
Derivative instruments (Note 20)	4,031,890	-	5,245,380	-
Other loans	<u>4,047,241</u>	<u>162,624</u>	<u>5,278,846</u>	<u>162,624</u>
Obligations under finance leases	1,784,262	6,222,724	2,752,393	7,170,863
	<u>295,190,128</u>	<u>1,158,258,043</u>	<u>108,475,740</u>	<u>1,210,270,255</u>

- a) On June 29, 2011 the Group reacquired all its "Modelo Continente 2003" bonds amounting 82,000,000 euro, and subsequently extinguished this bond loan.

At 30 June 2011, Sonae Investimentos has agreed lines of credit and commercial paper amounting to 842 million euro, of which 297 million euro with firm commitments with maturity not exceeding one year and 465 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 242 million credit facilities available to meet its liquidity requirements.

The interest rate at 30 June 2011 of bonds and loans was approximately 2,11% (1,83% on 31 December 2010). It is estimated that the fair value of these loans does not differ significantly from its market value.

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

The repayment schedule of the nominal value of borrowings (including bank loans and obligations under finance leases) is summarized as follows:

	30 June 2011	31 December 2010
N+1	291,338,034	103,683,409
N+2	195,954,831	370,645,105
N+3	202,318,696	175,485,486
N+4	304,105,771	306,106,457
N+5	355,767,720	357,414,181
After N+5	102,238,330	3,348,925
	<u>1,451,723,382</u>	<u>1,316,683,563</u>

The maturities above were estimated in accordance with the contractual terms of loans and contracts, which do not include financial covenants.

20 DERIVATIVES

Exchange rate derivatives

In what concerns financial risk management policy, Sonae Investimentos uses exchange rate derivatives, essentially to hedge future cash flows.

As at 30 June 2011, the fair value of the exchange rate derivatives, calculated taking into consideration the present market value of equivalent financial instruments, is estimated as follows:

	30 June 2011	31 December 2010
Assets (Note 12)	323,535	457,159
Liabilities (Note 19)	(1,950,648)	(954,898)
	<u>(1,627,113)</u>	<u>(497,739)</u>

Gains or losses for the period arising from changes in the fair value of derivatives amounting to (76,618) Euro ((2,210,132) euro at 30 June 2010) were recorded under "Hedging reserve" of Comprehensive income, when considered eligible hedge instruments or in the income statement caption "Other expense" when considered otherwise.

Interest rate derivatives

As at 30 June 2011, the financial instruments of interest rate used by the Group, essentially refer to zero cost collars in the case of liabilities. In accordance with the accounting policies adopted, these derivatives satisfy the requirements to be designated as hedging instruments of interest rate risk.

Its fair value amounts to:

	30 June 2011	31 December 2010
Liabilities (Note 19)	2,081,242	(4,290,482)
	<u>2,081,242</u>	<u>(4,290,482)</u>

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by Sonae Investimentos 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.

Fair value of derivatives

The fair value of the derivatives is detailed as follows:

	Assets		Liabilities	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Derivatives not qualified as hedging				
Exchange rate	-	-	-	76,618
Hedging derivatives				
Exchange rate	323,535	457,159	1,950,648	878,280
Interest rate	-	-	2,081,242	4,290,482
	<u>323,535</u>	<u>457,159</u>	<u>4,031,890</u>	<u>5,245,380</u>

21 OTHER NON-CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, the caption "Other non-current liabilities" was made up as follows:

	30 June 2011	31 December 2010
Shareholder loans	420,794,698	417,902,648
Tangible assets suppliers	1,212,500	1,237,500
Share based payments (Note 22)	1,473,295	3,216,439
Other non-current liabilities	954,164	2,372,407
Accruals and deferrals	1,964,892	679,292
Other non-current liabilities	<u>426,399,549</u>	<u>425,408,286</u>

This caption "Shareholder loans" includes a subordinate bond loan repayable after 10 years issued by Sonae Investimentos fully subscribed. This loan was fully subscribed and paid for by Sonae SGPS, SA on 28 December 2010, amounting to 400 million euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each.

The above caption includes also the amount payable to participating companies refers to a shareholders' loan granted by a minority shareholder to a subsidiary that bears interest at usual market rate. The fair value of this loan is similar to its book value, with no defined maturity.

As at 30 June 2011, the caption "Other non-current liabilities" includes 954,164 euro (972.408 euro as at 31 December 2010) mainly refers to the estimated amounts to fulfil the legal and tax obligations of a Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption "Other non-current assets" (Note 13), with no defined maturity.

22 SHARE BASED PAYMENT PLANS

In 2011 and in previous years, Sonae Investimentos Group granted deferred performance bonuses to its directors and eligible employees. These are based on shares to be acquired at nil cost, three years after they were attributed to the employee. The purchase can be exercised during the period between the third anniversary of the grant date and the end of that year. The company has the choice to settle its responsibilities in cash instead of shares. The option can only be exercised if the employee still works for Sonae Group on the vesting date.

Liabilities arising from deferred performance bonuses as at 30 June 2011 and 31 December 2010 are made up as follows:

	Grant year	Vesting year	Number of participants	Fair value	
				30 June 2011	31 December 2010
Shares					
	2008	2011	49	-	1,688,691
	2009	2012	52	3,518,550	3,680,318
	2010	2013	51	2,291,893	2,288,719
	2011	2014	51	2,066,274	-
Total				<u>7,876,717</u>	<u>7,657,728</u>

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

	30 June 2011	31 December 2010
Staff costs	1,176,551	2,487,799
Recorded in previous years	2,994,884	2,417,344
	<u>4,171,435</u>	<u>4,905,143</u>
Other non-current liabilities (Note 21)	1,473,295	3,216,439
Other current liabilities (Note 23)	2,698,140	1,688,704
	<u>4,171,435</u>	<u>4,905,143</u>

The share based payment plan costs are recognized during the years between the grant and vesting date as staff costs.

23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010 the caption "Trade creditors and other current liabilities" can be detailed as follows:

	30 June 2011	31 December 2010
Trade creditors	899,391,373	1,121,852,468
Taxes payable	39,892,980	52,891,000
Other creditors		
Tangible asset suppliers	32,563,468	58,103,689
Related undertakings	3,578,247	53,427,354
Other debts	39,169,296	43,343,332
	<u>75,311,011</u>	<u>154,874,375</u>
Other current liabilities		
Staff costs	96,583,639	90,073,043
Interest payable	9,549,605	7,384,896
Marketing expenses	14,100,531	16,436,794
Other external supplies and services	42,122,373	33,794,793
Accrued income - rents	5,381,466	4,294,408
Real Estate Municipality tax	4,777,661	4,342,284
Share based payments (Note 22)	2,698,140	1,688,704
Others	9,879,330	8,580,909
	<u>185,092,746</u>	<u>166,595,831</u>
	<u>1,199,688,110</u>	<u>1,496,213,674</u>

The caption "Other debts" includes:

- 7,410,815 euro (18,556,454 euro as at 31 December 2010), of attributed discounts not yet used related with loyalty projects, referring to "Cartão Cliente" card;
- 4,918,547 euro (8,277,581 euro as at 31 December 2010) related to means of payments owned by clients as vouchers, gift cards and discount tickets; and
- 6,060,744 euro (6,179,706 euro as at 31 December 2010) related to payable amounts to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity.

24 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses", for the six months period ended as at 30 June 2011 and 2010, were as follows:

Caption	Balance as at 31 December 2010	Increase	Decrease	Balance as at 30 June 2011
Accumulated impairment losses on investments (Note 7)	22,338	-	-	22,338
Accumulated impairment losses on goodwill (Note 11)	1,374,227	-	-	1,374,227
Accumulated impairment losses on trade account receivables and other debtors (Note 14)	25,144,413	1,779,274	(907,999)	26,015,688
Accumulated impairment losses on inventories	20,666,324	9,491,237	(2,058,638)	28,098,923
Non-current provisions	21,495,563	3,571,556	496,306	25,563,425
Current provisions	1,686,979	700,000	(40,006)	2,346,973
	<u>70,389,844</u>	<u>15,542,067</u>	<u>(2,510,337)</u>	<u>83,421,574</u>

Caption	Balance as at 31 December 2009	Increase	Decrease	Balance as at 30 June 2010
Accumulated impairment losses on investments	77,185	-	(36,703)	40,482
Accumulated impairment losses on trade account receivables and other debtors	25,029,183	3,748,153	(5,018,626)	23,758,710
Accumulated impairment losses on inventories	18,954,690	4,437,150	(2,764,668)	20,627,172
Non-current provisions	9,263,092	3,888,323	(60,825)	13,090,590
Current provisions	2,488,883	-	(675,843)	1,813,040
	<u>55,813,033</u>	<u>12,073,626</u>	<u>(8,556,665)</u>	<u>59,329,994</u>

The caption "Non-current provisions" includes 10,623,725 euro (10,856,969 euro as at 31 December 2010) relating to contingencies assumed by the company, on the sale of the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are being incurred.

The caption non-current provisions and the movement in the period of this caption, also includes the estimated liabilities incurred by the Group on the sale of warranty extension programmes on products traded by the Specialized Retail business segment in the amount of 11,405,399 euro. These extensions are granted for a period of one to three years after the legally binding warranty.

25 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2011 and 31 December 2010, the major Contingent liabilities were guarantees given, which can be detailed as follows:

	30 June 2011	31 December 2010
Guarantees given:		
on tax claims	420,136,354	317,505,226
on municipal claims	6,643,523	7,011,523
others	32,896,045	32,115,117

Tax claims includes 257,568,436 euro (207,114,928 euro as at 31 December 2010) related to appeals against additional corporate income tax and VAT assessments, as well as guarantees amounting to 103,709,692 euro related to a VAT proceeding (105,786,250 euro as at 31 December 2010).

Retail based subsidiaries of the Company, granted guarantees in favour of the Portuguese Tax Administration, associated with tax claims for VAT, amounting to 102,100,000 euro, for which the Company has presented, or has the intention of presenting an impugnation. Portuguese tax authorities claim that the Company should have invoiced VAT related to promotional discounts invoiced to suppliers as these discounts depend on the acquisitions made by the Group during the year, and claim that the company should not have deducted VAT from discount vouchers used by its clients.

A Retail segment company in Brazil granted a guarantee of approximately 32.7 million euro (74,078,784 Brazilian real, on 31 December 2010 the amount is the same), on a tax claim, which is being judged by tax court.

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 of Directors, based on the lawyers' assessment, understands will not imply future losses to the old subsidiary.

No provision has been recognized to face up to risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result to Sonae Investimentos.

26 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Parent company	557,589	574,898	76,100	825
Jointly controlled companies	305,830	388,842	1,526,127	1,549,019
Associated companies	16,639,501	16,090,345	627,219	482,822
Participated companies	28,181,988	27,684,285	-	-
Other related parties ⁽¹⁾	4,322,459	5,400,334	31,301,798	39,716,363
	<u>50,007,367</u>	<u>50,138,704</u>	<u>33,531,244</u>	<u>41,749,029</u>
Transactions	Interest income		Interest expenses	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Parent company	83,347	324	16,466,594	346,443
Jointly controlled companies	264	-	-	16
Associated companies	469,175	-	-	-
Participated companies	-	-	-	-
Other related parties ⁽¹⁾	-	9,397	402,707	261,613
	<u>552,786</u>	<u>9,721</u>	<u>16,869,301</u>	<u>608,072</u>

Balances	Accounts receivable		Accounts payable	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Parent company	862,853	978,438	889,506	630,241
Jointly controlled companies	937,851	742,572	443,875	675,795
Associated companies	7,272,067	2,584,590	804,137	74,828
Participated companies	11,431,392	13,413,873	35,578	54,571
Other related parties ⁽¹⁾	10,833,999	22,293,532	18,216,861	27,680,583
	<u>31,338,162</u>	<u>40,013,005</u>	<u>20,389,957</u>	<u>29,116,018</u>

Balances	Loans			
	Obtained		Granted	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Parent company	403,135,000	453,000,000	14,260,000	-
Jointly controlled companies	-	-	40,760	-
Associated companies	-	-	16,935,689	17,555,234
Participated companies	-	-	-	-
Other related parties ⁽¹⁾	17,983,895	17,902,648	-	-
	<u>421,118,895</u>	<u>470,902,648</u>	<u>31,236,449</u>	<u>17,555,234</u>

- (1) Other related parties are considered to be related party affiliates or companies under joint control of Efanor SGPS, SA that are not included in Sonae Investimentos, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital.

The recorded amounts as Obtained Loans from participating companies refer to loans granted to subsidiaries by its shareholders, which bear interests at market rates.

27 INCOME TAX

Income tax for the six months period ended on 30 June 2011 and 2010 is detailed as follows:

	30 June 2011	30 June 2010
Current tax	13,127,199	11,137,150
Deferred tax	(14,860,397)	(140,016)
	<u>(1,733,198)</u>	<u>10,997,134</u>

28 EARNINGS PER SHARE

Earnings per share for the six months period ended on 30 June 2011 and 2010 were calculated taking into consideration the following amounts:

	30 June 2011	30 June 2010
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	11,686,018	41,145,813
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	11,686,018	41,145,813
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	1,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	1,000,000,000
Earnings per share (basic and diluted)	0.012984	0.041146

On 30 June 2011 and 2010 there is no dilutive effect on the number of shares outstanding.

29 SEGMENT INFORMATION

The contribution of the main segments for the six months period ended on 30 June 2011 and 2010 can be detailed as follows:

	Food based Retail	Specialized Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
30 June 2011						
Turnover	1,570,770,132	551,212,961	45,122,258	59,934,937	(50,588,614)	2,176,451,674
Ex-Fuel	1,557,668,561	551,212,961	45,122,258	59,934,937	(50,588,614)	2,163,350,103
Fuel	13,101,571	-	-	-	-	13,101,571
EBITDA	78,664,505	(11,872,325)	102,906	70,490,042	(1,249,410)	136,135,717
EBIT	32,747,099	(38,003,405)	(1,842,908)	55,108,731	(1,674,955)	46,334,561
Invested capital	596,717,080	420,891,208	142,941,811	1,369,945,355	(2,642,515)	2,527,852,938
Sales area [000 m ²]	547	391	63	-	-	1,001

	Food based Retail	Specialized Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
30 June 2010 (Note 1)						
Turnover	1,586,766,253	554,480,678	47,959,135	64,195,245	(59,839,540)	2,193,561,772
Ex-Fuel	1,517,409,731	554,480,678	47,959,135	64,195,245	(59,839,540)	2,124,205,250
Fuel	69,356,522	-	-	-	-	69,356,522
EBITDA	78,980,683	7,245,252	589,924	67,074,577	(248,087)	153,642,349
EBIT	39,265,427	(14,078,392)	(1,426,557)	51,078,946	73,823	74,913,247
Invested capital	531,710,792	369,550,702	77,284,366	1,488,435,042	(9,975,269)	2,457,005,633
Sales area [000 m ²]	531	327	65	-	-	923

Food based retail

Includes the contribution of Group's activity related with the insignias of food based retail (Continente, Bom Bocado, Wells and Book.it) and fuels (which is operated under the brand Continente).

Specialized Retail

Includes the contribution of Group activity related with the insignia of non-food retail (Worten, Worten Mobile, Worten Gamer, Vobis, Sport Zone, Loop, Modalfa and Zippy).

Investment Management

Includes the Group's activity associated with Maxmat and travel agencies.

Retail Real Estate

Includes real estate assets owned and managed by Sonae Investimentos, namely commercial galleries associated to units Continente.

Elimination and adjustments

Include consolidation adjustments and eliminations of intra-group balances and contribution from other companies not included in the previous segments. These values refer, mainly, to the elimination of rents invoiced by the Real Estate Segment to other Segments, presented in the turnover caption.

Operational Cash-flow (EBITDA)

Turnover + Investment income + Other income – Negative Goodwill – Reversal of impairment losses – Operational costs + Gains / losses on sales of businesses - Provision for extensions of guarantees.

EBIT

Turnover + Other income + Negative Goodwill – Operational costs - Provision for extensions of guarantees + Gains / losses on sales of businesses – Amortisations and impairment losses.

Capital employed

Gross real estate assets + other fixed assets (including Goodwill) - Amortisations and impairment losses + Financial investments + Working capital.

30 APPROVAL OF THE FINANCIAL STATEMENTS

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

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Condensed individual financial statements

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 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.June.2011	30.June.2010	31.December.2010
NON-CURRENT ASSETS:				
Tangible assets		110	1,990	1,477
Intangible assets		4,121	166,788	5,260
Investments	4	2,695,353,144	2,722,681,845	2,712,242,717
Deferred tax assets	5	7,577,273	1,226,581	738,707
Other non-current assets	6	1,278,687,591	1,350,893,032	1,258,356,053
Total non-current assets		3,981,622,239	4,074,970,236	3,971,344,214
CURRENT ASSETS:				
Trade accounts receivable and other current assets	7	445,513,902	311,623,578	455,080,368
Cash and cash equivalents	8	36,641,788	687,473	127,421,554
Total current assets		482,155,690	312,311,051	582,501,922
TOTAL ASSETS		4,463,777,929	4,387,281,287	4,553,846,136
EQUITY AND LIABILITIES				
EQUITY:				
Share capital		1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		1,334,188,090	933,582,984	882,130,694
Profit for the period		17,196,646	368,378,456	450,539,262
TOTAL EQUITY		2,351,384,736	2,301,961,440	2,332,669,956
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	1,151,872,695	1,426,435,610	1,202,936,767
Deferred tax liabilities	5	1,220	1,403	1,403
Other non-current liabilities	11	400,149,302	-	400,456,179
Total non-current liabilities		1,552,023,217	1,426,437,013	1,603,394,349
CURRENT LIABILITIES:				
Loans	10	284,153,536	73,246,622	92,880,285
Trade creditors and other current liabilities	12	276,216,440	585,636,212	524,901,546
Total current liabilities		560,369,976	658,882,834	617,781,831
TOTAL EQUITY AND LIABILITIES		4,463,777,929	4,387,281,287	4,553,846,136

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL INCOME STATEMENTS FOR THE PERIODS ENDED 30 JUNE 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	2nd Quarter 2011	2nd Quarter 2010	30.June.2011	30.June.2010
Services rendered		491,201	417,569	962,388	807,187
Gains or losses on investments	15	5,954,196	362,730,547	31,007,295	372,280,793
Financial income	16	12,157,883	8,551,644	23,929,020	15,928,673
Other income		7,744	139,285	9,414	1,002,408
External supplies and services		(486,893)	(111,806)	(839,901)	(318,505)
Staff costs		4,074	20,449	(143,044)	(286,559)
Depreciation and amortisation		(608)	(833)	(1,306)	(1,884)
Financial expenses	16	(19,687,902)	(11,026,618)	(38,586,566)	(20,692,374)
Other expenses		(22,271)	(212,699)	(331,923)	(1,689,279)
Profit/(Loss) before taxation		(1,582,576)	360,507,538	16,005,377	367,030,460
Taxation		(667,512)	669,576	1,191,269	1,347,996
Profit/(Loss) after taxation	17	(2,250,088)	361,177,114	17,196,646	368,378,456
Earnings per share	17	(0.0025)	0.3612	0.0191	0.3684

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 30 JUNE 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)

	<u>2nd Quarter 2011</u>	<u>2nd Quarter 2010</u>	<u>30.June.2011</u>	<u>30.June.2010</u>
Net Profit / (Loss) for the period	(2,250,088)	361,177,114	17,196,646	368,378,456
Changes in hedge and fair value reserves	<u>767,976</u>	<u>768,932</u>	<u>1,518,134</u>	<u>1,039,198</u>
Total comprehensive income for the period	<u>(1,482,112)</u>	<u>361,946,046</u>	<u>18,714,780</u>	<u>369,417,654</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL STATEMENTS OF CHANGE IN EQUITY FOR THE PERIODS ENDED AT 30 JUNE 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)

	Reserves and retained earnings					Net profit/(loss)	Total
	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings	Total reserves and retained earnings		
Balance as at 1 January 2010	1,000,000,000	114,000,000	(4,441,225)	831,226,646	940,785,421	61,758,365	2,002,543,786
Total comprehensive income for the period	-	-	1,039,198	-	1,039,198	368,378,456	369,417,654
Appropriation of profit of 2009:	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	3,087,918	-	58,670,447	61,758,365	(61,758,365)	-
Dividends distributed	-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)
Balance as at 30 June 2010	<u>1,000,000,000</u>	<u>117,087,918</u>	<u>(3,402,027)</u>	<u>819,897,093</u>	<u>933,582,984</u>	<u>368,378,456</u>	<u>2,301,961,440</u>
Balance as at 01 January 2011	1,000,000,000	117,087,918	(1,854,317)	766,897,093	882,130,694	450,539,262	2,332,669,956
Total comprehensive income for the period	-	-	1,518,134	-	1,518,134	17,196,646	18,714,780
Appropriation of profit of 2010:	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	22,526,963	-	428,012,299	450,539,262	(450,539,262)	-
Balance as at 30 June 2011	<u>1,000,000,000</u>	<u>139,614,881</u>	<u>(336,183)</u>	<u>1,194,909,392</u>	<u>1,334,188,090</u>	<u>17,196,646</u>	<u>2,351,384,736</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED INDIVIDUAL CASH FLOW STATEMENTS FOR THE PERIODS ENDED
30 JUNE 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	2nd Quarter 2011	2nd Quarter 2010	30.June.2011	30.June.2010
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		16,795,423	(19,462,398)	18,034,337	(19,442,892)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		19,993,955	1,117,589,417	91,365,276	1,147,994,417
Tangible and intangible assets		-	10	-	10
Interests and similar income		4,320,686	605,191	31,856,872	45,997,802
Dividends		25,053,099	10,447,148	25,053,099	10,447,148
Others		-	-	29,954	-
Loans granted		208,439,952	347,945,940	516,627,404	877,509,784
		257,807,692	1,476,587,706	664,932,605	2,081,949,161
Cash payments arising from:					
Investments		(884,736)	(600,305,000)	(884,736)	(1,128,305,000)
Tangible and intangible assets		-	(366)	-	(366)
Others		-	-	(12,807)	-
Loans granted		(166,819,715)	(804,098,256)	(670,060,604)	(1,267,669,296)
		(167,704,451)	(1,404,403,622)	(670,958,147)	(2,395,974,662)
Net cash used in investment activities (2)		90,103,241	72,184,084	(6,025,542)	(314,025,501)
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		849,134,000	2,152,677,486	2,478,843,762	4,148,739,131
		849,134,000	2,152,677,486	2,478,843,762	4,148,739,131
Cash payments arising from:					
Loans obtained		(963,804,419)	(2,134,522,743)	(2,542,252,142)	(3,784,328,410)
Interests and similar charges		(21,121,610)	(4,722,280)	(39,380,113)	(16,766,119)
Dividends		-	(70,000,000)	(68)	(70,000,000)
		(984,926,029)	(2,209,245,023)	(2,581,632,323)	(3,871,094,529)
Net cash used in financing activities (3)		(135,792,029)	(56,567,537)	(102,788,561)	277,644,602
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(28,893,365)	(3,845,851)	(90,779,766)	(55,823,791)
Cash and cash equivalents at the beginning of the period		65,535,153	(466,277)	127,421,554	51,511,663
Cash and cash equivalents at the end of the period	8	36,641,788	(4,312,128)	36,641,788	(4,312,128)

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30 JUNE 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 Investimentos, SGPS, SA, "the Company" or "Sonae Investimentos", is a Portuguese corporation, whose head office is in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

Its main activity is the management of investments (Note 4).

These individual financial statements were not subject to a limited revision carried out by the company's statutory external auditor.

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 the annual financial statements for the year ended 31 December 2010.

4 INVESTMENTS

As at 30 June 2011 and 31 December 2010, the detail of investments is as follows:

Company	30.June.2011		31.December.2010	
	% held	Final balance	% held	Final balance
Azulino - Imobiliária, SA	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	1,965,000	100.00%	1,845,000
Canasta - Empreendimentos Imobiliários, SA	100.00%	1,669,375	100.00%	1,669,375
Chão Verde - Sociedade de Gestão Imobiliária, SA	100.00%	2,244,591	100.00%	2,244,591
Citorres - Sociedade Imobiliária, SA	100.00%	477,848	100.00%	477,848
Contimobe - Imobiliária do Castelo de Paiva, SA	100.00%	231,318,722	100.00%	231,318,722
Cumulativa - Sociedade Imobiliária, SA	100.00%	2,355,191	100.00%	2,315,191
Fozimo - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Fozmassimo - Sociedade Imobiliária, SA	100.00%	6,264,902	100.00%	6,264,902
Fundo de Investimento Imobiliário Fechado Imosedo	54.55%	64,415,021	54.55%	64,415,021
Fundo de Investimento Imobiliário Imosonae Dois	100.00%	144,370,630	100.00%	158,410,389
Igimo - Sociedade Imobiliária, SA	100.00%	220,000	100.00%	220,000
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	100.00%	1,259,000
Imoconti - Sociedade Imobiliária, SA	100.00%	380,000	100.00%	380,000
Imoestrutura - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	874,940	100.00%	799,940
Imoresultado - Sociedade Imobiliária, SA	100.00%	109,736	100.00%	109,736
Imosistema - Sociedade Imobiliária, SA	100.00%	280,000	100.00%	280,000
MDS, SGPS, SA	46.92%	51,000,000	46.92%	51,000,000
MJLF - Empreendimentos Imobiliários, SA	100.00%	1,809,397	100.00%	1,809,397
Modelo - Distribuição de Materiais de Construção, SA	50.00%	9,790,614	50.00%	9,790,614
Modelo Hiper Imobiliária, SA	100.00%	10,655,164	100.00%	10,655,164
Modelo.Com - Vendas por Correspondência, SA	100.00%	12,637,016	100.00%	12,637,016
Mundo Vip - Operadores Turísticos, SA	33.34%	1,101,337	33.34%	1,101,337
Predicomercial - Promoção Imobiliária, SA	100.00%	6,372,293	100.00%	6,372,293
Raso, SGPS, SA	50.00%	24,500,000	50.00%	24,500,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	100.00%	1,513,379	100.00%	1,513,379
Sempre à Mão - Sociedade Imobiliária, SA	100.00%	1,855,558	100.00%	1,530,558
Sesagest - Projectos e Gestão Imobiliária, SA	100.00%	36,677,088	100.00%	36,677,088
Socijofra - Sociedade Imobiliária, SA	100.00%	550,000	100.00%	550,000
Sociloures - Sociedade Imobiliária, SA	100.00%	10,000,000	100.00%	10,000,000
Soflorin, BV	100.00%	257,309,037	100.00%	257,309,037
Sonae - Specialized Retail, SGPS, SA	100.00%	1,050,000,000	100.00%	1,050,000,000
Sonae Capital Brasil, SA	37.00%	19,600,307	37.00%	23,334,858
Sonae Center Serviços II, SA	100.00%	58,032,319	100.00%	58,032,319
Sonae MC - Modelo Continente, SGPS, SA	100.00%	600,000,000	100.00%	600,000,000
Sonaegest - Soc. Gest. de Fundos de Investimentos, SA	40.00%	384,351	20.00%	159,615
Sonaerp - Retail Properties, SA	100.00%	114,495,350	100.00%	114,495,350
Sondis Imobiliária, SA	100.00%	474,940	100.00%	474,940
Sonvecap, BV	100.00%	3,000,000	100.00%	3,000,000
Tlantic Portugal - Sistemas de Informação, SA	100.00%	743,316	100.00%	743,316
Valor N, SA	100.00%	2,087,315	100.00%	2,087,315
Total		2,733,441,641		2,750,331,214
Impairment		(38,088,497)		(38,088,497)
Total		2,695,353,144		2,712,242,717

5 DEFERRED TAX

Deferred tax assets and liabilities as of 30 June 2011 and 31 December 2010, taking into consideration the temporary differences that generated them, can be detailed as follows:

Assets

	30.June.2011	31.December.2010
Derivatives	121,209	668,565
Fiscal losses carried forward	7,396,440	-
Others	59,624	70,142
	<u>7,577,273</u>	<u>738,707</u>

Liabilities

	30.June.2011	31.December.2010
Differences between amortisations for accounting and tax purposes	1,220	1,403
	<u>1,220</u>	<u>1,403</u>

6 OTHER NON-CURRENT ASSETS

As at 30 June 2011 and 31 December 2010 other non-current assets are detailed as follows (Note 19):

	30.June.2011	31.December.2010
Loans granted	1,276,462,576	1,256,170,741
Other debtors	2,225,015	2,185,312
	<u>1,278,687,591</u>	<u>1,258,356,053</u>

These loans bear interests at usual market rates and do not have a defined maturity.

7 TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 June 2011 and 31 December 2010 trade account receivables and other current assets are detailed as follows:

	30.June.2011	31.December.2010
Trade accounts receivable	203,993	1,834,227
Group companies	407,637,314	372,887,473
Other debtors	5,292,688	75,902,853
Tax recoverable	9,315,913	661,990
Other current assets	23,063,994	3,793,825
	<u>445,513,902</u>	<u>455,080,368</u>

The caption group companies includes: (i) the amount of 398,072,000 euro (304,032,000 euro in 31 December 2010) related to short term loans to group companies (Note 19); (ii) the amount of 128,481 euro related to interest receivable (26,449,063 euro in 31 December 2010); (iii) the amount of 9,436,833 euro (42,406,410 euro in 31 December 2010) related to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Group of Companies.

The caption other debtors includes the amount of 4,778,747 euro (5,113,681 euro as at 31 December 2010), related to tax claims of tax assessments paid to tax authorities. No provision or impairment was recorded in order to face possible losses as it is understood by the Board of Directors that the outcome of these claims will be favourable to the Company.

The caption other current assets includes mainly receivables relating to interest, from loans granted to group companies.

8 CASH AND CASH EQUIVALENTS

As at 30 June 2011 and 31 December 2010 cash and cash equivalents are detailed as follows:

	30.June.2011	31.December.2010
Cash	550	550
Bank deposits	36,641,238	127,421,004
Cash and cash equivalents on the balance sheet	<u>36,641,788</u>	<u>127,421,554</u>
Cash and cash equivalents on the cash flow s statement	<u>36,641,788</u>	<u>127,421,554</u>

9 SHARE CAPITAL

As at 30 June 2011 and 31 December 2010, the share capital, which is fully subscribed and paid for, is made up of 1,000,000,000 ordinary shares with a nominal value of 1 euro each.

As at 30 June 2011 and 31 December 2010, the share capital was held as follows:

	30.June.2011	31.December.2010
Sonae, SGPS, SA	76.86%	76.86%
Sonae Investments, BV	13.14%	13.14%
Sonae - Specialized Retail, SGPS, SA	10.00%	10.00%

During the period, ended 31 December 2010 a subsidiary company (Sonae – Specialized Retail, SGPS, SA) acquired 100,000,000 shares of Sonae Investimentos. These shares are considered as treasury shares under the Commercial Companies Code, reason why the underlying rights to these shares are suspended.

10 LOANS

As at 30 June 2011 and 31 December 2010 loans are made up as follows:

	30.June.2011	31.December.2010
Nominal value of bond loans	694,000,000	902,000,000
Up-front fees not yet charged to income statement	(2,075,870)	(2,662,489)
Bond loans	<u>691,924,130</u>	<u>899,337,511</u>
Commercial paper	450,000,000	292,000,000
Other bank loans	10,000,000	11,666,665
Up-front fees not yet charged to income statement	(51,435)	(67,409)
Bank loans	<u>459,948,565</u>	<u>303,599,256</u>
Non-current loans	<u>1,151,872,695</u>	<u>1,202,936,767</u>
Nominal value of bond loans	216,000,000	90,000,000
Up-front fees not yet charged to income statement	(172,130)	(445,382)
Bond loans	<u>215,827,870</u>	<u>89,554,618</u>
Other bank loans	28,333,333	3,333,334
Up-front fees not yet charged to income statement	(7,667)	(7,667)
Bank loans	<u>68,325,666</u>	<u>3,325,667</u>
Current loans	<u>284,153,536</u>	<u>92,880,285</u>

Non-current loans

Bonds Modelo Continente 2005/2012 amounting to 150,000,000 euro, repayable after 7 years, in one installment, on 2 August 2012. 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, 11th, 12th and 13th coupons.

Bonds Sonae Distribuição 2007/2015 amounting to 200,000,000 euro, repayable after 8 years, in one installment, on 10 August 2015. 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, 12th and 14th coupons.

Bonds Sonae Distribuição Setembro 2007/2015 amounting to 310,000,000 euro, repayable in two installments of 50% each, on 10 September 2013 and 10 September 2015. 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, 11th, 12th, 13th, 14th and 15th coupons.

Bonds Sonae Distribuição 2009/2014 amounting to 50,000,000 euro, repayable in 6 half yearly successive according to the redemption plan as follows: i) 8,000,000 euro, on the 5th, 6th, 7th, 8th and 9th interest payment date; ii) 10,000,000 euro, on the 10th interest payment date. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

The amount of 450,000,000 under the caption commercial paper corresponds to a commercial paper issuance program with placement guarantee which has the following maturities: 100,000,000 euro in 5.2 years and 350,000,000 euro in 3.2 years.

Current loans

Bonds Sonae Distribuição 2009 / 2014 - 16,000,000 euro - amount to be reimbursed on the 5th, 6th interest payment dates - on 18 September 2011 and 18 March 2012 - in accordance with contractual conditions.

Bonds Modelo Continente 2007/2012 amounting to 200,000,000 euro, repayable after 5 years, in one installment, on 30 April 2012. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly.

On June 29, 2011 the company reacquired all its "Modelo Continente 2003" bonds amounting 82,000,000 euro, and subsequently extinguished the bond loan, in accordance with applicable law.

Interest rate as at 30 June 2011 of the bonds and bank loan was, in average, 2.11% (1.83% as at 31 December 2010).

11 OTHER NON-CURRENT LIABILITIES

As at 30 June 2011 this caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions. This loan was fully subscribed and paid for 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.

12 TRADE ACCOUNT PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, this heading is made up as follows:

	30.June.2011	31.December.2010
Trade accounts payable	213,289	126,157
Group companies	257,858,205	488,472,236
Other accounts payable	6,346	49,548
Tax and contributions payable	3,053,781	18,082,675
Derivatives	2,081,242	4,367,099
Other current liabilities	13,003,577	13,803,831
	<u>276,216,440</u>	<u>524,901,546</u>

The caption group companies includes: (i) 236,987,287 euro (481,511,000 euro on 31 December 2010) related to short term loans of the group companies (Note 19); (ii) the amount 12,489,417 euro (6,728,106 euro on 31 December 2010) related to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Group of Companies; (iii) the amount 233,130 euro (same amount as at 31 December 2010) related to the request for reimbursement claim of the 2003 special payment on account of income tax paid by the companies taxed according with the Special Regime for Taxing

Groups of Companies; (iv) the amount 8,148,371 euro related to tax reimbursement from previous years in accordance with the Special Regime for Taxing Group of Companies.

The caption other current liabilities includes mainly accrued interests not yet due relating to loans obtained.

13 CONTINGENT LIABILITIES

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

		30.June.2011	31.December.2010
Guarantees rendered:			
related to tax claims awaiting outcome	(a)	217,414,544	166,834,471
related to local and municipal claims awaiting outcome		28,938	289,380
others		10,771,977	10,761,324
Guarantees given in favour of subsidiaries	(b)	48,033,475	47,369,533

a) Includes the amount of 215,429,158 euro (164,849,085 euro as at 31 December 2010) related to corporate income tax claims awaiting outcome and the amount of 1,985,386 euro (same amount as at 31 December 2010) relating to stamp duty claims.

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

No provision has been recognized for these tax additional assessments, to which some guarantees were made, as the Board of Directors expects their outcome to be favorable to the Company with no additional liability.

Following the disposal of a Brazilian subsidiary company, the group guaranteed to that subsidiary company buyer all the losses it will have as consequence of tax additional assessments as it is described in the Note of Contingent Assets and Liabilities in the Consolidated financial statements.

14 RELATED PARTIES

Balances and transactions with related entities are summarized as follows:

Balance:		30.June.2011	31.December.2010
Parent company		82,491	59,115
Subsidiaries		28,741,397	132,253,215
Jointly controlled companies		-	66,585
Associated companies		2,610,232	2,934,930
Other related parties		-	8,860,483
Accounts receivable		31,434,120	144,174,328
Parent company		694,389	428,731
Subsidiaries		23,638,158	12,935,340
Jointly controlled companies		600	600
Associated companies		158,546	34,951
Other related parties		144	872
Accounts payable		24,491,837	13,400,494
Subsidiaries		1,635,959,979	1,536,547,507
Jointly controlled companies		2,400,000	6,100,000
Associated companies		36,174,597	17,555,234
Loans granted		1,674,534,576	1,560,202,741
Parent company		403,135,000	453,000,000
Subsidiaries		233,852,287	428,511,000
Loans obtained		636,987,287	881,511,000

Transactions:	30.June.2011	30.June.2010
Subsidiaries	499,998	499,998
Associated companies	462,390	307,189
Services rendered	962,388	807,187
Parent company	25,000	-
Subsidiaries	-	5,000
Associated companies	5,824	-
Other related parties	894	23,016
Purchases and services obtained	31,718	28,016
Parent company	461	545
Subsidiaries	-	439,315
Other income	461	439,860
Parent company	23,461	324
Subsidiaries	21,726,461	15,809,256
Jointly controlled companies	97,629	75,179
Associated companies	871,882	-
Interest income	22,719,433	15,884,759
Parent company	16,465,202	346,443
Subsidiaries	2,807,524	3,702,641
Jointly controlled companies	-	33
Interest expenses	19,272,726	4,049,117
Subsidiaries	24,978,000	9,550,246
Associated companies	75,099	896,902
Dividend income	25,053,099	10,447,148
Subsidiaries	-	934,525,000
Investments disposal	-	934,525,000
Subsidiaries	-	451,000,000
Other related parties	224,736	-
Investments acquisition	224,736	451,000,000

All Sonae, SGPS, SA and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties including the ones of Sonae Indústria, SGPS, SA and of Sonae Capital, SGPS, SA.

In 2011 and 2010 did not occur any transactions including granted loans with the Company's Directors.

15 INVESTMENT INCOME

As at 30 June 2011 and 31 December 2010 investment income is as follows:

	30.June.2011	30.June.2010
Dividends	25,053,099	10,447,148
Gains on the sale of investments	5,954,196	361,833,645
	31,007,295	372,280,793

16 FINANCIAL INCOME / EXPENSES

As at 30 June 2011, this caption includes the amount of 22,923,482 euro (15,928,673 euro as at 30 June 2010) related to receivable interests and the amount of 35,890,877 euro (18,012,109 euro as at 30 June 2010) related to payable interests.

17 EARNINGS PER SHARE

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

	30.June.2011	30.June.2010
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	17,196,646	368,378,456
Net profit taken into consideration to calculate diluted earnings per share	17,196,646	368,378,456
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	1,000,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	1,000,000,000
Earnings per share (basic and diluted)	0.0191	0.3684

18 APPROVAL OF FINANCIAL

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

19 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

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

Soflorin, B.V.

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

Bom Momento - Comercio Retalhista, SA

Citorres - Sociedade Imobiliária, SA

Imoresultado – Sociedade Imobiliária, SA

Imosistema – Sociedade Imobiliária, SA

MJLF – Empreendimentos Imobiliários, SA

Peixes Continente – Indústria e Distribuição de Peixes, SA

Raso, SGPS, SA

Sesagest – Projectos e Gestão Imobiliária, SA

Sonae Center Serviços II, SA

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

Current (Note 7) and non-current (Note 6) granted loans

Company	30.June.2011
Azulino - Imobiliária, SA	4,039,013
Bertimóvel - Sociedade Imobiliária, SA	18,231,424
Bom Momento - Comercio Retalhista, SA	261,000
Canasta - Empreendimentos Imobiliários, SA	2,397,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	64,000
Citorres - Sociedade Imobiliária, SA	3,397,000
Contimobe - Imobiliária do Castelo de Paiva, SA	48,026,814
Continente Hipermercados, SA	78,627,000
Cumulativa - Sociedade Imobiliária, SA	2,499,000
Edições Book.it, SA	4,982,000
Farmácia Selecção, SA	3,341,000
Fozimo – Sociedade Imobiliária, SA	1,736,252
Igimo – Sociedade Imobiliária, SA	647,000
Iginha – Sociedade Imobiliária, SA	11,755,886
Imoconti – Sociedade Imobiliária, SA	14,730,674
Imoestrutura - Sociedade Imobiliária, SA	311,078
Imomuro - Sociedade Imobiliária, SA	4,032,897
Imoresultado – Sociedade Imobiliária, SA	440,000
Imosistema - Sociedade Imobiliária, SA	4,087,592
MJLF - Empreendimentos Imobiliários, SA	3,275,137
Modelo - Distribuição de Materiais de Construção, SA	18,238,908
Mundo Vip - Operadores Turísticos, SA	1,000,000
MDS SGPS, SA	16,935,689
Pharmacontinente - Saúde e Higiene, SA	11,587,000
Predicomercial - Promoção Imobiliária, SA	8,596,897
Raso, SGPS, SA	2,400,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	3,389,926
Sempre à Mão - Sociedade Imobiliária, SA	50,149,444
Socijofra - Sociedade Imobiliária, SA	6,931,758
Sociloures - Sociedade Imobiliária, SA	24,730,726
Soflorin, BV	344,186,263
Sonae MC - Modelo Continente, SGPS, SA	771,662,000
Sonaerp - Retail Properties, SA	188,460,931
Sondis Imobiliária, SA	15,593,265
Tlantic Portugal - Sistemas de Informação, SA	78,000
Valor N, SA	3,712,000
	<u>1,674,534,576</u>

As at 30 June 2011 amounts owed to affiliated undertakings can be summarized as follows:

Current obtained loans (Note 12)

Company	30.June.2011
BB Food Service, SA	2,780,000
Carnes Continente - Indústria e Distribuição de Carnes, SA	3,591,000
Continente Hipermercados, S.A.	5,255,000
Contibomba - Comércio e Distribuição de Combustíveis, SA	342,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	198,000
Estevão Neves - Hipermercados da Madeira, SA	3,568,000
Fozmassimo - Sociedade Imobiliária, SA	676,000
Modelo Continente Hipermercados, SA	47,719,580
Modelo Hiper - Imobiliária, SA	2,750,000
Modelo.Com - Vendas por Correspondência, SA	8,455,000
Pharmaconcept - Actividades em Saúde, SA	63,000
Peixes Continente - Indústria e Distribuição de Peixes, SA	951,056
Sesagest - Projectos e Gestão Imobiliária, SA	15,012,651
Sonae Center Serviços II, SA	2,674,000
Sonae - Specialized Retail, SGPS, SA	138,656,000
Sonae, SGPS, SA	3,135,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	1,161,000
	<u>236,987,287</u>

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigo Jordão