

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 2012

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 2012.

Activity evolution for the period

During the course of the three months of 2012, the consolidated turnover of Sonae Investimentos totalled 2.113 million Euro, which corresponds to a decrease of 2% compared to the same period in the previous year¹ or of 1% if we exclude, in 2011, the sales related to the petrol filling stations (the company transferred them to third parties during 2011).

In the same period, the Company's operating cash-flow (EBITDA) reached 134 million Euro. This represents a decrease of 2% regarding the same period last year. This decrease of EBITDA was due to the deterioration of the operational cash-flow of the specialized retail business. In fact, the negative evolution of sales witnessed in the Iberian markets during the last quarters – result of the significant reductions in the level of private consumption in Portugal and Spain, driven by the on-going implementation of several austerity measures by the respective governments – has penalized the productivity of the operations, particularly of the discretionary categories. Nevertheless, the significant cost savings and efficiency gains obtained more than offset this negative effect, making even possible an improvement of 0,1 pp in the margin that stood at 6,4% of sales. This accomplishment is so much more important if we consider the 13 million Euro of non recurrent items impacting EBITDA in 2011, mainly concerning sale of assets.

In terms of operating results (EBIT), the consolidated figure reached 39 thousand Euro in the period, which represents a decrease of circa 9 million Euro compared to the first six months of 2011.

Sonae Investimentos consolidated net result in the first semester of 2012 totalled -4,6 million Euro, 16 million Euro less than the amount realised in the same period of 2011.

At the end of June, Sonae Investimentos detained an overall portfolio of 1,000 stores², corresponding to a sales area of 1,024,000 m². During the period, the company continued the

¹ 2011 results were restated in order to reflect the change in Geostar consolidation to the Equity Method (see Methodological Note)

² Excludes Geostar

consolidation of Sonae SR's own store network in international markets. As at the end of June 2012, Sonae SR's formats had a total of 136 stores outside of Portugal, including 13 under franchising agreements.

In Portugal, the company materialized a selective opening of new retail stores, including 2 Continente Bom Dia and 1 new Worten store.

In parallel to the expansion effort, the company carried a Refurbishment Programme in a number of retail units so as to ensure they remain as a reference in their respective catchment areas. Total investment amounted to 39 million Euro during the first six months of the year.

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.

Methodological note

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

Matosinhos, 21 August 2012

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigos Jordão

Glossário

Volume de negócios (vn)

vendas de mercadorias e produtos + prestações de serviços.

Cash-flow operacional (EBITDA)

volume de negócios + outros rendimentos - goodwill negativo - reversão de perdas por imparidade - gastos operacionais + ganhos ou perdas com vendas de empresas – provisões para extensões de garantia.

Resultado operacional (EBIT)

volume de negócios + outros rendimentos – gastos operacionais – provisões para extensões de garantia + ganhos/perdas com vendas de empresas – amortizações e perdas por imparidade.

Investimento líquido

aumento do ativo tangível e intangível bruto + variações do perímetro (resultantes de aquisições e alienações) - desinvestimento bruto em ativo tangível e intangível + aumentos de goodwill.

Endividamento financeiro líquido

empréstimos correntes + empréstimos não correntes + credores por locação financeira – caixa e equivalentes de caixa – outros investimentos financeiros correntes

Gearing

relação entre o endividamento financeiro líquido e o capital próprio da Empresa.

Capitais empregues líquidos

ativos tangíveis e intangíveis brutos + outros ativos fixos brutos (incluindo Goodwill)- amortizações e perdas de imparidade + investimentos financeiros + fundo de maneo.

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
		Quantity	Aver. Price €	Quantity	Aver. Price €	30.06.2012
						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 purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	30.03.2012	451,068	0.000			
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	27.04.2012	619,326	0.000			
Sale	27.04.2012			1,068,101	0.405	
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)						
Sonae, SGPS, SA (3)						584,562
Shares purchased under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	09.03.2012	229,329	0.000			
	Date	Quantity	Aver. Price €	Quantity	Aver. Price €	Balance as of 30.06.2012
						Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae, SGPS, SA (3)						200,100,000
Purchase	10.05.2012	77,700,000	0.400			
Pareuro, BV (2)						2,000,000
(2) Pareuro, BV						
Sonae, SGPS, SA (3)						849,533,095
Sale	28.03.2012			10,016,905	0.456	
Sale	10.05.2012			77,700,000	0.400	
(3) Sonae, SGPS, SA						
Sonae Investments, BV (4)						2,894,000
Sonae, SGPS, SA (treasury shares)						368,173
Purchase	29.03.2012	395,000	0.442			
Purchase	30.03.2012	639,045	0.446			
Purchase	02.04.2012	354,134	0.441			
Purchase	03.04.2012	100,000	0.445			
Purchase	04.04.2012	812,972	0.440			
Purchase	05.04.2012	100,000	0.438			
Purchase	10.04.2012	150,000	0.431			
Purchase	11.04.2012	386,112	0.435			
Purchase	12.04.2012	550,000	0.436			
Purchase	13.04.2012	499,500	0.429			
Purchase	16.04.2012	539,552	0.426			
Purchase	17.04.2012	400,461	0.436			
Purchase	18.04.2012	255,000	0.424			
Purchase	19.04.2012	537,500	0.428			
Purchase	20.04.2012	280,000	0.425			
Sale	27.04.2012			5,011,777	0.437	
Shares delivered under the terms of the Annual Performance Bonus Plan and Medium Term Incentive Plans	27.04.2012			619,326	0.000	
Sonae Investimentos, SGPS, SA						768,580,810
(4) Sonae Investments BV						
Sonae Investimentos, SGPS, SA						131,419,190
(5) Sonae - Specialized Retail, SGPS, SA						
Sonae Investimentos, SGPS, SA						100,000,000
(6) Migracom, SGPS, SA						
Sonae, SGPS, SA (3)						2,908,204
Purchase	27.04.2012	1,068,101	0.405			
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) of which 1,293 shares held by descendants under his 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 (CMM) regulation 05/2008:

Shareholder	Nr. of shares	%Share capital	% of voting rights
Efanor Investimentos, SGPS, SA (1)			
By Sonae, SGPS, SA	768,580,810	76.858%	85.398%
By Sonae Investments, BV	131,419,190	13.142%	14.602%
By Sonae - Specialized Retail, SGPS, SA (2)	100,000,000	10.000%	-
Total attributable to Efanor Investimentos, SGPS, SA	1,000,000,000	100.000%	100.000%

(1) Qualifying holding attributed to Efanor whose shares representing approximately 99.99% of share capital and voting rights of Efanor Investimentos, SGPS, SA belong to Belmiro Mendes de Azevedo.

(2) 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 2012 AND 2011 AND AT 31 DECEMBER 2011*(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 2012	30 June 2011 Restated	31 December 2011 Restated	1 January 2011 Restated
NON-CURRENT ASSETS:					
Tangible assets	7	2,045,499,852	2,098,958,736	2,094,098,317	2,130,195,086
Intangible assets	8	152,296,905	148,398,776	156,357,666	152,983,921
Goodwill	9	499,234,487	500,617,438	499,234,487	500,446,937
Investments in associates	5	55,557,792	66,203,144	58,681,026	69,867,554
Other investments	6	34,596,913	34,508,768	34,613,973	34,556,255
Deferred tax assets	13	130,321,347	118,962,858	117,767,016	97,680,391
Other non-current assets	11	36,445,000	39,139,926	36,533,370	37,391,624
Total Non-Current Assets		2,953,952,296	3,006,789,646	2,997,285,855	3,023,121,768
CURRENT ASSETS:					
Inventories		576,989,800	617,788,631	643,387,609	664,630,207
Trade accounts receivable and other current assets	12	220,915,709	274,857,097	222,789,098	210,516,317
Investments	10	3,276,791	4,361,692	5,856,269	15,642,909
Cash and cash equivalents	14	109,743,519	85,738,957	253,481,201	199,666,276
Total Current Assets		910,925,819	982,746,377	1,125,514,177	1,090,455,709
Assets available for sale		720,338	720,338	720,338	9,500,686
TOTAL ASSETS		3,865,598,453	3,990,256,361	4,123,520,370	4,123,078,163
EQUITY AND LIABILITIES					
EQUITY:					
Share capital	15	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Own shares		(320,000,000)	(320,000,000)	(320,000,000)	(320,000,000)
Reserves and retained earnings		60,777,629	19,324,656	18,463,670	(148,409,750)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		(3,772,560)	11,697,096	63,798,214	168,595,954
Equity attributable to the equity holders of the Parent Company		737,005,069	711,021,752	762,261,884	700,186,204
Equity attributable to non-controlling interests	16	74,999,551	76,382,295	75,700,031	75,372,692
TOTAL EQUITY		812,004,620	787,404,047	837,961,915	775,558,896
LIABILITIES:					
NON-CURRENT LIABILITIES:					
Loans	17	1,060,560,311	1,158,258,043	912,748,107	1,210,270,255
Other non-current liabilities	19	428,970,663	426,399,549	428,236,505	425,372,544
Deferred tax liabilities	13	124,939,588	114,856,831	119,911,312	108,129,814
Provisions	22	33,220,188	25,563,425	35,325,262	21,495,563
Total Non-Current Liabilities		1,647,690,750	1,725,077,848	1,496,221,186	1,765,268,176
CURRENT LIABILITIES:					
Loans	17	185,066,034	293,271,131	378,365,848	105,288,362
Trade creditors and other current liabilities	21	1,218,608,719	1,182,254,005	1,408,722,091	1,475,373,392
Provisions	22	2,228,330	2,249,330	2,249,330	1,589,337
Total Current Liabilities		1,405,903,083	1,477,774,466	1,789,337,269	1,582,251,091
TOTAL LIABILITIES		3,053,593,833	3,202,852,314	3,285,558,455	3,347,519,267
TOTAL EQUITY AND LIABILITIES		3,865,598,453	3,990,256,361	4,123,520,370	4,123,078,163

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 2012 AND 2011*(Translation of condensed consolidated financial statements originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails.)**(Amounts expressed in euro)*

	Notes	2 nd Quarter 2012	2 nd Quarter 2011 Restated	30 June 2012	30 June 2011 Restated
Sales		1,072,457,618	1,112,172,252	2,096,144,090	2,140,447,663
Services rendered		8,880,021	11,841,285	16,446,346	22,987,461
Investment income		200,697	232,500	200,697	232,500
Financial income		1,468,257	1,657,686	2,917,928	3,913,144
Other income		127,556,722	122,630,179	219,400,819	255,261,519
Cost of goods sold and materials consumed		(844,834,434)	(866,520,361)	(1,643,138,988)	(1,690,289,023)
Changes in stocks of finished goods and work in progress		(273,131)	269,094	(211,595)	366,267
External supplies and services		(134,559,808)	(146,074,127)	(271,171,619)	(281,709,511)
Staff costs		(136,525,024)	(141,933,978)	(269,780,677)	(283,162,651)
Depreciation and amortisation	7 and 8	(44,489,802)	(42,746,605)	(89,098,907)	(88,523,839)
Provisions and impairment losses		(2,439,099)	(3,213,016)	(4,006,760)	(5,527,312)
Financial expenses		(21,262,024)	(20,746,530)	(41,258,690)	(40,687,195)
Other expenses		(7,448,618)	(12,152,447)	(16,226,341)	(23,020,889)
Share of results of associated undertakings	5	(641,550)	240,090	(2,661,595)	(866,934)
Profit/(Loss) before taxation		18,089,825	15,656,022	(2,445,292)	9,421,200
Taxation	25	(6,067,611)	(4,077,337)	(2,135,678)	1,772,628
Profit/(Loss) after taxation		12,022,214	11,578,685	(4,580,970)	11,193,828
Attributable to:					
Equity holders of the Parent Company		12,635,926	11,748,973	(3,772,560)	11,697,096
Non-controlling interests		(613,712)	(170,288)	(808,410)	(503,268)
Profit/(Loss) per share					
Basic	26	0.014040	0.013054	(0.004192)	0.012997
Diluted	26	0.014040	0.013054	(0.004192)	0.012997

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 2012 AND 2011

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

(Amounts expressed in euro)

	2nd Quarter 2012	2nd Quarter 2011 Restated	30 June 2012	30 June 2011 Restated
Net Profit / (Loss) for the period	12,022,214	11,578,685	(4,580,970)	11,193,828
Exchange differences arising on translation of foreign operations	(32,288)	252,137	(49,653)	(909,767)
Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method	(408,855)	(326,587)	(461,641)	(952,588)
Changes in hedge and fair value reserves	1,360,588	1,742,994	(1,768,208)	1,157,474
Deferred tax related to changes in fair value reserves	(354,409)	(465,748)	479,375	(293,524)
Other comprehensive income for the period	565,036	1,202,796	(1,800,127)	(998,405)
Total comprehensive income for the period	<u>12,587,250</u>	<u>12,781,481</u>	<u>(6,381,097)</u>	<u>10,195,423</u>
Attributable to:				
Equity holders of Parent Company	13,179,414	12,947,555	(5,553,062)	10,736,161
Non controlling interests	<u>(592,164)</u>	<u>(166,074)</u>	<u>(828,035)</u>	<u>(540,738)</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 JUNE 2012 AND 2011

*(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 (Note 16)	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 2011- Restated	1,000,000,000	(320,000,000)	117,087,918	402,475	(2,107,724)	342,000,000	(605,792,419)	(148,409,750)	168,595,954	700,186,204	75,372,692	775,558,896
Total comprehensive income for the period	-	-	-	(909,767)	901,420	-	(952,588)	(960,935)	11,697,096	10,736,161	(540,738)	10,195,423
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	22,526,963	-	-	-	146,068,991	168,595,954	(168,595,954)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions of shares of affiliated undertakings	-	-	-	-	-	-	193,439	193,439	-	193,439	1,276,561	1,470,000
Other reserves	-	-	-	-	-	-	(94,052)	(94,052)	-	(94,052)	273,780	179,728
Balance as at 30 June 2011 - Restated	<u>1,000,000,000</u>	<u>(320,000,000)</u>	<u>139,614,881</u>	<u>(507,292)</u>	<u>(1,206,304)</u>	<u>342,000,000</u>	<u>(460,576,629)</u>	<u>19,324,656</u>	<u>11,697,096</u>	<u>711,021,752</u>	<u>76,382,295</u>	<u>787,404,047</u>
Balance as at 1 January 2012- Restated	1,000,000,000	(320,000,000)	139,614,881	336,811	1,595,204	320,000,000	(443,083,226)	18,463,670	63,798,214	762,261,884	75,700,031	837,961,915
Total comprehensive income for the period	-	-	-	(49,653)	(1,269,208)	-	(461,641)	(1,780,502)	(3,772,560)	(5,553,062)	(828,035)	(6,381,097)
Appropriation of profit of 2011:												
Transfer to legal reserves and retained earnings	-	-	742,928	-	-	-	63,055,286	63,798,214	(63,798,214)	-	-	-
Dividends distributed	-	-	-	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)	(157,074)	(20,157,074)
Others	-	-	-	-	-	-	296,247	296,247	-	296,247	284,629	580,876
Balance as at 30 June 2012	<u>1,000,000,000</u>	<u>(320,000,000)</u>	<u>140,357,809</u>	<u>287,158</u>	<u>325,996</u>	<u>320,000,000</u>	<u>(400,193,334)</u>	<u>60,777,629</u>	<u>(3,772,560)</u>	<u>737,005,069</u>	<u>74,999,551</u>	<u>812,004,620</u>

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 2012 AND 2011*(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 2012	2nd Quarter 2011 Restated	30 June 2012	30 June 2011 Restated
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		171,206,375	113,223,008	(20,225,926)	(134,172,411)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		808,985	362,384	1,288,829	17,324,233
Tangible and intangible assets		-	236,349	737,762	57,323,844
Interest and similar income		527,036	2,473,338	1,341,514	3,399,739
Loans granted		7,698,189	38,229,000	7,698,189	48,370,637
Dividends		200,697	564,285	200,697	564,285
Others		-	1,217,214	-	1,247,168
		9,234,907	43,082,570	11,266,991	128,229,906
Cash Payments arising from:					
Tangible and intangible assets		(16,209,875)	(41,485,890)	(57,883,797)	(104,448,892)
Loans granted		(7,470,189)	(53,162,136)	(8,770,189)	(57,423,136)
Others		(7)	-	(142)	(12,807)
		(23,680,071)	(94,877,302)	(66,654,128)	(162,114,111)
Net cash used in investment activities (2)		(14,445,164)	(51,794,732)	(55,387,137)	(33,884,205)
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		1,318,824,922	387,032,050	2,290,802,841	1,386,552,050
Capital increases, shareholder's loans and share premiums		580,875	-	580,875	-
Others		-	-	-	1,470,000
		1,319,405,797	387,032,050	2,291,383,716	1,388,022,050
Cash Payments arising from:					
Loans obtained		(1,445,574,001)	(458,929,623)	(2,339,965,760)	(1,294,209,782)
Interest and similar charges		(8,034,088)	(22,699,930)	(25,175,195)	(37,256,564)
Dividends		(157,074)	-	(157,074)	-
Others		(241,338)	(911,580)	(1,228,548)	(1,316,063)
		(1,454,006,501)	(482,541,133)	(2,366,526,577)	(1,332,782,409)
Net cash used in financing activities (3)		(134,600,704)	(95,509,083)	(75,142,861)	55,239,641
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		22,160,507	(34,080,807)	(150,755,924)	(112,816,975)
Effect of foreign exchange rate		40,610	(4,214)	(15,583)	10,860
Cash and cash equivalents at the beginning of the period	14	76,226,989	116,515,857	249,087,227	195,267,099
Cash and cash equivalents at the end of the period	14	98,346,886	82,439,264	98,346,886	82,439,264

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 2012

(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 27.

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

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 2011, except for the change mentioned in Note 3.

2.1 Basis of preparation

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

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

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the Company, 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.

Until the date of approval of these financial statements there are no standards, interpretations, amendments and revisions that have been approved (endorsed) by the European Union, whose application is mandatory in 1 January 2012 or in future financial years and adopted in the period ended in 30 June 2012.

The following standards, interpretations, amendments and revisions have been at the date of approval of these financial statements, approved (endorsed) by the European Union, whose application is mandatory only in future financial years:

	Effective date(for financial years beginning on/after)
IAS1 - Amendments (Presentation of items of Other Comprehensive Income)	01-07-2012
IAS 19 - Amendments (Employee Benefits)	01-01-2013

3 CHANGES IN ACCOUNTING POLICIES

During the period the Group changed in consolidation method for jointly controlled subsidiaries from proportion to equity.

IFRS 11 - Joint Arrangements, has been issued by the IASB but not yet approved ("endorsed") by the European Union. From the adoption of this standard is expected a significant impact on the consolidated financial statements, namely because the proportionate consolidation method will be abolished for jointly controlled entities.

During the period ended at June 30th, 2012, in order to anticipate a probable endorsement of this standard and to facilitate the future comparison with the financial statements of the Company, Sonae Investimentos decided, from January 1st 2012 onwards, to start reporting all jointly controlled companies in accordance with the equity method according to the standards in force which is an approximation of IFRS 11..

All other accounting policies adopted are consistent with those followed in the preparation of annual financial statements for the year ended at 31 December 2011.

In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, these changes in the Group's accounting policies were applied retrospectively. Therefore changes were made in the Consolidated Statements of Financial Position as at 1st January 2011, 30 June 2011 and 31 December 2011 and the Consolidated Income Statement for the period ended at 30th June 2011. The effects of these changes can be detailed as follows:

Statement of financial position at January 1, 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Total assets	4,147,368,037	(24,289,874)	4,123,078,163
Non-current assets	3,028,962,898	(5,841,130)	3,023,121,768
Investments	88,444,013	15,979,796	104,423,809
Goodwill	518,235,811	(17,788,874)	500,446,937
Other non-current assets	2,422,283,074	(4,032,052)	2,418,251,022
Current assets	1,118,405,139	(18,448,744)	1,099,956,395
Equity	775,615,075	(56,179)	775,558,896
Attributable to shareholders	700,180,295	5,909	700,186,204
Non-controlling interests	75,434,780	(62,088)	75,372,692
Total liabilities	3,371,752,962	(24,233,695)	3,347,519,267
Non-current liabilities	1,765,376,569	(108,393)	1,765,268,176
Loans	1,210,270,255	-	1,210,270,255
Other liabilities	555,106,314	(108,393)	554,997,921
Current liabilities	1,606,376,393	(24,125,302)	1,582,251,091
Loans	108,475,740	(3,187,378)	105,288,362
Suppliers and other liabilities	1,497,900,653	(20,937,924)	1,476,962,729
Total equity and liabilities	4,147,368,037	(24,289,874)	4,123,078,163

Statement of financial position at June 30, 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Total assets	4,009,822,252	(19,565,891)	3,990,256,361
Non-current assets	3,013,142,288	(6,352,642)	3,006,789,646
Investments	85,414,692	15,297,220	100,711,912
Goodwill	518,406,312	(17,788,874)	500,617,438
Other non-current assets	2,409,321,284	(3,860,988)	2,405,460,296
Current assets	996,679,964	(13,213,249)	983,466,715
Equity	787,452,896	(48,849)	787,404,047
Attributable to shareholders	711,004,766	16,986	711,021,752
Non-controlling interests	76,448,130	(65,835)	76,382,295
Total liabilities	3,222,369,356	(19,517,042)	3,202,852,314
Non-current liabilities	1,725,144,145	(66,297)	1,725,077,848
Loans	1,158,258,043	-	1,158,258,043
Other liabilities	566,886,102	(66,297)	566,819,805
Current liabilities	1,497,225,211	(19,450,745)	1,477,774,466
Loans	295,190,128	(1,918,997)	293,271,131
Suppliers and other liabilities	1,202,035,083	(17,531,748)	1,184,503,335
Total equity and liabilities	4,009,822,252	(19,565,891)	3,990,256,361

Statement of financial position at December 31, 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Total assets	4,134,744,735	(11,224,365)	4,123,520,370
Non-current assets	3,004,769,431	(7,483,576)	2,997,285,855
Investments	79,797,769	13,497,230	93,294,999
Goodwill	517,042,098	(17,807,611)	499,234,487
Other non-current assets	2,407,929,564	(3,173,195)	2,404,756,369
Current assets	1,129,975,304	(3,740,789)	1,126,234,515
Equity	837,996,206	(34,291)	837,961,915
Attributable to shareholders	762,255,976	5,908	762,261,884
Non-controlling interests	75,740,230	(40,199)	75,700,031
Total liabilities	3,296,748,529	(11,190,074)	3,285,558,455
Non-current liabilities	1,496,286,242	(65,056)	1,496,221,186
Loans	912,748,107	-	912,748,107
Other liabilities	583,538,135	(65,056)	583,473,079
Current liabilities	1,800,462,287	(11,125,018)	1,789,337,269
Loans	380,944,864	(2,579,016)	378,365,848
Suppliers and other liabilities	1,419,517,423	(8,546,002)	1,410,971,421
Total equity and liabilities	4,134,744,735	(11,224,365)	4,123,520,370

Income statement at June 30, 2011

	Before change	Change in consolidation method from PROP to EQM	Restated
Turnover	2,176,451,674	(13,016,550)	2,163,435,124
EBITDA	136,192,675	173,745	136,366,420
EBITDA margin	6.26%	0.05%	6.30%
Provisions and impairment losses	(864,604)	84,208	(780,396)
Depreciation and amortisation	(88,761,011)	237,172	(88,523,839)
EBIT	46,567,060	495,125	47,062,185
Financial results	(36,929,404)	155,353	(36,774,051)
Share of results of associated undertakings	(184,358)	(682,576)	(866,934)
EBT	9,453,298	(32,098)	9,421,200
Taxes	1,733,198	39,430	1,772,628
Profit/(Loss) after taxation	11,186,496	7,332	11,193,828
Attributable to the equity holders	11,686,018	11,078	11,697,096
Attributable to non-controlling interests	(499,522)	(3,746)	(503,268)

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 2012 and 31 December 2011 are as follows:

COMPANY	Head Office	Percentage of capital held			
		30 June 2012		31 December 2011	
		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%
Bom Momento - Restauração, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
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%
Discovery Sports, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Edições Book.it, 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%
Fashion Division Canárias, SL	a) Tenerife (Spain)	100.00%	100.00%	100.00%	100.00%
Fozimo - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
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 Imonsoae Dois	a)	Maia	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%
Infocfield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo - 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%
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)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae Capital Brasil, Lda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
Sonae 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%

Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a)	Maia	60.00%	60.00%	60.00%	60.00%
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 España - 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)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Sport Zone - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sport Zone 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%
Sport Zone Sport Malz.Per.Satis lth.Ve Tic Ltd Sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
Tlantic 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%
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%
Zippy Cocuk Malz.Dag.lth.Ve Tic Ltd.Sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
ZYEvolution- Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
		a) Control held by majority of voting rights;				
		b) Control held by management control.				

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

5 INVESTMENTS IN JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES

Jointly controlled companies and associated companies, their head offices, the percentage of share capital held and their book value as at 30 June 2012 and 31 December 2011 are as follows:

Company	Head Office	Percentage of capital held				Book value	
		30 June 2012		31 December 2011		30 June 2012	31 December 2011
		Direct	Total	Direct	Total		Restated
MDS SGPS, SA (consolidated accounts)	Maia	46.92%	46.92%	46.92%	46.92%	41,118,485	43,099,957
Mundo VIP	Lisbon	33.34%	33.34%	33.34%	33.34%	1,101,337	1,101,337
1) Raso SGPS, SA (consolidated accounts)	Lisbon	50.00%	50.00%	50.00%	50.00%	12,391,550	13,497,231
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	946,420	982,502
Total						55,557,792	58,681,026

1) Jointly controlled companies included by the proportional method in 2011 (Note 3).

Jointly controlled companies and associated companies were consolidated using the equity method.

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

	30 June 2012	31 December 2011 Restated
Assets	216,562,850	232,499,219
Liabilities	158,943,445	165,982,117
	30 June 2012	30 June 2011 Restated
Income	79,904,295	95,930,327
Expenses	86,058,980	98,166,156

During the periods ended at 30 June 2012 and 2011, movements in investments, are made up as follows:

	30 June 2012	30 June 2011 Restated
Investments		
Opening Balance as at 1 January - restated	58,681,026	69,867,554
Change of consolidation method	-	(466,552)
Equity method		
Effect in net income	(2,661,595)	(866,934)
Dividends	-	(513,371)
Effect in equity	(461,639)	(1,817,553)
	55,557,792	66,203,144

6 OTHER NON-CURRENT INVESTMENTS

Other non-current investments, their head offices, proportion of capital held and their book value as at 30 June 2012 and 31 December 2011 are as follows:

Company	Head Office	Percentage of capital held				Book value	
		30 June 2012		31 December 2011		30 June 2012	31 December 2011 Restated
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Other investments						33,838,740	33,855,800
						<u>34,596,913</u>	<u>34,613,973</u>

During the periods ended as at 30 June 2012 and 2011, movements in other non-current investments, are made up as follows:

	30 June 2012	30 June 2011 Restated
Investments in other companies		
Opening balance as at 1 January - restated	34,613,973	34,496,255
Increase/(Decrease)	(17,060)	-
Transfers	-	12,513
Closing balance as at 30 June	<u>34,596,913</u>	<u>34,508,768</u>
Accumulated impairment losses	-	-
	<u>34,596,913</u>	<u>34,508,768</u>
Financial investments advances		
Opening balance as at 1 January - restated	-	60,000
Decreases	-	(60,000)
	-	-
Balance at 30 June	<u>34,596,913</u>	<u>34,508,768</u>

Under the caption other non-current investments there is an amount of 33,720,796 euro (33,737,856 euro as at 31 December 2011), 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 22).

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.

7 TANGIBLE ASSETS

During the six months period ended at 30 June 2012 and 2011, movements in Tangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	Total Tangible Assets
Gross assets:					
Opening balance as at 1 January 2012 - restated	1,651,284,310	1,156,118,956	167,412,568	28,062,619	3,002,878,453
Acquisitions	1,706,314	1,660,913	226,830	27,800,783	31,394,840
Disposals	(35,155)	(8,099,498)	(2,919,549)	(525,243)	(11,579,445)
Exchange rate effect	-	(82,103)	(16,352)	-	(98,455)
Transfers	966,514	21,881,354	3,657,260	(27,415,962)	(910,834)
Closing balance as at 30 June 2012	1,653,921,983	1,171,479,622	168,360,757	27,922,197	3,021,684,559
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2012 - restated	256,086,860	527,857,301	124,835,975	-	908,780,136
Depreciation of the period	13,553,255	55,895,495	8,383,958	-	77,832,708
Disposals	(24,833)	(7,177,471)	(2,829,958)	-	(10,032,262)
Exchange rate effect	-	(48,534)	(21,552)	-	(70,086)
Transfers	-	(187,175)	(138,614)	-	(325,789)
Closing balance as at 30 June 2012	269,615,282	576,339,616	130,229,809	-	976,184,707
Carrying amount as at 30 June 2012	1,384,306,701	595,140,006	38,130,948	27,922,197	2,045,499,852
Gross assets:					
Opening balance as at 1 January 2011 - restated	1,674,566,854	1,056,683,747	161,640,441	42,312,641	2,935,203,683
Acquisitions	289,109	1,388,971	391,161	72,404,241	74,473,482
Acquisitions of subsidiaries	-	-	43,720	-	43,720
Disposals	(31,281,057)	(7,976,502)	(3,332,961)	(718,583)	(43,309,103)
Exchange rate effect	-	(22,642)	(20,236)	-	(42,878)
Transfers	399,563	55,283,972	8,379,212	(67,299,270)	(3,236,523)
Closing balance as at 30 June 2011 - restated	1,643,974,469	1,105,357,546	167,101,337	46,699,029	2,963,132,381
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011 - restated	233,006,545	455,016,104	116,985,948	-	805,008,597
Depreciation of the period	15,256,042	53,166,883	9,119,168	-	77,542,093
Acquisitions of subsidiaries	-	-	41,837	-	41,837
Disposals	(5,203,529)	(7,088,263)	(3,153,999)	-	(15,445,791)
Exchange rate effect	-	(12,532)	(7,759)	-	(20,291)
Transfers	(2,832)	(2,729,215)	(220,753)	-	(2,952,800)
Closing balance as at 30 June 2011 - restated	243,056,226	498,352,977	122,764,442	-	864,173,645
Carrying amount as at 30 June 2011 - restated	1,400,918,243	607,004,569	44,336,895	46,699,029	2,098,958,736

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

	30 June 2012	30 June 2011 Restated
Refurbishment and expansion of stores in the retail businesses located in Portugal	17,438,300	27,136,221
Refurbishment and expansion of stores in the retail businesses located in Spain	1,652,980	7,414,076
Projects of stores for which advance payments were made	8,734,617	10,389,232
Others	96,300	1,759,500
	27,922,197	46,699,029

8 INTANGIBLE ASSETS

During the six months period ended at 30 June 2012 and 2011, 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 2012 - restated	101,358,773	172,809,327	15,500,704	289,668,804
Acquisitions	147,997	10,231	7,644,786	7,803,014
Disposals	(206,031)	(1,132,022)	(178,316)	(1,516,369)
Exchange rate effect	17,247	(7,236)	-	10,011
Transfers	518,658	7,227,582	(7,708,142)	38,098
Closing balance as at 30 June 2012	101,836,644	178,907,882	15,259,032	296,003,558
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2012 - restated	19,148,056	114,163,082	-	133,311,138
Depreciation of the period	1,717,319	9,548,880	-	11,266,199
Impairment losses (Note 22)	-	-	463,419	463,419
Disposals	(200,795)	(1,113,275)	-	(1,314,070)
Exchange rate effect	1,988	(11,541)	-	(9,553)
Transfers	33,615	(44,095)	-	(10,480)
Closing balance as at 30 June 2012	20,700,183	122,543,051	463,419	143,706,653
Carrying amount as at 30 June 2012	81,136,461	56,364,831	14,795,613	152,296,905
Intangible assets				
	Intangible assets			
	Patents and other similar rights	Others	Intangible assets in progress	Total Intangible Assets
Gross assets				
Opening balance as at 1 January 2011 - restated	100,831,268	156,393,207	14,382,676	271,607,151
Acquisitions	254,106	181,512	6,440,476	6,876,094
Disposals	(3,885)	(917)	(154,608)	(159,410)
Exchange rate effect	-	(8,078)	-	(8,078)
Transfers	(52,232)	5,601,781	(5,910,447)	(360,898)
Closing balance as at 30 June 2011 - restated	101,029,257	162,167,505	14,758,097	277,954,859
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2011 - restated	14,136,103	104,487,127	-	118,623,230
Depreciation of the period	1,877,135	9,104,611	-	10,981,746
Disposals	(3,157)	(888)	-	(4,045)
Exchange rate effect	-	(3,309)	-	(3,309)
Transfers	(188,104)	146,565	-	(41,539)
Closing balance as at 30 June 2011 - restated	15,821,977	113,734,106	-	129,556,083
Carrying amount as at 30 June 2011 - restated	85,207,280	48,433,399	14,758,097	148,398,776

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 2011).

9 GOODWILL

During the period ended at 30 June 2012 and 31 December 2011, movements in "Goodwill", as well as in corresponding impairment losses, were made up as follows:

	30 June 2012	31 December 2011 Restated
Gross value:		
Opening balance - restated	501,821,163	501,821,163
Increases	-	-
Closing balance	501,821,163	501,821,163
Accumulated impairment losses:		
Opening balance - restated	2,586,676	1,374,227
Increases	-	1,212,449
Closing balance	2,586,676	2,586,676
Carrying amount	499,234,487	499,234,487

10 OTHER INVESTMENTS

As at 30 June 2012 and 2011 movements in this caption can be detailed as follows:

	30 June 2012	30 June 2011 Restated
Other investments:		
Opening balance as at 1 January - restated	3,059,200	15,185,750
Decreases in the period	(1,289,316)	(11,147,593)
Closing balance as at 30 June	1,769,884	4,038,157
Accumulated impairment losses	-	-
	1,769,884	4,038,157
Derivative financial instruments		
Fair value as at 1 January - restated	2,797,069	457,159
Increase/(Decrease) in fair value	(1,290,162)	(133,624)
Fair value as at 30 June (Note 18)	1,506,907	323,535
Total of Other Investments	3,276,791	4,361,692

11 OTHER NON-CURRENT ASSETS

As at 30 June 2012 and 31 December 2011, "Other non-current assets" are detailed as follows:

	30 June 2012	31 December 2011 Restated
Loans granted to related parties	18,459,119	17,935,689
Trade accounts receivable and other debtors		
Bails	5,911,590	5,962,373
Legal deposits	1,021,098	851,831
Recognition of the value to be received Carrefour	9,926,694	10,595,846
Amount receivable for selling the Modelo Cont.Seguros	2,304,421	2,264,719
	37,622,922	37,610,458
Accumulated impairment losses in other debtors (Note 22)	(1,450,000)	(1,450,000)
	36,172,922	36,160,458
Other non-current assets	272,078	372,912
	36,445,000	36,533,370

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 10 million euro) for alleged expenses incurred with the mentioned stores and that allegedly, arose from the need to remedy deficiencies cited by competent authorities for the licensing process. However no evidence of those expenses 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 7 years.

12 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2012 and 31 December 2011, "Trade accounts receivable and other current assets" are made up as follows:

	30 June 2012	31 December 2011 Restated
Trade accounts receivable	33,819,154	38,401,033
Taxes recoverable	58,130,077	82,059,326
Granted loans to related companies	5,516,555	4,873,563
Other debtors		
Trade suppliers - debtor balances	36,404,160	41,132,234
Advances to suppliers	3,174,570	2,028,908
Credit sales sold to third parties	562,061	821,441
Special regime for settlement of tax and social security debts	12,047,568	12,047,568
VAT recoverable on real estate assets and discounts	1,126,055	444,020
Accounts receivable from the disposal of tangible fixed assets	815,916	884,326
Other debtors	10,136,067	12,124,340
	<u>64,266,397</u>	<u>69,482,837</u>
Other current assets		
Commercial discounts	56,673,403	29,495,919
Interests to be received	1,628,344	1,231,765
Commissions to be received	1,899,608	1,784,827
Rents	6,332,576	6,728,908
Condominiums management fee's	1,808,877	1,823,876
Insurance premiums paid in advance	4,979,998	3,610,428
Claims	103,175	103,175
Software licenses	563,139	1,621,862
Other current assets	5,422,610	5,907,345
	<u>79,411,730</u>	<u>52,308,105</u>
Accumulated impairment losses (Note 22)	<u>(20,228,204)</u>	<u>(24,335,766)</u>
	<u>220,915,709</u>	<u>222,789,098</u>

13 DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2012 and 31 December 2011 are as follows, taking into consideration its temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2012	31 December 2011 Restated	30 June 2012	31 December 2011 Restated
Difference between fair value and acquisition cost	3,408,306	3,408,306	29,807,740	30,041,386
Harmonisation adjustments	82,506	82,760	66,564,492	63,532,275
Provisions and impairment losses not accepted for tax purposes	18,984,214	18,390,916	-	-
Write-off of tangible and intangible assets	4,112,689	4,917,983	-	-
Valuation of hedging derivatives	111,711	9,426	236,636	582,921
Amortisation of Goodwill for tax purposes	-	-	23,034,053	22,336,051
Revaluation of tangible assets	-	-	1,767,393	1,835,383
Tax losses carried forward	102,153,977	89,372,529	-	-
Reinvested capital gains/(losses)	-	-	1,131,976	1,197,663
Others	1,467,944	1,585,096	2,397,298	385,633
	<u>130,321,347</u>	<u>117,767,016</u>	<u>124,939,588</u>	<u>119,911,312</u>

As at 30 June 2012 and 31 December 2011, 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 2012			31 December 2011 Restated		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2007	1,223,112	305,778	2013	1,223,112	305,778	2013
Generated in 2008	1,227,861	306,965	2014	1,227,861	306,965	2014
Generated in 2009	1,605,688	401,422	2015	1,607,078	401,769	2015
Generated in 2010	99,670	24,918	2014	99,670	24,918	2014
Generated in 2011	351,258	87,815	2015	351,258	87,814	2015
Generated in 2012	27,084,283	6,771,071	2016	-	-	
	<u>31,591,872</u>	<u>7,897,969</u>		<u>4,508,979</u>	<u>1,127,244</u>	
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	314,186,697	94,256,008		294,183,253	88,245,285	
	<u>345,778,569</u>	<u>102,153,977</u>		<u>298,692,232</u>	<u>89,372,529</u>	

As at 30 June 2012 and 31 December 2011, 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 2012 tax losses carried forward, have not originated deferred tax assets for prudential reasons. These may be summarized as follows:

	30 June 2012			31 December 2011 Restated		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2006	278,712	69,679	2012	292,997	73,250	2012
Generated in 2007	375,767	93,943	2013	375,767	93,943	2013
Generated in 2008	3,549,398	887,350	2014	3,549,398	887,350	2014
Generated in 2009	5,302,815	1,325,703	2015	5,302,815	1,325,703	2015
Generated in 2010	5,386,907	1,346,727	2014	5,386,907	1,346,727	2014
Generated in 2011	4,292,465	1,073,116	2015	4,022,212	1,005,553	2015
Generated in 2012	2,672,227	668,057	2016	-	-	
	<u>21,858,291</u>	<u>5,464,575</u>		<u>18,930,096</u>	<u>4,732,526</u>	
Without limited time use	11,821,925	4,019,454		11,305,988	3,844,036	
With a time limit different from the above mentioned	9,148,120	2,744,436		190,967	38,193	
	<u>42,828,336</u>	<u>12,228,465</u>		<u>30,427,051</u>	<u>8,614,755</u>	

14 CASH AND CASH EQUIVALENTS

As at 30 June 2012 and 31 December 2011 "Cash and cash equivalents" can be detailed as follows:

	30 June 2012	31 December 2011 Restated
Cash at hand	6,708,694	6,908,592
Bank deposits	103,023,864	246,560,909
Treasury applications	10,961	11,700
Cash and cash equivalents on the balance sheet	<u>109,743,519</u>	<u>253,481,201</u>
Bank overdrafts (Note 17)	<u>(11,396,633)</u>	<u>(4,393,974)</u>
Cash and cash equivalents on the statement of cash flows	<u>98,346,886</u>	<u>249,087,227</u>

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

15 SHARE CAPITAL

As at 30 June 2012, 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 2012, the subscribed share capital was held as follows:

Entity	%
Sonae, SGPS, S.A.	76.858%
Sonae Investments, BV	13.142%
Sonae Specialized Retail, SGPS, S.A.	10.000%

As at 30 June 2012, Efanor Investimentos S.G.P.S., S.A. and its subsidiaries held 52.48% of the share capital of Sonae, SGPS, S.A.

16 NON-CONTROLLING INTERESTS

Movements in non-controlling interests during the periods ended as at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012	31 December 2011 Restated
Opening balance as at 1 January	75,700,031	75,372,692
Dividends	(157,074)	-
Acquisition/Creation of subsidiaries	-	466,285
Capital increase with decrease of percentage	-	1,276,562
Disposal of subsidiaries	-	175,515
Others	265,004	50,896
Profit for the period attributable to non-controlling interests	(808,410)	(1,641,919)
Closing balance	74,999,551	75,700,031

17 LOANS

As at 30 June 2012 and 31 December 2011, "Loans" are made up as follows:

	30 June 2012		31 December 2011 Restated	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	-	272,000,000	-	282,000,000
Subsidiary of Sonae Investimentos	-	75,000,000	-	75,000,000
Others	3,593,253	8,333,719	3,593,311	10,000,385
	3,593,253	355,333,719	3,593,311	367,000,385
Bank overdrafts (Note 14)	11,396,633	-	4,393,974	-
Up-front fees beard with the issuance of loans	(7,667)	(687,525)	(7,667)	(806,486)
Bank loans	14,982,219	354,646,194	7,979,618	366,193,899
Bonds				
Bonds Modelo Continente / 2005 / 2012	150,000,000	-	150,000,000	-
Bonds Modelo Continente / 2007 / 2012	-	-	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	18,000,000	16,000,000	26,000,000
Bonds Sonae Investimentos 2012 / 2017	-	170,000,000	-	-
Up-front fees beard with the issuance of loans	(69,179)	(2,738,822)	(143,080)	(1,677,405)
Bonds	165,930,821	695,261,178	365,856,920	534,322,595
Other loans	15,350	126,395	33,466	126,395
Derivative instruments (Note 18)	224,988	-	42,744	-
Other loans	240,338	126,395	76,210	126,395
Obligations under finance leases	3,912,656	10,526,544	4,453,100	12,105,218
	185,066,034	1,060,560,311	378,365,848	912,748,107

At 30 June 2012, Sonae Investimentos has agreed lines of credit and commercial paper amounting to 828 million euro, of which 218 million with firm commitments with maturity not exceeding one year and 510 million euro with firm commitments with maturity over 1 year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, the Group has 444 million credit facilities available to meet its liquidity requirements.

The interest rate at 30 June 2012 of bonds and loans was approximately 2.86% (2.51% on 31 December 2011). 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 18).

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

	30 June 2012	31 December 2011 Restated
N+1	184,917,892	378,473,851
N+2	249,087,261	186,845,604
N+3	26,108,857	238,114,232
N+4	427,985,387	379,551,343
N+5	359,982,726	107,985,347
After N+5	822,427	2,735,472
	<u>1,248,904,550</u>	<u>1,293,705,849</u>

The maturities above were estimated in accordance with the contractual terms of loans and contracts.

18 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 2012, 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 2012	31 December 2011 Restated
Assets (Note 10)	1,506,907	2,797,070
Liabilities (Note 17)	(224,988)	(42,744)
	<u>1,281,919</u>	<u>2,754,326</u>

Gains or losses for the period arising from changes in the fair value of derivatives amounting to (293,347) euro ((76,618) euro at 30 June 2011) were recorded under "Hedging reserve" of Comprehensive income, when considered cash flow hedge or in the income statement caption "Other expense" when considered fair value hedge.

Interest rate derivatives

As at 30 June 2012, the Group had no financial instrument derivative on the interest rate.

Fair value of derivatives

The fair value of the derivatives is detailed as follows:

	Assets		Liabilities	
	30 June 2012	31 December 2011 Restated	30 June 2012	31 December 2011 Restated
Hedging derivatives				
Exchange rate	1,506,907	2,797,070	224,988	42,744
Interest rate	-	-	-	-
	<u>1,506,907</u>	<u>2,797,070</u>	<u>224,988</u>	<u>42,744</u>

19 OTHER NON-CURRENT LIABILITIES

As at 30 June 2012 and 31 December 2011, the caption "Other non-current liabilities" was made up as follows:

	30 June 2012	31 December 2011 Restated
Shareholders loans	420,052,274	419,530,355
Fixed assets suppliers	1,162,500	1,187,500
Other non-current liabilities	2,814,527	2,870,898
Share based payments (Note 20)	962,840	1,378,150
Accruals and deferrals	3,978,522	3,269,602
Other non-current liabilities	428,970,663	428,236,505

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 fair value of this loan as at 30 June 2012 is 40,415 euro (40,000 euro as at 31 December 2011) for each bond, having been determined based on the discounted cash flow method.

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 2012, the caption "Other non-current liabilities" includes 836,246 euro (892,617 euro as at 31 December 2011) 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 11), with no defined maturity.

20 SHARE BASED PAYMENT PLANS

In 2012 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 2012 and 31 December 2011 are made up as follows:

	Grant year	Vesting year	Number of participants	Fair value	
				30 June 2012	31 December 2011 Restated
Shares					
	2009	2012	49	-	2,212,536
	2010	2013	51	1,385,355	1,449,929
	2011	2014	52	1,249,304	1,320,484
	2012	2015	52	2,029,129	-
Total				4,663,788	4,982,949

As at 30 June 2012 and 31 December 2011 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 2012	31 December 2011 Restated
Staff costs	541,118	336,832
Recorded in previous years	1,288,583	2,994,884
	<u>1,829,701</u>	<u>3,331,716</u>
Other non-current liabilities (Note 19)	962,840	1,378,150
Other current liabilities (Note 21)	866,861	1,953,566
	<u>1,829,701</u>	<u>3,331,716</u>

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

21 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2012 and 31 December 2011 the caption "Trade creditors and other current liabilities" can be detailed as follows:

	30 June 2012	31 December 2011 Restated
Trade creditors	919,831,930	1,114,978,891
Taxes payable	36,414,892	44,281,667
Other creditors		
Tangible asset suppliers	21,357,940	43,161,637
Related undertakings	20,460,985	472,201
Other debts	40,468,091	40,476,516
	<u>82,287,016</u>	<u>84,110,354</u>
Other current liabilities		
Staff costs	91,259,053	87,606,182
Interest payable	24,886,265	8,819,359
Marketing expenses	11,322,633	9,544,702
Other external supplies and services	31,305,824	41,105,839
Deferral of sales of extended warranties	6,768,233	-
Accrued income - rents	1,537,122	3,725,249
Real Estate Municipality tax	3,985,412	4,264,930
Share based payments (Note 20)	866,861	1,953,566
Others	8,143,477	8,331,352
	<u>180,074,881</u>	<u>165,351,179</u>
	<u>1,218,608,719</u>	<u>1,408,722,091</u>

The caption "Other debts" includes:

- 22,186,712 euro (19,209,200 euro as at 31 December 2011), of attributed discounts not yet used referring to "Client card";
- 6,568,146 euro (9,201,784 euro as at 31 December 2011) related to means of payments owned by clients as vouchers, gift cards and discount tickets; and
- 5,311,746 euro (5,669,808 euro as at 31 December 2011) related to payable amounts to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity.

22 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses", for the six months period ended as at 30 June 2012 and 2011, were as follows:

Caption	Balance as at 1 January 2012 restated	Increase	Decrease	Balance as at 30 June 2012
Accumulated impairment losses on intangible assets	1,496,933	463,419	-	1,960,352
Accumulated impairment losses on other non current assets (Note 11)	1,450,000	-	-	1,450,000
Accumulated impairment losses on trade accounts receivable and other debtors (Note 12)	24,335,766	3,514,918	(7,622,480)	20,228,204
Accumulated impairment losses on inventories	33,972,326	7,273,726	(3,354,552)	37,891,500
Non current provisions	35,325,262	27,039	(2,132,113)	33,220,188
Current provisions	2,249,330	-	(21,000)	2,228,330
	<u>98,829,617</u>	<u>11,279,102</u>	<u>(13,130,145)</u>	<u>96,978,574</u>

Caption	Balance as at 1 January 2011 restated	Increase	Decrease	Balance as at 30 June 2011 restated
Accumulated impairment losses on trade accounts receivable and other debtors	22,703,376	1,690,422	(846,421)	23,547,377
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	1,589,337	700,000	(40,007)	2,249,330
	<u>66,454,600</u>	<u>15,453,215</u>	<u>(2,448,760)</u>	<u>79,459,055</u>

The caption "Non-current provisions" includes 9,879,616 euro (10,545,595 euro as at 31 December 2011) 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 Sonae SR business segment until 31 December 2011 in the amount of 20,350,759 euro (21,089,454 euro as at 31 December 2011). These extensions are granted for a period of one to three years after the legally binding warranty.

23 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2012 and 31 December 2011, the major Contingent liabilities were guarantees given, which can be detailed as follows:

	30 June 2012	31 December 2011 Restated
Guarantees given:		
on tax claims	298,743,147	299,625,260
on municipal claims	5,854,837	6,423,622
others	26,015,227	26,480,085
Securities provided to subsidiaries (a)	172,973,984	127,221,883

- a) Guarantees given to Tax Authorities in favor of subsidiaries to defer tax claims.

Tax claims includes 255.0 million euro (256.9 million euro as at 31 December 2011) related to appeals against additional corporate income tax assessments, as well as guarantees amounting to 163.8 million euro related to a VAT proceeding (164 million euro as at 31 December 2011).

Subsidiaries of Sonae MC and Sonae SR, granted guarantees in favour of the Portuguese Tax Administration, associated with tax claims for VAT, amounting to 148.6 million euro (148.6 million euro as at 31 December 2011), 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 27 million euro (65,570,840 Brazilian real, as at 30 June 2012), 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 30 June 2012, 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 (26 million euro) related to programmes for the Brazilian State of tax recovery amount to near 39.3 million euro.

Furthermore, there are other tax lawsuits totalling 57.3 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.

24 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 June 2012	30 June 2011 Restated	30 June 2012	30 June 2011 Restated
Parent company	549,506	545,656	803,625	88,483
Associated companies	16,899,932	17,164,472	3,365,599	3,192,755
Affiliated companies	24,830,513	28,181,907	16,021	6,515
Other related parties ⁽¹⁾	3,036,956	3,165,620	31,633,097	30,983,971
	<u>45,316,907</u>	<u>49,057,655</u>	<u>35,818,342</u>	<u>34,271,724</u>

Transactions	Interest income		Interest expenses	
	30 June 2012	30 June 2011 Restated	30 June 2012	30 June 2011 Restated
Parent company	-	76,522	16,251,445	16,465,202
Associated companies	736,936	566,804	-	-
Affiliated companies	-	-	-	-
Other related parties ⁽¹⁾	-	6,825	460,985	404,099
	<u>736,936</u>	<u>650,151</u>	<u>16,712,430</u>	<u>16,869,301</u>

Balances	Accounts receivable		Accounts payable	
	30 June 2012	31 December 2011 Restated	30 June 2012	31 December 2011 Restated
Parent company	844,986	648,713	39,110,988	2,062,607
Associated companies	7,669,982	6,935,000	886,855	854,164
Affiliated companies	10,404,845	13,483,319	39,888	77,521
Other related parties ⁽¹⁾	4,996,402	9,359,312	13,080,933	18,473,012
	<u>23,916,215</u>	<u>30,426,344</u>	<u>53,118,664</u>	<u>21,467,304</u>

Balances	Loans			
	Obtained		Granted	
	30 June 2012	31 December 2011 Restated	30 June 2012	31 December 2011 Restated
Parent company (Note 19)	400,000,000	400,000,000	-	-
Associated companies	-	-	23,967,698	18,459,118
Other related parties ⁽¹⁾	19,238,541	18,777,556	-	-
	<u>419,238,541</u>	<u>418,777,556</u>	<u>23,967,698</u>	<u>18,459,118</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 and minority shareholders of subsidiaries and affiliates of the Group.

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

25 INCOME TAX

Income tax for the six months period ended on 30 June 2012 and 2011 is detailed as follows:

	30 June 2012	30 June 2011 Restated
Current tax	9,177,484	13,127,199
Deferred tax	(7,041,806)	(14,860,397)
	<u>2,135,678</u>	<u>(1,733,198)</u>

26 EARNINGS PER SHARE

Earnings per share for the six months period ended on 30 June 2012 and 2011 were calculated taking into consideration the following amounts:

	30 June 2012	30 June 2011 Restated
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	(3,772,560)	11,697,096
Net profit taken into consideration to calculate diluted earnings per share	(3,772,560)	11,697,096
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculated diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	(0.004192)	0.012997

On 30 June 2012 and 2011 there is no dilutive effect on the number of shares outstanding.

27 SEGMENT INFORMATION

The contribution of the main segments for the six months period ended on 30 June 2012 and 2011 can be detailed as follows:

	Sonae MC	Sonae SR	Sonae RP	Others	Total
30 June 2012					
Turnover	1,535,289,977	544,299,202	59,509,799	(26,508,542)	2,112,590,436
Ex-Fuel	1,535,289,977	544,299,202	59,509,799	(26,508,542)	2,112,590,436
Fuel	-	-	-	-	-
Amortisation, provisions and impairment losses	43,774,377	32,354,903	15,162,678	1,813,709	93,105,667
EBIT	54,086,450	(60,976,423)	39,059,836	6,387,202	38,557,065
Invested capital	449,169,264	419,706,691	1,351,835,091	125,174,791	2,345,885,837
Sales area [000 m ²]	550	414	-	60	1,024

	Sonae MC	Sonae SR	Sonae RP	Others	Total
30 June 2011 - Restated					
Turnover	1,570,770,132	551,212,961	59,934,937	(18,482,906)	2,163,435,124
Ex-Fuel	1,557,668,561	551,212,961	59,934,937	(18,482,906)	2,150,333,553
Fuel	13,101,571	-	-	-	13,101,571
Amortisation, provisions and impairment losses	46,601,651	29,830,154	15,381,311	2,238,035	94,051,151
EBIT	32,747,099	(38,003,405)	55,108,731	(2,790,239)	47,062,185
Invested capital	596,717,080	420,891,208	1,369,945,355	135,900,456	2,523,454,098
Sales area [000 m ²]	547	391	-	60	998

Sonae MC

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

Sonae SR

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

Sonae RP

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

Others

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

EBIT

Turnover + Other income – Operational costs + Gains / losses on sales of businesses – Amortisations, provisions and impairment losses.

Capital employed

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

28 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 21 August 2012.

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 2012 AND 2011
AND AS AT 31 DECEMBER 2011

(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.2012	30.June.2011	31.December.2011
NON-CURRENT ASSETS:				
Tangible assets		73	110	86
Intangible assets		2,440	4,121	3,656
Investments	4	2,650,329,951	2,695,353,144	2,650,119,951
Deferred tax assets	5	6,797,434	7,577,273	82,690
Other non-current assets	6	1,436,870,447	1,278,687,591	1,590,401,623
Total Non-Current Assets		<u>4,094,000,345</u>	<u>3,981,622,239</u>	<u>4,240,608,006</u>
CURRENT ASSETS:				
Trade accounts receivable and other current assets	7	231,763,396	445,513,902	203,305,426
Cash and cash equivalents	8	22,891,891	36,641,788	132,716,621
Total Current Assets		<u>254,655,287</u>	<u>482,155,690</u>	<u>336,022,047</u>
TOTAL ASSETS		<u>4,348,655,632</u>	<u>4,463,777,929</u>	<u>4,576,630,053</u>
EQUITY AND LIABILITIES				
EQUITY:				
Share capital		1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		1,329,382,832	1,334,188,090	1,334,524,273
Profit for the period		13,534,782	17,196,646	14,858,559
TOTAL EQUITY		<u>2,342,917,614</u>	<u>2,351,384,736</u>	<u>2,349,382,832</u>
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	973,902,608	1,151,872,695	824,618,550
Deferred tax liabilities	5	784	1,220	784
Other non-current liabilities	11	400,000,000	400,149,302	400,126,731
Total Non-Current Liabilities		<u>1,373,903,392</u>	<u>1,552,023,217</u>	<u>1,224,746,065</u>
CURRENT LIABILITIES:				
Loans	10	169,266,760	284,153,536	369,740,894
Trade creditors and other current liabilities	12	462,567,866	276,216,440	632,760,262
Total Current Liabilities		<u>631,834,626</u>	<u>560,369,976</u>	<u>1,002,501,156</u>
TOTAL EQUITY AND LIABILITIES		<u>4,348,655,632</u>	<u>4,463,777,929</u>	<u>4,576,630,053</u>

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 2012 AND 2011

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

(Amounts expressed in euro)

	Notes	2 nd Quarter 2012	2 nd Quarter 2011	30.June.2012	30.June.2011
Services rendered		462,422	491,201	926,152	962,388
Gains or losses on investments	15	-	5,954,196	24,646,376	31,007,295
Financial income	16	12,776,125	12,157,883	26,338,953	23,929,020
Other income		71,642	7,744	140,734	9,414
External supplies and services		(752,844)	(486,893)	(1,260,323)	(839,901)
Staff costs		1,611	4,074	(6,202)	(143,044)
Depreciation and amortisation		(615)	(608)	(1,229)	(1,306)
Financial expenses	16	(20,469,505)	(19,687,902)	(40,570,512)	(38,586,566)
Other expenses		(4,596)	(22,271)	(306,505)	(331,923)
Profit/(Loss) before taxation		(7,915,760)	(1,582,576)	9,907,444	16,005,377
Taxation		1,926,876	(667,512)	3,627,338	1,191,269
Profit/(Loss) after taxation		(5,988,884)	(2,250,088)	13,534,782	17,196,646
Earnings per share	17	(0.0067)	(0.0025)	0.0150	0.0191

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 2012 AND 2011

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

(Amounts expressed in euro)

	<u>2 nd Quarter</u>	<u>2 nd Quarter</u>	<u>30.June.2012</u>	<u>30.June.2011</u>
Net Profit / (Loss) for the period	(5,988,884)	(2,250,088)	13,534,782	17,196,646
Changes in hedge and fair value reserves	-	767,976	-	1,518,134
Total comprehensive income for the period	<u>(5,988,884)</u>	<u>(1,482,112)</u>	<u>13,534,782</u>	<u>18,714,780</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 2012 AND 2011

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

(Amounts expressed in euro)

	Share Capital	Reserves and Retained Earnings			Reserves and Retained	Net Profit/(Loss)	Total
		Legal Reserve	Hedging Reserve	Other Reserves			
Balance as at 1 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>
Balance as at 01 January 2012	1,000,000,000	139,614,881	-	1,194,909,392	1,334,524,273	14,858,559	2,349,382,832
Total comprehensive income for the period	-	-	-	-	-	13,534,782	13,534,782
Appropriation of profit of 2011:	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	742,928	-	-	742,928	(742,928)	-
Dividends distributed	-	-	-	(5,884,369)	(5,884,369)	(14,115,631)	(20,000,000)
Balance as at 30 June 2012	<u>1,000,000,000</u>	<u>140,357,809</u>	<u>-</u>	<u>1,189,025,023</u>	<u>1,329,382,832</u>	<u>13,534,782</u>	<u>2,342,917,614</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 2012 AND 2011

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

(Amounts expressed in euro)

	Notes	2 nd Quarter	2 nd Quarter	30.June.2012	30.June.2011
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		<u>(2,453,335)</u>	<u>16,795,423</u>	<u>(3,152,855)</u>	<u>18,034,337</u>
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		-	19,993,955	-	91,365,276
Interests and similar income		896,144	4,320,686	30,850,468	31,856,872
Dividends		21,896,376	25,053,099	24,646,376	25,053,099
Others		-	-	-	29,954
Loans granted		<u>293,707,268</u>	<u>208,439,952</u>	<u>509,022,760</u>	<u>516,627,404</u>
		<u>316,499,788</u>	<u>257,807,692</u>	<u>564,519,604</u>	<u>664,932,605</u>
Cash payments arising from:					
Investments		(210,000)	(884,736)	(210,000)	(884,736)
Tangible and intangible assets		-	-	(492)	-
Others		-	-	-	(12,807)
Loans granted		<u>(174,742,190)</u>	<u>(166,819,715)</u>	<u>(377,704,347)</u>	<u>(670,060,604)</u>
		<u>(174,952,190)</u>	<u>(167,704,451)</u>	<u>(377,914,839)</u>	<u>(670,958,147)</u>
Net cash used in investment activities (2)		<u>141,547,598</u>	<u>90,103,241</u>	<u>186,604,765</u>	<u>(6,025,542)</u>
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		<u>1,838,599,000</u>	<u>849,134,000</u>	<u>3,385,799,150</u>	<u>2,478,843,762</u>
		<u>1,838,599,000</u>	<u>849,134,000</u>	<u>3,385,799,150</u>	<u>2,478,843,762</u>
Cash payments arising from:					
Loans obtained		(1,951,636,001)	(963,804,419)	(3,659,025,372)	(2,542,252,142)
Interests and similar charges		(5,438,821)	(21,121,610)	(19,502,385)	(39,380,113)
Dividends		-	-	-	(68)
		<u>(1,957,074,822)</u>	<u>(984,926,029)</u>	<u>(3,678,527,757)</u>	<u>(2,581,632,323)</u>
Net cash used in financing activities (3)		<u>(118,475,822)</u>	<u>(135,792,029)</u>	<u>(292,728,607)</u>	<u>(102,788,561)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		20,618,441	(28,893,365)	(109,276,697)	(90,779,766)
Cash and cash equivalents at the beginning of the period		2,263,175	65,535,153	132,158,313	127,421,554
Cash and cash equivalents at the end of the period	8	<u>22,881,616</u>	<u>36,641,788</u>	<u>22,881,616</u>	<u>36,641,788</u>

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 2012

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

(Amounts expressed in euro)

1 INTRODUCTION

SONAE INVESTIMENTOS, SGPS, SA, "the Company" or "Sonae Investimentos" it's a Portuguese Corporation, with head-office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

The Company's main activity is the management of shareholdings (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 2011.

4 INVESTMENTS

As at 30 June 2012 and 31 December 2011, the investments caption is made up as follows:

Company	30.June.2012		31.December.2011	
	% held	Final balance	% held	Final balance
Azulino - Imobiliária, SA	100.00%	498,025	100.00%	498,025
Bertimóvel - Sociedade Imobiliária, SA	100.00%	2,115,000	100.00%	2,115,000
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%	2,390,191	100.00%	2,355,191
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	74.94%	108,755,437	74.94%	108,755,437
Igimo - Sociedade Imobiliária, SA	100.00%	220,000	100.00%	220,000
Iginha - Sociedade Imobiliária, SA	100.00%	1,359,000	100.00%	1,359,000
Imoconti - Sociedade Imobiliária, SA	100.00%	380,000	100.00%	380,000
Imostrutura - Sociedade Imobiliária, SA	100.00%	24,940	100.00%	24,940
Imomuro - Sociedade Imobiliária, SA	100.00%	999,940	100.00%	999,940
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%	2,130,558	100.00%	2,130,558
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%	19,600,307
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	40.00%	384,351
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%	1,068,316	100.00%	893,316
Valor N, SA	100.00%	2,087,315	100.00%	2,087,315
Total		<u>2,698,736,448</u>		<u>2,698,526,448</u>
Impairment		<u>(48,406,497)</u>		<u>(48,406,497)</u>
Total		<u>2,650,329,951</u>		<u>2,650,119,951</u>

5 DEFERRED TAX

Deferred tax assets and liabilities as at 30 June 2012 and 31 December 2011 are as follows, split between the different types of temporary differences:

	Assets	
	30.June.2012	31.December.2011
Fiscal losses carried forward	6,758,846	-
Others	38,588	82,690
	<u>6,797,434</u>	<u>82,690</u>
	Liabilities	
	30.June.2012	31.December.2011
Differences between amortisations for accounting and tax purposes	784	784
	<u>784</u>	<u>784</u>

6 OTHER NON-CURRENT ASSETS

As at 30 June 2012 and 31 December 2011 the non-current assets were as follows:

	30.June.2012	31.December.2011
Loans granted	1,436,016,026	1,589,586,905
Other debtors	854,421	814,718
	<u>1,436,870,447</u>	<u>1,590,401,623</u>

These loans earn interests at market rates indexed to Euribor and their fair value is similar to their carrying amount. The loans refer to loans granted to subsidiaries with no defined maturity.

There are no past due or impaired on loans receivable as at 30 June 2012 and 31 December 2011. The fair value of loans granted to group companies is considered to be similar to its carrying amount.

7 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2012 and 31 December 2011 the non-current assets were as follows:

	30.June.2012	31.December.2011
Trade accounts receivable	524,170	525,861
Group companies	170,880,783	166,141,874
Other debtors	4,854,111	5,453,996
Tax recoverable	27,353,957	27,680,590
Other current assets	28,150,375	3,503,105
	<u>231,763,396</u>	<u>203,305,426</u>

The caption group companies includes: (i) the amount of 135,223,040 euro (141,714,282 euro in 31 December 2011) related to short term loans and interest to group companies; (ii) the amount of 35,657,743 euro (24,427,592 euro in 31 December 2011) 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 4,778,747 euro (the same amount as at 31 December 2011), 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 2012 and 31 December 2011, cash and cash equivalents can be detailed as follows:

	30.June.2012	31.December.2011
Cash	550	550
Bank deposits	22,891,341	132,716,071
Cash and cash equivalents on the balance sheet	<u>22,891,891</u>	<u>132,716,621</u>
Bank overdrafts	(10,275)	(558,308)
Cash and cash equivalents on the cash flow s statement	<u>22,881,616</u>	<u>132,158,313</u>

Bank overdrafts are disclosed in the statement of financial position under the caption short term bank loans.

9 SHARE CAPITAL

As at 30 June 2012 and 31 December 2011, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares, with a nominal value of 1 euro each.

A subsidiary company (Sonae – Specialized Retail, SGPS, SA) owns 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.

As at 30 June 2012 and 31 December 2011, the subscribed share capital was held as follows:

	30.June.2012	31.December.2011
Sonae, SGPS, SA	76.86%	76.86%
Sonae Investments BV	13.14%	13.14%
Sonae - Specialized Retail, SGPS, SA	10.00%	10.00%

10 BORROWINGS

As at 30 June 2012 and 31 December 2011, loans are made as follows:

	30.June.2012	31.December.2011
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	18,000,000	26,000,000
Bonds Sonae Investimentos 2012/2017	170,000,000	-
Up-front fees not yet charged to income statement	(2,738,822)	(1,677,405)
Bond loans	<u>695,261,178</u>	<u>534,322,595</u>
Commercial paper	272,000,000	282,000,000
Other bank loans	6,666,669	8,333,334
Up-front fees not yet charged to income statement	(25,239)	(37,379)
Bank loans	<u>278,641,430</u>	<u>290,295,955</u>
Non-current loans	<u>973,902,608</u>	<u>824,618,550</u>
Bonds Modelo Continente 2007/2012	-	200,000,000
Bonds Modelo Continente 2005/2012	150,000,000	150,000,000
Bonds Sonae Distribuição 2009/2014	16,000,000	16,000,000
Up-front fees not yet charged to income statement	(69,181)	(143,080)
Bond loans	<u>165,930,819</u>	<u>365,856,920</u>
Other bank loans	3,333,333	3,333,333
Up-front fees not yet charged to income statement	(7,667)	(7,667)
Bank overdrafts	10,275	558,308
Bank loans	<u>3,335,941</u>	<u>3,883,974</u>
Current loans	<u>169,266,760</u>	<u>369,740,894</u>

As at 30 June 2012 Sonae Investimentos has agreed lines of credit and commercial paper programs amounting 800 million euro, out of which 190 million with firm commitments with maturity not exceeding one year and 510 million euro with firm commitments with maturity over one year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments, the company had 428 million euro credit facilities available to meet its liquidity requirements.

During August 2012, after the date of the financial position report, the company has contracted a loan amounting 50 million euro, with maturity in 2016. This amount is not relived in the present financial statements.

The interest rate as at 30 June 2012 of the bonds and bank loans was, on average, 2.81% (2.37% as at 31 December 2011).

11 OTHER NON-CURRENTS LIABILITIES

As at 30 June 2012 and 31 December 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.

As at 30 June 2012 the fair value of this bond loan is 40,415 euro (40,000 euro on 31 December 2011) per bond, and was determined based on discounted cash flows method.

12 TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 June 2012 and 31 December 2011, this heading is made up as follows:

	30.June.2012	31.December.2011
Trade accounts payable	73,513	1,092,558
Group companies	426,489,752	618,102,501
Other accounts payable	42,648	1,572,506
Tax and contributions payable	3,847,138	1,919,990
Other current liabilities	32,114,815	10,072,707
	<u>462,567,866</u>	<u>632,760,262</u>

The caption group companies includes: (i) 381,528,335 euro (605,087,891 euro on 31 December 2011) related to short term loans of the group companies; (ii) the amount 24,961,417 euro (13,014,610 euro on 31 December 2011) related to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Group of Companies; (iii) the amount 20,000,000 euro related to dividends payable.

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

13 CONTINGENT LIABILITIES

As at 30 June 2012 and 31 December 2011 the contingent liabilities were detailed as follows:

		30.June.2012	31.December.2011
Guarantees rendered:			
related to tax claims awaiting outcome	(a)	268,323,385	222,571,285
related to local and municipal claims awaiting outcome		28,938	28,938
others		10,633,112	10,643,765
Guarantees given in favour of subsidiaries	(b)	48,082,127	48,082,127

a) Includes the amount of 263,144,428 euro (217,392,328 euro as at 31 December 2011) referring to corporate income tax claims awaiting outcome and the amount of 5,178,957 euro (5,178,957 euro as at 31 December 2011) 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

Main balances and transactions with related parties are detailed as follows:

	30.June.2012	31.December.2011
Balance:		
Parent company	238	31,894
Subsidiaries	60,844,096	55,144,842
Jointly controlled companies	138,735	42,159
Associated companies	1,931,418	1,904,719
Accounts receivable	62,914,487	57,123,614
Parent company	37,127,268	1,410,945
Subsidiaries	32,020,694	15,859,308
Associated companies	29,760	-
Other related parties	72	17
Accounts payable	69,177,795	17,270,270
Subsidiaries	1,546,758,166	1,678,678,093
Jointly controlled companies	5,372,000	4,300,000
Associated companies	18,459,118	17,935,689
Loans granted	1,570,589,284	1,700,913,782
Parent company	400,000,000	400,000,000
Subsidiaries	381,528,335	605,087,891
Loans obtained	781,528,335	1,005,087,891

	30.June.2012	30.June.2011
Transactions:		
Subsidiaries	499,998	499,998
Associated companies	426,154	462,390
Services rendered	926,152	962,388
Parent company	550,578	25,000
Associated companies	20,681	5,824
Other related parties	435	894
Purchases and services obtained	571,694	31,718
Parent company	258	461
Subsidiaries	137,177	-
Associated companies	119	-
Other income	137,554	461
Parent company	-	23,461
Subsidiaries	25,286,310	21,726,461
Jointly controlled companies	165,724	97,629
Associated companies	571,212	871,882
Interest income	26,023,246	22,719,433
Parent company	16,249,985	16,465,202
Subsidiaries	5,916,740	2,807,524
Interest expenses	22,166,725	19,272,726
Subsidiaries	24,489,302	24,978,000
Associated companies	157,074	75,099
Dividend income	24,646,376	25,053,099
Other related parties	-	224,736
Investments acquisition	-	224,736

All Sonae, SGPS, SA and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements.

During 1st half 2012 and 2011 did not occur any transactions including granted loans with the Company's Directors.

15 INVESTMENT INCOME

As at 30 June 2012 and 2011 investment income is as follows:

	30.June.2012	30.June.2011
Dividends	24,646,376	25,053,099
Gains on the sale of investments	-	5,954,196
	24,646,376	31,007,295

16 FINANCIAL INCOME

As at 30 June 2012, this caption includes the amount of 26,338,953 euro (22,923,482 euro as at 30 June 2011) related to receivable interests and the amount of 37,696,143 euro (35,890,109 euro as at 30 June 2011) related to payable interests.

17 EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2012 and 2011 were calculated taking into consideration the following amounts:

	30.June.2012	30.June.2011
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	13,534,782	17,196,646
Net profit taken into consideration to calculate diluted earnings per share	13,534,782	17,196,646
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	900,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	900,000,000
Earnings per share (basic and diluted)	0.0150	0.0191

18 SUBSEQUENT EVENTS

During August 2012, after the date of the financial position report, the company has contracted a loan amounting 50 million euro, with maturity in 2016.

As at 2nd August 2012, the company proceed to the fully reimburse of Modelo Continente 2005/2012 bond loan amounting 150 million euro.

19 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 21 August 2012.

20 INFORMATION REQUIRED BY LAW

Decree-Law n^{er} 318/94 art. 5th n^{er} 4th

During the period ended as at 30 June 2012 shareholders' loan contracts were signed with the following companies:

Soflorin BV

During the period ended as at 30 June 2012, treasury application agreements were signed with the following companies:

Carnes do Continente - Indústria e Distribuição de Carnes, SA

Estevão Neves – Hipermercados da Madeira, SA

Raso, SGPS, SA

Raso Viagens e Turismo, SA

Sonae, SGPS, SA

Tlantic Portugal - Sistemas de Informação, SA

As at 30 June 2012 amounts owed by subsidiaries can be detailed as follows:

Company	30.June.2012
Azulino - Imobiliária, SA	3,917,174
Bom Momento - Comércio Retalhista, SA	416,000
Bertimóvel - Sociedade Imobiliária, SA	25,326,000
Canasta - Empreendimentos Imobiliários, SA	2,235,208
Chão Verde - Sociedade de Gestão Imobiliária, SA	4,914,050
Citorres - Sociedade Imobiliária, SA	3,182,050
Contimobe - Imobiliária do Castelo de Paiva, SA	46,672,807
Continente Hipermercados, SA	41,076,450
Cumulativa - Sociedade Imobiliária, SA	2,285,333
Edições Book.it, SA	5,425,000
Estevão Neves - Hipermercados da Madeira, SA	1,044,000
Farmácia Seleção, SA	3,537,050
Fashion Division, SA	1,264,000
Fozimo - Sociedade Imobiliária, SA	1,610,301
Igimo - Sociedade Imobiliária, SA	681,050
Iginha - Sociedade Imobiliária, SA	19,391,462
Imoconti - Sociedade Imobiliária, SA	13,300,724
Imoestrutura - Sociedade Imobiliária, SA	205,050
Imomuro - Sociedade Imobiliária, SA	3,931,947
Imoresultado - Sociedade Imobiliária, SA	461,050
Imosistema - Sociedade Imobiliária, SA	4,014,642
MJLF - Empreendimentos Imobiliários, SA	3,079,187
Modelo - Distribuição de Materiais de Construção, SA	18,709,395
Mundo Vip - Operadores Turísticos, SA	1,000,000
MDS SGPS, SA	17,459,118
Pharmacontinente - Saúde e Higiene, SA	4,573,000
Predicomercial - Promoção Imobiliária, SA	7,201,310
Raso - Viagens e Turismo, SA	367,000
Raso, SGPS, SA	5,005,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	3,177,976
Sempre à Mão - Sociedade Imobiliária, SA	52,617,020
Socijofra - Sociedade Imobiliária, SA	6,287,487
Sociloures - Sociedade Imobiliária, SA	22,267,277
Soflorin, BV	208,571,292
Sonae Center Serviços II, SA	12,981,000
Sonae MC - Modelo Continente, SGPS, SA	801,578,050
Sonaerp - Retail Properties, SA	194,471,931
Sondis Imobiliária, SA	22,632,342
Tiatic Portugal - Sistemas de Informação, SA	212,000
Valor N, SA	3,507,551
	<u>1,570,589,284</u>

The amounts due to group companies as at 30 June 2012 related to the mentioned contracts were the following:

Company	30.June.2012
BB Food Service, SA	2,163,045
Carnes do Continente - Indústria e Distribuição de Carnes, SA	2,133,000
Contibomba - Comércio e Distribuição de Combustíveis, SA	664,950
Fozmassimo - Sociedade Imobiliária, SA	875,950
Modelo Continente Hipermercados, SA	221,468,000
Modelo Hiper Imobiliária, SA	2,607,950
Modelo.Com - Vendas por Correspondência, SA	5,188,950
Pharmaconcept - Actividades em Saúde, SA	1,673,000
Peixes do Continente - Indústria e Distribuição de Peixes, SA	930,000
Sesagest - Projectos e Gestão Imobiliária, SA	4,577,950
Sonae - Specialized Retail, SGPS, SA	137,747,540
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	1,498,000
	<u>381,528,335</u>

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigo Jordão