

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

31 March 2012

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 three months of 2012.

Activity evolution for the period

During the course of the three months of 2012, the consolidated turnover of Sonae Investimentos totalled 1,031million Euro¹, which corresponds to a decrease of 1% compared to the same period in the previous year².

In the same period, the Company's operating cash-flow (EBITDA) reached 49 million Euro. This figure represents a decrease of 10 million Euro in relation to the same period in 2011, and reflects the deterioration of 0.8 percentage points in the operating profitability margin of the Company to 4.7%. The EBITDA deterioration was due to non recurrent items of 13 million Euro in 2011 mainly concerning sale of assets.

In terms of operating results (EBIT), the consolidated figure reached 31 thousand Euro in the period, which represents a decrease of circa 12 million Euro compared to the first three months of 2011.

During this period, Sonae Investimentos consolidated net result totalled -17 million Euro, 16 million Euro below the total realised in the same period of 2011.

At the end of March, Sonae Investimentos detained an overall portfolio of 1,060 stores, corresponding to a sales area of 1,025,000 m²³. During the period, the company continued the consolidation of Sonae SR's own store network in international markets. As at the end of March 2012, Sonae SR's formats had a total of 133 stores outside of Portugal, including 11 under franchising agreements.

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, reflecting a total investment of 18 million Euro during the first three months of the year.

¹ The universe under analysis excludes sales related to petrol filling stations (because the company transferred them to third parties to manage the remaining petrol filling stations during 2011)

² 2011 results were restated in order to reflect the change in Geostar consolidation to the Equity Method (see Methodological Note)

³ Including Geostar

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, 21th May 2012

The Board of Directors,

Glossary

Turnover (t)

sale of articles + services rendered.

Operating Cash-flow (EBITDA)

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

Operating results (EBIT)

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

Net Investment

increase in gross fixed assets (tangible and intangible) + changes in perimeter (as a result of acquisitions and disposals) - disposals in gross fixed assets (tangible and intangible) + increases in goodwill.

Net debt

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

Gearing

ratio between net financial debt and shareholders' funds

Net Capital Employed

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

**Condensed consolidated
financial statements**

SONAE INVESTIMENTOS, SGPS, SA

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT
31 MARCH 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 | 31 March 2012 | 31 March 2011 Restated | 31 December 2011 Restated | 1 January 2011 Restated |
|---|-------|----------------------|---------------------------|------------------------------|----------------------------|
| NON-CURRENT ASSETS: | | | | | |
| Tangible assets | 7 | 2,067,951,925 | 2,093,829,047 | 2,094,098,317 | 2,130,195,086 |
| Intangible assets | 8 | 155,174,468 | 150,172,072 | 156,357,666 | 152,983,921 |
| Goodwill | 9 | 499,234,487 | 500,446,937 | 499,234,487 | 500,446,937 |
| Investments in associates | 5 | 56,608,194 | 66,878,110 | 58,681,026 | 69,867,554 |
| Other investments | 6 | 34,600,717 | 34,496,313 | 34,613,973 | 34,556,255 |
| Deferred tax assets | 13 | 127,920,244 | 114,914,890 | 117,767,016 | 97,680,391 |
| Other non-current assets | 11 | 37,005,781 | 37,039,675 | 36,533,370 | 37,391,624 |
| Total Non-Current Assets | | 2,978,495,816 | 2,997,777,044 | 2,997,285,855 | 3,023,121,768 |
| CURRENT ASSETS: | | | | | |
| Inventories | | 618,583,731 | 629,654,239 | 643,387,609 | 664,630,207 |
| Trade accounts receivable and other current assets | 12 | 215,472,094 | 229,201,113 | 222,789,098 | 210,516,317 |
| Investments | 10 | 2,800,654 | 4,867,554 | 5,856,269 | 15,642,909 |
| Cash and cash equivalents | 14 | 89,572,770 | 121,577,637 | 253,481,201 | 199,666,276 |
| Total Current Assets | | 926,429,249 | 985,300,543 | 1,125,514,177 | 1,090,455,709 |
| Assets available for sale | | 720,338 | 720,338 | 720,338 | 9,500,686 |
| TOTAL ASSETS | | 3,905,645,403 | 3,983,797,925 | 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 | | 59,937,894 | 17,937,716 | 18,463,670 | (148,409,750) |
| Profit/(Loss) for the period attributable to the equity holders of the Parent Company | | (16,408,486) | (51,877) | 63,798,214 | 168,595,954 |
| Equity attributable to the equity holders of the Parent Company | | 723,529,408 | 697,885,839 | 762,261,884 | 700,186,204 |
| Equity attributable to non-controlling interests | 16 | 75,307,086 | 76,274,589 | 75,700,031 | 75,372,692 |
| TOTAL EQUITY | | 798,836,494 | 774,160,428 | 837,961,915 | 775,558,896 |
| LIABILITIES: | | | | | |
| NON-CURRENT LIABILITIES: | | | | | |
| Loans | 17 | 962,958,232 | 1,373,451,560 | 912,748,107 | 1,210,270,255 |
| Other non-current liabilities | 19 | 428,136,451 | 427,980,653 | 428,236,505 | 425,372,544 |
| Deferred tax liabilities | 13 | 121,061,164 | 111,416,293 | 119,911,312 | 108,129,814 |
| Provisions | 22 | 34,541,941 | 22,133,405 | 35,325,262 | 21,495,563 |
| Total Non-Current Liabilities | | 1,546,697,788 | 1,934,981,911 | 1,496,221,186 | 1,765,268,176 |
| CURRENT LIABILITIES: | | | | | |
| Loans | 17 | 413,121,313 | 123,204,118 | 378,365,848 | 105,288,362 |
| Trade creditors and other current liabilities | 21 | 1,144,740,478 | 1,149,202,138 | 1,408,722,091 | 1,475,373,392 |
| Provisions | 22 | 2,249,330 | 2,249,330 | 2,249,330 | 1,589,337 |
| Total Current Liabilities | | 1,560,111,121 | 1,274,655,586 | 1,789,337,269 | 1,582,251,091 |
| TOTAL LIABILITIES | | 3,106,808,909 | 3,209,637,497 | 3,285,558,455 | 3,347,519,267 |
| TOTAL EQUITY AND LIABILITIES | | 3,905,645,403 | 3,983,797,925 | 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 31 MARCH 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 | 31 March 2012 | 31 March 2011 Restated |
|--|---------|---------------|---------------------------|
| Sales | | 1,023,686,472 | 1,028,275,411 |
| Services rendered | | 7,566,325 | 11,146,176 |
| Financial income | | 1,449,671 | 2,255,458 |
| Other income | | 91,844,097 | 132,631,340 |
| Cost of goods sold and materials consumed | | (798,304,554) | (823,768,662) |
| Changes in stocks of finished goods and work in progress | | 61,536 | 97,173 |
| External supplies and services | | (136,611,811) | (135,635,384) |
| Staff costs | | (133,255,653) | (141,228,673) |
| Depreciation and amortisation | 7 and 8 | (44,609,105) | (45,777,234) |
| Provisions and impairment losses | | (1,567,661) | (2,314,296) |
| Financial expense | | (19,996,666) | (19,940,665) |
| Other expenses | | (8,777,723) | (10,868,442) |
| Share of results of associated undertakings | 5 | (2,020,045) | (1,107,024) |
| Profit/(Loss) before taxation | | (20,535,117) | (6,234,822) |
| Taxation | 25 | 3,931,933 | 5,849,965 |
| Profit/(Loss) after taxation | | (16,603,184) | (384,857) |
| Attributable to: | | | |
| Equity holders of the Parent Company | | (16,408,486) | (51,877) |
| Non-controlling interests | | (194,698) | (332,980) |
| Profit/(Loss) per share | | | |
| Basic | 26 | (0.018232) | (0.000058) |
| Diluted | 26 | (0.018232) | (0.000058) |

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 31 MARCH 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)

| | 31 March 2012 | 31 March 2011 Restated |
|---|---------------------|---------------------------|
| Net Profit / (Loss) for the period | (16,603,184) | (384,857) |
| Exchange differences arising on translation of foreign operations | (17,365) | (1,161,904) |
| Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method | (52,786) | (626,001) |
| Changes in hedge and fair value reserves | (3,128,796) | (585,520) |
| Deferred tax related to changes in fair value reserves | 833,784 | 172,224 |
| Other comprehensive income for the period | <u>(2,365,163)</u> | <u>(2,201,201)</u> |
| Total comprehensive income for the period | <u>(18,968,347)</u> | <u>(2,586,058)</u> |
| Attributable to: | | |
| Equity holders of Parent Company | (18,732,476) | (2,211,394) |
| Non controlling interests | <u>(235,871)</u> | <u>(374,664)</u> |

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

The Board of Directors

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 31 MARCH 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 | | | | | | | | | | Non-controlling interests (Note 16) | Total Equity |
|---|--|----------------------|------------------------------------|--------------------|---|--|----------------------|-------------------|----------------------|--------------------|--|--------------------|
| | Share Capital | Own Shares | Reserves and Retained Earnings | | | | | Total | Net Profit/(Loss) | Total | | |
| 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 | - | - | - | (1,161,904) | (371,612) | - | (626,001) | (2,159,517) | (51,877) | (2,211,394) | (374,664) | (2,586,058) |
| 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 | - | - | - | - | - | - | (282,410) | (282,410) | - | (282,410) | - | (282,410) |
| Balance as at 31 March 2011 | <u>1,000,000,000</u> | <u>(320,000,000)</u> | <u>139,614,881</u> | <u>(759,429)</u> | <u>(2,479,336)</u> | <u>342,000,000</u> | <u>(460,438,400)</u> | <u>17,937,716</u> | <u>(51,877)</u> | <u>697,885,839</u> | <u>76,274,589</u> | <u>774,160,428</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 | - | - | - | (17,365) | (2,253,839) | - | (52,786) | (2,323,990) | (16,408,486) | (18,732,476) | (235,871) | (18,968,347) |
| 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) |
| Balance as at 31 March 2012 | <u>1,000,000,000</u> | <u>(320,000,000)</u> | <u>140,357,809</u> | <u>319,446</u> | <u>(658,635)</u> | <u>300,000,000</u> | <u>(380,080,726)</u> | <u>59,937,894</u> | <u>(16,408,486)</u> | <u>723,529,408</u> | <u>75,307,086</u> | <u>798,836,494</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 31 MARCH 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 | 31 March 2012 | 31 March 2011 Restated |
|---|-------|----------------------|---------------------------|
| OPERATING ACTIVITIES | | | |
| Net cash flow from operating activities (1) | | (191,432,301) | (247,395,419) |
| INVESTMENT ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Investments | | 479,844 | 16,961,849 |
| Tangible and intangible assets | | 737,762 | 57,087,495 |
| Interest and similar income | | 814,478 | 926,401 |
| Loans granted | | - | 10,141,637 |
| Others | | - | 29,954 |
| | | <u>2,032,084</u> | <u>85,147,336</u> |
| Cash Payments arising from: | | | |
| Tangible and intangible assets | | (41,673,922) | (62,963,002) |
| Loans granted | | (1,300,000) | (4,261,000) |
| Others | | (135) | (12,807) |
| | | <u>(42,974,057)</u> | <u>(67,236,809)</u> |
| Net cash used in investment activities (2) | | <u>(40,941,973)</u> | <u>17,910,527</u> |
| FINANCING ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Loans obtained | | 971,977,919 | 999,520,000 |
| Others | | - | 1,470,000 |
| | | <u>971,977,919</u> | <u>1,000,990,000</u> |
| Cash Payments arising from: | | | |
| Loans obtained | | (894,391,759) | (835,280,159) |
| Interest and similar charges | | (17,141,107) | (14,556,634) |
| Others | | (987,210) | (404,483) |
| | | <u>(912,520,076)</u> | <u>(850,241,276)</u> |
| Net cash used in financing activities (3) | | <u>59,457,843</u> | <u>150,748,724</u> |
| Net increase in cash and cash equivalents (4) = (1) + (2) + (3) | | <u>(172,916,431)</u> | <u>(78,736,168)</u> |
| Effect of foreign exchange rate | | (56,193) | 15,074 |
| Cash and cash equivalents at the beginning of the period | 14 | <u>249,087,227</u> | <u>195,267,099</u> |
| Cash and cash equivalents at the end of the period | 14 | <u>76,226,989</u> | <u>116,515,857</u> |

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 31 MARCH 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.

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.

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.

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 March 31st, 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 decided, from January 1st 2012 onwards, to start reporting all jointly controlled companies in accordance with the equity method (the only one possible under 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, 31 March 2011 and 31 December 2011 and the Consolidated Income Statement for the period ended at 31st March 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 March 31, 2011

| | Before change | Change in consolidation method from PROP to EQM | Restated |
|-------------------------------------|----------------------|---|----------------------|
| Total assets | 4,009,753,339 | (25,955,414) | 3,983,797,925 |
| Non-current assets | 3,004,192,186 | (6,415,142) | 2,997,777,044 |
| Investments | 86,035,991 | 15,338,432 | 101,374,423 |
| Goodwill | 518,235,811 | (17,788,874) | 500,446,937 |
| Other non-current assets | 2,399,920,384 | (3,964,700) | 2,395,955,684 |
| Current assets | 1,005,561,153 | (19,540,272) | 986,020,881 |
| Equity | 774,211,549 | (51,121) | 774,160,428 |
| Attributable to shareholders | 697,879,932 | 5,907 | 697,885,839 |
| Non-controlling interests | 76,331,617 | (57,028) | 76,274,589 |
| Total liabilities | 3,235,541,790 | (25,904,293) | 3,209,637,497 |
| Non-current liabilities | 1,935,051,856 | (69,945) | 1,934,981,911 |
| Loans | 1,373,451,560 | - | 1,373,451,560 |
| Other liabilities | 561,600,296 | (69,945) | 561,530,351 |
| Current liabilities | 1,300,489,934 | (25,834,348) | 1,274,655,586 |
| Loans | 126,290,457 | (3,086,339) | 123,204,118 |
| Suppliers and other liabilities | 1,174,199,477 | (22,748,009) | 1,151,451,468 |
| Total equity and liabilities | 4,009,753,339 | (25,955,414) | 3,983,797,925 |

Statement of financial position at March 31, 2012

| | 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 March 31, 2011

| | Before change | Change in consolidation method from PROP to EQM | Restated |
|---|----------------------|---|----------------------|
| Turnover | 1,045,865,897 | (6,444,310) | 1,039,421,587 |
| EBITDA | 58,082,243 | 316,584 | 58,398,827 |
| EBITDA margin | 5.55% | 0.06% | 5.62% |
| Provisions and impairment losses | (164,171) | 99,987 | (64,184) |
| Depreciation and amortisation | (45,895,757) | 118,523 | (45,777,234) |
| EBIT | 12,022,315 | 535,094 | 12,557,409 |
| Financial results | (17,732,512) | 47,305 | (17,685,207) |
| Share of results of associated undertakings | (465,660) | (641,364) | (1,107,024) |
| EBT | (6,175,857) | (58,965) | (6,234,822) |
| Taxes | 5,785,940 | 64,025 | 5,849,965 |
| Profit/(Loss) after taxation | (389,917) | 5,060 | (384,857) |
| Atributable to the equity holders | (51,877) | - | (51,877) |
| Atributable to non-controlling interests | (338,040) | 5,060 | (332,980) |

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 31 March 2012 and 31 December 2011 are as follows:

| COMPANY | Head Office | Percentage of capital held | | | |
|--|-------------------|----------------------------|---------|------------------|---------|
| | | 31 March 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 Imosedede | a) | Maia | 54.55% | 54.55% | 54.55% | 54.55% |
| Fundo de Investimento Imobiliário Fechado Imosonae Dois | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Igimo - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Iginha - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Imoconti - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Imoestrutura - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Imomuro - Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Imoresultado - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Imosistema - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Infofield - Informática, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 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) | Amesterdam (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% |
| Sonaeinvest - 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 31 March 2012 and 31 December 2011 are as follows:

| Company | Head Office | Percentage of capital held | | | | Book value | |
|--|-------------|----------------------------|--------|------------------|--------|-------------------|------------------------------|
| | | 31 March 2012 | | 31 December 2011 | | 31 March 2012 | 31 December 2011 Restated |
| | | Direct | Total | Direct | Total | | |
| MDS SGPS, SA | Maia | 46.92% | 46.92% | 46.92% | 46.92% | 41,478,171 | 43,099,957 |
| Mundo VIP | Lisbon | 33.34% | 33.34% | 33.34% | 33.34% | 1,101,337 | 1,101,337 |
| 1) Raso SGPS, SA | Lisbon | 50.00% | 50.00% | 50.00% | 50.00% | 13,021,433 | 13,497,231 |
| Sempre a Postos - Produtos Alimentares e Utilidades, Lda | Lisbon | 25.00% | 25.00% | 25.00% | 25.00% | 1,007,252 | 982,502 |
| Total | | | | | | 56,608,194 | 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:

| | 31 March 2012 | 31 December 2011 Restated |
|-------------|---------------|------------------------------|
| Assets | 238,738,848 | 232,499,219 |
| Liabilities | 176,214,514 | 165,982,117 |
| | 31 March 2012 | 31 March 2011 Restated |
| Income | 45,598,671 | 47,862,620 |
| Expenses | 49,420,582 | 50,294,405 |

During the periods ended at 31 March 2012 and 2011, movements in investments, are made up as follows:

| | 31 March 2012 | 31 March 2011 Restated |
|--|-------------------|---------------------------|
| Investments | | |
| Opening Balance as at 1 January - restated | 58,681,026 | 69,867,554 |
| Effect in net income | (2,020,045) | (1,107,024) |
| Dividends | - | (150,200) |
| Effect in equity | (52,787) | (1,732,220) |
| | 56,608,194 | 66,878,110 |

6 OTHER NON-CURRENT INVESTMENTS

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

| Company | Head Office | Percentage of capital held | | | | Book value | |
|--|---------------|----------------------------|--------|------------------|--------|-------------------|------------------------------|
| | | 31 March 2012 | | 31 December 2011 | | 31 March 2012 | 31 December 2011 Restated |
| | | Direct | Total | Direct | Total | | |
| Dispar - Distrib. de Participações, SGPS, SA | Lisbon | 7.14% | 7.14% | 7.14% | 7.14% | 9,976 | 9,976 |
| Insko - Insular de Hipermerc., SA | Ponta Delgada | 10.00% | 10.00% | 10.00% | 10.00% | 748,197 | 748,197 |
| Other investments | | | | | | 33,842,544 | 33,855,800 |
| | | | | | | <u>34,600,717</u> | <u>34,613,973</u> |

During the periods ended as at 31 March 2012 and 2011, movements in other non-current investments, are made up as follows:

| | 31 March 2012 | 31 March 2011 Restated |
|--|-------------------|---------------------------|
| Investments in other companies | | |
| Opening balance as at 1 January - restated | 34,613,973 | 34,496,255 |
| Increase/(Decrease) in fair value | (13,256) | - |
| Transfers | - | 58 |
| Closing balance as at 31 March | <u>34,600,717</u> | <u>34,496,313</u> |
| Accumulated impairment losses | - | - |
| | <u>34,600,717</u> | <u>34,496,313</u> |
| Financial investments advances | | |
| Opening balance as at 1 January - restated | - | 60,000 |
| Decreases | - | (60,000) |
| | <u>0</u> | <u>-</u> |
| | <u>34,600,717</u> | <u>34,496,313</u> |

Under the caption other non-current investments there is an amount of 33,724,600 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 three months period ended at 31 March 2012 and 2011, movements in Tangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

| | Tangible assets | | | | Total Tangible Assets |
|---|-----------------------|------------------------|--------------------|-----------------------------------|-----------------------------|
| | Land and Buildings | Plant and Machinery | Others | Tangible assets in progress | |
| Gross assets: | | | | | |
| Opening balance as at 1 January 2012 - restated | 1,651,284,310 | 1,156,118,956 | 167,412,568 | 28,062,619 | 3,002,878,453 |
| Acquisitions | 1,504,957 | 1,234,653 | 153,057 | 11,137,623 | 14,030,290 |
| Disposals | (23,232) | (4,949,466) | (2,213,743) | (346,080) | (7,532,521) |
| Exchange rate effect | - | (12,518) | 10,636 | (9) | (1,891) |
| Transfers | 83,393 | 11,228,299 | 1,945,115 | (13,794,969) | (538,162) |
| Closing balance as at 31 March 2012 | 1,652,849,428 | 1,163,619,924 | 167,307,633 | 25,059,184 | 3,008,836,169 |
| 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 and impairment losses | 6,767,724 | 27,789,550 | 4,229,928 | - | 38,787,202 |
| Disposals | (23,232) | (4,452,357) | (2,133,888) | - | (6,609,477) |
| Exchange rate effect | - | (5,276) | 1,189 | - | (4,087) |
| Transfers | 4,700 | (44,593) | (29,637) | - | (69,530) |
| Closing balance as at 31 March 2012 | 262,836,052 | 551,144,625 | 126,903,567 | - | 940,884,244 |
| Carrying amount As at 31 March 2012 | 1,390,013,376 | 612,475,299 | 40,404,066 | 25,059,184 | 2,067,951,925 |

| | Tangible assets | | | | Total Tangible Assets |
|---|-----------------------|------------------------|--------------------|-----------------------------------|-----------------------------|
| | Land and Buildings | Plant and Machinery | Others | Tangible assets in progress | |
| Gross assets: | | | | | |
| Opening balance as at 1 January 2011 - restated | 1,674,566,854 | 1,056,683,747 | 161,640,441 | 42,312,641 | 2,935,203,683 |
| Acquisitions | 130,364 | 227,469 | 47,184 | 31,002,909 | 31,407,926 |
| Disposals | (31,265,525) | (824,500) | (842,590) | (678,975) | (33,611,590) |
| Exchange rate effect | - | (46,113) | (41,296) | - | (87,409) |
| Transfers | 223,406 | 22,270,175 | 5,178,898 | (28,136,705) | (464,226) |
| Closing balance as at 31 March 2011 - restated | 1,643,655,099 | 1,078,310,778 | 165,982,637 | 44,499,870 | 2,932,448,384 |
| 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 and impairment losses | 8,517,550 | 27,226,070 | 4,581,447 | - | 40,325,067 |
| Disposals | (5,203,056) | (372,558) | (817,198) | - | (6,392,812) |
| Exchange rate effect | - | (26,874) | (17,485) | - | (44,359) |
| Transfers | - | (127,541) | (149,615) | - | (277,156) |
| Closing balance as at 31 March 2011 - restated | 236,321,039 | 481,715,201 | 120,583,097 | - | 838,619,337 |
| Carrying amount As at 31 March 2011 - restated | 1,407,334,060 | 596,595,577 | 45,399,540 | 44,499,870 | 2,093,829,047 |

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

| | 31 March 2012 | 31 March 2011 Restated |
|--|-------------------|---------------------------|
| Refurbishment and expansion of stores in the retail businesses located in Portugal | 13,538,648 | 25,106,853 |
| Refurbishment and expansion of stores in the retail businesses located in Spain | 2,082,704 | 8,727,920 |
| Projects of stores for which advance payments were made | 9,185,528 | 10,389,232 |
| Others | 252,304 | 275,865 |
| | <u>25,059,184</u> | <u>44,499,870</u> |

8 INTANGIBLE ASSETS

During the three months period ended at 31 March 2012 and 2011, movements in Intangible assets as well as depreciation and accumulated impairment losses, are made up as follows:

| | Intangible assets | | | Total Intangible Assets |
|---|-------------------------------------|--------------------|-------------------------------------|-------------------------------|
| | Patents and other similar rights | Others | Intangible assets in progress | |
| Gross assets | | | | |
| Opening balance as at 1 January 2012 - restated | 101,358,773 | 172,809,327 | 15,500,704 | 289,668,804 |
| Acquisitions | 78,609 | 19,216 | 4,452,870 | 4,550,695 |
| Disposals | (183,328) | (22,005) | (44,094) | (249,427) |
| Exchange rate effect | 3,169 | 10,414 | - | 13,583 |
| Transfers | 78,833 | 4,632,607 | (4,566,571) | 144,869 |
| Closing balance as at 31 March 2012 | <u>101,336,056</u> | <u>177,449,559</u> | <u>15,342,909</u> | <u>294,128,524</u> |
| Accumulated depreciation and impairment losses | | | | |
| Opening balance as at 1 January 2012 - restated | 19,148,056 | 114,163,082 | - | 133,311,138 |
| Depreciation and impairment losses | 853,418 | 4,968,485 | - | 5,821,903 |
| Disposals | (178,108) | (926) | - | (179,034) |
| Exchange rate effect | 70 | (753) | - | (683) |
| Transfers | - | 732 | - | 732 |
| Closing balance as at 31 March 2012 | <u>19,823,436</u> | <u>119,130,620</u> | <u>-</u> | <u>138,954,056</u> |
| Carrying amount | | | | |
| As at 31 March 2012 | <u>81,512,620</u> | <u>58,318,939</u> | <u>15,342,909</u> | <u>155,174,468</u> |

| | Intangible assets | | | Total Intangible Assets |
|---|----------------------------------|--------------------|-------------------------------|-------------------------|
| | Patents and other similar rights | Others | Intangible assets in progress | |
| Gross assets | | | | |
| Opening balance as at 1 January 2011 - restated | 100,831,268 | 156,393,207 | 14,382,676 | 271,607,151 |
| Acquisitions | 83,556 | 34,856 | 3,147,798 | 3,266,210 |
| Disposals | (45,428) | (44) | (329,543) | (375,015) |
| Exchange rate effect | - | (21,273) | - | (21,273) |
| Transfers | (256,233) | 3,852,155 | (4,026,539) | (430,617) |
| Closing balance as at 31 March 2011 - restated | 100,613,163 | 160,258,901 | 13,174,392 | 274,046,456 |
| Accumulated depreciation and impairment losses | | | | |
| Opening balance as at 1 January 2011 - restated | 14,136,103 | 104,487,127 | - | 118,623,230 |
| Depreciation and impairment losses | 941,765 | 4,510,402 | - | 5,452,167 |
| Disposals | (3,157) | (14) | - | (3,171) |
| Exchange rate effect | - | (7,393) | - | (7,393) |
| Transfers | (190,449) | - | - | (190,449) |
| Closing balance as at 31 March 2011 - restated | 14,884,262 | 108,990,122 | - | 123,874,384 |
| Carrying amount | | | | |
| As at 31 March 2011 - restated | 85,728,901 | 51,268,779 | 13,174,392 | 150,172,072 |

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 31 March 2012 and 31 December 2011, movements in goodwill, as well as in corresponding impairment losses, were made up as follows:

| | 31 March 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 31 March 2012 and 2011 movements in this caption can be detailed as follows:

| | 31 March 2012 | 31 March 2011 Restated |
|--|------------------|---------------------------|
| Other investments: | | |
| Opening balance as at 1 January - restated | 3,059,200 | 15,185,750 |
| Decreases in the period | (410,679) | (10,888,233) |
| Closing balance as at 31 March | 2,648,521 | 4,297,517 |
| Accumulated impairment losses | - | - |
| | <u>2,648,521</u> | <u>4,297,517</u> |
| Derivative financial instruments | | |
| Fair value as at 1 January - restated | 2,797,069 | 457,159 |
| Increase/(Decrease) in fair value | (2,644,936) | 112,878 |
| Fair value as at 31 March (Note 18) | 152,133 | 570,037 |
| | <u>152,133</u> | <u>570,037</u> |
| Total of Other Investments | <u>2,800,654</u> | <u>4,867,554</u> |

11 OTHER NON-CURRENT ASSETS

As at 31 March 2012 and 31 December 2011, other non-current assets are detailed as follows:

| | 31 March 2012 | 31 December 2011 Restated |
|---|-------------------|------------------------------|
| Loans granted to related parties | 18,459,119 | |
| Trade accounts receivable and other debtors | | |
| Bails | 6,004,324 | 5,962,373 |
| Legal deposits | 846,090 | 851,831 |
| Recognition of the value to be received Carrefour | 10,524,425 | 10,595,846 |
| Amount receivable for selling the Modelo Cont.Seguros | 2,284,570 | 2,264,719 |
| Total financial instruments | 38,118,528 | 37,610,458 |
| Accumulated impairment losses in other debtors | (1,450,000) | (1,450,000) |
| | <u>36,668,528</u> | <u>36,160,458</u> |
| Other non-current assets | 337,253 | 372,912 |
| | <u>37,005,781</u> | <u>36,533,370</u> |

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 31 March 2012 and 31 December 2011, "Trade accounts receivable and other current assets" are made up as follows:

| | 31 March 2012 | 31 December 2011 Restated |
|--|---------------------|------------------------------|
| Trade accounts receivable | 33,406,651 | 38,401,033 |
| Taxes recoverable | 81,572,587 | 82,059,326 |
| Granted loans to related companies | 5,607,975 | 4,873,563 |
| Other debtors | | |
| Trade suppliers - debtor balances | 43,379,877 | 41,132,234 |
| Advances to suppliers | 1,313,967 | 2,028,908 |
| Credit sales sold to third parties | 579,513 | 821,441 |
| Special regime for settlement of tax and social security debts | 12,047,568 | 12,047,568 |
| VAT recoverable on real estate assets | 911,057 | 444,020 |
| Accounts receivable from the disposal of tangible fixed assets | 781,448 | 884,326 |
| Other debtors | 9,113,991 | 12,124,340 |
| | <u>68,127,421</u> | <u>69,482,837</u> |
| Other current assets | | |
| Commercial Discounts | 26,521,985 | 29,495,919 |
| Interests to be received | 1,423,697 | 1,231,765 |
| Commissions to be received | 1,458,696 | 1,784,827 |
| Rents | 6,126,629 | 6,728,908 |
| Condominiums management fee's | 1,886,068 | 1,823,876 |
| Insurance premiums paid in advance | 5,396,954 | 3,610,428 |
| Claims | 103,175 | 103,175 |
| Software Licenses | 1,016,115 | 1,621,862 |
| Other current assets | 5,229,797 | 5,907,345 |
| | <u>49,163,116</u> | <u>52,308,105</u> |
| Accumulated impairment losses (Note 24) | <u>(22,405,656)</u> | <u>(24,335,766)</u> |
| | <u>215,472,094</u> | <u>222,789,098</u> |

13 DEFERRED TAX

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

| | Deferred tax assets | | Deferred tax liabilities | |
|--|---------------------|------------------------------|--------------------------|------------------------------|
| | 31 March 2012 | 31 December 2011 Restated | 31 March 2012 | 31 December 2011 Restated |
| Difference between fair value and acquisition cost | 3,408,306 | 3,408,306 | 29,924,563 | 30,041,386 |
| Harmonisation adjustments | 82,633 | 82,760 | 65,085,279 | 63,532,275 |
| Provisions and impairment losses not accepted for tax purposes | 17,925,823 | 18,390,916 | - | - |
| Write-off of tangible and intangible assets | 4,515,338 | 4,917,983 | - | - |
| Valuation of hedging derivatives | 251,621 | 9,426 | 13,072 | 582,921 |
| Amortisation of Goodwill for tax purposes | - | - | 22,685,052 | 22,336,051 |
| Revaluation of tangible assets | - | - | 1,802,746 | 1,835,383 |
| Tax losses carried forward | 99,806,542 | 89,372,529 | - | - |
| Reinvested capital gains/(losses) | - | - | 1,164,820 | 1,197,663 |
| Others | 1,929,981 | 1,585,096 | 385,632 | 385,633 |
| | <u>127,920,244</u> | <u>117,767,016</u> | <u>121,061,164</u> | <u>119,911,312</u> |

As at 31 March 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:

| | 31 March 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 2006 | 1,223,112 | 305,778 | 2013 | 1,223,112 | 305,778 | 2013 |
| Generated in 2007 | 1,227,861 | 306,965 | 2014 | 1,227,861 | 306,965 | 2014 |
| Generated in 2008 | 1,605,688 | 401,422 | 2015 | 1,607,078 | 401,769 | 2015 |
| Generated in 2009 | 99,670 | 24,918 | 2014 | 99,670 | 24,918 | 2014 |
| Generated in 2010 | 351,258 | 87,814 | 2015 | 351,258 | 87,814 | 2015 |
| Generated in 2011 | 27,205,921 | 6,876,480 | 2016 | - | - | |
| | <u>31,713,510</u> | <u>8,003,377</u> | | <u>4,508,979</u> | <u>1,127,244</u> | |
| Without limited time use | - | - | | - | - | |
| With a time limit different from the above mentioned | 306,010,552 | 91,803,165 | | 294,183,253 | 88,245,285 | |
| | <u>337,724,062</u> | <u>99,806,542</u> | | <u>298,692,232</u> | <u>89,372,529</u> | |

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

| | 31 March 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 2005 | 292,997 | 73,250 | 2012 | 292,997 | 73,250 | 2012 |
| Generated in 2006 | 375,767 | 93,943 | 2013 | 375,767 | 93,943 | 2013 |
| Generated in 2007 | 3,549,398 | 887,350 | 2014 | 3,549,398 | 887,350 | 2014 |
| Generated in 2008 | 5,302,815 | 1,325,703 | 2015 | 5,302,815 | 1,325,703 | 2015 |
| Generated in 2009 | 5,386,907 | 1,346,727 | 2014 | 5,386,907 | 1,346,727 | 2014 |
| Generated in 2010 | 4,022,212 | 1,005,553 | 2015 | 4,022,212 | 1,005,553 | 2015 |
| Generated in 2011 | 1,296,795 | 324,199 | 2016 | - | - | |
| | <u>20,226,891</u> | <u>5,056,725</u> | | <u>18,930,096</u> | <u>4,732,526</u> | |
| Without limited time use | 11,633,800 | 3,955,492 | | 11,305,988 | 3,844,036 | |
| With a time limit different from the above mentioned | 5,093,202 | 1,527,961 | | 190,967 | 38,193 | |
| | <u>36,953,893</u> | <u>10,540,178</u> | | <u>30,427,051</u> | <u>8,614,755</u> | |

14 CASH AND CASH EQUIVALENTS

As at 31 March 2012 and 31 December 2011 cash and cash equivalents can be detailed as follows:

| | 31 March 2012 | 31 December 2011 Restated |
|--|---------------------|---------------------------|
| Cash at hand | 6,621,371 | 6,908,592 |
| Bank deposits | 82,939,778 | 246,560,909 |
| Treasury applications | 11,621 | 11,700 |
| Cash and cash equivalents on the balance sheet | <u>89,572,770</u> | <u>253,481,201</u> |
| Bank overdrafts (Note 17) | <u>(13,345,781)</u> | <u>(4,393,974)</u> |
| Cash and cash equivalents on the statement of cash flows | <u>76,226,989</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 31 March 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 31 March 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 31 March 2012, Efanor Investimentos S.G.P.S., S.A. and its subsidiaries held 52.98% of the share capital of Sonae, SGPS, S.A.

16 NON-CONTROLLING INTERESTS

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

| | 31 March 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 | (41,174) | 50,896 |
| Profit for the period attributable to non-controlling interests | (194,698) | (1,641,919) |
| Closing balance as at 31 March 2012 | <u>75,307,086</u> | <u>75,700,031</u> |

17 LOANS

As at 31 March 2012 and 31 December 2011, loans are made up as follows:

| | 31 March 2012 | | 31 December 2011 Restated | |
|---|--------------------|--------------------|---------------------------|--------------------|
| | Outstanding amount | | Outstanding amount | |
| | Current | Non Current | Current | Non Current |
| Bank loans | | | | |
| Sonae Distribuição, SGPS, S.A. - commercial paper | 27,000,000 | 342,000,000 | - | 282,000,000 |
| Subsidiary of Sonae Investimentos | - | 75,000,000 | - | 75,000,000 |
| Others | 3,333,331 | 8,333,719 | 3,593,311 | 10,000,385 |
| | <u>30,333,331</u> | <u>425,333,719</u> | <u>3,593,311</u> | <u>367,000,385</u> |
| Bank overdrafts (Note 15) | 13,345,781 | - | 4,393,974 | - |
| Up-front fees beard with the issuance of loans | (7,667) | (746,686) | (7,667) | (806,486) |
| Bank loans | <u>43,671,445</u> | <u>424,587,033</u> | <u>7,979,618</u> | <u>366,193,899</u> |
| Bonds | | | | |
| Bonds Modelo Continente / 2005 / 2012 | 150,000,000 | - | 150,000,000 | - |
| Bonds Modelo Continente / 2007 / 2012 | 200,000,000 | - | 200,000,000 | - |
| Bonds Sonae Distribuição / 2007 / 2015 | - | 200,000,000 | - | 200,000,000 |
| Bonds Sonae Distribuição / 2007 / 2015 | - | 310,000,000 | - | 310,000,000 |
| Bonds Sonae Distribuição / 2009 / 2014 | 16,000,000 | 18,000,000 | 16,000,000 | 26,000,000 |
| Up-front fees beard with the issuance of loans | (87,929) | (1,521,431) | (143,080) | (1,677,405) |
| Bonds | <u>365,912,071</u> | <u>526,478,569</u> | <u>365,856,920</u> | <u>534,322,595</u> |
| Other loans | 24,352 | 126,395 | 33,466 | 126,395 |
| Derivative instruments (Note 18) | 519,372 | - | 42,744 | - |
| Other loans | <u>543,724</u> | <u>126,395</u> | <u>76,210</u> | <u>126,395</u> |
| Obligations under finance leases | 2,994,073 | 11,766,235 | 4,453,100 | 12,105,218 |
| | <u>413,121,313</u> | <u>962,958,232</u> | <u>378,365,848</u> | <u>912,748,107</u> |

At 31 March 2012, Sonae Investimentos has agreed lines of credit and commercial paper amounting to 828 million euro, of which 233 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 362 million credit facilities available to meet its liquidity requirements.

The interest rate at 31 March 2012 of bonds and loans was approximately 2.13% (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:

| | 31 March 2012 | 31 December 2011 Restated |
|-----------|----------------------|------------------------------|
| N+1 | 412,697,537 | 378,473,851 |
| N+2 | 264,003,909 | 186,845,604 |
| N+3 | 26,108,856 | 238,114,232 |
| N+4 | 644,985,387 | 379,551,343 |
| N+5 | 27,982,726 | 107,985,347 |
| After N+5 | 2,145,471 | 2,735,472 |
| | <u>1,377,923,886</u> | <u>1,293,705,849</u> |

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

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 31 March 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:

| | 31 March 2012 | 31 December 2011 Restated |
|-----------------------|------------------|------------------------------|
| Assets (Note 10) | 152,133 | 2,797,070 |
| Liabilities (Note 17) | (519,372) | (42,744) |
| | <u>(367,239)</u> | <u>2,754,326</u> |

Gains or losses for the period arising from changes in the fair value of derivatives amounting to (367,239) euro ((76,618) euro at 31 March 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 31 March 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 | |
|---------------------|----------------|------------------------------|----------------|------------------------------|
| | 31 March 2012 | 31 December 2011 Restated | 31 March 2012 | 31 December 2011 Restated |
| Hedging derivatives | | | | |
| Exchange rate | 152,133 | 2,797,070 | 519,372 | 42,744 |
| Interest rate | - | - | - | - |
| | <u>152,133</u> | <u>2,797,070</u> | <u>519,372</u> | <u>42,744</u> |

19 OTHER NON-CURRENT LIABILITIES

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

| | 31 March 2012 | 31 December 2011 Restated |
|--------------------------------|--------------------|------------------------------|
| Shareholders loans | 420,052,274 | 419,530,355 |
| Fixed assets suppliers | 1,175,000 | 1,187,500 |
| Other non-current liabilities | 2,864,882 | 2,870,898 |
| Share based payments (Note 20) | 721,132 | 1,378,150 |
| Accruals and deferrals | 3,323,163 | 3,269,602 |
| Other non-current liabilities | <u>428,136,451</u> | <u>428,236,505</u> |

This caption "Shareholder loans" includes a subordinate bond loan repayable after 10 years issued by Sonae Investimentos fully subscribed. This loan was fully subscribed and paid for by Sonae SGPS, SA on 28 December 2010, amounting to 400 million euro corresponding to 8,000 bonds with a nominal value of 50,000 euro each. The fair value of this loan as at 31 March 2012 is 40,188 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 31 March 2012, the caption "Other non-current liabilities" includes 886,600 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 31 March 2012 and 31 December 2011 are made up as follows:

| | Grant year | Vesting year | Number of participants | Fair value | |
|---------------|------------|--------------|------------------------|------------------|---------------------------|
| | | | | 31 March 2012 | 31 December 2011 Restated |
| Shares | | | | | |
| | 2009 | 2012 | 49 | 2,149,872 | 2,212,536 |
| | 2010 | 2013 | 51 | 1,408,863 | 1,449,929 |
| | 2011 | 2014 | 52 | 1,283,085 | 1,320,484 |
| | 2012 | 2015 | 52 | 2,238,164 | - |
| Total | | | | 7,079,984 | 4,982,949 |

As at 31 March 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:

| | 31 March 2012 | 31 December 2011 Restated |
|---|------------------|---------------------------|
| Staff costs | 308,334 | 336,832 |
| Recorded in previous years | 3,331,714 | 2,994,884 |
| | 3,640,048 | 3,331,716 |
| Other non-current liabilities (Note 19) | 721,132 | 1,378,150 |
| Other current liabilities (Note 21) | 2,918,916 | 1,953,566 |
| | 3,640,048 | 3,331,716 |

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 31 March 2012 and 31 December 2011 the caption "Trade creditors and other current liabilities" can be detailed as follows:

| | 31 March 2012 | 31 December 2011 Restated |
|--------------------------------------|----------------------|---------------------------|
| Trade creditors | 847,936,446 | 1,114,978,891 |
| Taxes payable | 43,673,261 | 44,281,667 |
| Other creditors | | |
| Tangible asset suppliers | 21,625,134 | 43,161,637 |
| Related undertakings | 20,157,074 | 472,201 |
| Other debts | 44,020,570 | 40,476,516 |
| | 85,802,778 | 84,110,354 |
| Other current liabilities | | |
| Staff costs | 84,969,838 | 87,606,182 |
| Interest payable | 12,770,302 | 8,819,359 |
| Marketing expenses | 10,160,913 | 9,544,702 |
| Other external supplies and services | 38,440,418 | 41,105,839 |
| Accrued income - rents | 3,131,716 | 3,725,249 |
| Real Estate Municipality tax | 4,757,782 | 4,264,930 |
| Share based payments (Note 20) | 2,918,916 | 1,953,566 |
| Others | 10,178,107 | 8,331,352 |
| | 167,327,993 | 165,351,179 |
| | 1,144,740,478 | 1,408,722,091 |

The caption "Other debts" includes:

- 21,632,776 euro (19,209,200 euro as at 31 December 2011), of attributed discounts not yet used referring to "Client card";

- 6,741,509 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

- 5,631,591 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 three months period ended as at 31 March 2012 and 2011, were as follows:

| Caption | Balance as at 1 January 2012 restated | Increase | Decrease | Balance as at 31 March 2012 |
|--|---|------------------|--------------------|--------------------------------|
| Accumulated impairment losses on intangible assets | 1,496,933 | - | - | 1,496,933 |
| 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 | 1,653,038 | (3,583,148) | 22,405,656 |
| Accumulated impairment losses on inventories | 33,972,326 | 1,568,194 | (649,527) | 34,890,993 |
| Non current provisions | 35,325,262 | 10,638 | (793,959) | 34,541,941 |
| Current provisions | 2,249,330 | - | - | 2,249,330 |
| | <u>98,829,617</u> | <u>3,231,870</u> | <u>(5,026,634)</u> | <u>97,034,853</u> |

| Caption | Balance as at 1 January 2011 restated | Increase | Decrease | Balance as at 31 March 2011 restated |
|--|---|------------------|--------------------|--|
| Accumulated impairment losses on trade accounts receivable and other debtors | 22,703,376 | 296,268 | (416,013) | 22,583,631 |
| Accumulated impairment losses on inventories | 20,666,324 | 300,226 | (2,164,970) | 18,801,580 |
| Non current provisions | 21,495,563 | 1,752,695 | (1,114,853) | 22,133,405 |
| Current provisions | 1,589,337 | 700,000 | (40,007) | 2,249,330 |
| | <u>66,454,600</u> | <u>3,049,189</u> | <u>(3,735,843)</u> | <u>65,767,946</u> |

The caption "Non-current provisions" includes 10,474,513 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 in the amount of 21,077,615 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 31 March 2012 and 31 December 2011, the major Contingent liabilities were guarantees given, which can be detailed as follows:

| | 31 March 2012 | 31 December 2011 Restated |
|---|---------------|------------------------------|
| Guarantees given: | | |
| on tax claims | 300,444,423 | 299,625,260 |
| on municipal claims | 6,423,622 | 6,423,622 |
| others | 25,785,900 | 26,480,085 |
| Securities provided to subsidiaries (a) | 172,973,984 | 127,221,883 |

Tax claims includes 256.7 million euro (256.9 million euro as at 31 December 2011) related to appeals against additional corporate income tax and VAT 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 31 March 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 31 March 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 | |
|--------------------------------------|-----------------------------|---------------------------|---------------------------------|---------------------------|
| | 31 March 2012 | 31 March 2011 Restated | 31 March 2012 | 31 March 2011 Restated |
| Parent company | 230,229 | 224,279 | 267,211 | - |
| Associated companies | 7,914,892 | 7,757,110 | 1,007,110 | 1,322,850 |
| Affiliated companies | 12,299,507 | 14,002,441 | 8,321 | 3,834 |
| Other related parties ⁽¹⁾ | 1,556,993 | 1,942,974 | 14,955,887 | 14,827,178 |
| | <u>22,001,621</u> | <u>23,926,804</u> | <u>16,238,529</u> | <u>16,153,862</u> |

| Transactions | Interest income | | Interest expenses | |
|--------------------------------------|-----------------|---------------------------|-------------------|---------------------------|
| | 31 March 2012 | 31 March 2011 Restated | 31 March 2012 | 31 March 2011 Restated |
| Parent company | - | 53,951 | 8,090,718 | 8,240,446 |
| Associated companies | 359,943 | 233,257 | - | - |
| Affiliated companies | - | - | - | - |
| Other related parties ⁽¹⁾ | - | - | 230,492 | 118,396 |
| | <u>359,943</u> | <u>287,208</u> | <u>8,321,210</u> | <u>8,358,842</u> |

| Balances | Accounts receivable | | Accounts payable | |
|--------------------------------------|---------------------|------------------------------|-------------------|------------------------------|
| | 31 March 2012 | 31 December 2011 Restated | 31 March 2012 | 31 December 2011 Restated |
| Parent company | 644,696 | 648,713 | 33,895,770 | 2,062,607 |
| Associated companies | 6,736,646 | 6,935,000 | 1,035,804 | 854,164 |
| Affiliated companies | 10,338,907 | 13,483,319 | 55,294 | 77,521 |
| Other related parties ⁽¹⁾ | 7,654,869 | 9,359,312 | 12,771,454 | 18,473,012 |
| | <u>25,375,118</u> | <u>30,426,344</u> | <u>47,758,322</u> | <u>21,467,304</u> |

| Balances | Loans | | | |
|--------------------------------------|--------------------|------------------------------|-------------------|------------------------------|
| | Obtained | | Granted | |
| | 31 March 2012 | 31 December 2011 Restated | 31 March 2012 | 31 December 2011 Restated |
| Parent company (Note 19) | 400,000,000 | 400,000,000 | - | - |
| Associated companies | - | - | 24,059,118 | 18,459,118 |
| Other related parties ⁽¹⁾ | 18,777,556 | 18,777,556 | - | - |
| | <u>418,777,556</u> | <u>418,777,556</u> | <u>24,059,118</u> | <u>18,459,118</u> |

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 three months period ended on 31 March 2012 and 2011 is detailed as follows:

| | 31 March 2012 | 31 March 2011 Restated |
|--------------|--------------------|---------------------------|
| Current tax | 4,228,249 | 7,921,614 |
| Deferred tax | (8,160,182) | (13,771,579) |
| | <u>(3,931,933)</u> | <u>(5,849,965)</u> |

26 EARNINGS PER SHARE

Earnings per share for the nine months period ended on 31 March 2012 and 2011 were calculated taking into consideration the following amounts:

| | 31 March 2012 | 31 March 2011 Restated |
|--|---------------------|---------------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period) | (16,408,486) | (51,877) |
| Net profit taken into consideration to calculate diluted earnings per share | <u>(16,408,486)</u> | <u>(51,877)</u> |
| 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 | <u>900,000,000</u> | <u>900,000,000</u> |
| Earnings per share (basic and diluted) | <u>(0.018232)</u> | <u>(0.000058)</u> |

On 31 March 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 three months period ended on 31 March 2012 and 2011 can be detailed as follows:

| | Sonae MC | Sonae SR | Sonae RP | Others | Total |
|----------------------------------|-------------|--------------|---------------|--------------|---------------|
| 31 March 2012 | | | | | |
| Turnover | 743,062,433 | 272,593,817 | 29,619,967 | (14,023,420) | 1,031,252,797 |
| Ex-Fuel | 743,062,433 | 272,593,817 | 29,619,967 | (14,023,420) | 1,031,252,797 |
| Fuel | - | - | - | - | - |
| EBITDA | 32,828,644 | (12,494,655) | 26,838,606 | 1,363,830 | 48,536,425 |
| EBIT | 11,957,610 | (33,144,139) | 19,250,258 | 1,968,195 | 31,924 |
| Invested capital | 554,121,191 | 457,657,212 | 1,350,350,788 | 101,132,418 | 2,463,261,609 |
| Sales area [000 m ²] | 549 | 414 | - | - | 963 |

| | Sonae MC | Sonae SR | Sonae RP | Others | Total |
|----------------------------------|-------------|--------------|---------------|-------------|---------------|
| 31 March 2011 | | | | | |
| Turnover | 742,440,590 | 276,271,820 | 30,577,867 | (9,868,690) | 1,039,421,587 |
| Ex-Fuel | 735,759,867 | 276,271,820 | 30,577,867 | (9,868,690) | 1,032,740,864 |
| Fuel | 6,680,723 | - | - | - | 6,680,723 |
| EBITDA | 25,744,131 | (11,576,864) | 44,218,455 | 13,104 | 58,398,826 |
| EBIT | 1,070,004 | (23,827,274) | 36,476,941 | (1,162,262) | 12,557,409 |
| Invested capital | 593,214,163 | 457,908,130 | 1,372,963,738 | 152,635,772 | 2,576,721,803 |
| Sales area [000 m ²] | 544 | 367 | - | - | 911 |

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 activity related with the insignia of non-food retail (Worten, Worten Mobile, Worten Gamer, Vobis, 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.

Operational Cash-flow (EBITDA)

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

EBIT

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

Capital employed

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

28 SUBSEQUENT EVENTS

As at 30th of April 2012, Sonae Investimentos, SGPS, SA , has issued a bond loan by private subscription, amounting to EUR 170,000,00 million euros, unsecured and repayable until 2017.

29 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 21 May 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 31 MARCH 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 | 31.March.2012 | 31.March.2011 | 31.December.2011 |
|--|-------|----------------------|----------------------|----------------------|
| NON-CURRENT ASSETS: | | | | |
| Tangible assets | | 80 | 148 | 86 |
| Intangible assets | | 3,048 | 4,690 | 3,656 |
| Investments | 4 | 2,650,119,951 | 2,708,508,167 | 2,650,119,951 |
| Deferred tax assets | 5 | 6,948,534 | 9,680,176 | 82,690 |
| Other non-current assets | 6 | 1,526,253,522 | 1,295,242,978 | 1,590,401,623 |
| Total Non-Current Assets | | 4,183,325,135 | 4,013,436,159 | 4,240,608,006 |
| CURRENT ASSETS: | | | | |
| Trade accounts receivable and other current assets | 7 | 265,943,717 | 497,361,774 | 203,305,426 |
| Cash and cash equivalents | 8 | 2,263,519 | 65,535,153 | 132,716,621 |
| Total Current Assets | | 268,207,236 | 562,896,927 | 336,022,047 |
| TOTAL ASSETS | | 4,451,532,371 | 4,576,333,086 | 4,576,630,053 |
| 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 | 1,333,420,114 | 1,334,524,273 |
| Profit for the period | | 19,523,666 | 19,446,734 | 14,858,559 |
| TOTAL EQUITY | | 2,348,906,498 | 2,352,866,848 | 2,349,382,832 |
| LIABILITIES: | | | | |
| NON-CURRENT LIABILITIES: | | | | |
| Loans | 10 | 875,114,249 | 1,366,504,213 | 824,618,550 |
| Deferred tax liabilities | 5 | 784 | 1,220 | 784 |
| Other non-current liabilities | 11 | 400,000,000 | 400,160,587 | 400,126,731 |
| Total Non-Current Liabilities | | 1,275,115,033 | 1,766,666,020 | 1,224,746,065 |
| CURRENT LIABILITIES: | | | | |
| Loans | 10 | 396,238,080 | 111,006,616 | 369,740,894 |
| Trade creditors and other current liabilities | 12 | 431,272,760 | 345,793,602 | 632,760,262 |
| Total Current Liabilities | | 827,510,840 | 456,800,218 | 1,002,501,156 |
| TOTAL EQUITY AND LIABILITIES | | 4,451,532,371 | 4,576,333,086 | 4,576,630,053 |

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 31 MARCH 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 | 31.March.2012 | 31.March.2011 |
|--------------------------------|-------|---------------|---------------|
| Services rendered | | 463,730 | 471,187 |
| Gains or losses on investments | 15 | 24,646,376 | 25,053,099 |
| Financial income | 16 | 13,562,828 | 11,771,137 |
| Other income | | 69,092 | 1,670 |
| External supplies and services | | (507,479) | (353,008) |
| Staff costs | | (7,813) | (147,118) |
| Depreciation and amortisation | | (614) | (698) |
| Financial expenses | 16 | (20,101,007) | (18,898,664) |
| Other expenses | | (301,909) | (309,652) |
| Profit/(Loss) before taxation | | 17,823,204 | 17,587,953 |
| Taxation | | 1,700,462 | 1,858,781 |
| Profit/(Loss) after taxation | | 19,523,666 | 19,446,734 |
| Earnings per share | 17 | 0.0217 | 0.0216 |

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 31 MARCH 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>31.March.2012</u> | <u>31.March.2011</u> |
|---|----------------------|----------------------|
| Net Profit / (Loss) for the period | 19,523,666 | 19,446,734 |
| Changes in hedge and fair value reserves | - | 750,158 |
| Total comprehensive income for the period | <u>19,523,666</u> | <u>20,196,892</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 31 MARCH 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 | And Retained Earnings | | | |
| 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 | - | - | 750,158 | - | 750,158 | 19,446,734 | 20,196,892 |
| 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 31 March 2011 | <u>1,000,000,000</u> | <u>139,614,881</u> | <u>(1,104,159)</u> | <u>1,194,909,392</u> | <u>1,333,420,114</u> | <u>19,446,734</u> | <u>2,352,866,848</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 | - | - | - | - | - | 19,523,666 | 19,523,666 |
| 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 31 March 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>19,523,666</u> | <u>2,348,906,498</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
31 MARCH 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 | 31.March.2012 | 31.March.2011 |
|---|-------|------------------------|------------------------|
| OPERATING ACTIVITIES | | | |
| Net cash flow from operating activities (1) | | (699,520) | 1,238,914 |
| INVESTMENT ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Investments | | - | 71,371,321 |
| Interests and similar income | | 29,954,324 | 27,536,186 |
| Dividends | | 2,750,000 | - |
| Others | | - | 29,954 |
| Loans granted | | 215,315,492 | 308,187,452 |
| | | <u>248,019,816</u> | <u>407,124,913</u> |
| Cash payments arising from: | | | |
| Tangible and intangible assets | | (492) | - |
| Others | | - | (12,807) |
| Loans granted | | (202,962,157) | (503,240,889) |
| | | <u>(202,962,649)</u> | <u>(503,253,696)</u> |
| Net cash used in investment activities (2) | | <u>45,057,167</u> | <u>(96,128,783)</u> |
| FINANCING ACTIVITIES | | | |
| Cash receipts arising from: | | | |
| Loans obtained | | 1,547,200,150 | 1,629,709,762 |
| | | <u>1,547,200,150</u> | <u>1,629,709,762</u> |
| Cash payments arising from: | | | |
| Loans obtained | | (1,707,389,371) | (1,578,447,723) |
| Interests and similar charges | | (14,063,564) | (18,258,503) |
| Dividends | | - | (68) |
| | | <u>(1,721,452,935)</u> | <u>(1,596,706,294)</u> |
| Net cash used in financing activities (3) | | <u>(174,252,785)</u> | <u>33,003,468</u> |
| Net increase in cash and cash equivalents (4) = (1) + (2) + (3) | | (129,895,138) | (61,886,401) |
| Cash and cash equivalents at the beginning of the period | | 132,158,313 | 127,421,554 |
| Cash and cash equivalents at the end of the period | 8 | <u>2,263,175</u> | <u>65,535,153</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 31 MARCH 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).

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 31 March 2012 and 31 December 2011, the investments caption is made up as follows:

| Company | 31.March.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% | 2,355,191 | 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 Imosede | 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 |
| Imoestrutura - 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 |
| MULF - 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% | 893,316 | 100.00% | 893,316 |
| Valor N, SA | 100.00% | 2,087,315 | 100.00% | 2,087,315 |
| Total | | <u>2,698,526,448</u> | | <u>2,698,526,448</u> |
| Impairment | | <u>(48,406,497)</u> | | <u>(48,406,497)</u> |
| Total | | <u>2,650,119,951</u> | | <u>2,650,119,951</u> |

5 DEFERRED TAX

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

| | Assets | |
|---|------------------|------------------|
| | 31.March.2012 | 31.December.2011 |
| Fiscal losses carried forward | 6,871,103 | - |
| Others | 77,431 | 82,690 |
| | <u>6,948,534</u> | <u>82,690</u> |
| | Liabilities | |
| | 31.March.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 31 March 2012 and 31 December 2011 the non-current assets were as follows:

| | 31.March.2012 | 31.December.2011 |
|---------------|----------------------|----------------------|
| Loans granted | 1,525,418,952 | 1,589,586,905 |
| Other debtors | 834,570 | 814,718 |
| | <u>1,526,253,522</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 31 March 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 31 March 2012 and 31 December 2011 the non-current assets were as follows:

| | 31.March.2012 | 31.December.2011 |
|---------------------------|--------------------|--------------------|
| Trade accounts receivable | 449,278 | 525,861 |
| Group companies | 214,971,770 | 166,141,874 |
| Other debtors | 5,453,526 | 5,453,996 |
| Tax recoverable | 27,753,616 | 27,680,590 |
| Other current assets | 17,315,527 | 3,503,105 |
| | <u>265,943,717</u> | <u>203,305,426</u> |

The caption group companies includes: (i) the amount of 164,135,411 euro (141,714,282 euro in 31 December 2011) related to short term loans and interest to group companies; (ii) the amount of 21,896,376 euro related to dividends receivable; (iii) the amount of 28,939,983 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 31 March 2012 and 31 December 2011, cash and cash equivalents can be detailed as follows:

| | 31.March.2012 | 31.December.2011 |
|--|------------------|--------------------|
| Cash | 550 | 550 |
| Bank deposits | 2,262,969 | 132,716,071 |
| Cash and cash equivalents on the balance sheet | <u>2,263,519</u> | <u>132,716,621</u> |
| Bank overdrafts | (344) | (558,308) |
| Cash and cash equivalents on the cash flow s statement | <u>2,263,175</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 31 March 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 31 March 2012 and 31 December 2011, the subscribed share capital was held as follows:

| | 31.March.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 31 March 2012 and 31 December 2011, this caption included the following loans:

| | 31.March.2012 | 31.December.2011 |
|---|--------------------|--------------------|
| Nominal value of bond loans | 528,000,000 | 536,000,000 |
| Up-front fees not yet charged to income statement | (1,521,431) | (1,677,405) |
| Bond loans | <u>526,478,569</u> | <u>534,322,595</u> |
| Commercial paper | 342,000,000 | 282,000,000 |
| Other bank loans | 6,666,669 | 8,333,334 |
| Up-front fees not yet charged to income statement | (30,989) | (37,379) |
| Bank loans | <u>348,635,680</u> | <u>290,295,955</u> |
| Non-current loans | <u>875,114,249</u> | <u>824,618,550</u> |
| | 31.March.2012 | 31.December.2011 |
| Nominal value of bond loans | 366,000,000 | 366,000,000 |
| Up-front fees not yet charged to income statement | (87,930) | (143,080) |
| Bond loans | <u>365,912,070</u> | <u>365,856,920</u> |
| Commercial paper | 27,000,000 | - |
| Other bank loans | 3,333,333 | 3,333,333 |
| Up-front fees not yet charged to income statement | (7,667) | (7,667) |
| Bank overdrafts | 344 | 558,308 |
| Bank loans | <u>30,326,010</u> | <u>3,883,974</u> |
| Current loans | <u>396,238,080</u> | <u>369,740,894</u> |

Non-current loans

Bonds Sonae Distribuição 2007/2015 amounting to 200,000,000 euro, repayable after 8 years, in one installment, on 10 August 2015. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, with no extra cost, on the date of the 10th, 12th and 14th coupons.

Bonds Sonae Distribuição September 2007/2015 amounting to 310,000,000 euro, repayable in two installments of 50% each, on 10 September 2013 and 10 September 2015. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, with no extra cost, on the date of the 10th, 11th, 12th, 13th, 14th and 15th coupons.

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

Commercial paper programs are committed by financial institutions for a period of 4.5 years.

As the Company intends to keep these loans for a period superior to one year, those were classified as non-current.

The caption Bank loans includes a loan contracted during March 2009, in total amount of 6,666,669 euro.

Current loans

Bonds Sonae Distribuição 2009 / 2014 - 16,000,000 euro - amount to be reimbursed on the 7th, 8th interest payment dates - on 18 September 2012 and 18 March 2013 - in accordance with contractual conditions. On 18 March 2012 was repaid in the amount 8,000,000 euro, in accordance with contractual conditions.

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

Bonds Modelo Continente 2005/2012 amounting to 150,000,000 euro, repayable after 7 years, in one installment, on 2 August 2012. Interest rate is variable, indexed to Euribor 6 months, with interest paid half-yearly. The company has the option to make whole or partial reimbursements, with no extra cost, on the date of the 10th, 11th, 12th and 13th coupons.

The caption Bank loans includes a loan contracted during March 2009, in total amount of 3,333,333 euro.

The interest rate as at 31 March 2012 of the bonds and bank loans was, on average, 2.02% (2.37% as at 31 December 2011).

11 OTHER NON-CURRENTS LIABILITIES

As at 31 March 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 31 March 2012 the fair value of this bond loan is 40,188 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 31 March 2012 and 31 December 2011, this heading is made up as follows:

| | 31.March.2012 | 31.December.2011 |
|-------------------------------|--------------------|--------------------|
| Trade accounts payable | 7,344 | 1,092,558 |
| Group companies | 409,375,463 | 618,102,501 |
| Other accounts payable | 1,831,127 | 1,572,506 |
| Tax and contributions payable | 2,812,969 | 1,919,990 |
| Other current liabilities | 17,245,858 | 10,072,707 |
| | <u>431,272,761</u> | <u>632,760,262</u> |

The caption group companies includes: (i) 367,565,335 euro (605,087,891 euro on 31 December 2011) related to short term loans of the group companies; (ii) the amount 21,810,128 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 31 March 2012 and 31 December 2011 the contingent liabilities were detailed as follows:

| | | 31.March.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:

| | 31.March.2012 | 31.December.2011 |
|---------------------------------|---------------|------------------|
| Balance: | | |
| Parent company | 32,003 | 31,894 |
| Subsidiaries | 64,621,351 | 55,144,842 |
| Jointly controlled companies | 74,164 | 42,159 |
| Associated companies | 1,721,609 | 1,904,719 |
| Accounts receivable | 66,449,127 | 57,123,614 |
| Parent company | 28,899,537 | 1,410,945 |
| Subsidiaries | 27,838,060 | 15,859,308 |
| Other related parties | 72 | 17 |
| Accounts payable | 56,737,669 | 17,270,270 |
| Subsidiaries | 1,665,495,244 | 1,678,678,093 |
| Jointly controlled companies | 5,600,000 | 4,300,000 |
| Associated companies | 18,459,118 | 17,935,689 |
| Loans granted | 1,689,554,362 | 1,700,913,782 |
| Parent company | 400,000,000 | 400,000,000 |
| Subsidiaries | 367,565,335 | 605,087,891 |
| Loans obtained | 767,565,335 | 1,005,087,891 |
| | 31.March.2012 | 31.March.2011 |
| Transactions: | | |
| Subsidiaries | 249,999 | 249,999 |
| Associated companies | 213,731 | 221,188 |
| Services rendered | 463,730 | 471,187 |
| Parent company | 177,168 | 12,500 |
| Associated companies | 9,501 | - |
| Other related parties | 218 | 374 |
| Purchases and services obtained | 186,887 | 12,874 |
| Parent company | 129 | - |
| Subsidiaries | 68,515 | - |
| Empresas associadas | 39 | - |
| Other income | 68,683 | - |
| Parent company | - | 890 |
| Subsidiaries | 12,991,381 | 11,216,240 |
| Jointly controlled companies | 74,165 | 58,198 |
| Associated companies | 285,778 | 233,257 |
| Interest income | 13,351,324 | 11,508,585 |
| Parent company | 8,089,258 | 8,240,446 |
| Subsidiaries | 3,369,629 | 1,509,346 |
| Interest expenses | 11,458,887 | 9,749,792 |
| Subsidiaries | 24,489,302 | 24,978,000 |
| Associated companies | 157,074 | 75,099 |
| Dividend income | 24,646,376 | 25,053,099 |

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

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

15 INVESTMENT INCOME

As at 31 March 2012 and 2011 investment income is as follows:

| | 31.March.2012 | 31.March.2011 |
|-----------|---------------|---------------|
| Dividends | 24,646,376 | 25,053,099 |

16 FINANCIAL INCOME

As at 31 March 2012, this caption includes the amount of 13,562,828 euro (11,664,565 euro as at 31 March 2011) related to receivable interests and the amount of 18,698,165 euro (17.526.158 euro as at 31 March 2011) related to payable interests.

17 EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2012 and 2011 were calculated taking into consideration the following amounts:

| | 31.March.2012 | 31.March.2011 |
|---|---------------|---------------|
| Net Profit | | |
| Net profit taken into consideration to calculate basic earnings per share (Net profit for the period) | 19,523,666 | 19,446,734 |
| Net profit taken into consideration to calculate diluted earnings per share | 19,523,666 | 19,446,734 |
| 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) | 0.0217 | 0.0216 |

18 SUBSEQUENT EVENTS

The 2011 profit appropriation has been approved in the General Meeting of Shareholders held on 27 April 2012. Dividends amounting to 20,000,000.00 euro have been attributed and are already considered in these financial statements

On 30 April 2012 Sonae Investimentos has completed a bond issue by private placement, amounting to 170,000,000 euro. The bonds are unsecured and are repayable until 2017.

19 APPROVAL OF THE FINANCIAL STATEMENTS

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

20 INFORMATION REQUIRED BY LAW

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

During the period ended as at 31 March 2012 no shareholders' loan contracts were signed.

During the period ended as at 31 March 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

Sonae, SGPS, SA

Tlantic Portugal - Sistemas de Informação, SA

As at 31 March 2012 amounts owed by subsidiaries can be detailed as follows:

| Company | 31.March.2012 |
|--|----------------------|
| Azulino - Imobiliária, SA | 3,982,174 |
| Bom Momento - Comércio Retalhista, SA | 424,000 |
| Bertimóvel - Sociedade Imobiliária, SA | 25,685,000 |
| Canasta - Empreendimentos Imobiliários, SA | 2,296,208 |
| Chão Verde - Sociedade de Gestão Imobiliária, SA | 4,784,050 |
| Citorres - Sociedade Imobiliária, SA | 3,278,050 |
| Contimobe - Imobiliária do Castelo de Paiva, SA | 45,598,808 |
| Continente Hipermercados, SA | 52,030,450 |
| Cumulativa - Sociedade Imobiliária, SA | 2,381,333 |
| Edições Book.it, SA | 5,164,000 |
| Estevão Neves - Hipermercados da Madeira, S.A. | 93,000 |
| Farmácia Seleção, SA | 3,636,050 |
| Fashion Division, SA | 33,097,000 |
| Fozimo – Sociedade Imobiliária, SA | 1,642,302 |
| Igimo – Sociedade Imobiliária, SA | 677,050 |
| Iginha – Sociedade Imobiliária, SA | 19,663,462 |
| Imoconti – Sociedade Imobiliária, SA | 13,822,724 |
| Imoestrutura - Sociedade Imobiliária, SA | 233,050 |
| Imomuro - Sociedade Imobiliária, SA | 3,955,947 |
| Imoresultado – Sociedade Imobiliária, SA | 459,050 |
| Imosistema - Sociedade Imobiliária, SA | 4,073,642 |
| MJLF - Empreendimentos Imobiliários, SA | 3,147,187 |
| 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 | 6,009,000 |
| Predicomercial - Promoção Imobiliária, SA | 8,540,947 |
| Raso, SGPS, SA | 5,600,000 |
| Selifa - Sociedade de Empreendimentos Imobiliários, SA | 3,260,976 |
| Sempre à Mão - Sociedade Imobiliária, SA | 53,176,020 |
| Socijofra - Sociedade Imobiliária, SA | 6,508,487 |
| Sociloures - Sociedade Imobiliária, SA | 23,134,277 |
| Soflorin, BV | 283,435,732 |
| Sonae MC - Modelo Continente, SGPS, SA | 810,180,050 |
| Sonaerp - Retail Properties, SA | 195,509,931 |
| Sondis Imobiliária, SA | 23,111,342 |
| Tlantic Portugal - Sistemas de Informação, SA | 216,000 |
| Valor N, SA | 3,578,551 |
| | <u>1,689,554,363</u> |

The amounts due to group companies as at 31 March 2012 related to the mentioned contracts were the following:

| Company | 31.March.2012 |
|---|----------------------|
| BB Food Service, SA | 2,215,045 |
| Carnes do Continente - Indústria e Distribuição de Carnes, SA | 1,960,000 |
| Contibomba - Comércio e Distribuição de Combustíveis, SA | 586,950 |
| Fozmassimo - Sociedade Imobiliária, SA | 822,950 |
| Modelo Continente Hipermercados, SA | 178,768,000 |
| Modelo Hiper - Imobiliária, SA | 3,273,950 |
| Modelo.Com - Vendas por Correspondência, SA | 9,373,950 |
| Pharmaconcept - Actividades em Saúde, SA | 182,000 |
| Peixes do Continente - Indústria e Distribuição de Peixes, SA | 1,305,000 |
| Sesagest - Projectos e Gestão Imobiliária, SA | 18,051,950 |
| Sonae Center Serviços II, SA | 6,667,000 |
| Sonae - Specialized Retail, SGPS, SA | 142,880,540 |
| Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA | 1,478,000 |
| | <u>367,565,335</u> |

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigo Jordão