

SONAE INVESTIMENTOS, SGPS, SA

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

Share Capital 1,000,000,000 Euro

Porto Commercial Registry and Fiscal Number 501 532 927

REPORT AND ACCOUNTS

30 September 2011

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 third quarter 2011.

Activity evolution for the period

During the first nine months of 2011, Sonae Investimentos' consolidated turnover totalled 3,375.0 million Euro, which corresponds to a slight decrease of 1% compared to the same period in the previous year¹. Of the overall amount recorded in the period, circa 18 million Euro corresponds to petrol sales.

In the same period, the Company's operating cash-flow (EBITDA) reached 236.6 million Euro. This figure represents a decrease of 25.0 million Euro in relation to the figure registered in 3Q10, and translates as a 7.0% operating profitability margin for the Company.

In terms of operating results (EBIT), the consolidated figure reached 102,9 million Euro, which represents a decrease of 41,9 million Euro compared to 9M2010

During this period, Sonae Investimentos' consolidated net result totalled 44.3 million Euro, closing at 47.9 million Euro below the figure registered in 3Q2010.

This performance should be analysed within a framework of strong restrictions affecting the Portuguese families' budget, which has a direct impact on consumption, in addition to the Company's significant investment in constituting a retail operation in Spain.

At the end of September, Sonae Investimentos detained an overall portfolio of 1,063 own stores, corresponding to a sales area of 1,013,000 m². At this time, the Company's portfolio in Spain was composed of 117 stores equivalent to a sales area of 138,000 m² – this corresponds to circa 14% of the overall referential. This resulted from strengthening its presence in Portugal and in Spain, resulting in circa 50 new additional stores (in net terms) this year.

The effort to expand the company's store portfolio (both in Portugal and in Spain), was well as the investment to modernise the existing store portfolio, were responsible for a total investment of 121 million Euro from January to September.

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

Capital Structure

On 30th September 2011, Sonae Investimentos consolidated net debt totalled 1,292 million Euro, closing at 81 million Euro below the figure for the same period 2010. This result from a combination of a strong resilience in the capacity to generate cash-flow with an investment strategy which tends to privilege the leasing of assets, in addition to the completion of a number of asset sale operations.

Outlook

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

Additional Information

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

Consolidated Turnover, millions of Euro

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

Matosinhos, 21 November 2011

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Glossary

Turnover (t)

sale of articles + services rendered.

Operating Cash-flow (EBITDA)

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

Operating Results (EBIT)

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

Net Investment

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

Net Debt

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

Gearing

ratio between net financial debt and shareholders' funds

Net Capital Employed

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

**Condensed consolidated
financial statements**

SONAE INVESTIMENTOS, SGPS, SA

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

ASSETS	Notes	30 September 2011	30 September 2010	31 December 2010
NON-CURRENT ASSETS:				
Tangible assets	9	2,097,512,033	2,160,745,520	2,132,257,452
Intangible assets	10	147,904,692	152,489,471	153,674,164
Goodwill	11	518,235,811	520,275,996	518,235,811
Investments in associates	6	48,697,626	1,688,733	53,887,757
Other investments	7	34,508,671	763,618	34,556,256
Deferred tax assets	15	115,621,046	105,205,701	98,959,834
Other non-current assets	13	37,530,339	16,502,628	37,391,624
Total Non-Current Assets		3,000,010,218	2,957,671,667	3,028,962,898
CURRENT ASSETS:				
Inventories		633,700,975	611,891,426	664,630,207
Trade accounts receivable and other current assets	14	276,653,395	221,880,374	228,606,868
Investments	12	5,473,110	48,578,967	15,642,909
Cash and cash equivalents	16	72,087,854	60,706,456	200,024,469
Total Current Assets		987,915,334	943,057,223	1,108,904,453
Assets available for sale		720,338	-	9,500,686
TOTAL ASSETS		3,988,645,890	3,900,728,890	4,147,368,037
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	17	1,000,000,000	1,000,000,000	1,000,000,000
Own shares		(320,000,000)	-	(320,000,000)
Reserves and retained earnings		20,242,068	(99,655,725)	(148,415,659)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		44,478,397	91,605,489	168,595,954
Equity attributable to the equity holders of the Parent Company		744,720,465	991,949,764	700,180,295
Equity attributable to non-controlling interests	18	77,034,464	74,766,887	75,434,780
TOTAL EQUITY		821,754,929	1,066,716,651	775,615,075
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	19	975,239,103	1,452,917,523	1,210,270,255
Other non-current liabilities	21	424,844,066	24,731,310	425,408,286
Deferred tax liabilities	15	118,353,633	106,947,127	108,202,465
Provisions	24	26,695,793	13,850,935	21,495,563
Total Non-Current Liabilities		1,545,132,595	1,598,446,895	1,765,376,569
CURRENT LIABILITIES:				
Loans	19	393,875,274	29,062,082	108,475,740
Trade creditors and other current liabilities	23	1,225,536,119	1,204,593,472	1,496,213,674
Provisions	24	2,346,973	1,909,790	1,686,979
Total Current Liabilities		1,621,758,366	1,235,565,344	1,606,376,393
TOTAL LIABILITIES		3,166,890,961	2,834,012,239	3,371,752,962
TOTAL EQUITY AND LIABILITIES		3,988,645,890	3,900,728,890	4,147,368,037

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

	Notes	3rd Quarter 2011	3rd Quarter 2010 (Note 1)	30 September 2011	30 September 2010 (Note1)
Sales		1,181,644,421	1,189,025,563	3,322,090,766	3,349,936,066
Services rendered		16,858,779	17,970,272	52,864,108	50,621,541
Investment income		-	226	232,500	6,038,248
Financial income		3,170,583	738,899	6,990,333	1,620,167
Other income		90,159,304	95,074,343	346,633,038	301,599,878
Cost of goods sold and materials consumed		(891,788,525)	(902,875,210)	(2,582,077,548)	(2,588,038,375)
Changes in stocks of finished goods and work in progress		31,655	(176,378)	397,922	120,119
External supplies and services		(147,229,946)	(141,397,160)	(439,136,914)	(413,568,891)
Staff costs		(131,539,955)	(128,148,760)	(418,115,346)	(395,782,568)
Depreciation and amortisation	9 and 10	(44,381,507)	(39,538,871)	(133,142,518)	(116,985,634)
Provisions and impairment losses		(3,095,784)	(1,630,692)	(8,711,949)	(8,420,145)
Financial expense		(21,094,285)	(10,994,061)	(61,843,439)	(34,688,344)
Other expenses		(14,363,992)	(18,431,133)	(38,172,549)	(40,734,791)
Share of results of associated undertakings	6	(712,261)	44,773	(896,619)	435,243
Profit/(Loss) before taxation		37,658,487	59,661,812	47,111,785	112,152,514
Taxation	27	(4,573,567)	(8,961,506)	(2,840,369)	(19,958,640)
Profit/(Loss) after taxation		33,084,920	50,700,306	44,271,416	92,193,874
Attributable to:					
Equity holders of the Parent Company		32,792,379	50,459,676	44,478,397	91,605,489
Non-controlling interests		292,541	240,630	(206,981)	588,385
Profit/(Loss) per share					
Basic	28	0.036436	0.050460	0.049420	0.091605
Diluted	28	0.036436	0.050460	0.049420	0.091605

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

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

(Amounts expressed in euro)

	3rd Quarter 2011	3rd Quarter 2010	30 September 2011	30 September 2010
Net Profit / (Loss) for the period	33,084,920	50,700,306	44,271,416	92,193,874
Exchange differences arising on translation of foreign operations	(1,380,794)	(67,249)	(2,290,561)	254,340
Participation in other comprehensive income (net of tax) related to associated companies included in consolidation by the equity method	(62,890)	-	(1,015,478)	-
Changes in hedge and fair value reserves	3,884,345	(2,794,497)	5,041,819	(1,380,623)
Deferred tax related to changes in fair value reserves	(1,032,314)	(305,971)	(1,325,838)	(680,647)
Other comprehensive income for the period	1,408,348	(3,167,717)	409,942	(1,806,930)
Total comprehensive income for the period	<u>34,493,268</u>	<u>47,532,589</u>	<u>44,681,358</u>	<u>90,386,944</u>
Attributable to:				
Equity holders of Parent Company	34,200,727	47,362,194	44,888,339	89,868,794
Non controlling interests	<u>292,541</u>	<u>170,395</u>	<u>(206,981)</u>	<u>518,150</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 30 SEPTEMBER 2011 AND 2010

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

	Attributable to Equity Holders of Parent Company											
	Share Capital	Own Shares	Reserves and Retained Earnings					Total	Net Profit/(Loss)	Total	Non-controlling interests	Total Equity
			Legal Reserve	Currency Translation Reserve	Hedging Reserve	Legal reserves in accordance with article 342º CSC	Other Reserves and Retained Earnings					
Balance as at 1 January 2010	1,000,000,000	-	114,000,000	82,609	(4,441,228)	-	(275,596,322)	(165,954,941)	138,171,091	972,216,150	74,344,125	1,046,560,275
Total comprehensive income for the period	-	-	-	254,340	(1,991,035)	-	-	(1,736,695)	91,605,489	89,868,794	518,150	90,386,944
Appropriation of profit of 2009:												
Transfer to legal reserves and retained earnings	-	-	3,087,918	-	-	-	135,083,173	138,171,091	(138,171,091)	-	-	-
Dividends distributed	-	-	-	-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)	-	(70,000,000)
Acquisitions of shares of affiliated undertakings	-	-	-	-	-	-	(74,567)	(74,567)	-	(74,567)	(95,388)	(169,955)
Other reserves	-	-	-	-	-	-	(60,613)	(60,613)	-	(60,613)	-	(60,613)
Balance as at 30 September 2010	1,000,000,000	-	117,087,918	336,949	(6,432,263)	-	(210,648,329)	(99,655,725)	91,605,489	991,949,764	74,766,887	1,066,716,651
Saldo em 1 de Janeiro de 2011	1,000,000,000	(320,000,000)	117,087,918	402,475	(2,107,724)	342,000,000	(605,798,328)	(148,415,659)	168,595,954	700,180,295	75,434,780	775,615,075
Total comprehensive income for the period	-	-	-	(2,290,561)	3,715,981	-	(1,015,478)	409,942	44,478,397	44,888,339	(206,981)	44,681,358
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	22,526,963	-	-	-	146,068,991	168,595,954	(168,595,954)	-	-	-
Variation in percentage of subsidiaries	-	-	-	-	-	-	193,439	193,439	-	193,439	1,276,561	1,470,000
Others	-	-	-	-	-	-	(541,608)	(541,608)	-	(541,608)	530,104	(11,504)
Balance as at 30 September 2011	1,000,000,000	(320,000,000)	139,614,881	(1,888,086)	1,608,257	342,000,000	(461,092,984)	20,242,068	44,478,397	744,720,465	77,034,464	821,754,929

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

	Notes	3rd Quarter 2011	3rd Quarter 2010	30 September 2011	30 September 2010
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		<u>113,719,920</u>	<u>95,579,482</u>	<u>(15,343,933)</u>	<u>34,418,430</u>
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		603,264	38,288	17,927,497	33,397,875
Tangible, intangible assets and investments properties		62,520	26,047,140	57,391,249	43,150,264
Interest and similar income		270,454	283,109	3,580,918	783,652
Loans granted		127,580,000	58,275,000	169,560,637	60,940,000
Dividends		181,586	225	745,871	1,333,374
Others		-	-	1,247,167	9,800,158
		<u>128,697,824</u>	<u>84,643,762</u>	<u>250,453,339</u>	<u>149,405,323</u>
Cash Payments arising from:					
Investments		-	-	(229,276)	(3,480,116)
Tangible, intangible assets and investments properties		(41,103,364)	(48,585,818)	(145,640,101)	(174,427,779)
Loans granted		(112,146,864)	(58,275,000)	(166,880,000)	(59,940,000)
Others		-	-	(12,806)	-
		<u>(153,250,228)</u>	<u>(106,860,818)</u>	<u>(312,762,183)</u>	<u>(237,847,895)</u>
Net cash used in investment activities (2)		<u>(24,552,404)</u>	<u>(22,217,056)</u>	<u>(62,308,844)</u>	<u>(88,442,572)</u>
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		1,290,069,066	1,193,338,000	2,676,621,116	4,365,303,750
Others		-	-	1,470,000	-
		<u>1,290,069,066</u>	<u>1,193,338,000</u>	<u>2,678,091,116</u>	<u>4,365,303,750</u>
Cash Payments arising from:					
Loans obtained		(1,387,215,209)	(1,239,661,781)	(2,681,424,991)	(4,250,687,562)
Interest and similar charges		(19,445,454)	(14,856,898)	(56,740,635)	(33,045,887)
Dividends		-	-	(68)	(70,000,000)
Others		(627,833)	(69,676)	(1,943,828)	(277,613)
		<u>(1,407,288,496)</u>	<u>(1,254,588,355)</u>	<u>(2,740,109,522)</u>	<u>(4,354,011,062)</u>
Net cash used in financing activities (3)		<u>(117,219,431)</u>	<u>(61,250,355)</u>	<u>(62,018,407)</u>	<u>11,292,688</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(28,051,915)</u>	<u>12,112,071</u>	<u>(139,671,184)</u>	<u>(42,731,454)</u>
Effect of foreign exchange rate		<u>(1,791,607)</u>	<u>(3,443)</u>	<u>(1,780,747)</u>	<u>(105,849)</u>
Cash and cash equivalents at the beginning of the period	16	<u>80,830,124</u>	<u>33,600,663</u>	<u>192,460,253</u>	<u>88,341,782</u>
Cash and cash equivalents at the end of the period	16	<u>54,569,816</u>	<u>45,716,177</u>	<u>54,569,816</u>	<u>45,716,177</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 30 SEPTEMBER 2011

(Amounts expressed in euro)

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

1 INTRODUCTION

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

Revenue recognition Geostar business

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

2 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended as at 31 December 2010.

2.1 Basis of preparation

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

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the Company, subsidiaries and joint ventures, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for financial instruments which are stated at fair value.

3 CHANGES IN ACCOUNTING POLICIES

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

4 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

COMPANY	Head Office	Percentage of capital held			
		30 September 2011		31 December 2010	
		Direct	Total	Direct	Total
Sonae Investimentos, SGPS, SA	Matosinhos	MÃE	MÃE	MÃE	MÃE
Arat Inmuebles, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Azulino Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
BB Food Service, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bertimóvel - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
2) Best Offer - Prestação de Informações por Internet, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
2) Bikini, Portal de Mulheres, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Bom Momento - Comércio Retalhista, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Canasta - Empreendimentos Imobiliários, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Carnes do Continente - Industria e Distribuição Carnes, SA	a) Santarém	100.00%	100.00%	100.00%	100.00%
Chão Verde - Sociedade de Gestão Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Citorres - Sociedade Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Contibomba - Comércio e Distribuição de Combustíveis, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Contimobe - Imobiliária de Castelo de Paiva, SA	a) Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%

	Cumulativa - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Discovery Sports, SA	a)	Matosinhos	100.00%	100.00%	-	-
	Edições Book.it, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
3)	Efanor - Design e Serviços, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Estevão Neves - Hipermercados da Madeira, SA	a)	Madeira	100.00%	100.00%	100.00%	100.00%
	Farmácia Selecção, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Fashion Division, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Fashion Division Canárias, SL	a)	Tenerife (Spain)	100.00%	100.00%	-	-
	Fozimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fozmassimo - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Fundo de Investimento Imobiliário Fechado Imosedede	a)	Maia	54.55%	54.55%	54.55%	54.55%
	Fundo de Investimento Imobiliário Fechado Imosonaes Dois	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Global S - Hipermercado, Lda	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Good and Cheap - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
2)	Hipotética - Comércio Retalhista, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Igimo - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Iginha - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoconti - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoestrutura - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imomuro - Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoresultado - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosistema - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Infocfield - Informática, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
4)	Just Sport - Comércio de Artigos de Desporto, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
	MJLF - Empreendimentos Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modalfa - Comércio e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modalloop – Vestuário e Calçado, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

	Modelo - Distribuição de Materiais de Construção, SA	b) Maia	50.00%	50.00%	50.00%	50.00%
	Modelo Continente Hipermercados, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Modelo Continente International Trade, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
	Modelo.com - Vendas p/Correspond., SA	a) Maia	100.00%	100.00%	100.00%	100.00%
4)	NA - Comércio de Artigos de Desporto, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
5)	NA - Equipamentos para o Lar, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Peixes do Continente - Indústria e Distribuição de Peixes, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmacontinente - Saúde e Higiene, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Pharmaconcept – Actividades em Saúde, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Predicomercial - Promoção Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sesagest - Proj.Gestão Imobiliária, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
	Socijofra - Sociedade Imobiliária, SA	a) Gondomar	100.00%	100.00%	100.00%	100.00%
	Sociloures - Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Soflorin, BV	a) Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
2)	Solaris Supermercados, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Capital Brasil, Lda	a) São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sonae MC – Modelo Continente, SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonaecenter Serviços II, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
7)	Sonaegest- Sociedade Gestora de Fundos de Investimento, SA	a) Maia	60.00%	60.00%	40.00%	40.00%
	Sonaerp – Retail Properties, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
	Sonae Specialized Retail, SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
	Sonae Retalho Espanha - Servicios Generales, SA	a) Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
	SIAL Participações, Ltda	a) São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
	Sondis Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%

	Sonvecap, BV	a)	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%
1)	Sport Zone Sport Malz.Per.Satis Ith.Ve Tic Ltd Sti	a)	Istanbul (Turkey)	100.00%	100.00%	-	-
	Têxtil do Marco, SA	a)	Marco de Canaveses	92.76%	92.76%	92.76%	92.76%
	Tlantic Portugal - Sistemas de Informação, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Tlantic Sistemas de Informação, Ltda	a)	Porto Alegre (Brazil)	100.00%	100.00%	100.00%	100.00%
	Todos os Dias - Com. Ret. Expl. C. Comer., SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Valor N, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
5)	Well W - Electrodomésticos e Equipamentos, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
6)	Worten Canarias, S.L.	a)	Tenerife (Spain)	51.00%	51.00%	100.00%	100.00%
	Worten – Equipamento para o Lar, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy – Comércio e Distribuição, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Zippy - Comércio Y Distribución, SA	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
1)	ZYEvolution- Investig.e Desenvolvimento, SA	a)	Matosinhos	100.00%	100.00%	-	-
1)	Zippy Cocuk Malz.Dag.Ith.Ve Tic Ltd.Sti	a)	Istanbul (Turkey)	100.00%	100.00%	-	-
	a) Control held by majority of voting rights;						
	b) Control held by management control.						

- 1) Companies created during the period;
- 2) Companies merged into Modelo Continente Hipermercados, SA, at 1 January 2011;
- 3) Companies merged into Modalfa Comércio e Serviços, SA, at 1 January 2011;
- 4) Companies merged into Sport Zone- Comércio de Artigos de Desporto, SA, at 1 January 2011;
- 5) Companies merged into Worten – Equipamentos para o Lar, SA, at 1 January 2011;
- 6) Capital increase in the subsidiary made by non-controlling interests resulting in a dilution of interests over the subsidiary;

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

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

5 JOINTLY CONTROLLED COMPANIES

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

COMPANY	Head Office	Percentage of capital held			
		30 September 2011		31 December 2010	
		Direct	Total	Direct	Total
Equador & Mendes - Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
Marcas do Mundo - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Movimentos Viagens - Viagens e Turismo, Sociedade Unipessoal, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Nova Equador Internacional, Agência de Viagens e Turismo, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
Puravida - Viagens e Turismo, Lda	Lisbon	50.00%	50.00%	50.00%	50.00%
Nova Equador P.C.O. e Eventos, Sociedade Unipessoal, Lda	Lisbon	50.00%	37.50%	50.00%	37.50%
Raso SGPS, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
Raso - Viagens e Turismo, SA	Lisbon	50.00%	50.00%	50.00%	50.00%
Viajens y Turismo de Geotur España, S.L.	Madrid (Spain)	50.00%	50.00%	50.00%	50.00%

These entities were consolidated using the proportionate consolidation method.

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

	30 September 2011	31 December 2010
Non-current assets	38,194,286	39,834,261
Current assets	20,947,613	28,372,242
Non-current liabilities	6,506,684	8,165,019
Current liabilities	26,739,396	34,048,800

	30 September 2011	30 September 2010 (Note1)
Income	24,726,276	26,569,704
Expenses	24,823,141	27,085,978

6 INVESTMENTS IN ASSOCIATES

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

COMPANY	Head Office	Percentage of capital held				Book value	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010	30 September	31 December 2010
MDS SGPS, SA	Maia	46.92%	46.92%	46.92%	46.92%	46,589,599	51,000,000
Mundo VIP	Maia	33.34%	33.34%	33.34%	33.34%	1,101,337	1,101,337
1) Sonaegest - Soc. Gestora de Fundos de Investimento, SA	Maia	60.00%	60.00%	40.00%	40.00%	-	539,748
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	1,006,690	1,246,672
					Total	48,697,626	53,887,757

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

Associated companies were consolidated using the equity method.

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

	30 September 2011	31 December 2010
Total Assets	166,476,449	172,289,345
Total Liabilities	129,452,530	121,455,627

	30 September 2011	30 September 2010
Income	90,456,072	32,963,584
Expenses	92,616,491	31,434,030

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

	30 September 2011	30 September 2010
Investments in associated companies		
Balance as at 1 January	53,887,757	2,376,473
Change of consolidation method (Note 8)	(466,552)	-
Equity method		
Effect in net income	(896,619)	435,243
Dividends	(513,371)	(1,122,983)
Effect in equity	(3,313,589)	-
	<u>48,697,626</u>	<u>1,688,733</u>

7 OTHER NON-CURRENT INVESTMENTS

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

COMPANY	Head Office	Percentage of capital held				Book value	
		30 September 2011		31 December 2010		30 September 2011	31 December 2010
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Inscó - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	748,197	748,197
Other investments						33,750,498	33,798,083
						<u>34,508,671</u>	<u>34,556,256</u>

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

	30 September 2011	30 September 2010
Investments in other companies		
Opening balance as at 1 January	34,518,594	841,053
Disposals in the period	-	(36,953)
Transfers	12,415	-
Closing balance as at 30 September	34,531,009	804,100
Accumulated impairment losses (Note 24)	(22,338)	(40,482)
	<u>34,508,671</u>	<u>763,618</u>
Financial investments advance:		
Opening balance as at 1 January	60,000	-
Disposals in the period	(60,000)	-
Closing balance as at 30 September	-	-
	<u>34,508,671</u>	<u>763,618</u>

Under the caption other non-current investments there is an amount of 33,745,053 euro (33,732,640 euro as at 31 December 2010), related to deposited amounts on an Escrow Account which are invested in investment funds with superior rating and guarantee contractual liabilities assumed by Sonae Investimentos which may arise from the sale of Sonae Distribuição Brasil, S.A. and for which provisions were recorded (Note 24).

Although in accordance with the deadlines contractually established, the Escrow Account should have already been released by the buyer. That didn't happen as there are some points of disagreement on the use of the Escrow Account, namely as to whether or not, to retain the Escrow Account for ongoing fiscal procedures that have not yet been decided. It is the understanding of the Board of Directors, based on legal opinions of Brazilian and Portuguese lawyers, that the company is acting in accordance with the agreement and that this amount shall be entirely received, and that there are

legal means that may be operated so as to compel the buyer to authorize the reimbursement of the Escrow Account. There are negotiations currently under way between the two parties in order to release the above mentioned amount.

8 CHANGES TO THE CONSOLIDATION PERIMETER

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

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

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

	<u>At acquisition date</u>
Net assets	
Tangible and intangible assets (Note 9)	1,883
Other assets	83,798
Cash and cash equivalents	1,217,213
Other liabilities	<u>(107,508)</u>
	<u>1,195,386</u>
Goodwill	(37,813)
Non-controlling interests (Note 18)	(466,285)
Transfer of investments in associates (Note 6)	(466,552)
Acquisition cost	<u>224,736</u>
Effective cash payment	<u>224,736</u>
	<u>224,736</u>
	-
Net cash-flow arising from acquisition	-
Effective cash payment	224,736
Cash and cash equivalents acquired	<u>(1,217,213)</u>
	<u>(992,477)</u>

9 TANGIBLE ASSETS

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

	Tangible assets				
	Land and Buildings	Plant and Machinery	Others	Tangible assets in progress	Total Tangible Assets
Gross assets:					
Opening balance as at 1 January 2011	1,674,889,100	1,058,343,633	164,175,552	42,313,845	2,939,722,130
Acquisitions	5,481,515	2,030,628	597,252	101,117,423	109,226,818
Acquisitions of subsidiaries (Note 8)	-	-	43,720	-	43,720
Disposals	(31,282,356)	(11,661,777)	(4,576,367)	(1,654,157)	(49,174,657)
Exchange rate effect	-	(143,366)	(135,053)	-	(278,419)
Transfers	2,581,173	90,088,424	11,058,984	(106,030,699)	(2,302,118)
Closing balance as at 30 September 2011	1,651,669,432	1,138,657,542	171,164,088	35,746,412	2,997,237,474
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	233,202,633	455,451,288	118,810,757	-	807,464,678
Depreciation and impairment losses	22,006,585	80,211,313	13,731,501	-	115,949,399
Acquisitions of subsidiaries (Note 8)	-	-	41,837	-	41,837
Disposals	(5,204,059)	(10,696,245)	(4,375,050)	-	(20,275,354)
Exchange rate effect	-	(87,597)	(58,600)	-	(146,197)
Transfers	(2,832)	(2,808,032)	(498,058)	-	(3,308,922)
Closing balance as at 30 September 2011	250,002,327	522,070,727	127,652,387	-	899,725,441
Carrying amount					
As at 30 September 2011	1,401,667,105	616,586,815	43,511,701	35,746,412	2,097,512,033
Gross assets:					
Opening balance as at 1 January 2010	1,724,171,225	948,112,682	168,570,680	92,462,861	2,933,317,448
Acquisitions	7,658,958	1,296,658	1,219,982	119,709,824	129,885,422
Disposals of subsidiaries	(31,096,814)	(250,482)	-	-	(31,347,296)
Disposals	(35,047,422)	(20,518,040)	(6,686,469)	(1,298,240)	(63,550,171)
Exchange rate effect	28,636	87,612	67,870	-	184,118
Transfers	51,728,156	99,783,524	7,041,842	(160,728,045)	(2,174,523)
Closing balance as at 30 September 2010	1,717,442,739	1,028,511,954	170,213,905	50,146,400	2,966,314,998
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2010	218,182,843	398,544,190	118,096,992	-	734,824,025
Depreciation and impairment losses	21,085,080	65,995,155	14,751,655	-	101,831,890
Disposals of subsidiaries	(5,040,880)	(68,612)	-	-	(5,109,492)
Disposals	(2,536,947)	(15,991,063)	(6,495,957)	-	(25,023,967)
Exchange rate effect	16,588	44,366	26,623	-	87,577
Transfers	-	(580,014)	(460,541)	-	(1,040,555)
Closing balance as at 30 September 2010	231,706,684	447,944,022	125,918,772	-	805,569,478
Carrying amount					
As at 30 September 2010	1,485,736,055	580,567,932	44,295,133	50,146,400	2,160,745,520

At September 2011, the value of disposals in "Tangible assets" includes 25,748,719 euro relating with the sale and leaseback transaction of company stores Continente and Worten located at Vasco da Gama Shopping Centre. The operation was followed by the beginning of operating lease for an initial period of 20 years, automatically renewable at the option of the lessee, for two consecutive periods of 10 years each.

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

	30 September 2011	30 September 2010
Refurbishment and expansion of stores in the retail businesses located in Portugal	21,662,819	30,850,500
Refurbishment and expansion of stores in the retail businesses located in Spain	4,236,269	4,078,245
Construction in progress in Maia (Business Park)	-	4,451,620
Projects of stores for which advance payments were made	9,194,617	10,323,231
Others	652,707	442,804
	<u>35,746,412</u>	<u>50,146,400</u>

10 INTANGIBLE ASSETS

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

	Intangible assets			Total Intangible Assets
	Patents similar rights	Others	Intangible assets in progress	
Gross assets				
Opening balance as at 1 January 2011	101,430,461	159,639,470	14,382,674	275,452,605
Acquisitions	549,115	809,492	10,806,380	12,164,987
Disposals	(4,169)	(2,408)	(376,515)	(383,092)
Exchange rate effect	(11,248)	(134,193)	-	(145,441)
Transfers	3,262	10,657,032	(10,951,060)	(290,766)
Closing balance as at 30 September 2011	<u>101,967,421</u>	<u>170,969,393</u>	<u>13,861,479</u>	<u>286,798,293</u>
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2011	14,590,542	107,187,899	-	121,778,441
Depreciation and impairment losses	2,820,176	14,372,943	-	17,193,119
Disposals	(3,441)	(2,081)	-	(5,522)
Exchange rate effect	(125)	(29,772)	-	(29,897)
Transfers	(188,104)	145,564	-	(42,540)
Closing balance as at 30 September 2011	<u>17,219,048</u>	<u>121,674,553</u>	<u>-</u>	<u>138,893,601</u>
Carrying amount				
As at 30 September 2011	<u>84,748,373</u>	<u>49,294,840</u>	<u>13,861,479</u>	<u>147,904,692</u>

	Intangible assets			Total Intangible Assets
	Patents and other similar rights	Others	Intangible assets in progress	
Gross assets				
Opening balance as at 1 January 2010	100,024,071	154,435,898	11,463,185	265,923,154
Acquisitions	1,627,085	107,696	5,316,230	7,051,011
Disposals	(426)	(1,118,161)	(2,156)	(1,120,743)
Exchange rate effect	-	15,392	-	15,392
Transfers	(183,008)	3,424,791	(4,927,018)	(1,685,235)
Closing balance as at 30 September 2010	101,467,722	156,865,616	11,850,241	270,183,579
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2010	11,122,066	92,480,785	-	103,602,851
Depreciation and impairment losses	2,716,429	12,437,315	-	15,153,744
Disposals	(426)	(1,024,823)	-	(1,025,249)
Exchange rate effect	-	11,729	-	11,729
Transfers	(48,940)	(27)	-	(48,967)
Closing balance as at 30 September 2010	13,789,129	103,904,979	-	117,694,108
Carrying amount				
As at 30 September 2010	87,678,593	52,960,637	11,850,241	152,489,471

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

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

11 GOODWILL

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

	30 September 2011	31 December 2010
Gross value:		
Opening balance	519,610,038	528,076,621
Disposals of subsidiaries	-	(9,886,491)
Transfers	-	1,419,908
Closing balance	519,610,038	519,610,038
Accumulated impairment losses:		
Opening balance	1,374,227	8,191,583
Disposals of subsidiaries	-	(6,817,356)
Closing balance	1,374,227	1,374,227
Carrying amount:	518,235,811	518,235,811

12 OTHER INVESTMENTS

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

	<u>30 September 2011</u>	<u>30 September 2010</u>
Other investments:		
Opening balance as at 1 January	15,185,750	57,294,670
Increases in the period	-	2,677,225
Decreases in the period	(12,011,999)	(11,393,095)
Closing balance as at 30 September	<u>3,173,751</u>	<u>48,578,800</u>
Accumulated impairment losses	-	-
	<u>3,173,751</u>	<u>48,578,800</u>
Derivative financial instruments		
Fair value as at 1 January	457,159	365,121
Increase/(Decrease) in fair value	1,842,200	(364,954)
Fair value as at 30 September (Note 20)	<u>2,299,359</u>	<u>167</u>
Other Investments	<u>5,473,110</u>	<u>48,578,967</u>

13 OTHER NON-CURRENT ASSETS

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

	<u>30.Setembro.2011</u>	<u>31.Dezembro.2010</u>
Empréstimos concedidos a empresas associadas	17,935,689	17,555,234
Clientes e outros devedores		
Cauções	5,914,932	4,680,630
Depósitos judiciais (Nota 21)	820,982	927,976
Reconhecimento valor a receber da Carrefour (a)	10,212,120	11,543,000
Valor a receber referente á venda da Modelo Cont.Seguros	2,244,867	2,170,773
Outros	-	14,539
	<u>37,128,590</u>	<u>36,892,152</u>
Outros activos não correntes	401,749	499,472
	<u>37,530,339</u>	<u>37,391,624</u>

a) As a result of agreements signed in 2005 by former subsidiary - Sonae Distribuição Brazil, SA (sold to Wal-Mart in 2005) with Carrefour Comércio e Indústria Ltda, Sonae assumed the responsibility to compensate Carrefour for the expenses that would arise from the 10 stores licensing process in the Brazilian state of São Paulo that were sold to that entity. During 2010, Carrefour triggered a bank warranty "on first demand" amounting to 25,340,145.80 Brazilian real (approximately 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 8 years.

14 TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Trade accounts receivable	39,021,216	46,055,684
Taxes recoverable	76,850,581	38,933,630
Granted loans to related companies	7,975	41,268
Other debtors		
Trade suppliers - debtor balances	73,536,559	61,381,139
Advances to suppliers	3,324,539	13,460,862
Credit sales sold to third parties	3,193,212	4,121,362
Special regime for settlement of tax and social security debts	12,047,567	12,382,502
VAT recoverable on real estate assets	5,716,817	5,676,892
Disposal of investments	-	8,860,291
Accounts receivable from the disposal of tangible fixed assets	683,915	2,646,339
Advances on suppliers	-	6,700,000
Other debtors	12,505,007	11,540,237
	<u>111,007,616</u>	<u>126,769,623</u>
Other current assets		
Commercial Discounts	48,174,936	15,897,088
Interests to be received	1,882,513	1,764,353
Commissions to be received	1,912,731	1,679,770
Rents	6,323,998	5,843,859
Condominiums management fee's	1,797,676	1,784,906
Insurance premiums paid in advance	5,579,692	3,855,977
Claims	317,428	1,514,969
Software Licenses	2,301,845	1,354,762
Other current assets	8,277,257	8,255,392
	<u>76,568,076</u>	<u>41,951,076</u>
Accumulated impairment losses (Note 24)	<u>(26,802,069)</u>	<u>(25,144,413)</u>
	<u>276,653,395</u>	<u>228,606,868</u>

15 DEFERRED TAX

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

	Deferred tax assets		Deferred tax liabilities	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Difference between fair value and acquisition cost	2,636,088	2,636,088	29,442,854	29,793,323
Harmonisation adjustments	10,496	10,696	59,073,171	54,161,634
Provisions and impairment losses not accepted for tax purposes	10,777,508	5,794,376	-	-
Write-off of tangible and intangible assets	5,100,939	6,042,666	-	-
Valuation of hedging derivatives	-	815,455	439,311	54,899
Amortisation of Goodwill for tax purposes	-	-	26,175,060	20,940,048
Revaluation of tangible assets	-	-	1,762,700	1,856,488
Tax losses carried forward	96,845,764	83,007,413	-	-
Reinvested capital gains/(losses)	-	-	1,232,983	1,338,941
Others	250,251	653,140	227,554	57,132
	<u>115,621,046</u>	<u>98,959,834</u>	<u>118,353,633</u>	<u>108,202,465</u>

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

	30 September 2011			31 December 2010		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2005	296,604	74,151	2011	296,604	74,151	2011
Generated in 2006	-	-	2012	-	-	2012
Generated in 2007	1,233,239	308,310	2013	801,519	200,380	2013
Generated in 2008	3,541,103	885,276	2014	3,541,099	885,276	2014
Generated in 2009	9,830,377	2,457,595	2015	9,829,967	2,457,492	2015
Generated in 2010	1,249,203	312,301	2014	1,209,556	302,387	2014
Generated in 2011	12,262,670	3,065,667	2015	-	-	
	<u>28,413,196</u>	<u>7,103,300</u>		<u>15,678,745</u>	<u>3,919,686</u>	
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	299,141,548	89,742,464		263,625,755	79,087,727	
	<u>327,554,744</u>	<u>96,845,764</u>		<u>279,304,500</u>	<u>83,007,413</u>	

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

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

	30 September 2011			31 December 2010		
	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use						
Generated in 2005	18,959	4,740	2011	22,523	5,631	2011
Generated in 2006	323,644	80,911	2012	337,684	84,420	2012
Generated in 2007	337,461	84,366	2013	819,543	204,886	2013
Generated in 2008	1,532,278	383,070	2014	1,532,594	383,149	2014
Generated in 2009	946,101	236,524	2015	1,124,333	281,082	2015
Generated in 2010	5,410,677	1,352,669	2014	5,468,556	1,367,140	2014
Generated in 2011	3,310,424	827,606	2015	-	-	
	<u>11,879,544</u>	<u>2,969,886</u>		<u>9,305,233</u>	<u>2,326,308</u>	
Without limited time use	11,848,649	4,028,541		11,077,728	3,766,427	
With a time limit different from the above mentioned	6,846,098	1,711,525		13,830,335	3,457,584	
	<u>30,574,291</u>	<u>8,709,952</u>		<u>34,213,296</u>	<u>9,550,319</u>	

16 CASH AND CASH EQUIVALENTS

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

	30 September 2011	31 December 2010
Cash at hand	6,640,487	6,847,595
Bank deposits	65,436,091	193,164,261
Treasury applications	11,276	12,613
Cash and cash equivalents on the balance sheet	<u>72,087,854</u>	<u>200,024,469</u>
Bank overdrafts (Note 19)	<u>(17,518,038)</u>	<u>(7,564,216)</u>
Cash and cash equivalents on the statement of cash flows	<u>54,569,816</u>	<u>192,460,253</u>

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

17 SHARE CAPITAL

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

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

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

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

18 NON-CONTROLLING INTERESTS

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

	30 September 2011	31 December 2010
Opening balance as at 1 January	75,434,780	74,344,125
Acquisition/Incorporation of subsidiaries (Note 8)	466,285	980,000
Disposal of subsidiaries	-	(557,535)
Cover losses	-	995,750
Variations in ownership percentage	1,276,561	-
Others	63,819	(97,327)
Profit for the period attributable to non-controlling interests	(206,981)	(230,233)
Closing balance as at 30 September 2011	<u>77,034,464</u>	<u>75,434,780</u>

19 LOANS

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

	30 September 2011		31 December 2010	
	Current	Non-Current	Current	Non-Current
Bank loans				
Sonae Investimentos, SGPS, SA - commercial paper	5,000,000	425,000,000	-	292,000,000
Others	3,592,640	10,000,385	3,333,334	11,666,666
	<u>8,592,640</u>	<u>435,000,385</u>	<u>3,333,334</u>	<u>303,666,666</u>
Bank overdrafts (Note 16)	17,518,038	-	7,564,216	-
Up-front fees beard with the issuance of loans	(7,667)	(44,088)	(7,667)	(67,409)
Bank loans	<u>26,103,011</u>	<u>434,956,297</u>	<u>10,889,883</u>	<u>303,599,257</u>
Bonds				
a) Bonds Modelo Continente / 2003	-	-	82,000,000	-
Bonds Modelo Continente / 2005/2012	150,000,000	-	-	150,000,000
Bonds Modelo Continente / 2007/2012	200,000,000	-	-	200,000,000
Bonds Sonae Distribuição / 2007/2015	-	200,000,000	-	200,000,000
Bonds Sonae Distribuição / 2007/2015	-	310,000,000	-	310,000,000
Bonds Sonae Distribuição / 2009/2014	16,000,000	26,000,000	8,000,000	42,000,000
Up-front fees beard with the issuance of loans	(198,229)	(1,830,744)	(445,382)	(2,662,489)
Bonds	<u>365,801,771</u>	<u>534,169,256</u>	<u>89,554,618</u>	<u>899,337,511</u>
Other loans	8,859	162,623	33,466	162,624
Derivative instruments (Note 20)	85,986	-	5,245,380	-
Other loans	<u>94,845</u>	<u>162,623</u>	<u>5,278,846</u>	<u>162,624</u>
Obligations under finance leases	1,875,647	5,950,927	2,752,393	7,170,863
	<u>393,875,274</u>	<u>975,239,103</u>	<u>108,475,740</u>	<u>1,210,270,255</u>

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

At 30 September 2011, Sonae Investimentos has agreed lines of credit and commercial paper amounting to 794 million euro, of which 255 million euro with firm commitments with maturity not exceeding one year and 450 million euro with firm commitments with maturity over 1 year.

Under the above mentioned lines of credit and commercial paper programs with firm commitments Group had 278 million credit facilities available to meet its liquidity requirements.

The interest rate at 30 September 2011 of bonds and loans was approximately 2,33% (1,83% on 31 December 2010). It is estimated that the fair value of these loans does not differ significantly from its market value.

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
N+1	393,995,184	103,683,409
N+2	176,446,519	370,645,105
N+3	340,062,752	175,485,486
N+4	358,170,068	306,106,457
N+5	101,191,538	357,414,181
After N+5	1,243,058	3,348,925
	<u>1,371,109,119</u>	<u>1,316,683,563</u>

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

20 DERIVATIVES

Exchange rate derivatives

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

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Assets (Note 12)	2,299,359	457,159
Liabilities (Note 19)	(85,986)	(954,898)
	<u>2,213,373</u>	<u>(497,739)</u>

Gains or losses for the period arising from changes in the fair value of derivatives amounting to (2,213,373) euro ((3,822,737) euro at 30 September 2010) were recorded under "Hedging reserve" of Comprehensive income, when considered eligible hedge instruments or in the income statement caption "Other expense" when considered otherwise.

Interest rate derivatives

As at 30 September 2011, the Group had no derivative financial instrument on the interest rate. On 31 December 2010, the Group complied with the zero cost collars.

	<u>30 September 2011</u>	<u>31 December 2010</u>
Liabilities (Note 19)	-	(4,290,482)
	<u>-</u>	<u>(4,290,482)</u>

These interest rate derivatives are valued at fair value, at the balance sheet date, based on valuations performed by Sonae Investimentos using specific software and on external valuations when this software does not deal with specific instruments. The fair value of swaps was calculated, at the balance sheet date, based on the discounted cash flow of the difference between the fixed interest rate of the fixed leg and the indexed variable interest rate inherent to the variable leg.

Fair value of derivatives

The fair value of the derivatives is detailed as follows:

	<u>Assets</u>		<u>Liabilities</u>	
	<u>30 September 2011</u>	<u>31 December 2010</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
Derivatives not qualified as hedging				
Exchange rate	-	-	-	76,618
Hedging derivatives				
Exchange rate	2,299,359	457,159	85,986	878,280
Interest rate	-	-	0	4,290,482
	<u>2,299,359</u>	<u>457,159</u>	<u>85,986</u>	<u>5,245,380</u>

21 OTHER NON-CURRENT LIABILITIES

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Shareholder loans	419,533,355	417,902,648
Tangible assets suppliers	1,200,000	1,237,500
Share based payments (Note 22)	1,339,724	3,216,439
Other non-current liabilities	860,291	2,372,407
Accruals and deferrals	1,910,696	679,292
Other non-current liabilities	<u>424,844,066</u>	<u>425,408,286</u>

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

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

As at 30 September 2011, the caption "Other non-current liabilities" includes 860,291 euro (972.408 euro as at 31 December 2010) mainly refers to the estimated amounts to fulfil the legal and tax obligations of a Brazilian subsidiary which were considered appropriate to face up to future losses on lawsuits and for which legal deposits exist, which are recorded under the caption "Other non-current assets" (Note 13), with no defined maturity.

2.2 SHARE BASED PAYMENT PLANS

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

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

	Grant year	Vesting year	Number of participants	Fair value	
				30 September 2011	31 December 2010
Shares					
	2008	2011	49	-	1,688,691
	2009	2012	52	2,579,995	3,680,318
	2010	2013	51	1,687,343	2,288,719
	2011	2014	51	1,536,283	-
Total				<u>5,803,621</u>	<u>7,657,728</u>

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

	30 September 2011	31 December 2010
Staff costs	455,587	2,487,799
Recorded in previous years	2,994,884	2,417,344
	<u>3,450,471</u>	<u>4,905,143</u>
Other non-current liabilities (Note 21)	1,339,724	3,216,439
Other current liabilities (Note 23)	2,110,747	1,688,704
	<u>3,450,471</u>	<u>4,905,143</u>

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

23 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

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

	<u>30 September 2011</u>	<u>31 December 2010</u>
Trade creditors	935,594,451	1,121,852,468
Taxes payable	35,944,874	52,891,000
Other creditors		
Tangible asset suppliers	29,042,559	58,103,689
Related undertakings	-	53,427,354
Other debts	<u>38,593,376</u>	<u>43,343,332</u>
	<u>67,635,935</u>	<u>154,874,375</u>
Other current liabilities		
Staff costs	97,844,373	90,073,043
Interest payable	13,166,780	7,384,896
Marketing expenses	14,283,437	16,436,794
Other external supplies and services	37,375,982	33,794,793
Accrued income - rents	7,394,410	4,294,408
Real Estate Municipality tax	4,247,265	4,342,284
Share based payments (Note 22)	2,110,747	1,688,704
Others	<u>9,937,864</u>	<u>8,580,909</u>
	<u>186,360,859</u>	<u>166,595,831</u>
	<u>1,225,536,119</u>	<u>1,496,213,674</u>

The caption "Other debts" includes:

- 22,058,844 euro (18,556,454 euro as at 31 December 2010), of attributed discounts not yet used related with loyalty projects, referring to "Cartão Cliente" card;
- 5,255,534 euro (8,277,581 euro as at 31 December 2010) related to means of payments owned by clients as vouchers, gift cards and discount tickets; and
- 5,464,477 euro (6,179,706 euro as at 31 December 2010) related to payable amounts to Sonae Distribuição Brasil, SA buyer as a result of responsibilities assumed with that entity.

24 PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

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

Caption	Balance as at 31 December 2010	Increase	Decrease	Balance as at 30 September 2011
Accumulated impairment losses on investments (Note 7)	22,338	-	-	22,338
Accumulated impairment losses on trade account receivables and other debtors (Note 14)	25,144,413	2,694,602	(1,036,946)	26,802,069
Accumulated impairment losses on inventories	20,666,324	12,485,647	(2,705,329)	30,446,642
Non-current provisions	21,495,563	5,752,012	(551,782)	26,695,793
Current provisions	1,686,979	700,000	(40,006)	2,346,973
	<u>69,015,617</u>	<u>21,632,261</u>	<u>(4,334,063)</u>	<u>86,313,815</u>

Caption	Balance as at 31 December 2009	Increase	Decrease	Balance as at 30 September 2010
Accumulated impairment losses on investments	77,185	-	(36,703)	40,482
Accumulated impairment losses on trade account receivables and other debtors	25,029,183	4,119,700	(5,197,034)	23,951,849
Accumulated impairment losses on inventories	18,954,690	5,192,753	(3,705,195)	20,442,248
Non-current provisions	9,263,092	4,648,668	(60,825)	13,850,935
Current provisions	2,488,883	200,000	(779,093)	1,909,790
	<u>55,813,033</u>	<u>14,161,121</u>	<u>(9,778,850)</u>	<u>60,195,304</u>

The caption "Non-current provisions" includes 9,605,187 euro (10,856,969 euro as at 31 December 2010) relating to contingencies assumed by the company, on the sale of the subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as costs are being incurred.

The caption non-current provisions and the movement in the period of this caption, also includes the estimated liabilities incurred by the Group on the sale of warranty extension programmes on products traded by the Specialized Retail business segment in the amount of 13,585,855 euro. These extensions are granted for a period of one to three years after the legally binding warranty.

25 CONTINGENT ASSETS AND LIABILITIES

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

	30 September 2011	31 December 2010
Guarantees given:		
on tax claims	422,407,498	317,505,226
on municipal claims	6,643,523	7,011,523
others	32,182,817	32,115,117

Tax claims includes 254,396,851 euro (207,114,928 euro as at 31 December 2010) related to appeals against additional corporate income tax and VAT assessments, as well as guarantees amounting to 103,709,692 euro related to a VAT proceeding (105,786,250 euro as at 31 December 2010).

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

A Retail segment company in Brazil granted a guarantee of approximately 29.6 million euro (74,078,784 Brazilian real, on 31 December 2010 the amount is the same), on a tax claim, which is being judged by tax court.

As a consequence of the sale of a subsidiary company in Brazil, Sonae guaranteed the buyer all the losses incurred by that company arising on unfavourable decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. As at 31 December 2010, the amount claimed by the Brazilian Tax Authorities concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss plus the amounts already paid (27.6 million euro) related to programmes for the Brazilian State of tax recovery amount to near 39.8 million euro.

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

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

26 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Parent company	835,166	859,515	102,709	79,689
Jointly controlled companies	534,112	568,340	2,125,448	2,093,005
Associated companies	25,874,112	25,966,278	1,534,883	729,528
Participated companies	42,331,469	43,660,354	-	-
Other related parties	6,820,801	8,278,591	50,786,220	65,058,796
	<u>76,395,660</u>	<u>79,333,078</u>	<u>54,549,260</u>	<u>67,961,018</u>

Transactions	Interest income		Interest expenses	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
Parent company	506,034	9,769	25,078,147	522,223
Jointly controlled companies	264	15	-	16
Associated companies	798,238	-	-	-
Participated companies	-	-	-	-
Other related parties	-	9,396	638,808	468,439
	<u>1,304,536</u>	<u>19,180</u>	<u>25,716,955</u>	<u>990,678</u>

Balances	Accounts receivable		Accounts payable	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Parent company	1,030,569	978,438	8,826,405	630,241
Jointly controlled companies	1,276,692	742,572	460,118	675,795
Associated companies	7,247,109	2,584,590	2,328,863	74,828
Participated companies	10,493,539	13,413,873	55,464	54,571
Other related parties	11,412,167	22,293,532	18,464,792	27,680,583
	<u>31,460,076</u>	<u>40,013,005</u>	<u>30,135,642</u>	<u>29,116,018</u>

Balances	Loans			
	Obtained		Granted	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Parent company	400,000,000	453,000,000	-	-
Jointly controlled companies	-	-	-	-
Associated companies	-	-	16,935,689	17,555,234
Participated companies	-	-	-	-
Other related parties	17,983,895	17,902,648	-	-
	<u>417,983,895</u>	<u>470,902,648</u>	<u>16,935,689</u>	<u>17,555,234</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.

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

27 INCOME TAX

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

	30 September 2011	30 September 2010
Current tax	10,663,697	24,667,439
Deferred tax	(7,823,328)	(4,708,799)
	<u>2,840,369</u>	<u>19,958,640</u>

28 EARNINGS PER SHARE

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

	30 September 2011	30 September 2010
Net profit		
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	44,478,397	91,605,489
Effect of dilutive potential shares	-	-
Interests related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>44,478,397</u>	<u>91,605,489</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	1,000,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculate diluted earnings per share	<u>900,000,000</u>	<u>1,000,000,000</u>
Earnings per share (basic and diluted)	<u>0.049420</u>	<u>0.091605</u>

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

29 SEGMENT INFORMATION

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

	Food based Retail	Specialized Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
30 September 2011						
Turnover	2,439,257,794	861,091,445	70,102,056	89,361,575	(84,857,996)	3,374,954,874
Ex-Fuel	2,420,943,383	861,091,445	70,102,056	89,361,575	(84,857,996)	3,356,640,463
Fuel	18,314,411	-	-	-	-	18,314,411
EBITDA	149,151,527	(15,841,034)	2,275,507	97,502,294	3,500,955	236,589,249
EBIT	81,028,690	(55,635,524)	(641,124)	74,493,004	3,383,965	102,629,011
Invested capital	552,894,455	444,248,343	138,332,042	1,366,238,564	(1,425,933)	2,500,287,471
Sales area [000 m ²]	547	403	63	-	-	1,013

	Food based Retail	Specialized Retail	Investment Management	Retail Real Estate	Eliminations and adjustments	Total
30 September 2010 (Note 1)						
Turnover	2,449,257,148	869,761,764	75,371,897	95,228,485	(89,061,687)	3,400,557,607
Ex-Fuel	2,374,671,087	869,761,764	75,371,897	95,228,485	(89,061,687)	3,325,971,546
Fuel	74,586,061	-	-	-	-	74,586,061
EBITDA	149,034,592	16,238,480	2,173,623	97,047,664	(387,097)	264,107,262
EBIT	89,901,154	(15,983,043)	(843,319)	72,998,732	(354,328)	145,719,196
Invested capital	529,977,628	393,134,586	75,159,045	1,460,740,058	1,411,827	2,460,423,144
Sales area [000 m ²]	533	335	63	-	-	931

Food based retail

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

Specialized Retail

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

Investment Management

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

Retail Real Estate

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

Elimination and adjustments

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

Operational Cash-flow (EBITDA)

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

EBIT

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

Capital employed

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

30 APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors and authorized for issue on 21 November 2011.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigoso Jordão

Condensed individual financial statements

SONAE INVESTIMENTOS, SGPS, SA

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

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

(Amounts expressed in euro)

ASSETS	Notes	30.September.2011	30.September.2010	31.December.2010
NON-CURRENT ASSETS:				
Tangible assets		93	1,733	1,477
Intangible assets		3,769	6,410	5,260
Investments	4	2,695,353,144	2,722,681,845	2,712,242,717
Deferred tax assets	5	3,001,047	920,611	738,707
Other non-current assets	6	1,254,546,989	1,325,412,665	1,258,356,053
Total non-current assets		<u>3,952,905,042</u>	<u>4,049,023,264</u>	<u>3,971,344,214</u>
CURRENT ASSETS:				
Trade accounts receivable and other current assets	7	497,045,700	282,765,859	455,080,368
Cash and cash equivalents	8	21,129,530	94,858	127,421,554
Total current assets		<u>518,175,230</u>	<u>282,860,717</u>	<u>582,501,922</u>
TOTAL ASSETS		<u>4,471,080,272</u>	<u>4,331,883,981</u>	<u>4,553,846,136</u>
EQUITY AND LIABILITIES				
EQUITY:				
Share capital		1,000,000,000	1,000,000,000	1,000,000,000
Reserves and retained earnings		1,334,524,273	934,431,619	882,130,694
Profit for the period		11,676,111	367,141,131	450,539,262
TOTAL EQUITY		<u>2,346,200,384</u>	<u>2,301,572,750</u>	<u>2,332,669,956</u>
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	10	967,458,503	1,445,130,484	1,202,936,767
Deferred tax liabilities	5	920	1,403	1,403
Other non-current liabilities	11	400,126,834	-	400,456,179
Total non-current liabilities		<u>1,367,586,257</u>	<u>1,445,131,887</u>	<u>1,603,394,349</u>
CURRENT LIABILITIES:				
Loans	10	384,722,007	9,161,208	92,880,285
Trade creditors and other current liabilities	12	372,571,624	576,018,136	524,901,546
Total current liabilities		<u>757,293,631</u>	<u>585,179,344</u>	<u>617,781,831</u>
TOTAL EQUITY AND LIABILITIES		<u>4,471,080,272</u>	<u>4,331,883,981</u>	<u>4,553,846,136</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

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

(Amounts expressed in euro)

	Notes	3 th Quarter 2011	3 th Quarter 2010	30.September.2011	30.September.2010
Services rendered		530,372	437,860	1,492,760	1,245,047
Gains or losses on investments	15	-	-	31,007,295	372,280,793
Financial income	16	12,884,246	9,117,470	36,813,266	25,046,143
Other income		8,200	4,911	17,614	1,007,319
External supplies and services		(411,996)	(230,911)	(1,251,897)	(549,416)
Staff costs		101,842	(178,333)	(41,202)	(464,892)
Depreciation and amortisation		(587)	(827)	(1,893)	(2,711)
Financial expenses	16	(20,461,162)	(11,519,437)	(59,047,728)	(32,211,811)
Other expenses		(4,970)	(118,410)	(336,893)	(1,807,689)
Profit/(Loss) before taxation		(7,354,055)	(2,487,677)	8,651,322	364,542,783
Taxation		1,833,520	1,250,352	3,024,789	2,598,348
Profit/(Loss) after taxation	17	(5,520,535)	(1,237,325)	11,676,111	367,141,131
Earnings per share	17	(0.0061)	(0.0012)	0.0130	0.3671

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

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

(Amounts expressed in euro)

	<u>3th Quarter 2011</u>	<u>3th Quarter 2010</u>	<u>30.September.2011</u>	<u>30.September.2010</u>
Net Profit / (Loss) for the period	(5,520,535)	(1,237,325)	11,676,111	367,141,131
Changes in hedge and fair value reserves	<u>336,183</u>	<u>848,635</u>	<u>1,854,317</u>	<u>1,887,833</u>
Total comprehensive income for the period	<u>(5,184,352)</u>	<u>(388,690)</u>	<u>13,530,428</u>	<u>369,028,964</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

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

(Amounts expressed in euro)

	Reserves and retained earnings					Net profit/(loss)	Total
	Share capital	Legal reserve	Hedging reserve	Other reserves and retained earnings	Total reserves and retained earnings		
Balance as at 1 January 2010	1,000,000,000	114,000,000	(4,441,225)	831,226,646	940,785,421	61,758,365	2,002,543,786
Total comprehensive income for the period	-	-	1,887,833	-	1,887,833	367,141,131	369,028,964
Appropriation of profit of 2009:	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	3,087,918	-	58,670,447	61,758,365	(61,758,365)	-
Dividends distributed	-	-	-	(70,000,000)	(70,000,000)	-	(70,000,000)
Balance as at 30 September 2010	<u>1,000,000,000</u>	<u>117,087,918</u>	<u>(2,553,392)</u>	<u>819,897,093</u>	<u>934,431,619</u>	<u>367,141,131</u>	<u>2,301,572,750</u>
Balance as at 01 January 2011	1,000,000,000	117,087,918	(1,854,317)	766,897,093	882,130,694	450,539,262	2,332,669,956
Total comprehensive income for the period	-	-	1,854,317	-	1,854,317	11,676,111	13,530,428
Appropriation of profit of 2010:	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	22,526,963	-	428,012,299	450,539,262	(450,539,262)	-
Balance as at 30 September 2011	<u>1,000,000,000</u>	<u>139,614,881</u>	<u>-</u>	<u>1,194,909,392</u>	<u>1,334,524,273</u>	<u>11,676,111</u>	<u>2,346,200,384</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

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

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

(Amounts expressed in euro)

	Notes	3 th Quarter 2011	3 th Quarter 2010	30.September.2011	30.September.2010
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		(13,775,463)	5,471,780	4,258,874	(13,971,112)
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments		-	-	91,365,276	1,147,994,417
Tangible and intangible assets		-	160,389	-	160,399
Interests and similar income		1,502,779	243,658	33,359,651	46,241,460
Dividends		-	-	25,053,099	10,447,148
Others		-	-	29,954	-
Loans granted		503,844,135	330,445,368	1,020,471,539	1,207,955,152
		<u>505,346,914</u>	<u>330,849,415</u>	<u>1,170,279,519</u>	<u>2,412,798,576</u>
Cash payments arising from:					
Investments		-	(497,850)	(884,736)	(1,128,802,850)
Tangible and intangible assets		(218)	-	(218)	(366)
Others		-	-	(12,807)	-
Loans granted		(499,200,965)	(272,596,000)	(1,169,261,569)	(1,540,265,296)
		<u>(499,201,183)</u>	<u>(273,093,850)</u>	<u>(1,170,159,330)</u>	<u>(2,669,068,512)</u>
Net cash used in investment activities (2)		<u>6,145,731</u>	<u>57,755,565</u>	<u>120,189</u>	<u>(256,269,936)</u>
FINANCING ACTIVITIES					
Cash receipts arising from:					
Loans obtained		1,846,134,669	1,791,322,000	4,324,978,431	5,940,061,131
		<u>1,846,134,669</u>	<u>1,791,322,000</u>	<u>4,324,978,431</u>	<u>5,940,061,131</u>
Cash payments arising from:					
Loans obtained		(1,847,473,023)	(1,843,257,667)	(4,389,725,165)	(5,627,586,077)
Interests and similar charges		(17,138,744)	(12,720,234)	(56,518,857)	(29,486,353)
Dividends		-	-	(68)	(70,000,000)
		<u>(1,864,611,767)</u>	<u>(1,855,977,901)</u>	<u>(4,446,244,090)</u>	<u>(5,727,072,430)</u>
Net cash used in financing activities (3)		<u>(18,477,098)</u>	<u>64,655,901</u>	<u>(121,265,659)</u>	<u>212,988,701</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(26,106,830)	(1,428,556)	(116,886,596)	(57,252,347)
Cash and cash equivalents at the beginning of the period		36,641,788	(4,312,128)	127,421,554	51,511,663
Cash and cash equivalents at the end of the period	8	<u>10,534,958</u>	<u>(5,740,684)</u>	<u>10,534,958</u>	<u>(5,740,684)</u>

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

The Board of Directors

SONAE INVESTIMENTOS, SGPS, SA

NOTES TO THE CONDENSED INDIVIDUAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30 SEPTEMBER 2011

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

(Amounts expressed in euro)

1 INTRODUCTION

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

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

2 BASIS OF PREPARATION

Interim Financial Statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

3 PRINCIPAL ACCOUNTING POLICIES

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

4 INVESTMENTS

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

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

5 DEFERRED TAX

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

Assets

	30.September.2011	31.December.2010
Derivatives	-	668,565
Fiscal losses carried forward	2,946,682	-
Others	54,365	70,142
	<u>3,001,047</u>	<u>738,707</u>

Liabilities

	30.September.2011	31.December.2010
Differences between amortisations for accounting and tax purposes	920	1,403
	<u>920</u>	<u>1,403</u>

6 OTHER NON-CURRENT ASSETS

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

	30.September.2011	31.December.2010
Loans granted	1,252,302,122	1,256,170,741
Other debtors	2,244,867	2,185,312
	<u>1,254,546,989</u>	<u>1,258,356,053</u>

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

7 TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

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

	30.September.2011	31.December.2010
Trade accounts receivable	344,859	1,834,227
Group companies	433,383,496	372,887,473
Other debtors	5,323,663	75,902,853
Tax recoverable	23,730,130	661,990
Other current assets	34,263,552	3,793,825
	<u>497,045,700</u>	<u>455,080,368</u>

The caption group companies includes: (i) the amount of 418,306,000 euro (304,032,000 euro in 31 December 2010) related to short term loans to group companies (Note 19); (ii) the amount of 15,077,496 euro (42,406,410 euro in 31 December 2010) related to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Group of Companies.

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

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

8 CASH AND CASH EQUIVALENTS

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

	<u>30.September.2011</u>	<u>31.December.2010</u>
Cash	550	550
Bank deposits	21,128,980	127,421,004
Cash and cash equivalents on the balance sheet	<u>21,129,530</u>	<u>127,421,554</u>
Bank overdrafts (Note 10)	<u>(10,594,572)</u>	-
Cash and cash equivalents on the cash flow s statement	<u>10,534,958</u>	<u>127,421,554</u>

9 SHARE CAPITAL

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

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

	<u>30.September.2011</u>	<u>31.December.2010</u>
Sonae, SGPS, SA	76.86%	76.86%
Sonae Investments, BV	13.14%	13.14%
Sonae - Specialized Retail, SGPS, SA	10.00%	10.00%

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

10 LOANS

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

	30.September.2011	31.December.2010
Nominal value of bond loans	536,000,000	902,000,000
Up-front fees not yet charged to income statement	(1,830,744)	(2,662,489)
Bond loans	534,169,256	899,337,511
Commercial paper	425,000,000	292,000,000
Other bank loans	8,333,334	11,666,665
Up-front fees not yet charged to income statement	(44,087)	(67,409)
Bank loans	433,289,247	303,599,256
Non-current loans	967,458,503	1,202,936,767
Nominal value of bond loans	366,000,000	90,000,000
Up-front fees not yet charged to income statement	(198,230)	(445,382)
Bond loans	365,801,770	89,554,618
Commercial paper	5,000,000	-
Other bank loans	3,333,332	3,333,334
Up-front fees not yet charged to income statement	(7,667)	(7,667)
Bank overdrafts (Note 8)	10,594,572	-
Bank loans	18,920,237	3,325,667
Current loans	384,722,007	92,880,285

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.

The amount of 425,000,000 under the caption commercial paper corresponds to a commercial paper issuance program with placement guarantee which has the following maturities: 100,000,000 euro in 5.2 years and 325,000,000 euro in 3.2 years.

Current loans

Bonds Sonae Distribuição 2009 / 2014 - 16,000,000 euro - amount to be reimbursed on the 6th, 7th interest payment dates - on 18 March 2012 and 18 September 2012 - in accordance with contractual conditions. On 18 September 2011 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.

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

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

11 OTHER NON-CURRENT LIABILITIES

As at 30 September 2011 this caption includes a subordinate bond loan, repayable in 10 years issued by Sonae Investimentos at market conditions. This loan was fully subscribed and paid for Sonae SGPS, SA on 28 December 2010 amounting to 400,000,000 euro, relating 8,000 bonds with nominal value of 50,000 euro each.

12 TRADE ACCOUNT PAYABLE AND OTHER CURRENT LIABILITIES

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

	30.September.2011	31.December.2010
Trade accounts payable	21,558	126,157
Group companies	350,864,003	488,472,236
Other accounts payable	6,121	49,548
Tax and contributions payable	3,708,602	18,082,675
Derivatives	-	4,367,099
Other current liabilities	17,971,340	13,803,831
	<u>372,571,624</u>	<u>524,901,546</u>

The caption group companies includes: (i) 330,315,600 euro (481,511,000 euro on 31 December 2010) related to short term loans of the group companies (Note 19); (ii) the amount 12,128,855 euro (6,728,106 euro on 31 December 2010) related to income tax calculated by the group companies taxed in accordance with the Special Regime for Taxing Group of Companies; (iii) the amount 233,130 euro (same amount as at 31 December 2010) related to the request for reimbursement claim of the 2003 special payment on account of income tax paid by the companies taxed according with the Special Regime for Taxing Groups of Companies; (iv) the amount 8,186,418 euro related to tax reimbursement from previous years in accordance with the Special Regime for Taxing Group of Companies.

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

13 CONTINGENT LIABILITIES

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

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

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

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

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

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

14 RELATED PARTIES

Balances and transactions with related entities are summarized as follows:

Balance:	<u>30.September.2011</u>	<u>31.December.2010</u>
Parent company	239,784	59,115
Subsidiaries	45,267,958	132,253,215
Jointly controlled companies	8,921	66,585
Associated companies	2,948,793	2,934,930
Other related parties	-	8,860,483
Accounts receivable	<u>48,465,456</u>	<u>144,174,328</u>
Parent company	8,487,202	428,731
Subsidiaries	25,158,468	12,935,340
Jointly controlled companies	600	600
Associated companies	-	34,951
Other related parties	-	872
Accounts payable	<u>33,646,270</u>	<u>13,400,494</u>
Subsidiaries	1,652,672,433	1,536,547,507
Jointly controlled companies	-	6,100,000
Associated companies	17,935,689	17,555,234
Loans granted	<u>1,670,608,122</u>	<u>1,560,202,741</u>
Parent company	400,000,000	453,000,000
Subsidiaries	330,315,600	428,511,000
Loans obtained	<u>730,315,600</u>	<u>881,511,000</u>

Transactions:	30.September.2011	30.September.2010
Subsidiaries	749,997	749,997
Associated companies	742,763	495,050
Services rendered	1,492,760	1,245,047
Parent company	37,500	-
Subsidiaries	-	7,500
Jointly controlled companies	302	-
Associated companies	20,235	-
Other related parties	1,222	10,607
Purchases and services obtained	59,259	18,107
Parent company	645	545
Subsidiaries	5,126	444,227
Other income	5,771	444,772
Parent company	180,754	9,769
Subsidiaries	34,509,752	24,896,884
Jointly controlled companies	106,550	95,565
Associated companies	738,684	-
Interest income	35,535,740	25,002,218
Parent company	24,895,115	522,223
Subsidiaries	4,655,577	6,153,842
Jointly controlled companies	-	33
Interest expenses	29,550,692	6,676,098
Subsidiaries	24,978,000	9,550,246
Associated companies	75,099	896,902
Dividend income	25,053,099	10,447,148
Subsidiaries	-	934,525,000
Investments disposal	-	934,525,000
Subsidiaries	-	451,000,000
Other related parties	224,736	-
Investments acquisition	224,736	451,000,000

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

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

15 INVESTMENT INCOME

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

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

16 FINANCIAL INCOME / EXPENSES

As at 30 September 2011, this caption includes the amount of 35,807,728 euro (25,046,143 euro as at 30 September 2010) related to receivable interests and the amount of 55,147,117 euro (28,092,873 euro as at 30 September 2010) related to payable interests.

17 EARNINGS PER SHARE

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

	30.September.2011	30.September.2010
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	11,676,111	367,141,131
Net profit taken into consideration to calculate diluted earnings per share	11,676,111	367,141,131
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	900,000,000	1,000,000,000
Weighted average number of shares used to calculate diluted earnings per share	900,000,000	1,000,000,000
Earnings per share (basic and diluted)	0.0130	0.3671

18 APPROVAL OF FINANCIAL

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 21 November 2011.

19 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

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

Soflorin, B.V.

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

Bom Momento - Comercio Retalhista, SA

Chão Verde - Sociedade de Gestão Imobiliária, SA

Citorres - Sociedade Imobiliária, SA

Imoresultado – Sociedade Imobiliária, SA

Imosistema – Sociedade Imobiliária, SA

MJLF – Empreendimentos Imobiliários, SA

Modelo Continente Hipermercados, SA

Peixes Continente - Indústria e Distribuição de Peixes, SA

Raso, SGPS, SA

Sesagest – Projectos e Gestão Imobiliária, SA

Sonae Center Serviços II, SA

Sonae - Specialized Retail, SGPS, SA

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

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

Company	30.September.2011
Azulino - Imobiliária, SA	4,033,013
Bertimóvel - Sociedade Imobiliária, SA	17,816,424
Bom Momento - Comercio Retalista, SA	263,000
Canasta - Empreendimentos Imobiliários, SA	2,355,158
Chão Verde - Sociedade de Gestão Imobiliária, SA	4,759,000
Citorres - Sociedade Imobiliária, SA	3,370,000
Contimobe - Imobiliária do Castelo de Paiva, SA	42,866,814
Continente Hipermercados, SA	78,627,000
Cumulativa - Sociedade Imobiliária, SA	2,433,000
Edições Book.it, SA	4,181,000
Farmácia Seleção, SA	3,373,000
Fozimo – Sociedade Imobiliária, SA	1,706,252
Igimo – Sociedade Imobiliária, SA	651,000
Iginha – Sociedade Imobiliária, SA	11,532,886
Imoconti – Sociedade Imobiliária, SA	14,177,674
Imoestrutura - Sociedade Imobiliária, SA	267,078
Imomuro - Sociedade Imobiliária, SA	4,003,897
Imoresultado – Sociedade Imobiliária, SA	442,000
Imosistema - Sociedade Imobiliária, SA	4,036,592
MJLF - Empreendimentos Imobiliários, SA	3,199,137
Modelo - Distribuição de Materiais de Construção, SA	18,238,908
Mundo Vip - Operadores Turísticos, SA	1,000,000
MDS SGPS, SA	16,935,689
Pharmacontinente - Saúde e Higiene, SA	7,487,000
Predicomercial - Promoção Imobiliária, SA	8,082,897
Selifa - Sociedade de Empreendimentos Imobiliários, SA	3,354,926
Sempre à Mão - Sociedade Imobiliária, SA	50,300,444
Socijofra - Sociedade Imobiliária, SA	6,700,758
Sociloures - Sociedade Imobiliária, SA	23,856,726
Soflorin, BV	330,034,651
Sonae Center Serviços II, SA	10,797,000
Sonae MC - Modelo Continente, SGPS, SA	785,676,000
Sonaerp - Retail Properties, SA	185,067,931
Sondis Imobiliária, SA	15,141,265
Tlantic Portugal - Sistemas de Informação, SA	180,000
Valor N, SA	3,660,000
	<u>1,670,608,122</u>

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

Current obtained loans (Note 12)

Company	30.September.2011
BB Food Service, SA	7,658,000
Carnes Continente - Indústria e Distribuição de Carnes, SA	525,000
Continente Hipermercados, S.A.	30,647,600
Contibomba - Comércio e Distribuição de Combustíveis, SA	422,000
Estevão Neves - Hipermercados da Madeira, SA	8,023,000
Fozmassimo - Sociedade Imobiliária, SA	707,000
Modelo Continente Hipermercados, SA	116,812,000
Modelo Hiper - Imobiliária, SA	2,901,000
Modelo.Com - Vendas por Correspondência, SA	8,499,000
Pharmaconcept - Actividades em Saúde, SA	3,000
Peixes Continente - Indústria e Distribuição de Peixes, SA	1,356,000
Sesagest - Projectos e Gestão Imobiliária, SA	15,544,000
Sonae - Specialized Retail, SGPS, SA	136,153,000
Todos os Dias - Comércio Ret. e Expl. de Centros Comerciais, SA	1,065,000
	<u>330,315,600</u>

The Board of Directors

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

Nuno Manuel Moniz Trigo Jordão