Earnings Announcement
30 June 2012

- **Sonae Capital's 2Q12 and 1H12 results denote some evident trends:**
  - **Focus on the optimization of the operational cost structures across all business units, even more critical in a scenario of repressed consumption and investment;**
  - **With the exception of Hotels and Energy, most businesses are facing increased pressure on sales margins driven by tougher market practices, and demanding for new commercial approaches;**
  - **Steady growth of the Energy business and pipeline of projects assumes a preponderant role in the reconfiguration of the Group's business portfolio.**

Values in 10^6 euro

	1H			2Q		
	2012	2011	Δ	2012	2011	Δ
Turnover	51.9	64.0	-19%	26.8	33.6	-20%
EBITDA	-3.2	-3.3	+3%	-0.1	0.1	-
EBIT	-10.3	-7.7	-33%	-3.7	-3.1	-18%
Net Financial Expenses	-5.6	-5.1	-10%	-2.4	-2.8	11%
Results from Associated Undertakings	3.1	2.8	12%	1.2	1.8	-36%
Investment Income	-1.1	22.1	-	-1.1	20.4	-
Net Profit	-12.8	12.6	-	-5.9	15.8	-
	30.06.12	31.12.11	Δ			
Capex	6.1	11.0	-45%			
Net Debt	273.0	261.1	+5%			

- **Current macroeconomic and market settings for Portugal, with overall contraction of volumes and margins and high doses of uncertainty that generically set the tone in the business environment, were inevitably incorporated in the 2012 Group's strategic planning:**
  - **The Group's strategic intents are aligned with the objective of releasing cash flow to feed in business areas assumed as strategic – Sonae Turismo and Spred – and attain debt reduction goal;**
  - **Non strategic assets and businesses shall continue to be actively marketed and addressed as key cash flow generators;**
  - **With the exception of the Energy business, any growth opportunities within Sonae Turismo and Spred will only be viable following a capital light approach.**

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1. CONSOLIDATED PROFIT AND LOSS STATEMENTS

Values in 10^3 euro

	1H 12 (A)	1H 11 (B)	Δ (A/B)	2Q 12 (C)	2Q 11 (D)	Δ (C/D)
Turnover	51,908.1	63,990.4	-18.9%	26,807.3	33,551.7	-20.1%
Other Operational Income	3,685.4	7,892.8	-53.3%	2,256.4	4,332.8	-47.9%
Total Operational Income	**55,593.5**	**71,883.2**	**-22.7%**	**29,063.7**	**37,884.5**	**-23.3%**
Cost of Goods Sold	-15,955.4	-20,084.4	+20.6%	-8,113.1	-10,771.8	+24.7%
Change in Stocks of Finished Goods	-1,893.2	-1,005.4	-88.3%	-919.1	-491.2	-87.1%
External Supplies and Services	-20,937.9	-28,252.7	+25.9%	-10,656.1	-14,846.9	+28.2%
Staff Costs	-18,421.4	-20,425.9	+9.8%	-8,609.6	-10,026.2	+14.1%
Other Operational Expenses	-1,340.4	-3,081.0	+56.5%	-777.0	-1,416.6	+45.2%
Total Operational Expenses	**-58,548.4**	**-72,849.3**	**+19.6%**	**-29,074.8**	**-37,552.8**	**+22.6%**
EBITDA	**-3,167.3**	**-3,268.1**	**+3.1%**	**-75.5**	**94.5**	**-**
Amortisation and Depreciation	-7,175.7	-6,652.8	-7.9%	-3,609.0	-3,372.4	-7.0%
Provisions and Impairment Losses	-126.9	-75.3	-68.4%	-34.5	-62.2	+44.6%
Operational Profit/(Loss) (EBIT)	**-10,257.5**	**-7,694.3**	**-33.3%**	**-3,654.5**	**-3,102.9**	**-17.8%**
Net Financial Expenses	-5,623.4	-5,120.8	-9.8%	-2,444.3	-2,758.9	+11.4%
Share of Results of Associated Undertakings	3,076.3	2,750.9	+11.8%	1,184.2	1,839.6	-35.6%
Investment Income	-1,080.8	22,102.8	-	-1,083.1	20,409.5	-
Profit before Taxation	**-13,885.4**	**12,038.6**	**-**	**-5,997.7**	**16,387.3**	**-**
Taxation	1,090.3	538.1	>100%	108.4	-560.5	-
Net Profit	**-12,795.1**	**12,576.8**	**-**	**-5,889.3**	**15,826.8**	**-**
Attributable to Equity Holders of Sonae Capital	-12,450.5	12,202.6	-	-5,826.6	15,432.3	-
Attributable to Non-Controlling Interests	-344.7	374.1	-	-62.8	394.5	-

Turnover performance in the second quarter of the year did not differ substantially from that in the first quarter, evidencing a 20.1% decrease over the same period last year to 26.8 million euro, on the back of the still recessive stage of the economic cycle and its effects on consumption and investment. Turnover in the half year reached 51.9 million euro, 19% down on the 64.0 million euro in the first half of 2011.

Operational **EBITDA** amounted to negative 3.2 million euro in the first half of the year (negative 3.3 million euro in the first half of 2011) and was marginally negative in the second quarter of the year, being positively impacted by the decrease in operational expenses, 18% in the half year and 22% in the second quarter, on a like for like basis (i.e. excluding the impact of 2011 non-recurrent costs related with judicial claims which had been fully impaired and had a negative effect on 2011 comparable periods EBITDA).

Amortization and depreciation increased around 8% in the half year, to 7.2 million euro, driven by the increase of the fixed assets base following investments made in the last 12 months.

Net financial expenses increased 10% in the half year, to 5.6 million euro, reflecting the higher cost of debt, as a result of higher average spread, although second quarter's net financial expenses remained below the comparable period's figure mostly due to lower average debt level.

Share of results of associated undertakings increased 0.3 million euro to 3.1 million euro, mostly led by Norscut, which delivered a 2.1 million euro contribution.

Net profit for the half year was negative 12.8 million euro, 25.4 million euro down on first half 2011 net profit which included 20.3 million euro from the sale of the shareholding in TP.

2. BUSINESS HIGHLIGHTS

2.1. SONAE TURISMO

Values in 10^3 euro

	Contributions to Consolidated Turnover					
	1H 12	1H 11	Δ	2Q 12	2Q 11	Δ
Resorts	5.0	5.8	-13.5%	2.8	2.8	-2.0%
Resort Development	2.7	3.0	-10.7%	1.3	0.9	+38.2%
Resort Management (Golf, Marina and Market)	0.7	0.8	-11.9%	0.5	0.6	-20.1%
Atlantic Ferries	1.6	2.0	-18.2%	1.0	1.3	-22.3%
Hotels	5.3	6.3	-16.7%	3.2	3.9	-18.6%
Fitness	6.4	8.7	-26.0%	3.2	4.2	-24.6%
Other Sonae Turismo	0.0	0.0	>100%	0.0	0.0	>100%
Sonae Turismo's contribution	**16.7**	**20.8**	**-19.6%**	**9.2**	**11.0**	**-16.5%**

	Contributions to Consolidated EBITDA					
	1H 12	1H 11	Δ	2Q 12	2Q 11	Δ
Resorts	-2.3	-3.7	+37.9%	-1.0	-0.9	-14.7%
Resort Development	-1.4	-3.1	+54.0%	-0.8	-0.8	+6.6%
Resort Management (Golf, Marina and Market)	-0.4	-0.5	+7.2%	-0.2	-0.2	+30.9%
Atlantic Ferries	-0.4	-0.1	<-100%	0.0	0.2	-
Hotels	-1.9	-2.9	+34.5%	-0.5	-1.0	+50.6%
Fitness	-0.6	0.7	-	-0.2	0.2	-
Other Sonae Turismo	0.4	0.3	+59.4%	0.3	-0.1	-
Sonae Turismo's contribution	**-4.3**	**-5.7**	**+23.7%**	**-1.3**	**-1.7**	**+21.1%**

With the exception of real estate sales at **troia**resort (which grew 0.4 million euro in the second quarter of the year), **Sonae Turismo's top line** did not evidence any improvement in the quarter over last year's comparable following persistent pressures on available income and the corresponding effects in consumption. Quarterly turnover reached 9.2 million euro in the quarter, a 1.8 million euro decrease, and 16.7 million euro in the half year, down 4.1 million euro. Nevertheless, **EBITDA** performed better than last year and last quarter results reflect the impacts of the cost optimization process underway.

Fitness remained as the major contributor to the sub-holding's turnover decrease, with a 2.3 million euro drop in contribution to 6.4 million euro, mostly explained by lower new membership contracts (cancellations remained below last year's first half figures and average revenue per member was in

line with 2011 comparable). EBITDA remained 1.2 million euro below the first half of 2011, at negative 0.6 million euro.
Looking forward, in Fitness, efforts will remain mostly placed on the cost side, optimizing existing structures to face sharp decline in demand and recover past profitability levels.

In **Hotels**, lower activity levels and focus on efficiency improvement have been driving cost optimization at the business level, which has been particularly visible in Aqualuz Tróia (which improved 0.9 million euro in EBITDA to negative 1.2 million euro, despite of a 0.2 million euro decrease in turnover) and in Porto Palácio (which had a positive 3% EBITDA margin in the half year, improving from -1% in the first half of 2011).
According to its strategic roadmap, Hotel management team will proceed with the optimization of the cost structure in the existing units which is already underway.

Although no significant recovery in tourism real estate market was foreseen in the first half of the year, until 30 June 2012, 6 sales deeds were signed at **troia**resort (which include 2 exchanges of residential units, 2 units with an underlying PPA signed and 2 direct sales deeds), compared to same number but lower average sales price in the first half of 2011. In addition to these units, 2 Try before Buy contracts (rental contracts with embedded call option) were signed in the period.
In **Resort Development**, and to fight tourism real estate crisis effects, a new marketing plan has been designed and is currently being implemented. New sales formats and distribution channels are emerging for **troia**resort assets, with a clearer market positioning and fit to new market demand.

2.2. SPRED

Values in 10^3 euro

	Contributions to Consolidated Turnover					
	1H 12	1H 11	Δ	2Q 12	2Q 11	Δ
Sistavac Group	23.9	34.0	-29.6%	12.1	18.4	-34.1%
Energy and Environment	6.0	2.8	>100%	3.0	1.5	>100%
Other Spred	4.1	2.6	+56.6%	1.9	1.3	+51.2%
Spred's contribution	**34.0**	**39.4**	**-13.7%**	**17.0**	**21.1**	**-19.3%**

	Contributions to Consolidated EBITDA					
	1H 12	1H 11	Δ	2Q 12	2Q 11	Δ
Sistavac Group	0.0	2.6	-99.6%	0.3	1.8	-82.5%
Energy and Environment	1.5	0.6	>100%	0.9	0.3	>100%
Other Spred	0.0	0.1	-	0.2	0.1	>100%
Spred's contribution	**1.5**	**3.3**	**-54.7%**	**1.3**	**2.2**	**-38.0%**

Spred's profitability profile has shifted in the last months, signaling the Group's investment in the Energy business, which has been growing its importance and partly offsetting the decrease in Sistavac Group's results. Major businesses are still performing differently regarding turnover and EBITDA, evidencing different exposure levels to current market constraints.

Turnover for the half year amounted to 34.0 million euro, down 14% due to Sistavac's lower contribution, and **EBITDA** was positive 1.5 million euro, with Sistavac inverting last quarters' negative trend and evidencing a positive 0.3 million euro contribution to EBITDA.

Sistavac's Portuguese operations did not recover in the second quarter of the year, in either the refrigeration or HVAC segments, contributing to the 30% decrease in turnover in the half year, to 23.9 million euro, and 2.6 million euro decrease in EBITDA to close to zero figure. In Spain, turnover and EBITDA performance have been in accordance with the negative economic outlooks and increased competitive pressures in the market. Turnover decreased 1.0 million euro to 1.9 million euro and EBITDA was negative 0.2 million euro, a 0.2 million euro decrease. In Brazil, turnover increased 0.3 million euro to 1.4 million euro, following contracts signed with new customers, and EBITDA was still negative at 0.1 million euro, remaining roughly in line with the comparable period in 2011. In the second quarter of the year, traditionally more favorable, some recovery of first half deviations is expected to happen, although negative deviations towards last year figures should continue.

To overcome stagnant demand and market saturation in the Portuguese market regarding new refrigeration and HVAC projects, the development of the Maintenance business complemented with the expected impacts from an internal restructuring project which aims to adjust Sistavac cost structure to the new market conditions and size, are expected to drive Sistavac's performance in Portugal. As for growth, Sistavac's strategy is based on international expansion with, in the medium term, international operations leading growth and prevailing over domestic operations in what regards turnover and cash flow generation.

The Colombo cogeneration facility continued to explain the **Energy and Environment** increased contributions, up 3.2 and 0,9 million euro, to 6.0 million euro turnover and positive 1.5 million euro EBITDA, respectively. The Energy business has been growing its asset base and sustaining Spred's profitability over the recessive stage of the economic cycle.

In the second half of the year a new cogeneration facility should start operations and a photovoltaic project is already underway.

Looking forward, this business area will pursue the development of a relevant portfolio of energy production facilities, based on renewable sources, individual units of small/medium size and technological dispersion, positioning itself in specific market niches. International replica of the domestic growth model will be assessed once it delivers the desired success rates in Portugal, thus leading to geographical risk dispersion.

2.3. OTHERS

Values in 10^3 euro

	Contributions to Consolidated Turnover					
	1H 12	1H 11	Δ	2Q 12	2Q 11	Δ
SC Assets	1.1	3.6	-69.7%	0.6	1.3	-56.6%
Holding and Others	0.0	0.1	-67.1%	0.0	0.1	-99.2%
Others' contribution	**1.1**	**3.7**	**-69.6%**	**0.6**	**1.4**	**-59.8%**

	Contributions to Consolidated EBITDA					
	1H 12	1H 11	Δ	2Q 12	2Q 11	Δ
SC Assets	0.3	-0.2	-	0.1	0.0	>100%
Holding and Others	-0.6	-0.7	+6.6%	-0.2	-0.4	+58.6%
Others' contribution	**-0.3**	**-0.9**	**+62.9%**	**-0.1**	**-0.4**	**+79.9%**

SC Assets turnover performance was inevitably impacted by lower sales of real estate assets in the first half of the year.
The high diversity of non-strategic real estate assets comprised in SC Assets, together with real estate market prospects for assets with such characteristics, led to the strategic option of discontinuing real estate asset management as a business unit. As a consequence, Sonae Capital Group will no longer develop the segment of property ownership and real estate development and management, focusing SC Assets in monetizing non-core real estate assets, ensuring the optimal balance between the assets' value optimization and timeliness of sale, with the objective of delivering cash flow needed for the development of the Group's strategic businesses (namely Energy) and contribute to the reduction of debt levels.

2.4. GROUP'S PORTFOLIO

Summing up, under the new strategic approach the business portfolio was reconfigured and internal restructuring was made to ensure that focused and professional management teams are allocated to each one of the businesses. The recently appointed CFO will continue to ensure that liquidity management and debt reduction goal is on center of the Group's concerns.

Following the internal review, the Group has identified two strategic branches of business, Sonae Turismo and Spred, and a set of non-strategic assets, and in that sense available for sale, including SC Assets property, the participation units in the Imosede Fund, the shareholdings in Norscut (motorway concession) and health care business.

Investment in the medium term will be mostly explained by the Energy business. This business's steady cash flow generation profile and exposure to an economic cycle distinct from that affecting other Group's businesses, make it critical to the balance of Sonae Capital's portfolio.

As for the other business segments, in the current scenario, any growth options shall only be addressed following a capital light strategy.

3. CONSOLIDATED BALANCE SHEET

Values in 10^3 euro

	30.06.2012	31.12.2011	Δ
Tangible and Intangible Assets	242,403.4	243,567.0	-0.5%
Goodwill	61,028.5	61,028.5	0.0%
Non Current Investments	64,388.8	61,075.6	+5.4%
Other Non Current Assets	49,203.3	45,384.1	+8.4%
Stocks	207,705.7	209,213.3	-0.7%
Trade Debtors and Other Current Assets	44,027.4	49,581.6	-11.2%
Cash and Cash Equivalents	4,019.1	3,980.6	+1.0%
Total Assets	**672,776.1**	**673,830.8**	**-0.2%**
Total Equity attributable to Equity Holders of Sonae Capital	316,025.2	327,628.9	-3.5%
Total Equity attributable to Non Controlling Interests	8,877.2	9,241.8	-3.9%
Total Equity	**324,902.4**	**336,870.7**	**-3.6%**
Non Current Borrowings	164,505.5	182,564.9	-9.9%
Deferred Tax Liabilities	11,688.7	11,535.4	+1.3%
Other Non Current Liabilities	10,051.3	10,341.5	-2.8%
Non Current Liabilities	**186,245.6**	**204,441.7**	**-8.9%**
Current Borrowings	112,473.9	82,557.5	+36.2%
Trade Creditors and Other Current Liabilities	49,154.1	49,960.9	-1.6%
Current Liabilities	**161,628.1**	**132,518.3**	**+22.0%**
Total Liabilities	**347,873.7**	**336,960.1**	**+3.2%**
Total Equity and Liabilities	**672,776.1**	**673,830.8**	**-0.2%**

Capex amounted to 6.1 million euro in the half year, 3.6 million euro of which attributable to the Energy business (2.4 million euro for a new cogeneration facility, expected to start operations in the second half of 2012, and 1.2 million euro regarding equipment for a new photovoltaic project). Fitness explained 1.1 million euro capex, comprising the renewal of the Fitness equipment and units under the rebranding of Solinca. Other contributions, minor in value, mostly regard maintenance capex.

Net debt reached 273.0 million euro at the end of the first half of 2012, compared to 261.1 million euro as at 31 December 2011. In the first half of the year, operational free cash flow remained positive at 1.0 million euro. Gearing as at 30 June 2012 was 84.0% (77.5% in 31 December 2011).

Maia, 21 August 2012

The Board of Directors,

Glossary

- Capex = Investment in Tangible and Intangible Assets.
- Gearing = Net Debt / Equity.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- EBITDA = Operational Profit (EBIT) + Amortisation and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).

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