

Earnings Announcement 31 December 2012

Results for the year of 2012 reflect **commitments undertaken** by the Group to ensure steady profitability improvements, including:

- Effort towards the **optimization** of operations, which led to a 13% decrease in operational costs, contributing to the improvement of **EBITDA**, which stood at **-1.3 M.€** (-2.2 M.€ in 2011);
- Significant **investment in Energy** projects, totalling 8.6 M.€, reflecting its importance as a growth path for the future;
- **Fitness** operation in **Spain**, not regarded as strategic in the current business portfolio and thus discontinued;
- **Sale of non-strategic assets** (parcel of Imosede Participation Units), contributed to the 5 M.€ decrease in **net debt**.

Performance in the period reflects the **more adverse** market **environment** in Portugal, which led to a widespread slowdown in activity levels (ex-Energy and Environment), with consolidated **Turnover** amounting to **112.3 M.€** (an 18% fall over 2011 figures).

Values in 10⁶ euro

	12M			4Q		
	2012	2011	Δ	2012	2011	Δ
Turnover	112.3	136.9	-18%	28.6	34.5	-17%
EBITDA	-1.3	-2.2	+39%	-3.2	-1.8	-79%
EBIT	-19.2	-12.6	-52%	-11.0	-4.4	<-100%
Net Financial Expenses	-11.0	-10.4	-5%	-2.4	-2.4	+1%
Results from Associated Undertakings	3.5	5.2	-32%	-1.4	0.9	-
Investment Income	16.6	28.4	-41%	0.8	0.0	>100%
Net Profit	-11.7	3.8	-	-13.8	-11.6	-18%
	31.12.12	31.12.11	Δ			
Capex	12.1	11.0	10%			
Net Debt	256.1	261.1	-2%			

1. MAIN EVENTS

Sonae Capital's announcements released to the market in 2012 included:

Qualified Shareholdings
<p>2 January 2012 Sonae Capital, SGPS, SA informed about the decrease in UBS AG shareholding, below the threshold of 2% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.</p>
<p>4 January 2012 Sonae Capital, SGPS, SA informed about the decrease in Banco BPI, SA shareholding below the threshold of 2% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.</p>
<p>28 March 2012 Sonae Capital, SGPS, SA informed about alteration of voting rights attribution chain of Efanor Investimentos qualified shareholding, due to the sale, by Sonae – SGPS, SA to Pareuro BV, of 16,600,000 Sonae Capital shares.</p>
<p>10 October 2012 Sonae Capital, SGPS, SA informed about increase in Santander Asset Management shareholding, to 2.28% of the share capital and voting rights of Sonae Capital, SGPS, SA.</p>
<p>12 November 2012 Sonae Capital, SGPS, SA informed about decrease in the shareholding attributable to Dalal Street and Mohnish Pabrai, below the threshold of 5% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.</p>
<p>7 December 2012 Sonae Capital, SGPS, SA informed about decrease in the shareholding attributable to Dalal Street and Mohnish Pabrai, below the threshold of 2% of the share capital and of the voting rights in Sonae Capital, SGPS, SA.</p>
<p>26 December 2012 Sonae Capital, SGPS, SA informed about increase in Blueshore Global Equity Fund shareholding, to 2% of the share capital and voting rights of Sonae Capital, SGPS, SA.</p>

Statutory Bodies

29 February 2012

Sonae Capital, SGPS, SA informed about the decision to enlarge the Company's Executive Committee (ExCom) from two to three members, and to appoint Maria Cláudia Teixeira de Azevedo to the ExCom.

Corporate Governance

30 March 2012

Sonae Capital, SGPS, SA informed the market about resolutions taken in the Shareholders' General Meeting held on that date.

2. CONSOLIDATED PROFIT AND LOSS STATEMENT

Values in 10³ euro

	12M 12	12M 11	Δ (A/B)	4Q 12	4Q 11	Δ (C/D)
	(A)	(B)		(C)	(D)	
Turnover	112,288.5	136,884.9	-18.0%	28,565.6	34,459.1	-17.1%
Other Operational Income	11,542.2	11,571.3	-0.3%	2,634.4	1,700.4	+54.9%
Total Operational Income	123,830.7	148,456.2	-16.6%	31,200.0	36,159.5	-13.7%
Cost of Goods Sold	-36,584.7	-38,941.9	+6.1%	-10,651.9	-7,350.7	-44.9%
Change in Stocks of Finished Goods	-2,258.2	-3,581.3	+36.9%	-1,340.8	-1,248.5	-7.4%
External Supplies and Services	-44,753.5	-55,810.7	+19.8%	-12,011.2	-13,657.1	+12.1%
Staff Costs	-37,216.2	-41,357.7	+10.0%	-9,247.3	-11,057.9	+16.4%
Other Operational Expenses	-3,644.0	-4,635.6	+21.4%	-1,017.2	-707.7	-43.7%
Total Operational Expenses	-124,456.5	-144,327.2	+13.8%	-34,268.5	-34,021.8	-0.7%
EBITDA	-1,335.6	-2,180.2	+38.7%	-3,192.9	-1,781.3	-79.2%
Amortisation and Depreciation	-13,479.0	-13,734.9	+1.9%	-3,325.7	-3,603.9	+7.7%
Provisions and Impairment Losses	-5,128.5	-3,034.1	-69.0%	-4,623.7	-2,958.8	-56.3%
Operational Profit/(Loss) (EBIT)	-19,233.3	-12,640.1	-52.2%	-11,017.9	-4,425.0	<-100%
Net Financial Expenses	-10,965.9	-10,437.1	-5.1%	-2,388.0	-2,404.8	+0.7%
Share of Results of Associated Undertakings	3,501.2	5,166.2	-32.2%	-1,395.7	854.0	-
Investment Income	16,597.4	28,361.7	-41.5%	837.2	0.0	>100%
Profit before Taxation	-10,100.6	10,450.7	-	-13,964.4	-5,975.8	<-100%
Taxation	-1,626.3	-6,664.8	+75.6%	169.6	-5,672.7	-
Net Profit	-11,726.8	3,785.9	-	-13,794.8	-11,648.6	-18.4%
Attributable to Equity Holders of Sonae Capital	-11,092.0	2,994.3	-	-13,329.7	-11,698.1	-13.9%
Attributable to Non-Controlling Interests	-634.8	791.6	-	-465.0	49.5	-

Fourth quarter operational results decreased by around 6.6 million euro, compared to the same quarter of last year, including a negative 2.9 million euro impact, following the strategic option to shut down the Fitness unit in Spain and discontinue the operation (which was historically unprofitable) of the business in that country, and around 1.0 million euro from impairment losses on customers, as a result of existing difficulties in the portuguese economy.

The activity level remained depressed, with **quarterly Turnover** showing a 17% decrease, to 28.6 million euro. As in previous quarters, the Energy and Environment business posted a positive performance compared to the same period last year (+19%), mostly due to the cogeneration facility in Vale de Cambra (which started operations in 2012). Within Sonae Turismo, the Hotels business contribution stood out positively, with an 8% growth in turnover led by the operations in Tróia, which benefited from an increase in corporate events and from higher occupancy rates in the New Year's holiday season, compared to the previous year.

Despite of the obvious impact of the cost restructuring and optimization process in the Hotel business, which led to a 58% improvement in quarterly EBITDA, to negative 1.1 million euro (with Porto Palácio reaching operational breakeven with a positive 0.2 million euro EBITDA), and to the increased contribution from the Energy and Environment business (+39%), **quarterly EBITDA** decreased around 1.4 million euro, amounting to negative 3.2 million euro. Lower real estate assets sales and the increasing competitive pressures arising from the more severe macroeconomic scenario had a negative impact on operational profitability, particularly the margins reduction in Sistavac Group Portuguese and Spanish operations.

Moving from the quarter to the year, consolidated **Turnover** amounted to 112.3 million euro, evidencing an 18% decrease over the 136.9 million last year turnover, a trend experienced by most of Sonae Capital's business segments, with the exception of Energy (which improved compared to 2011, on the back of 12 months contribution from Colombo's cogeneration operation and of approximately 6 months of operation of the new cogeneration facility in Vale de Cambra).

EBITDA for the year was negative 1.3 million euro, posting an increase compared to the negative 2.2 million euro in 2011, profiting from the multiplier effect associated with the cash flow generation profile of the Energy and Environment business, and from the cost restructuring process, aimed at optimizing the cost structures and their adjustment to effective activity levels. This process, which implementation occurred at a faster pace in Sonae Turismo, has contributed to the 13% annual reduction in operational costs, on a like for like basis (i.e., excluding the impact of non-recurrent costs incurred in 2011, related with judicial claims which had been fully impaired and had a negative effect on 2011 EBITDA).

The 5% increase in the year's **Net Financial Expenses**, which amounted to 11.0 million euro, stems from a higher cost of debt compared to the previous year, as a result of a higher average debt spread in the first half of the year, partially offset by a lower market interest rate in the second half.

In 2011, **Results from Associated Undertakings** included the contributions of the Imosede Fund and of TP (the latter until its sale in June 2011), which amounted to circa 4.1 million euro. In 2012, this caption amounted to 3.5 million euro, with Norscut explaining 2.6 million euro of that total. The Imosede Fund has also contributed with 1.2 million euro in 2012, up to the moment when the accounting method of the Fund's participation units changed from equity accounting to available for sale assets, measured at fair value.

Investment Income for the year, amounting to 16.6 million euro, mostly regards the impact of the value update of Imosede Fund's participation units, following the reclassification of the Fund as available for sale asset (and held at fair value).

As a result of such evolution, **Net Profit** for the year was negative 11.7 million euro, compared to positive 3.8 million euro in 2011 (which were significantly impacted by the 20.3 million euro capital gain from the sale of the shareholding in TP).

3. BUSINESS HIGHLIGHTS

3.1. SONAE TURISMO

Values in 10⁶ euro

Contributions to Consolidated Turnover						
	12M 12	12M 11	Δ	4Q 12	4Q 11	Δ
Resorts	10.8	14.1	-24.0%	1.0	1.7	-40.1%
Resort Development	3.7	6.7	-44.1%	0.2	0.7	-66.6%
Resort Management (Golf, Marina and Supermarket)	2.3	2.4	-1.8%	0.2	0.3	-20.4%
Atlantic Ferries	4.7	5.1	-7.8%	0.5	0.7	-20.5%
Hotels	13.9	15.2	-8.3%	2.6	2.4	+8.0%
Fitness	11.7	15.7	-25.3%	2.6	3.5	-23.9%
Other Tourism	0.0	0.0	-65.2%	0.0	0.0	-
Sonae Turismo's contribution	36.4	45.1	-19.1%	6.3	7.6	-17.2%

Contributions to Consolidated EBITDA						
	12M 12	12M 11	Δ	4Q 12	4Q 11	Δ
Resorts	-3.0	-3.9	+24.7%	-1.3	-1.3	-3.4%
Resort Development	-2.7	-3.9	+31.8%	-0.6	-0.7	+18.9%
Resort Management (Golf, Marina and Supermarket)	-0.7	-0.8	+12.7%	-0.3	-0.3	+0.9%
Atlantic Ferries	0.4	0.7	-50.0%	-0.5	-0.3	-58.3%
Hotels	-1.5	-4.5	+65.8%	-1.1	-2.5	+58.0%
Fitness	-2.0	0.2	-	-1.2	-0.3	<-100%
Other Tourism	0.3	-0.4	-	0.4	-0.3	-
Sonae Turismo's contribution	-6.2	-8.6	+28.0%	-3.2	-4.4	+26.6%

Turnover at **Sonae Turismo** totaled 6.3 million euro in the quarter (7.6 million euro in the comparable 2011 quarter) and 36.4 million euro in the year (representing an around 19% decrease). Despite of the significant fall at the income level, the rationalization efforts aimed at the cost structure contributed to the 28% increase in annual EBITDA (+27% in the quarter), to negative 6.2 million euro (negative 3.2 million euro in the fourth quarter).

Tourism real estate assets sales had little impact in the period, decreasing compared to the previous year, as a result of greater investor caution in capital allocation decisions, due to the uncertainty embedded in the current economic environment. In 2012, 7 sales deeds and 3 Try and Buy contracts were signed (compared to 13 sales deeds in 2011). Residential units sold up to December 2012 amounted to 8, same level of the previous year.

Atlantic Ferries annual performance, evidencing decreases of 8% decrease in turnover, to 4.7 million euro, and 0.3 million euro in EBITDA, which remained positive at 0.4 million euro, was mostly due to the fall in traffic volumes (of both passengers and vehicles).

In **Hotels**, consolidated turnover decreased around 8% to 13.9 million euro, with occupancy indicators evidencing distinct performance in the several Group units. Room nights sold increased around 9% in Aqualuz **troia** resort hotels, remained in line with the previous year in the Lagos unit, and decreased 17% in Porto Palácio Hotel. The trend towards declining average daily revenue impacted all hotel units, contributing to the decrease in turnover.

The reduction in operational costs was particularly visible in this business segment, mostly regarding personnel costs, maintenance and cleaning and energy costs, which totally offset the impact of lower turnover in the Group's hotel units, leading to a 3.0 million euro growth in EBITDA, to negative 1.5 million euro. In Porto Palácio Hotel, EBITDA was positive 0.3 million euro (compared to negative 1.2 million euro in 2011), remaining on negative ground in Aqualuz units (-0.8 million euro in Tróia, versus -2.4 million euro in 2011, and -1.0 million euro in Lagos, in line with the previous year).

Fitness continued to show the impact of the increasing pressure over available income, with the obvious fall in the number of active members. In this contraction scenario, turnover decreased 25% compared to the previous year figure, remaining at 11.7 million euro, and EBITDA remained at negative 2.0 million euro, compared to an almost null contribution in 2011. The management team has been promoting a set of initiatives to adjust its commercial offer, which are expected to continue to show positive impacts in the number of members during 2013 despite of the decrease in the average revenue per member, which is regarded as necessary under the current economic environment in Portugal, which shows a sharp fall in the available income of families. Under this scenario, cancellations remained significantly below last year's figures, and in September (with the launch of the new promotional campaign) the number of new membership contracts was higher than the number of cancellations, for the first time in the last 18 months, a monthly pattern which remained until the end of the year. Following the internal strategic review process, and due to the lack of strategic fit with the guidelines set for the Fitness business, the fitness business in Spain was discontinued (having an historical record of negative EBITDA contributions, -0.7 million euro in 2012) and ceased operations at the end of the year.

3.2. SPRED

Values in 10⁶ euro

Contributions to Consolidated Turnover						
	12M 12	12M 11	Δ	4Q 12	4Q 11	Δ
Sistavac Group	52.8	69.0	-23.5%	16.3	18.5	-11.8%
Energy and Environmet	13.0	8.4	+53.6%	3.4	2.8	+19.2%
Other Spred	8.1	6.9	+17.2%	2.2	2.9	-24.8%
Spred's contribution	73.9	84.4	-12.4%	21.9	24.2	-9.7%

Contributions to Consolidated EBITDA						
	12M 12	12M 11	Δ	4Q 12	4Q 11	Δ
Sistavac Group	0.0	5.3	-	-0.3	1.6	-
Energy and Environmet	3.3	2.0	+64.9%	1.0	0.7	+38.9%
Other Spred	0.1	0.0	-	0.0	-0.3	+83.6%
Spred's contribution	3.4	7.2	-53.6%	0.6	2.0	-70.7%

Spred's turnover amounted to 73.9 million euro in the year, a 12% decrease compared to 2011 explained by the declining contribution from the Sistavac Group. The positive 3.4 million euro EBITDA was mostly driven by the performance of the Energy and Environment business (with a 3.3 million euro EBITDA, representing a 65% growth), with the remaining businesses posting close to zero annual EBITDA contributions.

The performance of **Sistavac** Group companies in Portugal, with a turnover of 45.9 million euro and a 24% decrease over the previous year, was mostly impacted by the HVAC segment which, although evidencing a higher volume of work assignments, suffered from a significant fall in the average value per assignment. Refrigeration and the new general contracting business area (with started in the second half of the year) contributed positively to consolidated turnover. Since the optimization of cost structures and its alignment with new market conditions is not yet concluded, the decrease in turnover has inevitably led to a 5.0 million euro reduction in the annual EBITDA, to positive 0.5 million euro.

In Spain, activity level dropped significantly, with turnover reaching 3.6 million euro (5.5 million euro in 2011), and harming the business profitability, generating a negative 0.5 million euro EBITDA (negative 132 thousand euro in the previous year). As in Portugal, the structures optimization process is still ongoing, aimed at improving the operations profitability.

Performance in Brazil was positive, with an increase in the number of work assignments and the implementation of measures directed at improving operational and commercial efficiency. In this scenario, turnover grew 12% to 3.3 million euro, and EBITDA remained close to zero, posting a 0.1 million euro compared to the previous year.

Turnover from the **Energy and Environment** business area grew 4.6 million euro in the year, to 13.0 million euro, driven by the contribution of the new cogeneration facility located in Vale de Cambra (which started operations in the third quarter of 2012) and a partial impact from the Colombo cogeneration facility (which was still ramping up in July 2011). The 1.3 million euro increase in EBITDA, to 3.3 million euro in the year, has the same underlying explanation (+0.8 million euro from the Colombo facility and +0.4 million euro from Vale de Cambra cogeneration).

3.3. OTHERS

Values in 10⁶ euro

Contributions for Consolidated Turnover						
	12M 12	12M 11	Δ	4Q 12	4Q 11	Δ
SC Assets	1.8	7.2	-74.3%	0.4	2.6	-85.8%
Holding and Others	0.1	0.2	-49.3%	0.0	0.1	+38.6%
Others' contribution	2.0	7.4	-73.5%	0.4	2.6	-84.6%

Contributions for Consolidated EBITDA						
	12M 12	12M 11	Δ	4Q 12	4Q 11	Δ
SC Assets	3.3	1.3	>100%	0.1	1.5	-96.3%
Holding e outros	-1.8	-2.1	14.1%	-0.6	-0.8	27.8%
Others' contribution	1.5	-0.8	-	-0.5	0.6	-

The performance of **SC Assets** turnover was inevitably impacted by a lower volume of real estate assets sales in 2012.

EBITDA from SC Assets includes 3.0 million euro regarding an one-off accounting adjustment following the change in Imosede Fund's participation units accounting method (from equity accounting to available for sale assets, measured at fair value), and thus not related with any real estate transaction made in the period.

4. CONSOLIDATED BALANCE SHEET

Values in 10³ euro

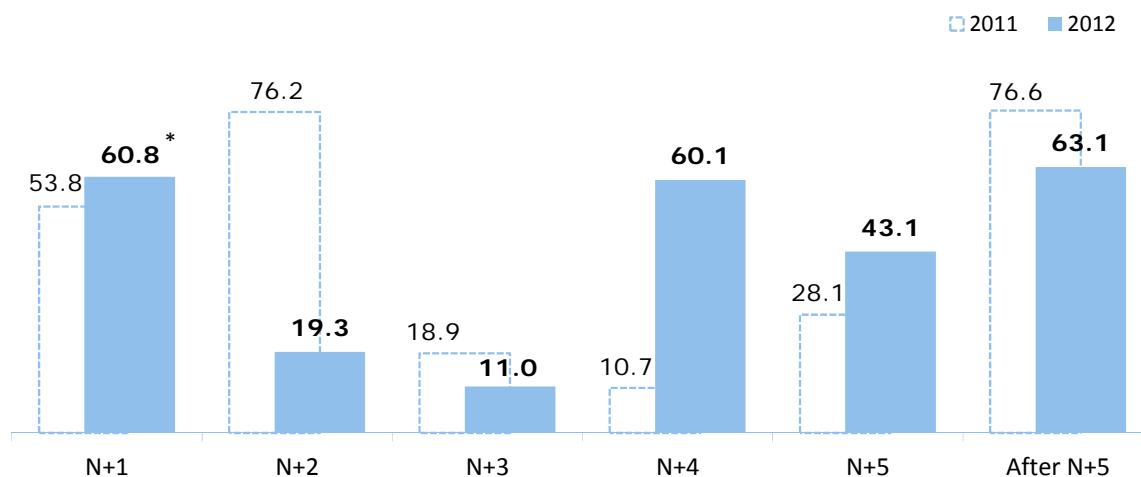
	31.12.2012	31.12.2011	Δ
Tangible and Intangible Assets	253,948.5	243,567.0	+4.3%
Goodwill	60,988.6	61,028.5	-0.1%
Non Current Investments	54,991.2	61,075.6	-10.0%
Other Non Current Assets	48,331.0	45,384.1	+6.5%
Stocks	187,800.6	209,213.3	-10.2%
Trade Debtors and Other Current Assets	48,109.6	49,581.6	-3.0%
Cash and Cash Equivalents	3,244.7	3,980.6	-18.5%
Total Assets	657,414.3	673,830.8	-2.4%
Total Equity attributable to Equity Holders of Sonae Capital	315,249.5	327,628.9	-3.8%
Total Equity attributable to Non Controlling Interests	8,707.6	9,241.8	-5.8%
Total Equity	323,957.1	336,870.7	-3.8%
Non Current Borrowings	158,675.7	182,564.9	-13.1%
Deferred Tax Liabilities	14,344.5	11,535.4	+24.4%
Other Non Current Liabilities	7,077.1	10,341.5	-31.6%
Non Current Liabilities	180,097.3	204,441.7	-11.9%
Current Borrowings	100,639.2	82,557.5	+21.9%
Trade Creditors and Other Current Liabilities	52,720.6	49,960.9	+5.5%
Current Liabilities	153,359.9	132,518.3	+15.7%
Total Liabilities	333,457.2	336,960.1	-1.0%
Total Equity and Liabilities	657,414.3	673,830.8	-2.4%

Capex amounted to 12.1 million euro in the year, of which 8.6 million euro explained by the expansion plan of the Energy and Environment business (3.2 million euro in Vale de Cambra cogeneration facility, which started operations in the third quarter of 2012, and 3.3 million euro regarding the new photovoltaic project, which is expected to start operations in the last quarter of 2013). In Fitness, capex for the year reached 1.2 million euro, including the renewal of equipment and of the Solinca brand. Among remaining contributions, around 0.6 million euro regard real estate assets licenses, with the remainder (minor in value) regarding maintenance capex.

Change in **Non-Current Investments** is explained by the sale, in the 4th quarter of 2012, of 24,600 Participation Units of the Imosede Fund, corresponding to a 28% shareholding.

As at 31 December 2012, **Net Debt** reached 256.1 million euro, compared to 261.1 million euro at 31 December 2011 and 267.3 million euro at 30 September 2012, a decrease that reflects the use of a parcel from the cash inflow generated in the sale of Imosede Fund's participation units on debt reduction. In 2012, the Group's operational cash-flow was 1.5 million euro. Gearing as at 31 December 2012 was 79.0% (77.5% in 31 December 2011).

The forecasted repayment schedule of borrowings (in million euro), as at 31 December 2012, taking into consideration commitment periods in relation to each financing operation, was as follows:



N: Reporting Date

* Includes commercial paper taken under short term lines of credit with automatic renewals. Following the policies and measures implemented to manage liquidity and bank relationship risks, the Group does not foresee any risks which may affect businesses as a going concern.

5. OUTLOOK


More than ever, no prospective reflection exercise can ignore an economic and social reality which appears difficult and filled with uncertainties. Bearing this in mind, 2012 already showed the impacts of the cost savings and cost cutting plans and saving plans promoted across all of the Group's business units, although evidencing different level of implementation and capture of potential savings.

Debt reduction in the year was in line with the debt reduction medium term objective, and further decrease is expected in 2013 (of debt apart from the expansion of the Energy business).

In 2013, the management team maintains its roadmap aimed at ensuring the sustainability and profitability of the Group's business portfolio. Thus, the sale of non-core assets will continue to be critical in reducing debt levels and free cash-flow to develop the core businesses of the Group.

As the business level, teams will continue focused in the improvement of the operations profitability through the development of the sales effort and pursuance of the approved cost structures optimization plans.

More specifically in **Sonae Turismo**, the review should consider alternative business development scenarios, with the objective of maximizing the value of a set of assets regarded as core.



In the **Sistavac Group**, international expansion will continue to be critical in the sustainability of the more significant businesses (Refrigeration and HVAC), together with an inevitable material change in the cost structure in Portugal, with the objective of reestablishing profitability levels. From a value creation perspective, the Group will continue to pursue growth opportunities in the **Energy and Environment** business, in which there is currently an ongoing assessment of a number of new projects which may support the sustained expansion of the portfolio.

Aware that the non-strategic assets (other than real estate) are increasingly scarce, and that the placement of real estate assets does not face its most appealing momentum, management teams are confident and committed to the pursuit of strategic options that will lead to positive profitability levels and cash-flow generation compatible with the outlined funding objectives, ensuring that businesses are managed under a **going concern** assumption.

Maia, 21 February 2013

The Board of Directors



Glossary

- Average Daily Revenue = Lodging Revenues / Number of rooms sold.
- Capex = Investment in Tangible and Intangible Assets.
- Gearing = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- Operational Cash-Flow (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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