



REPORT AND ACCOUNTS

31 MARCH 2014



INDEX

▪ REPORT OF THE BOARD OF DIRECTORS	3
0. CEO MESSAGE	4
1. HIGHLIGHTS	5
2. OVERALL PERFORMANCE	6
3. SEGMENT PERFORMANCE	9
4. CORPORATE INFORMATION	14
5. METHODOLOGICAL NOTES AND GLOSSARY	15
▪ CONSOLIDATED FINANCIAL STATEMENTS	17
▪ INDIVIDUAL FINANCIAL STATEMENTS	53



**REPORT OF THE BOARD OF
DIRECTORS**

31 MARCH 2014



0. CEO MESSAGE

Throughout 2013, Sonae Capital Group developed a deeply strategic analysis in order to setup current positioning, strategic guidelines and future options. As such and as we have already published, the Group's Vision and Mission were clearly defined, based in 4 strategic pillars: (i) grow with profitability; (ii) focus in international expansion; (iii) privilege capital light strategies or with short term payback and guaranteed revenues; and (iv) design the portfolio to ensure the coexistence of different businesses' stages in diverse sectors.

2014 will be the first year fully dedicated to the implementation and materialization of the defined strategy. Besides growing the strategic businesses, we will be focused in releasing capital from the current non-strategic businesses in order to support new investment opportunities and enhance the growth of the Group's portfolio.

In this context, during the 1Q14 we significantly strengthened the investment in the Energy sector, namely, in Cogeneration. The acquisition of 10 new Cogeneration operations allowed us to triple the installed capacity and, at the same time, ensure more stability and sustainability to the operational profitability and cash flow.

Concerning 1Q14 Consolidated Results, Sonae Capital maintained the positive evolution observed in previous quarters, with important increases in Turnover (+52%) and EBITDA (+61%). Tourism segment, supported in Troia Real Estate sales, increased revenues more than two times, which has also accounted for with an important contribution from Fitness segment that once again registered a significant increase in the number of active members. The Energy business, despite considering only one month of the new cogenerations units, increased both Turnover and EBITDA 117% and 70% respectively. Regarding Refrigeration and HVAC business, it should be noted the increased business' backlog, both in Portugal and in international operations, foreseeing a recovery in Turnover and EBITDA. We maintain our focus in obtaining liquidity from non-strategic assets; during 1Q14, Turnover allocated to such assets amounted to 0.95M€, which compares to 0.8M€ in 1Q13, in a comparable basis.

As a result of the operating performance achieved in 1Q14 and notwithstanding the acquisition of the new cogeneration operations, Net Debt has marginally decreased to 245.6 million euro. Excluding Debt growth allocated to the Energy business, Net Debt has revealed, once again, a downward trend and demonstrates our commitment and focus on continuing the implementation of the corporate strategy defined at the end of 2013.

Cláudia Azevedo

1. HIGHLIGHTS

1Q14 RESULTS CONFIRMS THE POSITIVE OPERATIONAL AND FINANCIAL INDICATORS TREND EVOLUTION...

... Consolidated **TURNOVER GREW 52%**, driven by:

- the maintenance of the positive trend regarding tourism real estate sales in **troiaresort**, amongst the highest ever (+10.3M.€ to 12.1M.€). During the 1Q14 were signed 21 deeds regarding real estate units in **troiaresort**, to which must be added 8 promissory purchase agreements and 8 reservation agreements;
- the Energy segment growth of 3.8M.€ to 7.09M.€, strengthened by the consolidation of only one month of the new Cogeneration operations;
- the increase of 21% in the Fitness segment, consolidating previous quarters trend and the new business positioning, achieving a 34% increase in the average number of active Members;

... Consolidated **EBITDA¹**, excluding Guaranteed Income Provisions, amounted to **1.31M.€**, a significant improvement of 2.2M.€ compared to 1Q13:

- due to the improvement in Tourism operating segments, excluding Hospitality, and the increasing contribution of the Energy business, both from a "stand alone" perspective or when including the 0.49M.€ contribution relative to one month of the new Cogeneration units;
- Including the Provision accounted for in 1Q14 related to the estimated present value of potential costs for the period of the Guaranteed Income in real estate sales in **troiaresort** which, for conservative reasons, are recognized at the moment of sale, the Consolidated EBITDA amounted to (0.35)M.€, registering an improvement of 61.2% or 0.54M.€ compared to 1Q13.

... Consolidated **NET PROFIT** (-5.23M.€) improved significantly by 1.2M.€ when compared to 1Q13.

... **POSITIVE 0.36M.€ FREE CASH FLOW** in 1Q14, even considering the acquisition of the new Energy operations (net impact of 4.2M.€).

NET DEBT WAS MAINTAINED UNDER CONTROL, decreasing to **245.6M.€** despite the acquisition of the cogeneration units. Particularly relevant, when excluding the Debt allocated to the Energy segment, Net Debt decreased to **226.4M.€** (a 3.7M.€ reduction), as the commitment assumed by the Group to reduce its financial leverage.

¹ EBITDA excluding the estimated present value of potential costs for the full period of the Guaranteed Income in real estate sales at **troiaresort**

2. OVERALL PERFORMANCE

The financial and operating performance during 1Q14 was globally positive, with positive evolutions across all major financial KPI's, namely 52.3% in Turnover, 61.2% in EBITDA and 18.7% in Net Profit. The performance at the Debt level was also positive, reducing 0.4M.€ in the quarter despite the acquisition of the new Energy operations which impacted FCF in 4.2M.€ (Net Debt reduced 3.7M.€ excluding the Energy segment).

2.1. CONSOLIDATED PROFIT AND LOSS

Consolidated Profit and Loss Million euro			
	3M 2014	3M 2013	D 14/13
Total Operational Income	38,45	26,25	+46,5%
Turnover	37,41	24,57	+52,3%
Tourism	16,92	6,32	>100%
Resorts	12,09	1,77	>100%
Hospitality	1,46	1,76	-17,1%
Fitness	3,37	2,79	+20,8%
Energy	7,09	3,27	>100%
Refrigeration & HVAC	12,42	13,39	-7,2%
Others & Eliminations	0,98	1,59	-38,4%
Other Operational Income	1,04	1,68	-38,1%
EBITDA excluding Guaranteed Income Provisions	1,31	-0,89	-
Tourism	-0,03	-2,56	+98,8%
Resorts	2,17	-0,37	-
Hospitality	-2,45	-2,36	-3,9%
Fitness	0,31	0,15	>100%
Energy	1,45	0,85	+69,6%
Refrigeration & HVAC	-0,48	0,11	-
Others & Eliminations	0,37	0,70	-47,5%
Provisions for Guaranteed Income	-1,65	0,00	-
EBITDA	-0,35	-0,89	+61,2%
Amortization & Depreciation	-3,28	-3,38	+3,0%
Provisions & Impairment Losses	-0,01	-0,07	+78,5%
EBIT	-3,64	-4,13	+11,8%
Net Financial Expenses	-2,91	-2,45	-18,6%
Investment Income and Results from Assoc. Undertakings	1,73	1,58	+9,6%
EBT	-4,82	-5,00	+3,7%
Taxation	-0,41	-1,43	+71,3%
Net Profit	-5,23	-6,43	+18,7%
Attributable to Equity Holders of Sonae Capital	-5,00	-6,25	+20,1%
Attributable to Non-Controlling Interests	-0,23	-0,18	-25,8%

* EBITDA excluding the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at troiaresort

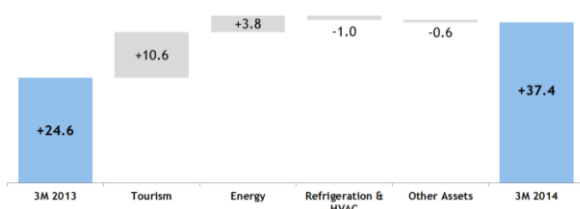
Consolidated **Turnover** reached 37.4M.€ representing a 52.3% growth over the comparable period, with significant contributions from the real estate sales but also with an important contribution from the Fitness segment (+20.8%) and the Energy business. The Refrigeration, HVAC and Maintenance business registered a 15% backlog increase when compared to the previous quarter but it has posted a 7.2% turnover decrease compared to last year driven by lower international activity and the delay in the launch of some projects. Regarding the segment "Others", the negative variation of 38.4% corresponds to the contribution of the discontinued operations (mainly healthcare). Excluding this effect, on a comparable basis, this segment would have increased 18.0%.

Consolidated EBITDA in 1Q14, excluding Guaranteed Income Provisions, amounted to 1.31M.€, registering a significant growth of 2.2M.€ and showing important increases across different segments: (i) Tourism segment presented an EBITDA roughly neutral, due to important and growing contributions from Resorts (+2.54M.€) and Fitness (+0.16M.€) segments driven by the increase in real estate sales in troiaresort and the increase in the number of active members, respectively, despite the negative evolution in Hospitality, penalized by the Easter seasonality, that occurred in the second quarter in 2014; (ii) Energy business reached an EBITDA of 1.45M.€ achieving a growth of 69.6% including only one month of the new Cogeneration operations. Excluding this impact, the

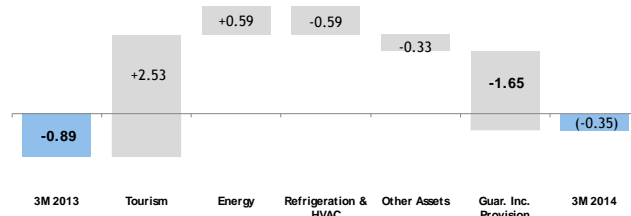
EBITDA of the Energy segment would have been of 0.96M.€, an increase of 13% over the comparable period; and (iii) the Refrigeration and HVAC segment posted an EBITDA decrease to negative 0.48M.€ following the turnover decrease.

Consolidated EBITDA in 1Q14 including, for conservative reasons, the estimated present value of the potential costs for the full period of the Guaranteed Income in real estate sales at troiaresort, reached negative 0.35M.€, showing a significant increase of 61.2% compared to 1Q13.

Turnover (M.€)



EBITDA (M.€)



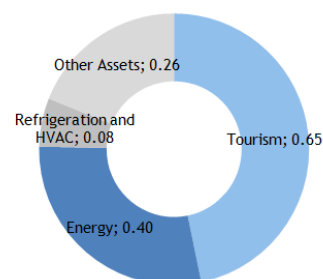
Net profit in 1Q14 was negative 5.23M.€, 18.7% or 1.2M.€ above 1Q13. EBITDA and Investment Income and Results from Associated Undertakings (including the new cogeneration operations which are not fully consolidate) improvement, more than offset the lower net financial results which, nevertheless discloses a better performance when compared to the last two quarters as a result of the continued Net Debt decline.

Amongst the contributions to the net profit it should be highlighted the 9.6% growth in Results from Associated Undertakings / Investment mostly due to the contribution of Norscut and the two of the ten new Cogeneration operations where the Group does not hold a majority shareholding.

2.2. CAPEX

Capex (excluding the investment related to the acquisition of the new Cogeneration operations) amounted to 1.39M.€ in 1Q14, corresponding to a Capex/Sales ratio of 3.7%, below the 5.0% recorded in FY13 (or 4.8% in 1Q13). The bulk of Capex is mostly driven by the Resorts and Hospitality segments, the latter related to the opening of new concept Hotel in Oporto, a partnership with "Escola de Hotelaria e Turismo do Porto". Regarding the Energy business, Capex was mainly driven by the launch of Martim Longo operation (Photovoltaic - 2MW).

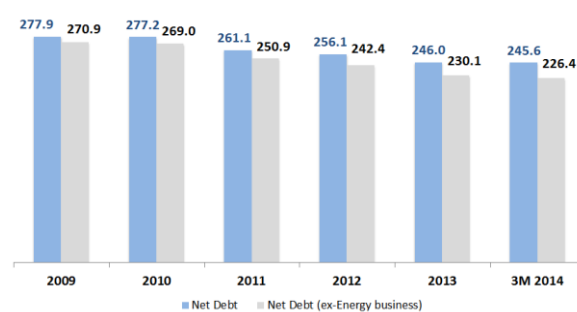
	1Q13 (M€)	Capex/Sales (1Q13)	1Q14 (M€)	Capex/Sales (1Q14)
Tourism	0.12	2.0%	0.65	3.9%
Energy	0.87	26.7%	0.40	5.6%
Refrigeration and HVAC	0.07	0.5%	0.08	0.6%
Other Assets	0.11		0.26	
Capex	1.18	4.8%	1.39	3.7%



2.3. CAPITAL STRUCTURE

Consolidated Balance Sheet Million euro			
	3M 2014	2013	D Mar14/Dec13
Total Assets	648,5	633,4	+2,4%
Tangible and Intangible Assets	249,3	246,3	+1,2%
Goodwill	61,0	61,0	+0,0%
Non-Current Investments	54,1	52,0	+4,1%
Other Non-Current Assets	46,6	45,8	+1,9%
Stocks	172,0	178,9	-3,9%
Trade Debtors and Other Current Assets	52,0	46,5	+12,0%
Cash and Cash Equivalents	13,4	3,0	>100%
Total Equity	308,0	313,2	-1,7%
Total Equity attributable to Equity Holders of Sonae Capital	298,5	304,3	-1,9%
Total Equity attributable to Non-Controlling Interests	9,5	8,9	+7,2%
Total Liabilities	340,6	320,3	+6,3%
Non-Current Liabilities	182,9	171,9	+6,4%
Non-Current Borrowings	163,9	153,0	+7,2%
Deferred Tax Liabilities	12,8	12,6	+2,0%
Other Non-Current Liabilities	6,2	6,3	-2,2%
Current Liabilities	157,6	148,4	+6,2%
Current Borrowings	95,1	96,1	-0,9%
Trade Creditors and Other Current Liabilities	62,5	52,3	+19,4%
Total Equity and Liabilities	648,5	633,4	+2,4%

Net Capital Employed Million euro			
	3M 2014	2013	2012
Net Capital Employed	553.6	559.2	580.0
Capex in the Period	1.4	1.2	12.1
Working Capital	161.6	173.1	183.2
Equity	308.0	313.2	324.0
Net Debt	245.6	246.0	256.1
Net Debt / Capital Employed	44.37%	44.00%	44.15%
Gearing	79.76%	78.56%	79.04%



At the end of 1Q14, **Net Debt** amounted to 245.6M.€, slightly below the YE13 figure, despite the acquisition of the new cogeneration operations. Excluding debt allocated to the Energy business, Net Debt amounted to 226.4M.€ and registered a 3.7M.€ decrease compared to the end of 2013, highlighting the effort and the commitment to reduce financial leverage.

3. SEGMENTS PERFORMANCE

3.1. TOURISM

Profit and Loss Account Million euro			
Tourism	3M 2014	3M 2013	D 14/13
Total Operational Income	15,38	5,26	>100%
Turnover	16,92	6,32	>100%
Resorts	12,09	1,77	>100%
Hospitality	1,46	1,76	-17,1%
Fitness	3,37	2,79	+20,8%
Other Operational Income	-1,54	-1,07	-45,0%
Total Operational Costs	-15,41	-7,81	-97,2%
Cost of Goods Sold	-0,32	-0,29	-11,6%
Change in Stocks of Finished Goods	-5,96	-0,61	<-100%
External Supplies and Services	-5,91	-3,73	-58,5%
Staff Costs	-2,87	-2,83	-1,3%
Other Operational Expenses	-0,34	-0,35	+2,5%
EBITDA excluding Guaranteed Income Provisions	-0,03	-2,56	+98,8%
Resorts	2,17	-0,37	-
Hospitality	-2,45	-2,36	-3,9%
Fitness	0,31	0,15	>100%
Provisions for Guaranteed Income	-1,65	0,00	-
EBITDA	-1,68	-2,56	+34,1%
Capex	0,65	0,12	>100%
EBITDA-Capex	-2,34	-2,68	+12,9%

* EBITDA excluding the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at troiaresort

Sonae Turismo's **Turnover** in 1Q14 amounted to 16.92M.€, showing a significant increase of 168% compared to 1Q13, with a very strong contribution from troiaresort's real estate deeds and a 21% growth in the Fitness segment.

EBITDA, excluding Guaranteed Income provisions, was roughly neutral, registering a growth of 2.59M.€ when compared to 1Q13, reflecting a positive trend in all business segments except for Hospitality, in consequence of the seasonality between 1Q and 2Q of the Easter calendar. Total EBITDA amounted to negative 1.68M.€, registering an increase of 34%.

Capex, although higher than in 1Q13, remained at low levels, contributing to the improvement in operating cash flow (EBITDA-Capex).

A. RESORTS

The 1Q14 maintained a commercial dynamism in line with the previous quarter, having been celebrated 21 deeds from the troiaresort residential units (compared to 2 in 1Q13, 16 in the 4Q13 and 39 throughout the year 2013), 8 promissory purchase agreements and reservations agreements (with advance payment) for additional 8 units. As at 31st March 2014, 288 sales deeds on residential units in troiaresort had been signed.

As result of the large number of deeds, **turnover** reached 12.09M.€, 6.8 times higher than in 1Q13 and accordingly **EBITDA**, excluding Guaranteed Income Provisions, reached 2.17M.€, representing an increase of 2.54M.€. For prudence and following the traditional conservative approach that should govern the accounting principles, it is accounted as provisions at the time of the sale, the present value of potential costs for the period of the Guaranteed Income from troiaresort real estate sales (the difference between the guaranteed rate of return and the expected commercial operation). Due to the sales recorded in 1Q14, this value amounted to 1.65M.€, reflecting a level of EBITDA of 0.52M.€, 0.88M.€ higher than in 1Q13.

B. FITNESS

The dynamism and the improving trend in turnover and profitability observed in previous quarters has remained during the 1Q14 with the average number of active members registering a growth of 34% compared to 1Q13.

Turnover increased 21% to 3.37M.€ due to the increase of the active members base, despite the lower market average monthly fees. As a consequence of the increased turnover and the implemented optimization and rationalization measures aimed at reduce the cost base, **EBITDA** doubled when compared to 1Q13 to 0.31M.€, registering a margin of 9% (+3.8pp higher than last year).

C. HOSPITALITY

Turnover from the Hotels segment, penalized for the Easter calendar that occurred in the second quarter in 2014, showed a decrease of 17% to 1.46M.€ in consequence of a 4pp fall in occupancy rate when compared to 1Q13 . During the 1Q14, the number of room nights sold decreased 19% in the total Group's hotel properties, compared with the 1Q13.

Despite the 17% decrease in turnover, and as a result of the optimization and rationalization cost measures implemented over the past few years, **EBITDA** has only declined 4% remaining at negative levels of 2.45M.€.

Excluding rents (that are intercompany movements subject to changes upon completion of the assets' valuation carried out by an external entity), it should be highlighted that the Hospitality segment EBITDAR amounted to negative 1.06M.€, showing a slight decrease when compared to the negative value of 0.94 M.€ registered in 1Q13.

In April (and therefore not considered in the 1Q14 results), in partnership with the "Escola de Hotelaria e Turismo do Porto" it was launched a new hotel, following a capital light approach. This is a unit with 17 rooms, restaurant, bar and meeting rooms, where students of the "Escola de Hotelaria e Turismo do Porto" will be able to apply their knowledge. Inspired by the arts and appreciation of beauty, The Artist Porto Hotel & Bistro offers a contemporary and comfortable atmosphere, where every detail transports us to a creative and unique environment with a strong motivational atmosphere, inspiring and helping to grow (personally and professionally) students of the "Escola de Hotelaria e Turismo do Porto".

3.2. ENERGY

Profit and Loss Account			
Million euro			
Energy	3M 2014	3M 2013	D 14/13
Total Operational Income	7,08	3,30	>100%
Turnover	7,09	3,27	>100%
Other Operational Income	0,00	0,03	-
Total Operational Costs	-5,64	-2,45	<-100%
Cost of Goods Sold	-4,70	-1,91	<-100%
Change in Stocks of Finished Goods	0,00	0,00	-
External Supplies and Services	-0,58	-0,34	-68,0%
Staff Costs	-0,36	-0,20	-84,8%
Other Operational Expenses	0,00	0,00	-95,8%
EBITDA	1,45	0,85	+69,6%
Capex	0,40	0,87	-54,4%
EBITDA-Capex	1,05	-0,02	-

During the 1Q14 it was announced the acquisition of a set of shareholdings and interests held by subsidiaries of Enel Green Power, S.p.A. in cogeneration plants located in Portugal. This acquisition of 44 MW (10 units, 8 majority held) is part of the expansion plan for the Energy segment, one of the strategic pillars of the growth and development of Sonae Capital's portfolio, allowing the Group to: (i) Speed up the planned Portuguese Portfolio growth; (ii) Internalize a backlog of repowering projects in Portugal; and (iii) Reinforce the Energy segment team with experienced and valuable new members, required to implement the outlined development roadmap.

This acquisition is extremely important for the sustainability of the Group's results since the business specificity evidences a regular pattern for the Business Turnover and EBITDA of the respective asset portfolio.

The evolution of the business indicators in the 1Q14, when compared to the previous year, is fully explained by the referred acquisitions and also by the contribution of Vale de Cambra's cogeneration plant, which started operating during the second half of 2013.

By confrontation the assets under management and the already expressive contribution for the Group's consolidated EBITDA (representing the major contributor), results evident the significant impact of any growth effort in this segment.

With the fully operational photovoltaic project, the capacity under management will ascend to 53 MW or 62.3 MW, considering the non-fully held operations, a growth of 3.0 times when compared to the end of 2013.

The Energy segment **Turnover** increased 117% to 7,09M.€, considering only one month of the new cogeneration operations. Excluding that effect (3.6M.€ in the 1Q14), the business turnover would have increased 6%. **EBITDA** also presented a significant growth of 69.6% to 1.45M.€, representing an EBITDA Margin of 20%. Excluding the new operations contribution, EBITDA would have increased 13% (7pp above the Business Turnover growth).

Capex (excluding the new cogeneration acquisitions) remained in controlled levels and contributed, besides EBITDA, for the improvement of the operational cash flow.

3.3. REFRIGERATION, HVAC AND MAINTENANCE

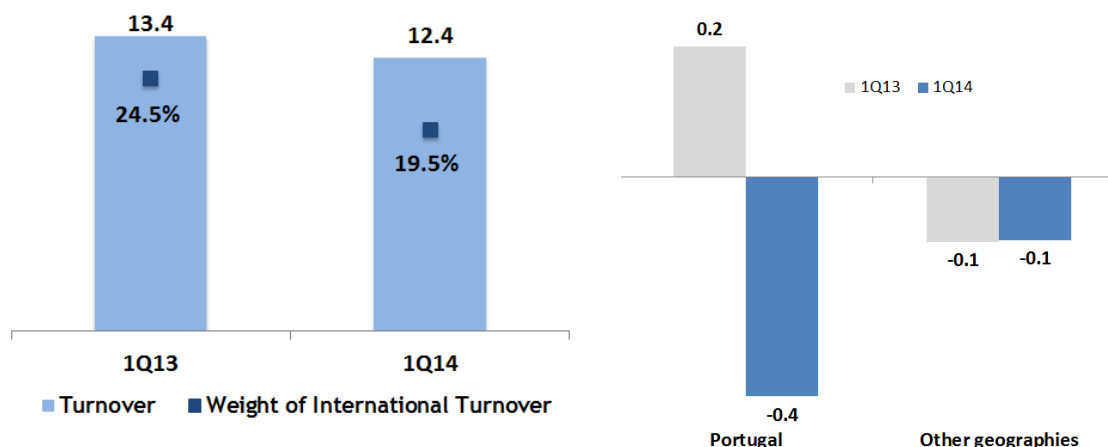
Profit and Loss Account Million euro			
Refrigeration & HVAC	3M 2014	3M 2013	D 14/13
Total Operational Income	12,42	13,45	-7,6%
Turnover	12,42	13,39	-7,2%
Other Operational Income	-0,01	0,06	-
Total Operational Costs	-12,89	-13,34	+3,3%
Cost of Goods Sold	-4,81	-5,07	+5,2%
Change in Stocks of Finished Goods	-0,33	0,32	-
External Supplies and Services	-3,67	-3,94	+6,7%
Staff Costs	-3,96	-4,55	+13,0%
Other Operational Expenses	-0,12	-0,10	-22,6%
EBITDA	-0,48	0,11	-
Capex	0,08	0,07	+14,0%
EBITDA-Capex	-0,56	0,04	-

Turnover reached 12.42M.€, representing a decrease of 7.2% compared to 1Q13, due to some delays on important projects both in Portuguese and international operations. Backlog grew 15.3% when compared to the previous quarter and represents, approximately 6 months of turnover.

International **turnover** from Refrigeration, HVAC and Maintenance (consolidating exports and direct sales abroad), driven by a lower international activity following a number of delays in the start of some projects, decreased to 12.4M.€, representing 19.5% of the consolidated turnover.

Despite the continued implementation of measures leading to rationalize and variable the cost to the new market benchmark, **consolidated EBITDA** was negative 0.48M.€.

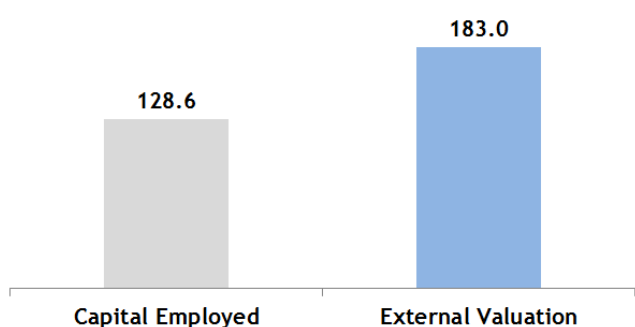
Capex remained at the same level as last year and the decrease in operating cash flow results fully from the EBITDA variation.



3.4. OTHER ASSETS

Sonae Capital Group owns a set of non-strategic assets, and thus available for sale, including:

A. REAL ESTATE ASSETS (excluding Sonae Turismo Assets)



(note: external valuation reported at 31 December 2011- Cushman & Wakefield)

The real Estate portfolio framed in this segment includes a diversified group of assets, with different licensing and construction stages, including land plots with and without construction viability, residential units, construction projects, offices, industrial premises and commercial areas, with widespread geographical dispersion. The Group's guidelines aim at selling this set of assets, with no strategic fit with the current growth options and medium term development plans.

In response to the actual market trends and demand for this kind of assets, during the 1Q14, 4 new rental contracts and one sale deed signed over City Flats apartments were celebrated (remaining 26 apartments available for sale/rental).

As at March 31st the Capital Employed in this set of assets stood at 128.6 M.€.

B. FINANCIAL SHAREHOLDINGS

Major assets:

Asset	% Shareholding
Norscut	36.00%
Imosede Fund	25.85%

In the reported period, no material operations relating to this set of assets were registered.

4. CORPORATE INFORMATION

4.1. CORPORATE INFORMATION 1Q14

As at March 6, 2014 Sonae Capital, SGPS, SA (Sonae Capital) informed that the acquisition (directly or through wholly-owned companies) of a group of shareholdings and equity interests held by subsidiaries of Enel Green Power S. p. A. (Enel), in cogeneration plants located in Portugal, have become effective.

After contractual price adjustments, the acquisition price has been settled at 9.6 million euro, representing an investment net cash outflow of 4.2 million euro, considering the free cash available in each of the acquired units.

This acquisition lies within the expansion plan of the Energy segment, one of the strategic pillars of the growth and development of Sonae Capital's portfolio, allowing the Group to: (i) Speed up the planned Portuguese Portfolio growth; (ii) Internalize a backlog of repowering projects in Portugal; and (iii) Reinforce the Energy segment team with experienced and valuable new members, required to implement the outlined development roadmap.

4.2. SUBSEQUENT CORPORATE EVENTS

There were no subsequent corporate events to register.

5. METHODOLOGICAL NOTES

The consolidated financial statements presented in this report are non-audited and have been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS"), issued by International Accounting Standards Board ("IASB"), as adopted by European Union.

In 1Q14 it was changed the reporting template for the Net Debt of the Energy segment. Since the growth of this segment is being performed primarily through Intercompany Debt, we decided to report the Debt of the segment with the total Debt rather than the contribution to Sonae Capital Group as was until now. We believe that this change contributes to increase the quality and transparency of the information reported to the market.

The present document is a translation from the Portuguese original version.

GLOSSARY

- HVAC = Heating, Ventilation and Air Conditioning
- EBITDA = Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) - Reversal of Impairment Losses and Provisions (including in Other Operation Income)
- EBITDA excluding Guaranteed Income Provisions = EBITDA + Provisions related to the estimated present value of potential costs for the full period of the Guaranteed Income from real estate sales at troiaresort
- EBITDAR = EBITDA + Rents for buildings
- Net Debt = Non-Current Loans + Current Loans - Cash and Cash Equivalents - Current Investments
- Capex = Investment in Tangible and Intangible Assets
- Gearing = Net Debt / Equity

CONTACTS

Anabela Nogueira de Matos
Representative for Capital Markets
Relations

E-mail: anm@sonaecapital.pt

Tel.: +351 220129528

Fax: +351 220107900

Nuno Parreiro
Investor Relations Officer

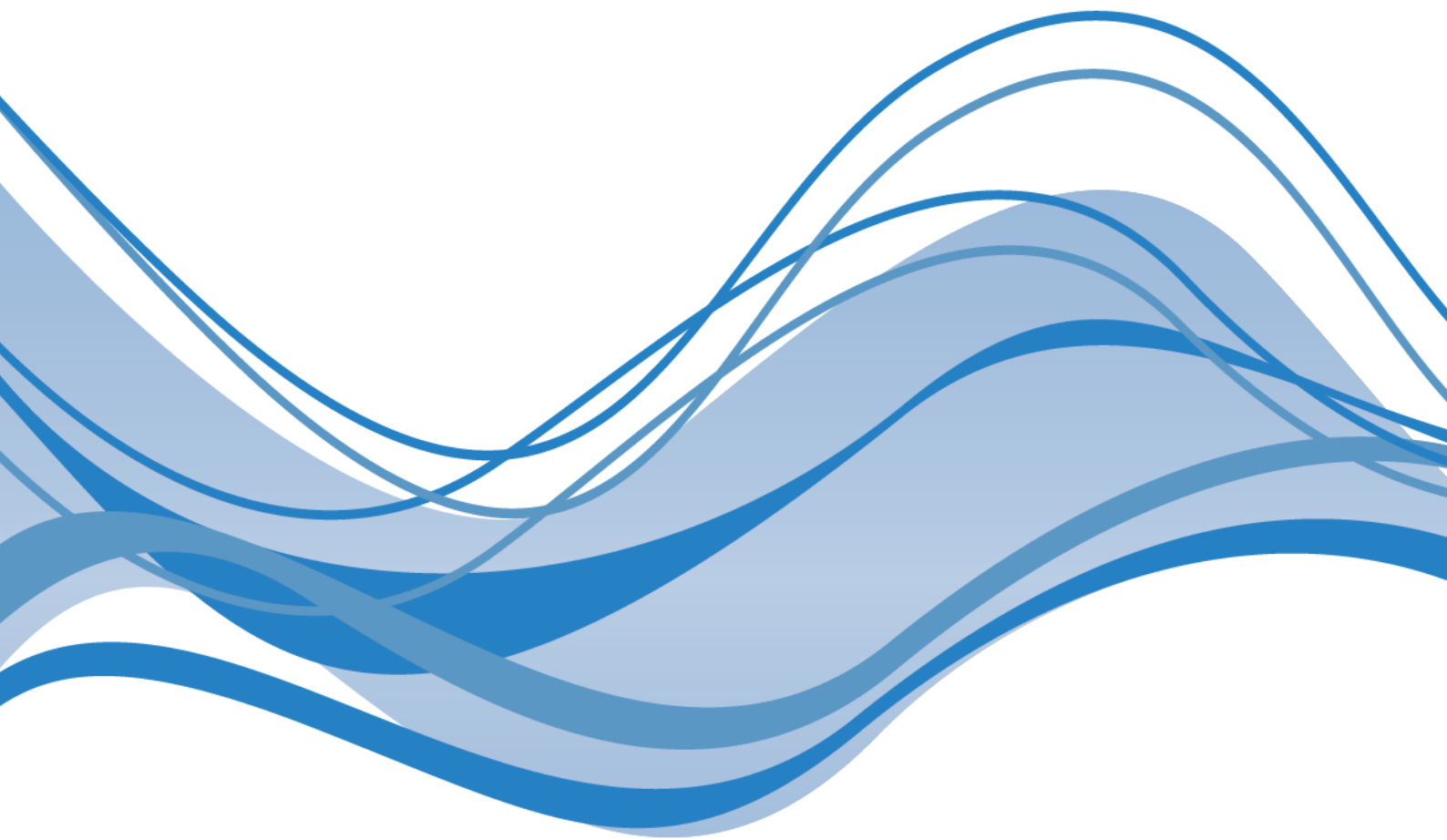
E-mail: ir@sonaecapital.pt

Tel.: +351 220107903

Fax: +351 220107935

Sonae Capital, SGPS, SA
Lugar do Espido, Via Norte
Apartado 3053
4471 - 907 Maia
Portugal

www.sonaecapital.pt



**CONSOLIDATED FINANCIAL
STATEMENTS**

31 MARCH 2014



SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014 AND 31 DECEMBER 2013

(Amounts expressed in euro)

ASSETS	Notes	31.03.2014	31.12.2013
NON-CURRENT ASSETS:			
Tangible assets	8	241,366,250	238,552,228
Intangible assets	8	7,940,566	7,745,826
Goodwill	9	60,982,213	60,982,213
Investments in associated companies	5	14,195,731	12,458,452
Other investments	6 and 10	39,940,806	39,540,098
Deferred tax assets	14	26,102,594	26,186,529
Other non-current assets	11	20,508,780	19,570,690
Total non-current assets		<u>411,036,940</u>	<u>405,036,036</u>
CURRENT ASSETS:			
Stocks	12	172,027,740	178,930,013
Trade account receivables and other current assets	13	52,048,213	46,472,406
Cash and cash equivalents	15	13,422,987	2,997,963
Total Current Assets		<u>237,498,940</u>	<u>228,400,382</u>
TOTAL ASSETS		<u>648,535,880</u>	<u>633,436,418</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	250,000,000	250,000,000
Own Shares	16	(1,528,907)	(1,124,125)
Reserves and retained earnings		55,008,857	68,634,546
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(4,996,457)	(13,200,373)
Equity attributable to the equity holders of Sonae Capital		<u>298,483,493</u>	<u>304,310,048</u>
Equity attributable to non-controlling interests	17	9,489,023	8,850,291
TOTAL EQUITY		<u>307,972,516</u>	<u>313,160,339</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	18	163,910,343	152,968,701
Other non current liabilities	20	3,119,626	3,256,871
Deferred tax liabilities	14	12,838,072	12,581,859
Provisions	23	3,079,824	3,079,824
Total Non-Current Liabilities		<u>182,947,865</u>	<u>171,887,255</u>
CURRENT LIABILITIES:			
Loans	18	95,143,724	96,050,940
Trade creditors and other current liabilities	22	57,530,654	49,380,171
Provisions	23	4,941,121	2,957,713
Total Current Liabilities		<u>157,615,499</u>	<u>148,388,824</u>
TOTAL LIABILITIES		<u>340,563,364</u>	<u>320,276,079</u>
TOTAL EQUITY AND LIABILITIES		<u>648,535,880</u>	<u>633,436,418</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2014 AND 2013

(Amounts expressed in euro)

	Notes	31.03.2014	31.03.2013
Sales		20,277,961	6,882,201
Services rendered		17,135,280	17,683,221
Other operating income		1,040,523	1,680,311
Cost of sales		(9,932,369)	(7,269,507)
Changes in stocks of finished goods and work in progress		(6,360,632)	(390,774)
External supplies and services		(11,565,599)	(9,998,358)
Staff costs		(8,642,448)	(8,881,104)
Depreciation and amortisation		(3,277,120)	(3,380,034)
Provisions and impairment losses		(1,756,587)	(67,840)
Other operating expenses		(558,186)	(386,747)
Operational profit/(loss)		(3,639,177)	(4,128,631)
Financial Expenses		(3,306,952)	(2,749,398)
Financial Income		401,870	300,118
Profit/(Loss) in associated undertakings	5	1,447,815	1,252,707
Investment income		279,690	324,170
Profit/(Loss) before taxation		(4,816,754)	(5,001,034)
Taxation	26	(411,680)	(1,432,820)
Profit/(Loss) for the year	27	(5,228,434)	(6,433,854)
Attributable to:			
Equity holders of Sonae Capital		(4,996,457)	(6,249,484)
Non-controlling interests	17	(231,977)	(184,370)
Profit/(Loss) per share			
Basic	28	(0.020299)	(0.025179)
Diluted	28	(0.020299)	(0.025179)

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2014 AND 2013

(Amounts expressed in euro)

	31.03.2014	31.03.2013
Consolidated net profit/(loss) for the period	(5,228,434)	(6,433,854)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	51,206	38,649
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(1,030,836)	513,692
Change in the fair value of assets available for sale	399,953	472,764
Change in the fair value of cash flow hedging derivatives	264,136	383,872
Tax related to other comprehensive income captions	(91,989)	(118,191)
Others	-	-
Other comprehensive income for the period	<u>(407,530)</u>	<u>1,290,786</u>
Total comprehensive income for the period	<u>(5,635,964)</u>	<u>(5,143,068)</u>
Attributable to:		
Equity holders of Sonae Capital	(5,423,455)	(4,974,547)
Non-controlling interests	<u>(212,509)</u>	<u>(168,521)</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND 2013

(Amounts expressed in Euro)

	Attributable to Equity Holders of Sonae Capital							Sub total	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
	Share Capital	Own Shares	Demerger Reserve (Note 16)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings					
Balance as at 1 January 2013	250,000,000	(264,705)	132,638,253	(11,486)	153,082	(2,337,176)	(53,836,504)	76,606,169	(11,092,003)	315,249,461	8,707,639	323,957,100
Total consolidated comprehensive income for the period	-	-	-	29,697	354,573	376,975	513,692	1,274,937	(6,249,484)	(4,974,547)	(168,521)	(5,143,068)
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(11,092,003)	(11,092,003)	11,092,003	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(291,900)	(291,900)
Acquisition of own shares	-	(204,721)	-	-	-	-	-	-	-	(204,721)	-	(204,721)
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	168	168	-	168	-	168
Balance as at 31 March 2013	250,000,000	(469,426)	132,638,253	18,211	507,655	(1,960,201)	(64,414,647)	66,789,271	(6,249,484)	310,070,361	8,247,218	318,317,579
Balance as at 1 January 2014	250,000,000	(1,124,125)	132,638,253	(189,622)	(590,856)	(1,166,854)	(62,056,375)	68,634,546	(13,200,373)	304,310,048	8,850,291	313,160,339
Total consolidated comprehensive income for the period	-	-	-	35,321	(51,994)	260,553	(670,878)	(426,998)	(4,996,457)	(5,423,455)	(212,509)	(5,635,964)
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(13,200,373)	(13,200,373)	13,200,373	-	-	-
Acquisition of own shares	-	(404,783)	-	-	-	-	-	-	-	(404,783)	-	(404,783)
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	851,160	851,160
Other changes	-	-	-	-	-	-	1,682	1,682	-	1,682	81	1,763
Balance as at 31 March 2014	250,000,000	(1,528,908)	132,638,253	(154,301)	(642,850)	(906,301)	(75,925,944)	55,008,857	(4,996,457)	298,483,493	9,489,023	307,972,516

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND 2013

(Amounts expressed in Euro)

	Notes	31.03.2014	31.03.2013
<u>OPERATING ACTIVITIES:</u>			
Cash receipts from trade debtors		40,544,375	28,505,486
Cash receipts from trade creditors		(23,415,814)	(21,584,021)
Cash paid to employees		(7,501,401)	(7,575,913)
Cash flow generated by operations		<u>9,627,160</u>	<u>(654,448)</u>
Income taxes (paid) / received		(19,429)	(131,956)
Other cash receipts and (payments) relating to operating activities		<u>1,175,547</u>	<u>(101,998)</u>
Net cash flow from operating activities (1)		<u><u>10,783,278</u></u>	<u><u>(888,402)</u></u>
<u>INVESTMENT ACTIVITIES:</u>			
Cash receipts arising from:			
Investments		-	10,393,862
Tangible assets		574,382	264,281
Interest and similar income		1,076,065	20,674
		<u>1,650,447</u>	<u>10,678,817</u>
Cash Payments arising from:			
Investments		(3,264,911)	(28,250)
Tangible assets		(2,281,612)	(1,875,434)
Intangible assets		(288,918)	(27,164)
Loans granted		(936,926)	(6,885)
		<u>(6,772,367)</u>	<u>(1,937,733)</u>
Net cash used in investment activities (2)		<u><u>(5,121,920)</u></u>	<u><u>8,741,084</u></u>
<u>FINANCING ACTIVITIES:</u>			
Cash receipts arising from:			
Loans obtained		11,624,500	7,703,274
		<u>11,624,500</u>	<u>7,703,274</u>
Cash Payments arising from:			
Loans obtained		(2,565,633)	(10,915,611)
Interest and similar charges		(4,118,376)	(3,781,186)
Purchase of own shares		(404,783)	(204,721)
		<u>(7,088,792)</u>	<u>(14,901,518)</u>
Net cash used in financing activities (3)		<u><u>4,535,708</u></u>	<u><u>(7,198,244)</u></u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>10,197,066</u>	<u>654,438</u>
Effect of foreign exchange rate		<u>(6,262)</u>	<u>(14,150)</u>
Cash and cash equivalents at the beginning of the period	14	<u>2,922,307</u>	<u>2,609,152</u>
Cash and cash equivalents at the end of the period	14	<u><u>13,125,636</u></u>	<u><u>3,277,740</u></u>

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited.

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2014

(Translation from the Portuguese Original)

(Amounts expressed in Euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA (“Company”, “Group” or “Sonae Capital”) whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent company of a group of companies, as detailed in Notes 5 to 7 (“Sonae Capital Group”) and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae, SGPS, SA, which was approved by the Board of Directors on 8 November 2007 and by the Shareholder’s General Meeting held on 14 December 2007.

Reflecting the Group’s current strategic guideline, three business areas are identified:

- Tourism, includes businesses in tourism, through the development and management of tourism resorts, in hotels, through management of hotels and services, and in health and fitness, through management of health clubs;
- Energy, includes energy services in the areas of cogeneration, solar thermal and photovoltaic;
- Refrigeration and HVAC.

The non-strategic assets (including non-tourism real estate assets and financial shareholdings) are included in the segment “Other assets”.

During the quarter, Sonae Capital acquired a group of shareholdings and equity in cogeneration plants located in Portugal, precisely 10 new units (8 majority held) following the expansion plan of the Energy segment.



2. MAIN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the financial statements presented for the year ended 31 December 2013.

Basis of preparation

Interim financial statements were presented quarterly, in accordance with IAS 34 - “Interim Financial Reporting”.

The accompanying consolidated financial statements have been prepared from the books and accounting records of the Company and of its affiliated undertakings (Notes 4 to 6), on a going concern basis and under the historical cost convention, except for derivative financial instruments which are stated at fair value.

3. CHANGES IN ACCOUNTING POLICIES

Changes to international accounting standards that came into force on or after 1 January 2014, did not have material impacts in the financial statements as at 31 March 2014.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 31 March 2014 and 31 December 2013, are as follows:

Company	Head Office	Percentage of capital held			
		31 March 2014		31 December 2013	
		Direct	Total	Direct	Total
Sonae Capital SGPS, SA	Maia	Holding	Holding	Holding	Holding
Tourism					
Aqualuz - Turismo e Lazer, Lda	a) Lagos	100.00%	100.00%	100.00%	100.00%
Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a) Grândola	83.41%	83.41%	83.41%	83.41%
1) The Artist Hotel & Bistro - Actividades Hotelaria, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Golf Time - Golfe e Inv.Turisticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Imoareia Investimentos Turísticos,SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Imopenínsula - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Imoresort - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marina de Tróia, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marmagno-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marvero-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
SII - Soberana Investimentos Imobiliários, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Solinca - Health & Fitness, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Solinca-Investimentos Turísticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Solinfitness - Club Málaga, SL	a) Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
Solswim - Gestão e Expl.de Equip. Aquáticos, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Soltroia-Imob.de Urb.Turismo de Tróia, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Sonae Turismo - SGPS, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Sontur, BV	a) Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Tróia Market, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Tróia Natura, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Troiareisort - Investimentos Turísticos, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Troiaverde-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Tulipamar-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%

Energy							
2)	Atelgen - Produção de Energia, ACE	a)	Barcelos	51.00%	51.00%	-	-
2)	Carvemagere - Manutenção e Energias Renováveis, Lda	a)	Barcelos	65.00%	65.00%	-	-
2)	Companhia Térmica Hectare ACE	a)	Alcochete	100.00%	100.00%	-	-
2)	Companhia Térmica Tagol Lda	a)	Oeiras	95.00%	95.00%	-	-
2)	C.T.E. - Central Termoeléctrica, Lda	a)	Maia	100.00%	100.00%	-	-
	Ecociclo II - Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Enerlousado - Recursos Energéticos, Lda	a)	Maia	100.00%	100.00%	-	-
	Integrum Colombo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Integrum ACE, SA	a)	Maia	100.00%	100.00%	-	-
	Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum Martim Longo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum Vale do Caima- Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum Vale do Tejo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Ronfegen - Recursos Energéticos, Lda	a)	Maia	100.00%	100.00%	-	-
2)	Soternix - Produção de Energia ACE	a)	Barcelos	51.00%	51.00%	-	-
Refrigeration and HVAC							
	Sistavac Sistemas HVAC-R do Brasil, Lda	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
	PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Sistavac, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%
	Sistavac, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
4)	SC - Central de Distribuição para Refrigeração e Climatização, SA	a)	Porto	100.00%	70.00%	100.00%	70.00%
	Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
Other Assets							
	Bloco Q-Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
5)	Casa da Ribeira - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Centro Residencial da Maia,Urban., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Cinclus Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Country Club da Maia-Imobiliaria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fundo Especial de Investimento Imobiliário Fechado WTC	a)	Maia	99.82%	99.82%	99.82%	99.82%
	Imobiliária da Cacela, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoclub-Serviços Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imobeauty, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imohotel-Emp.Turist.Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoponte-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosedas-Imobiliária e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Implantação - Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

Martimope - Empreendimentos Turisticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Porturbe-Edificios e Urbanizações, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium - Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium-SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Prédios Privados Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Predisedas-Predial das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Promessa Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SC Assets, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SC - Eng. e Promo Imobiliária,SGPS,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Soira-Soc.Imobiliária de Ramalde, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spinaraq-Engenharia, Energia e Ambiente,SA	a)	Luanda (Angola)	99.90%	99.90%	99.90%	99.90%
Spinaraq-Moçambique, Lda	a)	Maputo (Mozambique)	100.00%	100.00%	100.00%	100.00%
Spinveste - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spinveste-Gestão Imobiliária SGII, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Urbisedas-Imobiliária das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
World Trade Center Porto, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Others						
Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	98.98%	98.98%
SC - Sociedade de Consultadoria, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
SC-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
SC Finance, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
6) SC FOR - Ser.Formação e Desenvolvimento de Recursos Humanos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
a)	Majority of voting rights.					
1)	Ex-Casa da Ribeira - Hotelaria e Turismo, SA;					
2)	Company acquired in March 2014;					
3)	Company incorporated in the period;					
4)	Ex-SKK- Central de Distr., SA;					
5)	Ex-Bloco W - Sociedade Imobiliária, SA;					
6)	Ex-SKKFOR - Ser.For.e Desen.de Recursos, SA.					

5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 31 March 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		31 March 2014		31 December 2013		31 March 2014	31 December 2013
		Direct	Total	Direct	Total		
Other Assets							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	271,860	357,859
1) Sociedade de Construções do Chile, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
1) Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
1) Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	733,306	690,582
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	12,258,296	11,386,011
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Energy							
2) Feneralt - Produção de Energia, ACE	Barcelos	25.00%	25.00%	-	-	126,813	-
2) Powercer - Sociedade de Cogeração da Vialonga, SA	Lisbon	30.00%	30.00%	-	-	781,456	-
Total						14,195,731	12,458,452

- 1) Null investment values result from the adoption of the equity method in Andar - Sociedade Imobiliária, SA, holder of all of these investments;
- 2) Company acquired in March 2014.

Associated and jointly controlled companies are consolidated using the equity method.

Nil balances shown result from the reduction to acquisition cost of amounts determined by the equity method, discontinuing the recognition of its part of additional losses under the terms of IAS 28.

As at 31 March 2014 and 31 December 2013, aggregate values of main financial indicators of associated and jointly controlled companies can be analyzed as follows:

	31 March 2014	31 December 2013
Total Assets	691,148,098	668,902,549
Total Liabilities	607,441,826	590,182,432
Income	35,586,583	128,281,701
Expenses	30,220,690	112,365,691

During the periods ended 31 March 2014 and 31 March 2013, movements in investments of associated and jointly controlled companies may be summarized as follows:

	31 March 2014	31 March 2013
Opening balance as at 1 January	12,490,395	4,697,978
Acquisitions in the period	1,320,301	7,000
Disposals in the period	-	-
Equity method	416,978	1,766,399
Change in the consolidation method	-	-
Closing balance as at 31 March	14,227,674	6,471,377
Accumulated impairment losses (Note 23)	(31,943)	(31,943)
	<u>14,195,731</u>	<u>6,439,434</u>

The use of the equity method had the following impacts: 1,447,815 euro recorded on share of results of associated undertakings (1,252,707 euro at 31 March 2013), and -1,030,837 euro in changes in reserves (513,692 euro at 31 March 2013).

6. OTHER INVESTMENTS

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 31 March 2014 and 31 December 2013 are made up as follows:

Company	Head Office	Percentage of capital held				31 March 2014	31 December 2013
		31 March 2014		31 December 2013			
		Direct	Total	Direct	Total		
Tourism							
Infratroia - Emp. de Infraest. de Troia, E.N.	Grândola	25,90%	25,90%	25,90%	25,90%	64,747	64,747
Other Assets							
Fundo de Investimento Imobiliário Fechado Imosedo	Maia	25,85%	25,85%	25,85%	25,85%	39,054,076	38,654,123
Fundo de Investimento Imobiliário Imosonaes Dois	Maia	0,06%	0,06%	0,06%	0,06%	124,934	124,892
Net, SA	Lisbon	2,80%	2,80%	2,80%	2,80%	11,132	11,132
Fundo de Capital de Risco F-HITEC	Lisbon	6,48%	6,48%	6,48%	6,48%	250,000	250,000
Other investments						435,917	435,204
Total (Note 10)						39,940,806	39,540,098

1) Company disposed in the period.

Null balances shown above result from deduction of impairment losses from related investments.

7. CHANGES TO THE CONSOLIDATION PERIMETER

Additions in the consolidation perimeter by acquisition:

Company	Head Office	Percentage of capital held	
		At acquisition date	
		Direct	Total
Atelgen - Produção de Energia, ACE	Barcelos	51,00%	51,00%
Carvemagere - Manutenção e Energias Renováveis, Lda	Barcelos	65,00%	65,00%
Companhia Térmica Hectare ACE	Alcochete	100,00%	100,00%
Companhia Térmica Tagol Lda	Oeiras	95,00%	95,00%
C.T.E. - Central Termoeléctrica, Lda	Maia	100,00%	100,00%
Enerlousado - Recursos Energéticos, Lda	Maia	100,00%	100,00%
Ronfegen - Recursos Energéticos, Lda	Maia	100,00%	100,00%
Soternix - Produção de Energia ACE	Barcelos	51,00%	51,00%

The acquisitions that occurred in the three month period ended 31 March 2014 had the following impact in the consolidated financial statements:

	Acquisition Date	31 March 2014
Net assets acquired		
Tangible and intangible assets	5,122,251	5,068,440
Other assets	9,947,142	7,322,996
Cash and cash equivalents	6,318,519	10,056,836
Other liabilities	(12,845,848)	(12,998,897)
	<u>8,542,064</u>	<u>9,449,375</u>
Gain in acquisition	<u>279,690</u>	
Acquisition price	<u>8,262,374</u>	
Payments made	<u>8,262,374</u>	
Net cash flow from the acquisition		
Payments made	8,262,374	
Cash and equivalents acquired	(6,318,519)	
	<u>1,943,855</u>	

8. TANGIBLE AND INTANGIBLE ASSETS

During the three months period ended 31 March 2014, movements in tangible and intangible fixed assets as well as in depreciation and accumulated impairment losses, are made up as follows:

	Tangible Assets				
	Land and Buildings	Equipment	Other Tangible Assets	Tangible Assets in progress	Total Tangible Assets
Gross Cost:					
Opening balance as at 1 January 2014	224,681,479	146,714,608	1,916,702	16,042,362	389,355,151
Changes in consolidation perimeter	1,640,691	23,314,681	248,629	-	25,204,001
Capital expenditure	224,735	88,141	6,704	823,704	1,143,285
Disposals	(329,660)	(319,528)	(6,297)	-	(655,485)
Exchange rate effect	-	2,379	2,343	-	4,722
Transfers	-	5,056,281	41,446	(4,966,320)	131,407
Closing balance as at 31 March 2014	226,217,245	174,856,562	2,209,527	11,899,746	415,183,081
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2014	86,377,115	62,883,216	1,542,592	-	150,802,923
Changes in consolidation perimeter	1,407,375	18,207,058	175,263	-	19,789,696
Charges for the period	637,939	2,847,996	20,844	-	3,506,779
Disposals	(66,561)	(212,971)	(6,298)	-	(285,830)
Exchange rate effect	-	1,752	1,511	-	3,263
Transfers	-	(26,145)	26,145	-	-
Closing balance as at 31 March 2014	88,355,868	83,700,906	1,760,057	-	173,816,831
Carrying amount as at 1 January 2014	138,304,364	83,831,392	374,110	16,042,362	238,552,228
Carrying amount as at 31 March 2014	137,861,377	91,155,656	449,470	11,899,746	241,366,250

Major amounts included in the caption Tangible assets in progress, refer to the following projects:

	31 March 2014	31 December 2013
Tróia	7,322,147	7,316,889
Photovoltaic Project	3,349,522	3,260,000
Others	1,228,077	1,528,943
	11,899,746	12,105,832

	Intangible Assets				
	Patents and other similar rights	Software	Others	Intangible Assets in progress	Total Intangible Assets
Gross Cost:					
Opening balance as at 1 January 2014	7,834,037	2,211,797	9,422	435,656	10,490,912
Changes in consolidation perimeter	-	-	103,719	-	103,719
Capital expenditure	-	4,075	-	250,916	254,991
Disposals	-	(37,355)	-	-	(37,355)
Exchange rate effect	-	838	-	-	838
Transfers	-	508,700	-	(506,992)	1,708
Closing balance as at 31 March 2014	7,834,037	2,688,055	113,141	179,580	10,814,813
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2014	1,207,452	1,528,846	8,788	-	2,745,086
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	47,566	118,316	158	-	166,040
Disposals	-	(37,355)	-	-	(37,355)
Exchange rate effect	-	476	-	-	476
Transfers	-	-	-	-	-
Closing balance as at 31 March 2014	1,255,018	1,610,283	8,946	-	2,874,247
Carrying amount as at 1 January 2014	6,626,585	682,951	634	435,656	7,745,826
Carrying amount as at 31 March 2014	6,579,019	1,077,772	104,195	179,580	7,940,566

9. GOODWILL

During the periods ended 31 March 2014 and 31 December 2013, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	31 March 2014	31 December 2013
Gross amount:		
Opening balance	62,283,809	62,290,239
Decreases - disposals of affiliated companies	-	(6,430)
Closing balance	62,283,809	62,283,809
Accumulated impairment losses:		
Opening balance	1,301,596	1,301,596
Closing balance	1,301,596	1,301,596
Total	60,982,213	60,982,213

10. OTHER INVESTMENTS

As at 31 March 2014, movements in investments were as follows:

	31 March 2014		31 December 2013	
	Non current	Current	Non current	Current
<u>Investments at acquisition cost</u>				
Opening balance as at 1 January	8,071,101	-	8,223,418	-
Acquisitions in the period	755	-	122	-
Disposals in the period	-	-	(152,525)	-
Transfers	-	-	86	-
Changes in consolidation perimeter	-	-	-	-
Closing balance as at 31 March	8,071,856	-	8,071,101	-
Accumulated impairment losses (Note 23)	(7,707,935)	-	(7,707,935)	-
	363,921	-	363,166	-
<u>Investments held for sale</u>				
Fair value as at 1 January	39,305,931	-	49,938,723	-
Disposals in the period	-	-	(9,919,661)	-
Increase/(Decrease) in fair value	399,953	-	(713,131)	-
Transfers	-	-	-	-
Fair value as at 31 March	39,705,884	-	39,305,931	-
Accumulated impairment losses (Note 23)	(128,999)	-	(128,999)	-
Fair value (net of impairment losses) as at 31 March	39,576,885	-	39,176,932	-
<u>Other Investments</u>	39,940,806	-	39,540,098	-

The amounts shown under fair value related to the Imosede Fund.

The Imosede Fund is accounted as an available for sale asset, measured at fair value. For the remaining investment under this heading, the Group considers that it is not reasonable to estimate a fair value, as there is no observable market data.

These investments are recorded at acquisition cost less impairment losses.

11. OTHER NON-CURRENT ASSETS

As at 31 March 2014 and 31 December 2013, other non-current assets are detailed as follows:

	31 March 2014	31 December 2013
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	18,647,695	17,740,756
Others	721,492	691,505
	<u>19,369,187</u>	<u>18,432,261</u>
Impairment losses (Note 23)	(34,916)	(34,916)
	<u>19,334,271</u>	<u>18,397,345</u>
Trade accounts receivable and other debtors		
Sale of financial investments	-	-
Others	1,174,509	1,173,345
Impairment losses (Note 23)	-	-
	<u>1,174,509</u>	<u>1,173,345</u>
Other non current assets	<u>20,508,780</u>	<u>19,570,690</u>

12. INVENTORIES

Inventories as at 31 March 2014 and 31 December 2013 can be detailed as follows, highlighting the value attributable to real estate developments:

	31 March 2014		31 December 2013	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,347,937	-	1,162,725	-
Goods for sale	31,202,188	29,943,108	32,155,488	30,045,640
Finished goods	62,442,535	62,442,535	68,373,552	68,373,552
Work in progress	80,614,024	77,084,205	80,964,110	77,147,748
Payments on account	-	-	-	-
	<u>175,606,684</u>	<u>169,469,848</u>	<u>182,655,875</u>	<u>175,566,940</u>
Accumulated impairment losses on Inventories (Note 23)	(3,578,944)	(3,434,621)	(3,725,862)	(3,434,621)
	<u>172,027,740</u>	<u>166,035,227</u>	<u>178,930,013</u>	<u>172,132,319</u>

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2014 and 31 December 2013, trade accounts receivable and other current assets are detailed as follows:

	31 March 2014	31 December 2013
Trade accounts receivable	29,385,923	26,911,545
Accumulated impairment losses on trade debtors (Note 23)	(5,986,323)	(6,039,005)
	<u>23,399,600</u>	<u>20,872,540</u>
Taxes recoverable	13,383,676	12,841,371
Loans granted to and other amounts to be received from related parties	59,469	70,058
Other current assets		
Suppliers with a debtor balance	1,313,945	850,602
Other debtors	10,851,020	10,923,538
Accounts receivable from the sale of financial investments	4,804,214	4,804,214
Accounts receivable from the sale of tangible assets	26,657	9,678
Interest receivable	297,393	965,460
Deferred costs - Rents	282,018	264,345
Deferred costs - External supplies and services	1,287,973	895,653
Other current assets	4,052,747	1,681,955
	<u>22,915,967</u>	<u>20,395,445</u>
Accumulated impairment losses on other current assets (Note 23)	(7,710,499)	(7,707,008)
	<u>(7,710,499)</u>	<u>(7,707,008)</u>
Trade accounts receivable and other current assets	<u><u>52,048,213</u></u>	<u><u>46,472,406</u></u>

14. DEFERRED TAXES

Deferred tax assets and liabilities as at 31 March 2014 and 31 December 2013 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Amortisation and Depreciation harmonisation adjustments	869,164	884,314	2,936,166	2,783,003
Provisions and impairment losses of non-tax deductible	8,943,670	8,934,857	-	-
Write off of tangible and intangible assets	263,863	325,774	-	-
Write off of accruals	97,337	126,853	-	-
Revaluation of tangible assets	-	-	103,010	103,166
Tax losses carried forward	15,843,605	15,843,605	-	-
Financial instruments	-	-	1,368,613	1,276,624
Write off of stocks	-	-	-	931,724
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	-	7,150,724
Others	84,956	71,126	8,430,283	336,618
	<u>26,102,594</u>	<u>26,186,529</u>	<u>12,838,072</u>	<u>12,581,859</u>

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 March 2014 and 31 December 2013, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	31 March 2014			31 December 2013		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2008	609,774	140,248	2014	1,105,341	254,228	2014
Generated in 2009	6,379,907	1,467,379	2015	6,379,907	1,467,379	2015
Generated in 2010	14,113,139	3,246,022	2014	18,328,751	4,215,613	2014
Generated in 2011	17,938,869	4,125,940	2015	17,938,869	4,125,940	2015
Generated in 2012	16,006,259	3,681,440	2017	16,006,259	3,681,440	2017
Generated in 2013	9,126,112	2,099,006	2018	9,126,112	2,099,006	2018
Generated in 2014	4,711,180	1,083,571	2026	-	-	
	<u>68,885,240</u>	<u>15,843,605</u>		<u>68,885,239</u>	<u>15,843,605</u>	
With a time limit different from the above mentioned	-	-		-	-	
	<u>68,885,240</u>	<u>15,843,605</u>		<u>68,885,239</u>	<u>15,843,605</u>	

As at 31 March 2014 and 31 December 2013, deferred tax assets resulting from tax losses carried forward were re-assessed. Deferred tax assets have only been recorded to the extent that future profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 31 March 2014, tax losses carried forward amounting to 180,747,467 euro (175,288,767 euro as at 31 December 2013), have not originated deferred tax assets for prudential reasons and are detailed as follows:

	31 March 2014			31 December 2013		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2008	33,549,469	7,716,378	2014	33,053,902	7,602,397	2014
Generated in 2009	35,694,882	8,209,823	2015	35,694,882	8,209,823	2015
Generated in 2010	20,659,425	4,751,668	2014	16,443,812	3,782,077	2014
Generated in 2011	18,024,594	4,145,657	2015	18,024,594	4,145,657	2015
Generated in 2012	19,508,597	4,486,977	2017	19,508,597	4,486,977	2017
Generated in 2013	36,378,392	8,367,030	2018	36,378,392	8,367,030	2018
Generated in 2014	358,176	82,380	2026	-	-	
	<u>164,173,536</u>	<u>37,759,913</u>		<u>159,104,179</u>	<u>36,593,961</u>	
Without limited time use	1,186,715	395,532		1,186,715	395,532	
With a time limit different from the above mentioned	15,387,216	4,399,824		14,997,872	4,318,664	
	<u>16,573,931</u>	<u>4,795,356</u>		<u>16,184,587</u>	<u>4,714,196</u>	
	<u>180,747,467</u>	<u>42,555,269</u>		<u>175,288,767</u>	<u>41,308,157</u>	

15. CASH AND CASH EQUIVALENTS

As at 31 March 2014 and 31 December 2013, cash and cash equivalents can be detailed as follows:

	31 March 2014	31 December 2013
Cash at hand	73,692	84,252
Bank deposits	13,336,826	2,901,739
Treasury applications	12,469	11,972
Cash and cash equivalents on the balance sheet	<u>13,422,987</u>	<u>2,997,963</u>
Bank overdrafts - (Note 18)	(297,351)	(75,657)
Guarantee deposit	-	-
Cash and cash equivalents in the statement of cash-flows	<u>13,125,636</u>	<u>2,922,307</u>

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under current bank loans (Note 18).

16. EQUITY

The share capital of Sonae Capital SGPS, SA is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1 euro each.

The demerger originated a reserve in the amount of 132,638,253 euro, which has a treatment similar to that of a Legal Reserve. According to Company Law, it cannot be distributed to shareholders, unless the company is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

As at 31 March 2014, Sonae Capital SGPS, S.A. owns 6,154,062 own shares (5,119,562 own shares at 31 December 2013) booked for 1,528,907 euro (1,124,125 euro at 31 December 2013).

17. NON CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 31 March 2014 and 31 December 2013 are as follows:

	31 March 2014	31 December 2013
Opening balance as at 1 January	8,850,291	8,707,639
Changes in hedging reserves	3,583	16,215
Changes in the percentage of capital held in affiliated companies	851,160	548,518
Changes resulting from currency translation	15,885	(68,547)
Dividends paid	-	(304,254)
Others	81	-
Profit for the period attributable to minority interests	(231,977)	(49,280)
Closing balance	9,489,023	8,850,291

18. BORROWINGS

As at 31 March 2014 and 31 December 2013, Borrowings are made up as follows:

	31 March 2014		31 December 2013		Repayable on
	Outstanding amount		Outstanding amount		
	Current	Non Current	Current	Non Current	
Bank loans					
Sonae Capital SGPS - commercial paper ^{a)}	73,450,000	-	75,000,000	-	Mar/2018
Sonae Capital SGPS - commercial paper ^{d)}	8,250,000	-	8,250,000	-	Jan/2015
Sonae Capital SGPS - commercial paper ^{b)}	-	24,200,000	-	12,650,000	Aug/2016
Sonae Capital SGPS - commercial paper ^{c)}	-	30,000,000	-	30,000,000	Dec/2017
Sonae Capital SGPS ^{e)}	7,000,000	24,000,000	7,000,000	24,000,000	Jun/2017
Up-front fees	-	(509,529)	-	(552,029)	
Others	2,546,838	3,486,633	2,080,029	2,863,444	
	<u>91,246,838</u>	<u>81,177,103</u>	<u>92,330,029</u>	<u>68,961,416</u>	
Bank overdrafts (Note 15)	297,351	-	75,657	-	
Bank loans	<u>91,544,189</u>	<u>81,177,103</u>	<u>92,405,686</u>	<u>68,961,416</u>	
Bond Loans					
Sonae Capital 2011/2016 Bonds	-	10,000,000	-	10,000,000	Jan/2016
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(200,170)	-	(226,532)	
Bond Loans	<u>-</u>	<u>59,799,830</u>	<u>-</u>	<u>59,773,468</u>	
Other loans	686,968	928,836	686,968	1,116,336	
Derivatives (Note 19)	79,262	1,010,696	101,543	1,433,909	
Obligations under finance leases	2,833,306	21,092,533	2,856,743	21,785,159	
Up-front fees on finance leases	-	(98,656)	-	(101,587)	
	<u>95,143,724</u>	<u>163,910,343</u>	<u>96,050,940</u>	<u>152,968,701</u>	

- a) Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period, which may be extended at the option of Sonae Capital. Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks.
- b) Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to August 2018, except if the reimbursement is anticipated under the contracted terms of the call/put option, in August 2016. This loan is guaranteed by a mortgage on real estate assets
- c) Commercial paper programme, with subscription guarantee, issued on 27 December 2012 and valid up to December 2017.
- d) Commercial paper programme, with subscription guarantee, issued on 31 December 2013, with annual renewals up to 3 years.
- e) Bank loan guarantee by a mortgage on real estate, started on 2 June 2011 and valid for a 6 year period, with annual payments.

As at 31 March 2014, borrowings of the Group were as follows:

- SC, SGPS, SA, 2008/2018 bond loan in the amount of 50,000,000 euro, with a 10 year maturity, and a sole reimbursement on 3 March 2018, except if the reimbursement is anticipated, fully or partially, which can happen on 3 March 2016. This bond loan bears interest every six months.

- Sonae Capital SGPS - 2011/2016 bond loan in the amount of 10,000,000 euro, with a 5 year maturity, and a sole reimbursement on 17 January 2016. This bond loan bears interest every six months.

The interest rate on bonds in force on 31 March 2014 was on average 3.50%.

Bank loans pay interest rates that are indexed to the Euribor market rates of the period, and its fair value is considered close to its book value.

Other non-current loans include reimbursable grants to affiliated undertakings, which do not bear interest.

The repayment schedule of the nominal value of borrowings may be summarised as follows:

	31 March 2014		31 December 2013	
	Nominal value	Interest	Nominal value	Interest
N+1 ^{a)}	95,064,462	9,780,274	95,949,397	8,582,090
N+2	21,591,235	6,610,960	11,417,824	6,548,639
N+3	19,202,707	4,059,411	25,082,672	4,290,860
N+4	101,570,586	2,329,212	47,689,566	2,861,554
N+5	11,548,863	259,115	57,636,739	2,140,898
After N+5	9,794,610	377,336	10,588,138	415,871
	<u>258,772,464</u>	<u>23,416,308</u>	<u>248,364,336</u>	<u>24,839,912</u>

a) Includes amounts drawn under commercial paper programmes. Of the total amount maturing in N+1, 56% concerns to commercial paper taken under lines of credit with commitment exceeding one year. Taking into account the policies and measures to manage liquidity risk, no risks that could jeopardize the continuity of operations are anticipated.

19. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 31 March 2014 were mainly interest rate options (cash-flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose fair value of 1,089,958 euro (1,535,452 euro at 31 December 2013) is recorded as liabilities. As at 31 March 2014 and 31 December 2013, all derivatives are hedging derivatives.

These interest rate hedging instruments are valued at fair value as at the balance sheet date, determined by valuations made by the Group using derivative valuation calculation schedules and external valuations when these schedules do not permit the valuation of certain instruments. For options, fair value is determined using the Black-Scholes model and its variants.

The fair value of derivatives is calculated using valuation models based on assumptions which are confirmed by market benchmarks, thus complying with level 2 requirements set on the IFRS 7.

Risk coverage guidelines generally used by the Group in contractually arranged hedging instruments are as follows:

- Matching between cash-flows received and paid, i.e., there is a perfect match between the dates of the re-fixing of interest rates on financing contracted with the bank and the dates of the re-fixing of interest rates on the derivative;
- Perfect matching between indices: the reference index for the hedging instrument and that for the financing to which the underlying derivative relates are the same;
- In the case of extreme rises in interest rates, the maximum cost of financing is limited.

Counterparts for derivatives are selected based on their financial strength and credit risk profile, with this profile being generally measured by a rating note attributed by rating agencies of recognized merit. Counterparts for derivatives are top level, highly prestigious financial institutions which are recognized nationally and internationally.

Fair value of derivatives

The fair value of derivatives is as follows:

	Assets		Liabilities	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 18)	-	-	1,089,958	1,535,452
Other derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,089,958</u>	<u>1,535,452</u>

20. OTHER NON-CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013 other current liabilities can be detailed as follows:

	31 March 2014	31 December 2013
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,073,900	2,092,131
Others	216,740	216,645
	<u>2,290,640</u>	<u>2,308,776</u>
Other creditors		
Creditors in the restructuring process of Torralta	468,095	456,039
	<u>468,095</u>	<u>456,039</u>
Deferred income		
Obligations by share-based payments (Note 21)	360,891	492,056
	<u>360,891</u>	<u>492,056</u>
Other non current liabilities	<u>3,119,626</u>	<u>3,256,871</u>

21. SHARE-BASED PAYMENTS

In 2013 and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae Capital SGPS, SA to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date.

As at 31 March 2014 and 31 December 2013, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Year of grant	Vesting year	Number of participants	Fair Value	
				31 March 2014	31 December 2013
Shares					
	2011	2014	2	-	106,579
	2012	2015	8	695,181	467,581
	2013	2016	8	794,663	535,181
	2014	2017	7	287,488	-
Total				1,777,332	1,109,341

As at 31 March 2014 and 31 December 2013, 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 have not yet vested:

	31 March 2014	31 December 2013
Other non current liabilities	360,891	492,056
Other current liabilities	568,962	106,579
Reserves	438,604	110,935
Staff Costs	491,249	487,700

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013 trade accounts payable can be detailed as follows:

	31 March 2014	31 December 2013
Trade creditors	18,315,468	15,756,800
Loans granted by and other payables to related parties	1,336,096	107,740
Other current liabilities		
Fixed assets suppliers	1,389,856	2,494,318
Advances from customers and down payments	2,878,713	3,203,979
Other creditors	1,238,720	1,197,491
Taxes and contributions payable	8,827,203	7,007,231
Staff costs	6,583,632	5,610,334
Deferred income for services rendered	831,475	2,777,135
Interest payable	1,654,700	1,339,963
Investment aid	1,599,496	1,604,523
Other liabilities	12,875,295	8,280,657
	<u>37,879,090</u>	<u>33,515,631</u>
Trade accounts payable and other current liabilities	<u>57,530,654</u>	<u>49,380,171</u>

23. PROVISIONS AND ACUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 31 March 2014 were as follows:

Captions	Balance as at 1 January 2014	Increases	Decreases	Utilisations	Balance as at 31 March 2014
Accumulated impairment losses on:					
Other Investments (Notes 6 and 10)	7,868,877	-	-	-	7,868,877
Other non current assets (Note 11)	34,916	-	-	-	34,916
Trade accounts receivable (Note 13)	6,039,005	77,272	(118,344)	(11,609)	5,986,324
Other current assets (Note 13)	7,707,008	4,920	(1,431)	-	7,710,497
Inventories (Note 12)	3,725,862	-	(146,918)	-	3,578,944
Non current provisions	3,079,824	-	-	-	3,079,824
Current provisions	2,957,713	2,088,949	(58,654)	(46,886)	4,941,121
	<u>31,413,205</u>	<u>2,171,141</u>	<u>(325,347)</u>	<u>(58,495)</u>	<u>33,200,503</u>

As at 31 March 2014 and 31 December 2013 detail of other provisions was as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
Judicial claims	1,759,095	1,824,313
Others	6,261,850	4,213,223
	<u>8,020,945</u>	<u>6,037,537</u>

Impairment losses are deducted from the book value of the corresponding asset.

24. CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2014 and 31 December 2013 the most important contingent liabilities referred to guarantees given and were made up as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
Guarantees given:		
on VAT reimbursements	5,065,159	5,065,159
on tax claims	4,849,393	4,015,535
on municipal claims	1,134,224	2,884,505
Others	11,800,288	14,905,311

Others include the following guarantees:

- 4,855,457 euro as at 31 March 2014 (7,862,436 euro as at 31 December 2013) of guarantees on construction works given to clients;
- 5,581,280 euro as at 31 March 2014 of guarantees given concerning building permits in the Tourism business.

The Group has not registered provisions for the events/disagreements for which these guarantees were given since the Group believes that the above mentioned events will not result in a loss for the Group.

25. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

<u>Transactions</u>	Sales and services rendered		Purchases and services obtained	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Parent company (a)	1,025	-	-	-
Associated companies	3,717	-	7,913	3,025
Other partners and Group companies (b)	5,638,595	5,313,535	1,266,395	1,400,606
	<u>5,643,337</u>	<u>5,313,535</u>	<u>1,274,308</u>	<u>1,403,631</u>

<u>Transactions</u>	Interest income		Interest expenses	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Parent company (a)	-	-	-	-
Associated companies	252,188	227,272	-	-
Other partners and Group companies (b)	-	-	32,351	35,280
	<u>252,188</u>	<u>227,272</u>	<u>32,351</u>	<u>35,280</u>

<u>Balances</u>	Accounts receivable		Accounts payable	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Parent company (a)	1,261	-	-	-
Associated companies	255,906	937,076	5,671	1,812
Other partners and Group companies (b)	6,104,241	8,463,343	2,451,510	2,415,720
	<u>6,361,408</u>	<u>9,400,419</u>	<u>2,457,181</u>	<u>2,417,532</u>

<u>Balances</u>	Loans obtained		Loans granted	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Parent company (a)	-	-	-	-
Associated companies	-	-	19,334,271	18,397,346
Other partners and Group companies (b)	2,073,996	2,092,131	-	-
	<u>2,073,996</u>	<u>2,092,131</u>	<u>19,334,271</u>	<u>18,397,346</u>

a) The parent company is Efanor Investimentos, SGPS, SA;

b) Balances and transactions with Sonae, SGPS, SA and Sonae Indústria, SGPS, SA are included under Other partners in Group companies.

26. TAXATION

As at 31 March 2014 and 2013, Taxation was made up as follows:

	31 March 2014	31 March 2013
Current tax	171,794	2,121,798
Deferred tax	239,886	(688,978)
Taxation	411,680	1,432,820

27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 March 2014 and 2013, the reconciliation of consolidated net profit can be analysed as follows:

	31 March 2014	31 March 2013
Aggregate net profit	14,477,528	8,507,927
Harmonisation adjustments	(854,990)	158,243
Elimination of intragroup dividends	(20,192,842)	(16,349,646)
Share of gains/(losses) of associated undertakings	1,447,815	1,252,707
Elimination of intragroup capital gains/(losses)	-	493
Elimination of intragroup impairment	(385,636)	(253,547)
Adjustments of gains/(losses) on assets disposals	-	-
Adjustments of gains/(losses) of financial shareholdings sale	-	249,969
Others	279,691	-
Consolidated net profit for the year	(5,228,434)	(6,433,854)

28. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2014 and 31 March 2013 were calculated taking into consideration the following amounts:

	<u>31 March 2014</u>	<u>31 March 2013</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(4,996,457)	(6,249,484)
Net profit taken into consideration to calculate diluted earnings per share	<u>(4,996,457)</u>	<u>(6,249,484)</u>
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	246,147,643	248,203,570
Weighted average number of shares used to calculated diluted earnings per share	<u>246,147,643</u>	<u>248,203,570</u>
Earnings per share (basic and diluted)	<u>(0.020299)</u>	<u>(0.025179)</u>

29. SEGMENT INFORMATION

In 31 March 2014 and 31 March and 31 December 2013, the following were identified as segments:

- Tourism:
 - Resorts
 - Hotels
 - Fitness
 - Other
- Energy
- Refrigeration and HVAC
- Other Assets
 - Real Estate Assets
 - Financial Assets
- Holding and Others

The contribution of the business segments to the income statement of the periods ended 31 March 2014 and 2013 can be detailed as follows:

31 March 2014

Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Resorts	11,280,807	1,302,428	297,780	12,881,015	516,604
Hotels	12,132	1,518,669	90,299	1,621,100	(2,451,498)
Fitness	56,987	3,312,622	150,594	3,520,203	309,329
Other	-	237,473	10,543	248,016	(56,454)
Intersegment Adjustments	(16)	(795,586)	(177,903)	(973,505)	8,270
Tourism	11,349,910	5,575,606	371,313	17,296,829	(1,673,749)
Energy	7,009,983	118,971	29,253	7,158,207	1,442,290
Refrigeration and HVAC	2,113,310	9,828,107	244,293	12,185,710	(431,259)
Real Estate Assets	181,204	1,887,908	204,866	2,273,978	1,092,854
Financial Assets	-	1,135,511	46,516	1,182,027	(143,791)
Intersegment Adjustments	-	-	-	-	-
Total Other Assets	181,204	3,023,419	251,382	3,456,005	949,063
Holding & Others	-	1,517,500	35,102	1,552,602	(624,457)
Intersegment Adjustments	(376,446)	(2,928,323)	109,180	(3,195,589)	(9,293)
Consolidated	20,277,961	17,135,280	1,040,523	38,453,764	(347,405)

31 March 2013

Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Resorts	884,560	1,389,365	490,220	2,764,145	(369,554)
Hotels	14,392	1,793,345	160,743	1,968,480	(2,338,787)
Fitness	21,415	2,777,423	372,283	3,171,121	148,924
Other	-	293,430	34,164	327,594	3,278
Intersegment Adjustments	(322)	(843,253)	(208,888)	(1,052,463)	6,081
Tourism	920,045	5,410,310	848,522	7,178,877	(2,550,058)
Energy	3,250,084	56,660	75,249	3,381,993	851,927
Refrigeration and HVAC	3,151,513	9,950,930	168,691	13,271,134	(15,754)
Real Estate Assets	100,000	1,832,560	125,465	2,058,025	1,003,000
Financial Assets	744	2,154,171	404,348	2,559,263	232,287
Intersegment Adjustments	-	-	-	-	-
Total Other Assets	100,744	3,986,731	529,813	4,617,288	1,235,287
Holding & Others	-	1,366,764	65,887	1,432,651	(409,131)
Intersegment Adjustments	(540,185)	(3,088,174)	(7,851)	(3,636,210)	(6,835)
Consolidated	6,882,201	17,683,221	1,680,311	26,245,733	(894,564)

The contribution of the business segments to the Balance sheets as at 31 March 2014 and 31 December 2013 can be detailed as follows:

31 March 2014

Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Resorts	104,360,993	162,626	145,844,651	250,368,270	151,311,230	316,640	17,897,977	17,831,816
Hotels	891,466	7,701	10,933,319	11,832,487	25,994,896	72,623	-	(31,642)
Fitness	9,089,876	20,357	1,884,187	10,994,420	18,706,356	62,755	1,111,332	1,039,668
Other	203,768	341,450	118,306,637	118,851,855	240,023,650	200,042	-	(7,980)
Intersegment Adjustments	-	-	(133,386,876)	(133,386,876)	(139,752,869)	-	-	-
Tourism	114,546,103	532,135	143,581,918	258,660,155	296,283,263	652,060	19,009,309	18,831,862
Energy	26,708,187	129,375	25,776,085	52,613,647	40,007,665	397,701	11,446,715	1,382,478
Refrigeration and HVAC	339,937	70	47,706,884	48,046,892	14,404,695	6,193	799,325	390,835
Real Estate Assets	106,517,789	20,201,446	103,868,649	230,587,884	164,490,877	20,111	877	(1,825,908)
Financial Assets	291,187	14,063,409	42,434,998	56,789,593	25,108,913	78,538	542,653	248,995
Intersegment Adjustments	-	-	3,734,373	3,734,373	-	-	-	-
Total Other Assets	106,808,975	34,264,855	150,038,019	291,111,849	189,599,790	98,649	543,530	(1,576,913)
Holding & Others	903,614	19,210,102	422,598,395	442,712,107	241,368,913	243,672	227,255,188	226,602,818
Intersegment Adjustments	-	-	(444,608,771)	(444,608,771)	(441,100,962)	-	-	-
Consolidated	249,306,816	54,136,537	345,092,530	648,535,880	340,563,364	1,398,276	259,054,067	245,631,080

31 December 2013

Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Resorts	105,481,311	162,441	154,102,824	259,746,575	156,927,406	617,795	18,335,737	18,238,655
Hotels	1,075,954	7,647	11,789,571	12,873,172	24,015,098	173,498	277	(56,961)
Fitness	9,404,573	20,098	1,768,000	11,192,671	18,637,298	502,800	1,240,792	1,164,515
Other	4,489	341,450	123,672,141	124,018,080	243,598,480	-	24,296	(6,689)
Intersegment Adjustments	-	-	(138,863,336)	(138,863,336)	(145,227,101)	-	-	-
Tourism	115,966,327	531,637	152,469,199	268,967,163	297,951,181	1,294,093	19,601,101	19,339,520
Energy	21,611,730	2,546	7,349,632	28,963,908	25,241,374	4,541,284	10,539,415	10,535,939
Refrigeration and HVAC	374,001	13	51,577,202	51,951,216	17,781,413	40,013	768,024	116,194
Real Estate Assets	107,375,160	20,084,089	103,648,103	231,107,352	159,783,318	371,489	50,035	(1,066,022)
Financial Assets	234,843	12,366,945	50,785,700	63,387,488	22,995,450	159,677	455,459	283,541
Intersegment Adjustments	-	-	4,164,013	4,164,013	-	-	-	-
Total Other Assets	107,610,004	32,451,034	158,597,815	298,658,853	182,778,768	531,166	505,494	(782,481)
Holding & Others	735,993	19,013,320	416,120,995	435,870,308	243,563,946	433,778	217,605,606	216,812,506
Intersegment Adjustments	-	-	(450,975,029)	(450,975,029)	(447,040,605)	-	-	-
Consolidated	246,298,054	51,998,550	335,139,814	633,436,418	320,276,079	6,840,333	249,019,641	246,021,678

Net debt of the Holding can be analysed as follows:

	<u>31 March 2014</u>
Inflows	
Gross bank debt	227,255,011
Cash and cash equivalents	<u>646,275</u>
Net bank debt	226,608,736
Other Assets	<u>(122,128,090)</u>
Intercompany ST Loans Obtained	<u>(122,128,090)</u>
Total Inflows	<u><u>104,480,646</u></u>
Outflows	
Tourism	235,846,252
Other Assets	<u>26,791,780</u>
Intercompany Loans Granted	<u><u>262,638,032</u></u>

30. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 31 March 2014.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 8 May 2014.

The Board of Directors



INDIVIDUAL FINANCIAL
STATEMENTS

31 MARCH 2014



SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 31 MARCH 2014 AND 31 DECEMBER 2013

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

ASSETS	Notes	31 March 2014	31 December 2013
NON CURRENT ASSETS:			
Tangible assets		3,792	4,668
Investments	4	577,164,879	576,779,243
Deferred tax assets	7	1,461,425	407,059
Other non current assets	5	142,898,195	153,051,695
Total Non Current Assets		<u>721,528,291</u>	<u>730,242,665</u>
CURRENT ASSETS:			
Other current assets	6	31,140,404	6,970,428
Cash and cash equivalents	8	645,928	786,250
Total Current Assets		<u>31,786,332</u>	<u>7,756,678</u>
TOTAL ASSETS		<u>753,314,623</u>	<u>737,999,343</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Own shares	9	(1,528,907)	(1,124,125)
Legal reserve	10	8,611,464	8,307,376
Other reserves	10	293,493,001	287,715,325
Profit / (Loss) for the period		17,432,664	6,081,764
TOTAL EQUITY		<u>568,008,222</u>	<u>550,980,341</u>
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	11	77,740,021	66,148,229
Bonds	11	10,000,000	9,999,265
Other non current liabilities		174,358	167,556
Deferred tax liabilities	7	-	-
Total Non Current Liabilities		<u>87,914,379</u>	<u>76,315,050</u>
CURRENT LIABILITIES			
Suppliers		47,686	229,793
Bank loans	11	88,783,697	90,250,000
Other creditors	12	6,412,218	18,798,082
Other current liabilities	13	2,148,421	1,426,077
Total Current Liabilities		<u>97,392,022</u>	<u>110,703,952</u>
TOTAL EQUITY AND LIABILITIES		<u>753,314,623</u>	<u>737,999,343</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND 2013

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	Notes	31 March 2014	31 March 2013
Operational income			
Other operational income		19,956	4,735
Total operational income		19,956	4,735
Operational expenses			
External supplies and services	14	(99,969)	(250,074)
Staff costs	16	(498,248)	(221,835)
Depreciation and amortisation		(876)	-
Other operational expenses		(8,664)	(9,883)
Total operational expenses		(607,757)	(481,792)
Operational profit/(loss)		(587,801)	(477,057)
Financial income	17	2,613,491	2,263,683
Financial expenses	17	(2,545,241)	(2,261,308)
Net financial income/(expenses)		68,250	2,374
Investment income	17	15,256,422	12,764,392
Profit/(loss) before taxation		14,736,871	12,289,709
Taxation	18	2,695,793	109,176
Profit/(loss) for the period		17,432,664	12,398,885
Profit/(loss) per share			
Basic and diluted	18	0.070822	0.049954

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND 2013

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	<u>31 March 2014</u>	<u>31 March 2013</u>
Net profit for the period	17,432,664	12,398,885
Items that may subsequently be reclassified to net income:		
Change in currency translation reserve	-	-
Share of other comprehensive income of associated undertakings and joint ventures accounted for by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>17,432,664</u>	<u>12,398,885</u>

SONAE CAPITAL SGPS, SA
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND 2013

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Fair Value Reserve	Hedging Reserve	Other Reserves	Retained Earnings	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2013	250,000,000	(264,706)	8,307,376	-	-	288,710,416	-	297,017,792	(995,091)	545,757,995
Total comprehensive income for the period	-	-	-	-	-	-	-	-	12,398,885	12,398,885
Appropriation of profits:										
Transfer to legal reserve and retained earnings	-	-	-	-	-	(995,091)	-	(995,091)	995,091	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(204,721)	-	-	-	-	-	-	-	(204,721)
Others	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	250,000,000	(469,427)	8,307,376	-	-	287,715,325	-	296,022,701	12,398,885	557,952,160
Balance as at 1 January 2014	250,000,000	(1,124,126) 0	8,307,376	-	-	287,715,325	-	296,022,701	6,081,764	550,980,340
Total comprehensive income for the period	-	-	-	-	-	-	-	-	17,432,664	17,432,664
Appropriation of profits:										
Transfer to other reserves and legal reserve	-	-	304,088	-	-	5,777,676	-	6,081,764	(6,081,764)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(404,782)	-	-	-	-	-	-	-	(404,782)
Others	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	250,000,000	(1,528,907)	8,611,464	-	-	293,493,001	-	302,104,465	17,432,664	568,008,222

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL CASH FLOW STATEMENTS

FOR THE THREE MONTHS ENDED 31 MARCH 2014 AND 2013

(Translation of the individual financial statements originally issued in Portuguese)

(Amounts expressed in euro)

	<u>31 March 2014</u>	<u>31 March 2013</u>
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	276,150	276,517
Cash paid to employees	278,105	158,335
Cash flow generated by operations	<u>(554,255)</u>	<u>(434,851)</u>
Income taxes (paid)/received	509	506
Other cash receipts/(payments) relating to operating activities	<u>(256,848)</u>	<u>(506,713)</u>
Net cash flow from operating activities [1]	<u>(811,612)</u>	<u>(942,070)</u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	4,976,330	5,051,168
Loans granted	-	6,098,450
	<u>4,976,330</u>	<u>11,149,618</u>
Cash payments arising from:		
Investments		
Tangible assets		
Loans granted	(445,640)	5,204,000
	<u>(445,640)</u>	<u>5,204,000</u>
Net cash flow from investment activities [2]	<u>5,421,970</u>	<u>5,945,618</u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	11,550,000	6,950,000
	<u>11,550,000</u>	<u>6,950,000</u>
Cash Payments arising from:		
Interest and similar costs	2,043,795	1,891,029
Acquisition of own shares	404,783	204,721
Loans obtained	13,935,800	10,125,500
	<u>16,384,378</u>	<u>12,221,250</u>
Net cash flow from financing activities [3]	<u>(4,834,378)</u>	<u>(5,271,250)</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	<u>(224,020)</u>	<u>(267,702)</u>
Cash and cash equivalents at the beginning of the period	8 786,250	373,019
Cash and cash equivalents at the end of the period	8 <u>562,230</u>	<u>105,317</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 March 2014

(Translation of the individual financial statements originally issued in Portuguese)
(Amounts expressed in euro)

1. INTRODUCTION

Sonae Capital, SGPS, SA (“the Company” or “Sonae Capital”) whose registered office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, was set up on 14 December 2007 by public deed, following the demerger from Sonae, SGPS, SA of the whole of the shareholding in the company formerly named Sonae Capital, SGPS, SA, now named SC, SGPS, SA, in compliance with paragraph a) of article 118 of the Commercial Companies Code.

The Company’s financial statements are presented as required by the Commercial Companies Code. According to Decree-Law 158/2009 of 13 July of 2009, the Company’s financial statements have been prepared in accordance with International Financial Reporting Standards.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are consisting with those used in the financial statements presented for the year ended 31 December 2013.

Basis of preparation

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

The accompanying financial statements have been prepared from the books and accounting records 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 there were no changes in accounting policies or prior period errors.

4. INVESTMENTS

As at 31 March 2014 and 31 December 2013 Investments are detailed as follows:

	31 March 2014	31 December 2013
Investments in affiliated and associated undertakings	584,195,526	584,195,526
Investments in other companies		
Sonae RE - (0,04%)	1,200	1,200
Fundo Invest. Imob. Imosonae Dois - (0,001%)	2,546	2,546
	<u>584,199,272</u>	<u>584,199,272</u>
Impairment	(7,034,394)	(7,420,029)
	<u>577,164,879</u>	<u>576,779,243</u>

4.1 Investments in affiliated and associated undertakings

As at 31 March 2014 and 31 December 2013, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

Company	31 March 2014				31 December 2013			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
SC, SGPS, SA	100.00	-	382,638,253	-	100.00	-	382,638,253	-
Spred, SGPS, SA	54.05	-	40,000,000	-	54.05	-	40,000,000	-
SC Assets, SGPS, SA	76.64	-	82,000,000	-	76.64	-	82,000,000	-
Sonae Turismo, SGPS, SA	23.08	-	37,500,000	-	23.08	-	37,500,000	-
Fundo Esp.Inv.Imo.Fec. WTC	59.57	-	42,057,273	-	59.57	-	42,057,273	-
Total		-	584,195,526	-		-	584,195,526	-

Investments carried at cost correspond to those in unlisted companies and for which a fair value cannot be reliably estimated.

Impairment tests on financial investments were performed, based on external valuations of the real estate of group companies, to assess the fair value of such investments.

As at 31 March 2014 and 31 December 2013, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below.

	31 March 2014	31 December 2013
Fundo Esp.Inv.Imo.Fec. WTC	(534,394)	(920,029)
Sonae Turismo, SGPS, SA	(6,500,000)	(6,500,000)
	<u>(7,034,394)</u>	<u>(7,420,029)</u>

5. OTHER NON CURRENT ASSETS

As at 31 March 2014 and 31 December 2013 Other Non Current Assets are detailed as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
Loans granted to group companies:		
SC, SGPS, SA	111,185,153	121,338,653
SC Assets, SGPS, SA	31,713,043	31,713,043
	<u>142,898,195</u>	<u>153,051,695</u>

These assets were not due or impaired as at 31 March 2014. The fair value of loans granted to Group companies is basically the same as their book value.

Loans to group companies interest at market rates and are repayable within a period exceeding one year.

6. OTHER CURRENT ASSETS

As at 31 March 2014 and 31 December 2013 Other Current Assets can be detailed as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
Group companies - Dividends:		
SC, SGPS, SA	11,576,947	-
SC Assets SGPS, SA	2,184,535	-
Spred SGPS, SA	1,109,304	-
Group companies - Short term loans:		
SC, SGPS, SA	5,776,360	232,300
SC Assets SGPS, SA	4,491,300	327,500
Income tax withheld	2,497,115	847,476
Other Debtors	79,990	81,727
Accrued income	2,618,493	4,984,735
Deferred costs	806,360	496,690
	<u>31,140,404</u>	<u>6,970,428</u>

Loans granted to group companies bear interest at market rates and are repayable within one year.

The amount recorded as accrued income includes EUR 2,618,493 for interest on loans granted to group companies.

Under the heading deferred costs include EUR 748,563 relating to bank charges.

7. DEFERRED TAXES

Deferred tax assets and liabilities as at 31 March 2014 and 31 December 2013 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Tax losses carried forward	1,461,425	407,059	-	-
Others	-	-	-	-

During the periods ended 31 March 2014 and 31 December 2013, movements in Deferred tax are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Opening balance	407,059	429,213	-	778
Effect in results (Nota 17):				
Tax losses carried forward	1,054,366	12,108	-	-
Others	-	(34,262)	-	(778)
	1,461,425	407,059	-	-
Effect in reserves:	-	-	-	-
Closing balance	1,461,425	407,059	-	-

8. CASH AND CASH EQUIVALENTS

As at 31 March 2014 and 31 December 2013 Cash and Cash Equivalents can be detailed as follows:

	31 March 2014	31 December 2013
Cash	1,004	1,004
Bank deposits	644,924	785,247
Cash and cash equivalents in the balance sheet	645,928	786,250
Bank overdrafts	(83,697)	-
Cash and cash equivalents in the cash flow statement	562,230	786,250

9. SHARE CAPITAL

As at 31 March 2014 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

In 2014, Sonae Capital SGPS, S.A. bought 1,034,500 own shares on the stock market, representing 0.4138% of its share capital, for a total consideration of 404,782.67 euro. As at 31 March 2014, the total of own shares bought by the company is 6,154,062, representing 2.462% of its share capital.

10. RESERVES

As at 31 March 2014, and 31 December 2013 the caption Other Reserves can be detailed as follows:

	31 March 2014	31 December 2013
Free reserves	159,325,841	153,952,948
Demerger reserve	132,638,252	132,638,252
Own shares reserve	1,528,907	1,124,125
	<u>293,493,001</u>	<u>287,715,325</u>

The demerger reserve (Note 1), corresponds to the difference between the book value of the shareholding in SC, SGPS, SA (382,638,252 euro) which was spun off from Sonae, SGPS, SA to the Company, and the value of the share capital of the Company (250,000,000 euro). This reserve, which has a treatment similar to that of a Legal Reserve, according to Company Law, it cannot be distributed to shareholders, unless the company is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

Legal Reserve: According to the Company Law, at least 5% of the annual net profit must be transferred to the legal reserve until it represents 20% of share capital. This reserve cannot be distributed to shareholders, unless the company is liquidated, but can be used to cover prior year losses, once other reserves have been used fully, or for capital increases. As at 31 March 2014 the value of this caption is 8,611,464 euro.

11. LOANS

As at 31 March 2014 and 31 December 2013 this caption included the following loans:

	31 March 2014		31 December 2013	
	Current	Non Current	Current	Non Current
Bank Loans				
Sonae Capital SGPS - Commercial paper a)	73,450,000	-	75,000,000	-
Sonae Capital SGPS - Commercial paper d)	8,250,000	-	8,250,000	-
Sonae Capital SGPS - Commercial paper b)	-	24,200,000	-	12,650,000
Sonae Capital SGPS - Commercial paper c)	-	30,000,000	-	30,000,000
Sonae Capital SGPS - Term loan e)	7,000,000	24,000,000	7,000,000	24,000,000
Up-front fees not yet charged to income statement	-	(459,979)	-	(501,771)
	<u>88,700,000</u>	<u>77,740,021</u>	<u>90,250,000</u>	<u>66,148,229</u>
Bank overdrafts (Nota 8)	83,697	-	-	-
	<u>88,783,697</u>	<u>77,740,021</u>	<u>90,250,000</u>	<u>66,148,229</u>
Bond Loans				
Nominal value of bonds Sonae Capital 2011/2016 f)	-	10,000,000	-	10,000,000
Up-front fees not yet charged to income statement	-	-	-	(735)
	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>9,999,265</u>
	<u>88,783,697</u>	<u>87,740,021</u>	<u>90,250,000</u>	<u>76,147,494</u>

- Commercial Paper Programme issued on 28 March 2008 without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company; Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks;
- Commercial Paper Programme issued on 31 March 2011 with subscription guarantee and valid till August 2018 for a period of 5 years. Early repayment can occur under the terms of the Call / Put Option on August 2016. This loan is guaranteed by a mortgage of investment properties;
- Commercial Paper Programme issued on 27 December 2012 with subscription guarantee and valid for a period of 5 years;
- Commercial Paper Programme issued on 31 December 2013 with subscription guarantee and valid for a period of 3 years;
- Bank loan started on 2 June 2011 valid for six years and repayable in six annual instalments. This loan is guaranteed by a mortgage of investment properties and pays interest every three months;
- Sonae Capital, SGPS 2011/2016, repayable after 5 years, in one instalment, on 17 January 2016. This bond issue pays interest every six months.

The average interest rate of these bond loans as at 31 March 2014 was 3.50%.

The bank loans mentioned above bear interest at market rates, indexed to the Euribor of each issue period.

There are no Derivatives.

12. OTHER CREDITORS

As at 31 March 2014 and 31 December 2013, these captions were made up as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
<u>Other creditors</u>		
Group companies - Short term loans:		
Spred, SGPS, SA	6,410,370	18,796,170
Other creditors	1,848	1,912
	<u>6,412,218</u>	<u>18,798,082</u>

Loans obtained from group companies bear interest at market rates and are repayable within one year.

13. OTHER CURRENT LIABILITIES

As at 31 March 2014 and 31 December 2013, these captions were made up as follows:

	<u>31 March 2014</u>	<u>31 December 2013</u>
<u>Other current liabilities</u>		
Taxes payable	122,930	80,830
Accruals:		
Staff costs	380,814	235,119
Interest payable	1,598,426	1,101,139
Other accruals	43,635	4,410
Deferred income	2,616	4,578
	<u>2,148,421</u>	<u>1,426,077</u>

14. EXTERNAL SUPPLIES AND SERVICES

As at 31 March 2014 and 31 March 2013, External Supplies and Services can be detailed as follows:

	31 March 2014	31 March 2013
Operational rents	12,538	10,499
Insurance costs	12,408	12,045
Travelling expenses	6,389	4,984
Services obtained	60,787	216,054
Other services	847	6,492
	<u>92,969</u>	<u>250,074</u>

15. STAFF COSTS

As at 31 March 2014 and 31 March 2013, Staff Costs are made up as follows:

	31 March 2014	31 March 2013
Governing bodies' remunerations	454,088	180,604
Social security contributions	34,042	17,193
Other staff costs	10,118	24,038
	<u>498,248</u>	<u>221,835</u>

16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 31 March 2014 and 31 March 2013, Net Financial Expenses and Investment Income can be detailed as follows:

	<u>31 March 2014</u>	<u>31 March 2013</u>
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(1,741,868)	(1,766,661)
Bonds	(119,011)	(119,793)
Other	(20,079)	(28,700)
Other financial expenses	(664,284)	(346,153)
	<u>(2,545,241)</u>	<u>(2,261,308)</u>
Interest receivable and similar income		
Interest income	2,613,491	2,263,683
	<u>2,613,491</u>	<u>2,263,683</u>
Net financial expenses	<u>68,250</u>	<u>2,374</u>
Reversal of Impairment losses (Note 4.1)	385,636	409,147
Dividends received	14,870,786	12,355,245
Other income	-	-
Investment income	<u>15,256,422</u>	<u>12,764,392</u>

As at 31 March 2014, the amount of dividends received from affiliated companies was as follows:

SC ASSETS, SGPS, SA	2,184,535
SC, SGPS, SA	11,576,947
SPRED, SGPS, SA	1,109,304
	<u>14,870,786</u>

17. TAXATION

As at 31 March 2014 and 31 March 2013, Taxation is made up as follows:

	<u>31 March 2014</u>	<u>31 March 2013</u>
Current tax	1,641,427	(2,351)
Deferred tax	1,054,366	111,527
	<u>2,695,793</u>	<u>109,176</u>

18. EARNINGS PER SHARE

Earnings per share for the three months periods ended 31 March 2014 and 2013 were calculated taking into consideration the following amounts:

	31 March 2014	31 March 2013
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	17,432,664	12,398,885
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>17,432,664</u>	<u>12,398,885</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	246,147,643	248,203,570
Weighted average number of shares used to calculate diluted earnings per share	<u>246,147,643</u>	<u>248,203,570</u>
Earnings per share (basic and diluted)	<u>0.070822</u>	<u>0.049954</u>

19. INFORMATION REQUIRED BY LAW

Art 5 nr 4 of Decree-Law nr 495/88 of 30 December changed by art 1 of Decree-Law nr 318/94 of 24 December

In the period ended 31 March 2014 no shareholders' loan contracts were entered.

In the period ended 31 March 2014 short-term loan contracts were entered with the companies Spred, SGPS, SA.

As at 31 March 2014 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted

Companies	Closing Balance
SC, SGPS, SA	116,961,513
SC Assets, SGPS, SA	36,204,343
	<u>153,165,855</u>



As at 31 March 2014 amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

Companies	Closing Balance
Spred, SGPS, SA	6,410,370
	<u>6,410,370</u>

20. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 8 May 2014.

The Board of Directors