



SONAE CAPITAL, SGPS, SA

Head Office: Lugar do Espido, Via Norte, Maia

Share Capital: 250,000,000 Euro

Maia Commercial Registry and Fiscal Number 508 276 756

Sociedade Aberta

REPORT AND ACCOUNTS

31 MARCH 2012

(Translation from the Portuguese Original)



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REPORT OF THE BOARD OF DIRECTORS

31 MARCH 2012

(Translation from the Portuguese Original)

Report of the Board of Directors 31 March 2012

- **Continuous commitment in adjusting cost structures to activity levels, with a 17% reduction in operational costs compared to the same period of previous year, and strict investment control.**
- **Lower revenues in the first quarter of the year, driven by the declining trend in private consumption and investment:**
 - **Turnover of 25.1 M.€ (30.4 M.€ in 1Q11);**
 - **EBITDA of -3.1 M.€ (-3.4 M.€ in 1Q11);**
 - **Net loss of 6.9 M.€ (net loss of 3.3 M.€ in 1Q11).**
- **Positive free cash flow from operations, totaling 1.6 M.€, reflecting the optimization of working capital management and implementation of cost cutting policies.**
- **Capex of 3.3 M.€ in the 1Q12 (4.0 M.€ in 1Q11), was focused in priority areas, namely a new cogeneration project (with the start of operations expected for the 2nd half of 2012) pursuant to the growth strategy for the energy area. Capex for the period also includes the renewal of fitness equipment and units within the brand repositioning campaign.**
- **Net debt of 267.4 M.€ as at 31 March 2012, a 6.3 M.€ increase compared to 31 December 2011.**

Values in 10⁶ euro

	1Q		
	2012	2011	Δ
Turnover	25.1	30.4	-18%
EBITDA	-3.1	-3.4	+8.1%
EBIT	-6.6	-4.6	-44%
Net Financial Expenses	-3.2	-2.4	-35%
Investment Income	0.0	1.7	-100%
Net Profit	-6.9	-3.3	<-100%

	31.03.12	31.12.11	% Chg.
Capex	3.3	11.0	-70%
Net Debt	267.4	261.1	+2.4%

1. Consolidated Financial Statements Review

1.1. Consolidated Profit and Loss Statement and Main Contributions

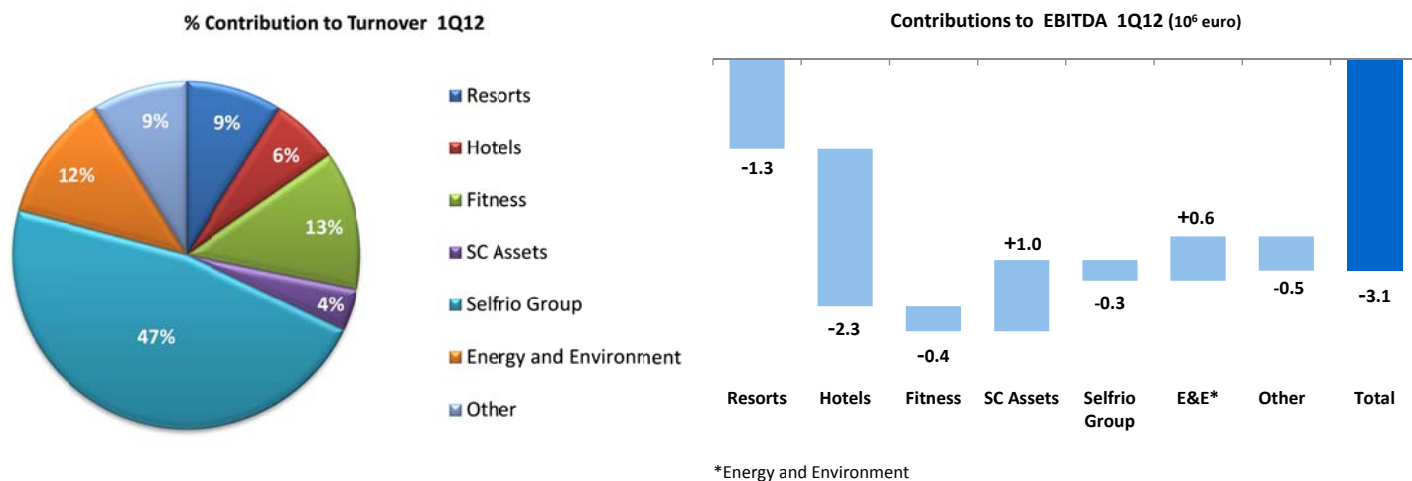
Values in 10³ euro

	1Q 12	1Q 11	Δ (A/B)
	(A)	(B)	
Turnover	25,100.8	30,438.7	-17.5%
Other Operational Income	1,429.0	3,560.0	-59.9%
Total Operational Income	26,529.8	33,998.6	-22.0%
Cost of Goods Sold	-7,842.3	-9,312.6	+15.8%
Change in Stocks of Finished Goods	-974.1	-514.2	-89.4%
External Supplies and Services	-10,281.9	-13,405.8	+23.3%
Staff Costs	-9,811.9	-10,399.6	+5.7%
Other Operational Expenses	-563.5	-1,664.3	+66.1%
Total Operational Expenses	-29,473.6	-35,296.6	+16.5%
Operational Cash-Flow (EBITDA)	-3,091.8	-3,362.5	+8.1%
Amortisation and Depreciation	-3,566.7	-3,280.4	-8.7%
Provisions and Impairment Losses	-92.4	-13.1	<-100%
Operational Profit/(Loss) (EBIT)	-6,603.0	-4,591.4	-43.8%
Net Financial Expenses	-3,179.1	-2,361.9	-34.6%
Share of Results of Associated Undertakings	1,892.1	911.3	>100%
Investment Income	2.3	1,693.3	-99.9%
Profit before Taxation	-7,887.7	-4,348.7	-81.4%
Taxation	981.9	1,098.7	-10.6%
Net Profit	-6,905.8	-3,250.1	<-100%
Attributable to Equity Holders of Sonae Capital	-6,623.9	-3,229.6	<-100%
Attributable to Non-Controlling Interests	-281.9	-20.4	<-100%

Values in 10³ euro

	Contributions to consolidated figures					
	Turnover			EBITDA		
	1Q12	1Q11	Δ	1Q12	1Q11	Δ
Resorts	2,248.8	2,976.7	-24.5%	-1,310.0	-2,833.0	+53.8%
Resort Development	1,385.5	2,064.2	-32.9%	-627.9	-2,231.9	+71.9%
Resort Management (Golf, Marina and Market)	254.3	235.3	+8.1%	-284.3	-249.4	-14.0%
Atlantic Ferries	608.9	677.2	-10.1%	-397.8	-351.7	-13.1%
Hotels	1,575.6	1,939.8	-18.8%	-2,300.0	-2,350.6	+2.2%
Fitness	3,259.0	4,483.3	-27.3%	-364.3	480.2	-
Other	1.3	2.8	-53.4%	133.6	350.6	-61.9%
Sonae Turismo's contribution	7,084.7	9,402.5	-24.7%	-3,840.6	-4,352.8	+11.8%
Residential Property Development	91.0	126.2	-27.9%	-170.4	-216.6	+21.3%
Operating Assets	273.9	613.3	-55.3%	35.3	679.1	-94.8%
Other Assets	619.8	1,946.2	-68.2%	1,172.3	-374.8	-
SC Assets's contribution	984.7	2,685.7	-63.3%	1,037.2	87.7	>100%
Sistavac Group	11,793.0	15,574.2	-24.3%	-300.4	847.9	-
Energy and Environment	3,005.3	1,389.8	>100%	648.2	309.1	>100%
Other	2,188.0	1,353.3	+61.7%	-183.0	5.8	-
Spred's contribution	16,986.3	18,317.2	-7.3%	164.8	1,162.8	-85.8%

1.2. Quarterly Results



Consolidated turnover amounted to 25.1 million euro in the quarter, representing an 18% decrease over the same period of last year in the first quarter of 2011 (30.4 million euro). Consolidated EBITDA was negative 3.1 million euro, compared to negative 3.4 million euro in the first quarter of 2011. The 5.8 million euro decrease in operational costs signals the commitment of teams from each business unit to implement cost cutting and cost saving programs, with the purpose of improving the Group's results and cash flow generation profile. On a like for like basis, excluding circa 1.0 million euro of non-recurrent costs regarding the resolution of judicial claims (entirely provisioned) which negatively impacted first quarter 2011 EBITDA, operational costs decreased circa 14%.

In **Sonae Turismo** (with a 25% decrease in turnover, to 7.1 million euro, and EBITDA of negative 3.8 million euro, compared to negative 4.4 million euro in the same period of 2011) major negative impacts in turnover and EBITDA were caused by the Fitness unit, with circa 27% decrease in the number of active members, as a result of the slowdown in new memberships and increasing number of cancellations reflecting the reduction in economic activity. This unit delivered a 3.3 million euro turnover, a 27% decrease, and a negative 0.4 million euro EBITDA (positive 0.5 million euro in 1Q11).

Resort Development turnover decreased around 0.7 million euro, to 1.4 million euro, including 3 sales deeds in **troiaresort** (4 in 1Q11), which include 2 exchanges of residential units and 1 unit with an underlying PPA signed in 2011. Additionally, 1 PPA regarding a Marina apartment was signed in the quarter. The 19% decrease in Hotels contribution to turnover is mostly explained by the performance of Porto Palácio Hotel, with a 22% decrease in turnover and in the number of room nights sold (including both individual and group customers). In the remaining hotel units, turnover remained in line with the previous year (0.3 million euro in Tróia and 0.1 million euro in Lagos), with increases in the number of room nights sold (3.9% in Tróia units and 4.8% in Lagos) offsetting decreases in the average revenue per room. Food and beverage revenues continued to be under pressure, evidencing a 12% decrease, reflecting recent changes in consumption patterns of hotel customers.

It should be pointed out the smaller deviation at Atlantic Ferries, with 0.6 million euro turnover and -0.4 million euro EBITDA, representing 10% and 13% decreases, respectively, impacted by decreases in traffic from both passengers and vehicles.

SC Assets decreased its contribution to turnover by 1.7 million euro, to 1.0 million euro, due to lower real estate sales (65 thousand euro in 1Q12 compared to 1.8 million euro in 1Q11). EBITDA for the 1Q11 (0.1 million euro) was negatively impacted by the sale of real estate assets which had underlying 0.9 million euro impairments (reversed with the transaction and impact at the EBIT level).

In **Spred**, turnover and EBITDA performance included different evolution trends in major business areas. The Energy and Environment stood out positively, more than doubling turnover, from 1.4 million euro in the first quarter of 2011 to 3.0 million euro in the period, and EBITDA, which amounted to 0.6 million euro. The Colombo cogeneration facility, still under construction in 1Q11, was the performance driver in the 1Q12. Diversely, Sistavac Group's contribution decreased 24% to 11.8 million euro, generating a negative EBITDA of 0.3 million euro (positive 0.8 million euro in 2011 comparable period), as a result of the decrease in investment from modern retail and contraction in the construction sector in Portugal.

As a result of a weaker operational performance in comparison with the previous year, the quarter's consolidated net loss was 6.9 million euro (negative 3.3 million euro in 1Q11), also including, in comparison with the previous year:

- 0.3 million euro increase in amortisation and depreciation, reflecting the impact of investment incurred in the previous year;
- 36% increase in net financial losses, to negative 3.2 million euro, as a result of higher cost of debt (as a result of higher average spread);
- 1 million euro improvement in results from associated undertakings, which totaled 0.9 million euro, led by Norscut (with 1.5 million euro contribution);
- Nil investment income in the quarter, compared to 1.7 million euro in 1Q11 (the most part resulting from the positive price adjustment in Choice Car, as set out in the respective sales agreement).

1.3. Consolidated Balance Sheet

Values in 10³ euro

	31.03.2012	31.12.2011	Δ
Tangible and Intangible Assets	243,231.0	243,567.0	-0.1%
Goodwill	61,028.5	61,028.5	0.0%
Non Current Investments	62,497.0	61,075.6	+2.3%
Other Non Current Assets	47,878.1	45,384.1	+5.5%
Stocks	208,703.0	209,213.3	-0.2%
Trade Debtors and Other Current Assets	42,563.7	49,581.6	-14.2%
Cash and Cash Equivalents	2,801.0	3,980.6	-29.6%
Total Assets	668,702.4	673,830.8	-0.8%
Total Equity attributable to Equity Holders of Sonae Capital	320,181.5	327,628.9	-2.3%
Total Equity attributable to Non Controlling Interests	8,957.8	9,241.8	-3.1%
Total Equity	329,139.3	336,870.7	-2.3%
Non Current Borrowings	167,623.4	182,564.9	-8.2%
Deferred Tax Liabilities	11,522.7	11,535.4	-0.1%
Other Non Current Liabilities	10,194.8	10,341.5	-1.4%
Non Current Liabilities	189,340.9	204,441.7	-7.4%
Current Borrowings	102,566.3	82,557.5	+24.2%
Trade Creditors and Other Current Liabilities	47,655.9	49,960.9	-4.6%
Current Liabilities	150,222.2	132,518.3	+13.4%
Total Liabilities	339,563.0	336,960.1	+0.8%
Total Equity and Liabilities	668,702.4	673,830.8	-0.8%

Capex amounted to 3.3 million euro in the quarter, the main contributors being 1.0 million euro regarding renewal of Fitness equipment and units under the rebranding of Solinca, focused in improved accessibility, and 1.4 million euro investment in a new cogeneration plant (expected to start operations in the second half of 2012). Remaining contributions, with little individual expression, are mostly explained by maintenance capex.

As at 31 March 2012, net debt was 267.4 million euro, 6.3 million euro above 31 December 2011, in spite of the positive 1.6 million euro operational free cash flow generated in the period. Gearing as at 31 March 2012 was 81.3% (77.5% in 31 December 2011).

Maia, 24 May 2012

The Board of Directors,



Glossary

- Average Daily Revenue = Lodging Revenues / Number of rooms sold.
- Capex = Investment in Tangible and Intangible Assets.
- Gearing = Net Debt / Equity.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- Operational Cash-Flow (EBITDA) = Operational Profit (EBIT) + Amortisation and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).
- PPA = Promissory Purchase Agreement.



CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2012

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2012 AND 31 DECEMBER 2011

(Amounts expressed in euro)

ASSETS	Notes	31.03.2012	31.12.2011
NON-CURRENT ASSETS:			
Tangible assets	7	235,836,571	236,088,219
Intangible assets	7	7,394,425	7,478,779
Goodwill	8	61,028,512	61,028,512
Investments in associated companies	5	61,481,635	60,060,236
Other investments	6 and 9	1,015,381	1,015,381
Deferred tax assets	13	25,096,961	23,563,437
Other non-current assets	10	22,781,142	21,820,629
Total non-current assets		<u>414,634,627</u>	<u>411,055,193</u>
CURRENT ASSETS:			
Stocks	11	208,703,047	209,213,344
Trade account receivables and other current assets	12	42,563,654	49,581,611
Cash and cash equivalents	14	2,801,029	3,980,640
Total Current Assets		<u>254,067,730</u>	<u>262,775,595</u>
TOTAL ASSETS		<u><u>668,702,357</u></u>	<u><u>673,830,788</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	15	250,000,000	250,000,000
Own Shares		(91,060)	(36,143)
Reserves and retained earnings		76,896,447	74,670,814
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(6,623,881)	2,994,272
Equity attributable to the equity holders of Sonae Capital		<u>320,181,506</u>	<u>327,628,943</u>
Equity attributable to non-controlling interests	16	8,957,808	9,241,777
TOTAL EQUITY		<u><u>329,139,314</u></u>	<u><u>336,870,720</u></u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	17	167,623,447	182,564,884
Other non current liabilities	19	7,114,941	7,155,507
Deferred tax liabilities	13	11,522,659	11,535,355
Provisions	22	3,079,824	3,185,974
Total Non-Current Liabilities		<u>189,340,871</u>	<u>204,441,720</u>
CURRENT LIABILITIES:			
Loans	17	102,566,279	82,557,493
Trade creditors and other current liabilities	21	46,590,677	48,905,639
Provisions	22	1,065,216	1,055,216
Total Current Liabilities		<u>150,222,172</u>	<u>132,518,348</u>
TOTAL LIABILITIES		<u><u>339,563,043</u></u>	<u><u>336,960,068</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>668,702,357</u></u>	<u><u>673,830,788</u></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 2012 AND 2011

(Amounts expressed in euro)

	<u>Notes</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
Operational income			
Sales		11,626,490	16,969,735
Services rendered		13,474,314	13,468,957
Other operational income		1,428,952	3,559,953
Total operational income		<u>26,529,756</u>	<u>33,998,645</u>
Operational expenses			
Cost of goods sold and materials consumed		(7,842,310)	(9,312,582)
Changes in stocks of finished goods and work in progress		(974,140)	(514,211)
External supplies and services		(10,281,873)	(13,405,828)
Staff costs		(9,811,862)	(10,399,648)
Depreciation and amortisation		(3,566,687)	(3,280,383)
Provisions and impairment losses		(92,423)	(13,102)
Other operational expenses		(563,456)	(1,664,322)
Total operational expenses		<u>(33,132,751)</u>	<u>(38,590,076)</u>
Operational profit/(loss)		(6,602,995)	(4,591,431)
Financial Expenses		(3,651,389)	(2,651,954)
Financial Income		472,287	290,048
Net financial expenses		(3,179,102)	(2,361,906)
Share of results of associated undertakings	5	1,892,060	911,303
Investment income		2,347	1,693,325
Profit/(Loss) before taxation		<u>(7,887,690)</u>	<u>(4,348,709)</u>
Taxation	25	981,879	1,098,655
Profit/(Loss) for the year	26	<u>(6,905,811)</u>	<u>(3,250,054)</u>
Attributable to:			
Equity holders of Sonae Capital		(6,623,881)	(3,229,638)
Non-controlling interests	16	<u>(281,930)</u>	<u>(20,416)</u>
Profit/(Loss) per share			
Basic	27	(0.026536)	(0.012919)
Diluted	27	<u>(0.026536)</u>	<u>(0.012919)</u>

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 2012 AND 2011

(Amounts expressed in euro)

	31.03.2012	31.03.2011
Consolidated net profit/(loss) for the period	(6,905,811)	(3,250,054)
Exchange differences on translating foreign operations	(8,788)	(40,581)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(470,661)	597,230
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	(299,679)	915,766
Other comprehensive income for the period	(779,128)	1,472,415
Total comprehensive income for the period	<u>(7,684,939)</u>	<u>(1,777,639)</u>
Attributable to:		
Equity holders of Sonae Capital	(7,400,970)	(1,759,103)
Non-controlling interests	<u>(283,969)</u>	<u>(18,536)</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 PERIODS ENDED 31 MARCH 2012 AND 2011

(Amounts expressed in Euro)

	Attributable to Equity Holders of Sonae Capital							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					Sub total
Balance as at 1 January 2011	250,000,000	-	132,638,253	(1,129,394)	-	(854,880)	(49,318,776)	81,335,203	(4,420,429)	326,914,774	12,454,796	339,369,570
Total consolidated comprehensive income for the period	-	-	-	(28,407)	-	901,712	597,230	1,470,535	(3,229,638)	(1,759,103)	(18,536)	(1,777,639)
Appropriation of profit of 2010												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(4,420,429)	(4,420,429)	4,420,429	-	-	-
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	(1,596,425)	(1,596,425)	-	(1,596,425)	(4,103,273)	(5,699,698)
Other changes	-	-	-	-	-	-	2,345	2,345	-	2,345	(2,175)	170
Balance as at 31 March 2011	<u>250,000,000</u>	<u>-</u>	<u>132,638,253</u>	<u>(1,157,801)</u>	<u>-</u>	<u>46,832</u>	<u>(54,736,055)</u>	<u>76,791,229</u>	<u>(3,229,638)</u>	<u>323,561,591</u>	<u>8,330,812</u>	<u>331,892,403</u>
Balance as at 1 January 2012	250,000,000	(36,143)	132,638,253	(1,179,502)	-	(1,737,980)	(55,049,957)	74,670,814	2,994,272	327,628,943	9,241,777	336,870,720
Total consolidated comprehensive income for the period	-	-	-	(8,045)	-	(298,383)	(470,661)	(777,089)	(6,623,881)	(7,400,970)	(283,969)	(7,684,939)
Appropriation of profit of 2011												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	2,994,272	2,994,272	(2,994,272)	-	-	-
Acquisition of own shares	-	(54,916)	-	-	-	-	-	-	-	(54,916)	-	(54,916)
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	8,450	8,450	-	8,450	-	8,450
Balance as at 31 March 2012	<u>250,000,000</u>	<u>(91,060)</u>	<u>132,638,253</u>	<u>(1,187,547)</u>	<u>-</u>	<u>(2,036,363)</u>	<u>(52,517,896)</u>	<u>76,896,447</u>	<u>(6,623,881)</u>	<u>320,181,506</u>	<u>8,957,808</u>	<u>329,139,314</u>

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 PERIODS ENDED 31 MARCH 2012 AND 2011

(Amounts expressed in Euro)

	Notes	31.03.2012	31.03.2011
OPERATING ACTIVITIES:			
Cash receipts from trade debtors		28,227,292	39,163,472
Cash receipts from trade creditors		(19,239,136)	(28,862,720)
Cash paid to employees		(8,729,565)	(9,032,631)
Cash flow generated by operations		<u>258,591</u>	<u>1,268,121</u>
Income taxes (paid) / received		(154,668)	(965,650)
Other cash receipts and (payments) relating to operating activities		<u>1,492,425</u>	<u>(545,790)</u>
Net cash flow from operating activities (1)		<u><u>1,596,348</u></u>	<u><u>(243,319)</u></u>
INVESTMENT ACTIVITIES:			
Cash receipts arising from:			
Investments		19,485	2,500,000
Tangible assets		5,507	303,387
Interest and similar income		98,003	69,537
Loans granted		-	96,856
		<u>122,995</u>	<u>2,969,780</u>
Cash Payments arising from:			
Investments		-	(6,004,144)
Tangible assets		(2,700,512)	(3,322,846)
Intangible assets		(13,210)	(22,235)
Loans granted		(3,600)	(3,250,000)
		<u>(2,717,322)</u>	<u>(12,599,225)</u>
Net cash used in investment activities (2)		<u><u>(2,594,327)</u></u>	<u><u>(9,629,445)</u></u>
FINANCING ACTIVITIES:			
Cash receipts arising from:			
Loans obtained		21,353,563	14,363,863
		<u>21,353,563</u>	<u>14,363,863</u>
Cash Payments arising from:			
Loans obtained		(16,641,710)	(1,317,033)
Interest and similar charges		(4,890,361)	(2,292,717)
Purchase of own shares		(54,916)	-
		<u>(21,586,987)</u>	<u>(3,609,750)</u>
Net cash used in financing activities (3)		<u><u>(233,424)</u></u>	<u><u>10,754,113</u></u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>(1,231,403)</u>	<u>881,349</u>
Effect of foreign exchange rate		21,238	91
Cash and cash equivalents at the beginning of the period	14	<u>2,986,070</u>	<u>2,497,210</u>
Cash and cash equivalents at the end of the period	14	<u><u>1,733,429</u></u>	<u><u>3,378,468</u></u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012

(Amounts expressed in Euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA ("Company", "Goup" 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 4 to 6 ("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.

Sonae Capital's business portfolio was reorganized according to its strategic objective, set out on the development of three distinct and autonomous business areas:

- The first business area, headed by Sonae Turismo, SGPS, SA, 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;
- The second business area, headed by SC Assets, SGPS, SA, which became autonomous from Sonae Turismo, SGPS, SA in the beginning of 2010, is focused on investment in and management of real estate properties, comprising the ownership and management of real estate assets for the development of both resorts and residential properties, and services regarding land and buildings, among which management of leased buildings, technical management of buildings and condominium management;
- The third business area, headed by Spred, SGPS, SA, includes businesses in three segments: refrigeration, HVAC and maintenance; Energy and Environment businesses (energy services in the areas of cogeneration, solar thermal and photovoltaic) and management of a financial portfolio in a investment basis.

2. MAIN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the financial statements presented for the year ended 31 December 2011.

Basis of preparation

Interim financial statements are 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

During the period ended 31 March 2012 there were no changes in accounting policies compared with those disclosed as at 31 December 2011.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

As 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 2012 and 31 December 2011, are as follows:

Company	Head Office	Percentage of capital held			
		31 March 2012		31 December 2011	
		Direct	Total	Direct	Total
Sonae Capital SGPS, SA	Maia	Holding	Holding	Holding	Holding
Tourism					
Aqualuz - Turismo e Lazer, Lda	a) Lagos	100.00%	100.00%	100.00%	100.00%
Casa da Ribeira - Hotelaria e Turismo, SA	a) Marco de Canaveses	100.00%	100.00%	100.00%	100.00%
Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a) Grândola	80.00%	80.00%	80.00%	80.00%
Golf Time - Golfe e Inv.Turisticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Imoareaia 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%
Investalentejo, SGPS, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marimo-Exploração Hoteleira 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%
Marina Magic -Exploração de Centros Lúd, SA	a) Lisbon	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%
Modus Faciendi – Gestão e Serviços, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
SII - Soberana Investimentos Imobiliários, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Sete e Meio-Investimentos e Consultadoria,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%
Soltoia-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%
Troiareort - 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%
SC Assets					
Bloco Q-Sociedade Imobiliária, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Bloco W-Sociedade Imobiliária, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
Empreend.Imob.Quinta da Azenha, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Centro Residencial da Maia,Urban., SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Cinclus Imobiliária, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Country Club da Maia-Imobiliaria, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Espimaia, SGPS, SA	a) Porto	100.00%	100.00%	100.00%	100.00%

Fundo Especial de Investimento Imobiliário Fechado WTC	a)	Maia	99.84%	99.84%	99.84%	99.84%
Imobiliária da Cacela, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imoclub-Serviços Imobiliários, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imoferro-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imohotel-Emp.Turist.Imobiliários, SA	a)	Matosinhos	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)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Implantação – Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Porturbe-Edifícios e Urbanizações, 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 – Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Prédios Privados Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Predisedas-Predial das Sedas, SA	a)	Matosinhos	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%
Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	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)	Porto	100.00%	100.00%	100.00%	100.00%
Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spinveste - Promoção Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	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)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Venda Aluga-Sociedade Imobiliária, 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%
Spred						
Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Cronosaúde – Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	50.00%
Ecociclo II – Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Friengineering, SA	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Integrum Colombo – Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Integrum-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%
Invesaude – Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	50.00%
Martimope - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
SC – Eng. e Promo Imobiliária,SGPS,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
1) 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%
SKK Distribucion de Refrigeración, S.R.L.	a)	Espanha	100.00%	70.00%	100.00%	70.00%
SKK-Central de Distr., SA	a)	Porto	100.00%	70.00%	100.00%	70.00%
SKKFOR - Ser.For.e Desen. de Recursos, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
Spinaraq-Engenharia, Energia e Ambiente, SA	a)	Luanda (Angola)	99.90%	99.90%	99.90%	99.90%
Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

Others

Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	98.98%	98.98%
Rochester Real Estate, Ltd	a)	Kent (U.K.)	100.00%	100.00%	100.00%	100.00%
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)	Amsterdan (The Netherlands)	100.00%	100.00%	100.00%	100.00%

- a) Majority of voting rights
1) Former Selfrio, SGPS, 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 2012 and 31 December 2011 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		31 March 2012		31 December 2011		31 March 2012	31 December 2011
		Direct	Total	Direct	Total		
Tourism and SC Assets							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	650,748	860,217
Sociedade de Construções do Chile, SA	Lisbon	100.00%	50.00%	100.00%	50.00%	-	-
Fundo de Investimento Imobiliário Fechado Imosede	Maia	45.45%	45.45%	45.45%	45.45%	58,348,651	57,713,465
Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Spred							
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	346,732	400,936
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	2,111,504	1,061,618
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Total						61,481,635	60,060,236

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 2012 and 31 December 2011, aggregate values of main financial indicators of associated and jointly controlled companies can be analysed as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Total Assets	831,056,019	815,672,321
Total Liabilities	650,346,385	639,016,620
Income	32,661,282	124,980,188
Expenses	27,285,719	114,912,419

During the periods ended 31 March 2012 and 31 December 2011, movements in investments and associated companies may be summarized as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Opening balance as at 1 January	60,092,179	72,410,209
Acquisitions in the period	-	172,712
Disposals in the period	-	(606,678)
Equity method	1,421,399	1,508,533
Dividends received	-	-
Transfers	-	-
Closing balance as at 31 March	<u>61,513,578</u>	<u>73,484,776</u>
Accumulated impairment losses (Note 22)	(31,943)	(31,943)
	<u><u>61,481,635</u></u>	<u><u>73,452,833</u></u>

The use of the equity method had the following impacts: 1,892,060 euro recorded in share of results of associated undertakings (911,303 euro at 31 March 2011) and -470,661 euro in changes in reserves (597,230 euro at 31 March 2011).

6. GROUP COMPANIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES EXCLUDED FROM CONSOLIDATION AND INVESTMENTS HELD FOR SALE

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 2012 and 31 December 2011 are made up as follows:

Company	Head Office	Percentage of capital held				31 March 2012	31 December 2011
		31 March 2012		31 December 2011			
		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
SC Assets							
Fundo de Investimento Imobiliário Imosonae Dois	Maia	0.06%	0.06%	0.06%	0.06%	112,025	112,025
Spred							
Net, SA	Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Sear - Sociedade Europeia de Arroz, SA	Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
Fundo de Capital de Risco F-HITEC	Lisbon	7.14%	7.14%	7.14%	7.14%	250,000	250,000
Other investments						427,446	427,446
Total (Note 9)						<u>1,015,381</u>	<u>1,015,381</u>

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

7. TANGIBLE AND INTANGIBLE FIXED ASSETS

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

	Tangible Assets				Total Tangible Assets
	Land and Buildings	Equipment	Other Tangible Assets	Tangible Assets in progress	
Gross Cost:					
Opening balance as at 1 January 2012	215,045,171	139,057,667	2,407,224	9,358,098	365,868,160
Changes in consolidation perimeter	-	-	-	-	-
Capital expenditure	9,683	186,337	4,036	3,056,831	3,256,887
Disposals	-	(101,048)	-	(2,325)	(103,373)
Exchange rate effect	-	(7,879)	(664)	-	(8,543)
Transfers	33,933	456,122	630	(522,450)	(31,765)
Closing balance as at 31 March 2012	<u>215,088,787</u>	<u>139,591,199</u>	<u>2,411,226</u>	<u>11,890,154</u>	<u>368,981,366</u>
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2012	78,891,380	48,918,109	1,970,453	-	129,779,941
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	804,530	2,638,224	18,787	-	3,461,541
Disposals	-	(82,442)	-	-	(82,442)
Exchange rate effect	-	(1,433)	(289)	-	(1,722)
Transfers	-	(12,523)	-	-	(12,523)
Closing balance as at 31 March 2012	<u>79,695,910</u>	<u>51,459,935</u>	<u>1,988,951</u>	<u>-</u>	<u>133,144,795</u>
Carrying amount as at 1 January 2012	<u>136,153,791</u>	<u>90,139,558</u>	<u>436,772</u>	<u>9,358,098</u>	<u>236,088,219</u>
Carrying amount as at 31 March 2012	<u>135,392,877</u>	<u>88,131,264</u>	<u>422,276</u>	<u>11,890,154</u>	<u>235,836,571</u>

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

	31 March 2012	31 December 2011
Tróia	7,968,005	8,074,490
Solinca refurbishment	1,070,829	-
Cogeneration Project	1,327,388	-
Others	1,523,932	1,283,608
	<u>11,890,154</u>	<u>9,358,098</u>

	Intangible Assets				Total Intangible Assets
	Patents and other similar rights	Software	Other Intangible Assets	Intangible Assets in progress	
Gross Cost:					
Opening balance as at 1 January 2012	7,805,800	2,586,420	174,822	66,927	10,633,969
Changes in consolidation perimeter	-	-	-	-	-
Capital expenditure	-	-	-	13,210	13,210
Disposals	-	-	-	-	-
Exchange rate effect	-	(133)	-	-	(133)
Transfers	(11,432)	24,569	1,900	(7,414)	7,623
Closing balance as at 31 March 2012	7,794,368	2,610,856	176,722	72,723	10,654,669
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2012	1,013,594	2,107,323	34,274	-	3,155,191
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	44,886	60,102	158	-	105,146
Disposals	-	-	-	-	-
Exchange rate effect	-	(92)	-	-	(92)
Transfers	(8,917)	8,917	-	-	-
Closing balance as at 31 March 2012	1,049,563	2,176,250	34,432	-	3,260,245
Carrying amount as at 1 January 2012	6,792,206	479,098	140,548	66,927	7,478,779
Carrying amount as at 31 March 2012	6,744,805	434,607	142,290	72,723	7,394,425

8. GOODWILL

During the three months period ended 31 March 2012, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	31 March 2012	31 December 2011
Gross amount:		
Opening balance	62,330,108	62,434,923
Decreases - disposals of assets from affiliated companies	-	(104,815)
Closing balance	62,330,108	62,330,108
Accumulated impairment losses:		
Opening balance	1,301,596	1,301,596
Closing balance	1,301,596	1,301,596
	-	-
Total	61,028,512	61,028,512

9. INVESTMENTS

As at 31 March 2012, movements in investments were as follows:

	31 March 2012	
	Non current	Current
<u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u>		
Opening balance as at 1 January	8,200,508	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Closing balance as at 31 March	8,200,508	-
Accumulated impairment losses (Note 22)	(7,707,935)	-
	<u>492,573</u>	<u>-</u>
<u>Investments held for sale</u>		
Fair value as at 1 January	651,807	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Fair value as at 31 March	<u>651,807</u>	<u>-</u>
Accumulated impairment losses (Note 22)	(128,999)	-
Fair value (net of impairment losses) as at 31 March	<u>522,808</u>	<u>-</u>
	<u>1,015,381</u>	<u>-</u>

Investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at acquisition cost less impairment losses. The Group considers that it is not reasonable to estimate a fair value for these investments as there is no visible market data.

10. OTHER NON-CURRENT ASSETS

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

	31 March 2012	31 December 2011
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	16,646,298	15,689,170
Others	38,516	34,916
	<u>16,684,814</u>	<u>15,724,086</u>
Impairment losses (Note 22)	(34,916)	(34,916)
	<u>16,649,898</u>	<u>15,689,170</u>
Trade accounts receivable and other debtors		
Sale of financial investments	4,914,984	4,914,984
Others	1,216,260	1,216,475
Impairment losses (Note 22)	-	-
	<u>6,131,244</u>	<u>6,131,459</u>
Other non current assets	<u>22,781,142</u>	<u>21,820,629</u>

11. STOCKS

Stocks as at 31 March 2012 and 31 December 2011 can be detailed as follows, highlighting the value attributable to real estate developments:

	31 March 2012		31 December 2011	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,026,462	-	1,047,342	-
Goods for sale	33,727,137	31,011,638	34,749,797	29,160,330
Finished goods	96,391,513	96,391,513	96,759,113	96,759,113
Work in progress	80,992,556	78,472,055	80,094,214	78,978,708
Payments on account	68,459	-	68,459	-
	<u>212,206,127</u>	<u>205,875,206</u>	<u>212,718,924</u>	<u>204,898,151</u>
Accumulated impairment losses on stocks (Note 22)	(3,503,080)	(3,434,621)	(3,505,580)	(3,437,121)
	<u>208,703,047</u>	<u>202,440,585</u>	<u>209,213,344</u>	<u>201,461,030</u>

12. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2012 and 31 December 2011, trade accounts receivable and other current assets are detailed as follows:

	31 March 2012	31 December 2011
Trade accounts receivable	25,412,454	31,031,472
Accumulated impairment losses on trade debtors (Note 22)	(4,290,579)	(4,435,511)
	<u>21,121,875</u>	<u>26,595,961</u>
Taxes recoverable	9,959,054	12,385,331
Loans granted to and other amounts to be received from related parties	226,632	224,547
Other current assets		
Suppliers with a debtor balance	1,136,057	1,130,303
Other debtors	9,823,928	9,521,048
Accounts receivable from the sale of financial investments	24,739,831	24,756,968
Accounts receivable from the sale of tangible assets	6,669	4,859
Interest receivable	503,612	1,098,341
Deferred costs - Rents	388,348	211,172
Deferred costs - External supplies and services	753,082	740,609
Other current assets	1,641,595	645,222
	<u>38,993,122</u>	<u>38,108,522</u>
Accumulated impairment losses on other current assets (Note 22)	(27,737,029)	(27,732,750)
	<u>42,563,654</u>	<u>49,581,611</u>
Trade accounts receivable and other current assets	<u>42,563,654</u>	<u>49,581,611</u>

13. DEFERRED TAXES

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

	Deferred tax assets		Deferred tax liabilities	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Amortisation and Depreciation harmonisation adjustments	986,751	963,841	2,074,000	2,077,347
Provisions and impairment losses of non-tax deductible	10,137,437	10,137,246	-	-
Write off of tangible and intangible assets	832,654	888,433	-	-
Write off of accruals	387,176	410,390	-	-
Revaluation of tangible assets	-	-	173,236	173,406
Tax losses carried forward	12,529,245	10,922,466	-	-
Write off of stocks	-	-	1,104,407	1,104,407
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	7,757,222	7,757,222
Others	223,698	241,061	413,794	422,973
	<u>25,096,961</u>	<u>23,563,437</u>	<u>11,522,659</u>	<u>11,535,355</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 2012 and 31 December 2011, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	31 March 2012			31 December 2011		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2006	299,767	74,942	2012	326,542	81,635	2012
Generated in 2007	1,416,550	354,137	2013	1,416,550	354,137	2013
Generated in 2008	1,426,557	356,639	2014	1,426,557	356,639	2014
Generated in 2009	6,448,363	1,612,091	2015	6,448,363	1,612,091	2015
Generated in 2010	18,432,007	4,608,002	2014	18,432,007	4,608,002	2014
Generated in 2011	15,136,075	3,784,019	2015	15,136,075	3,784,019	2015
Generated in 2012	6,274,247	1,568,562	2017	-	-	
	<u>49,433,566</u>	<u>12,358,391</u>		<u>43,186,092</u>	<u>10,796,523</u>	
With a time limit different from the above mentioned	694,415	170,854		490,158	125,943	
	<u>50,127,981</u>	<u>12,529,245</u>		<u>43,676,250</u>	<u>10,922,466</u>	

As at 31 March 2012 and 31 December 2011, 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 2012, tax losses carried forward amounting to 177,382,066 euro (172,302,504 euro as at 31 December 2011), have not originated deferred tax assets for prudential reasons and are detailed as follows:

	31 March 2012			31 December 2011		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2006	16,178,215	4,044,554	2012	16,259,895	4,064,974	2012
Generated in 2007	17,922,622	4,480,655	2013	18,052,642	4,513,161	2013
Generated in 2008	37,313,096	9,328,274	2014	37,313,096	9,328,274	2014
Generated in 2009	48,305,123	12,076,281	2015	49,919,363	12,479,840	2015
Generated in 2010	18,462,319	4,615,580	2014	18,523,204	4,630,801	2014
Generated in 2011	17,579,162	4,394,790	2015	17,677,579	4,419,395	2015
Generated in 2012	6,635,322	1,658,831	2017	-	-	
	<u>162,395,859</u>	<u>40,598,965</u>		<u>157,745,779</u>	<u>39,436,445</u>	
Without limited time use	1,186,715	395,532		1,186,715	395,532	
With a time limit different from the above mentioned	13,799,493	4,070,778		13,370,010	3,944,355	
	<u>14,986,208</u>	<u>4,466,310</u>		<u>14,556,725</u>	<u>4,339,887</u>	
	<u>177,382,066</u>	<u>45,065,274</u>		<u>172,302,504</u>	<u>43,776,332</u>	

14. CASH AND CASH EQUIVALENTS

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

	31 March 2012	31 December 2011
Cash at hand	244,397	1,689,543
Bank deposits	2,556,632	2,291,097
Treasury applications	-	-
Cash and cash equivalents on the balance sheet	2,801,028	3,980,640
Bank overdrafts (Note 17)	(567,599)	(494,571)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	1,733,429	2,986,069

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under current bank loans (Note 17).

15. SHARE CAPITAL

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 2012, Sonae Capital SGPS, S.A. owns 381,300 own shares (151,600 own shares at 31 December 2011) booked for 91,060 euro (36,143 at 31 December 2011).

16. NON-CONTROLLING INTERESTS

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

	31 March 2012	31 December 2011
Opening balance as at 1 January	9,241,777	12,454,796
Changes in hedging reserves	(1,296)	(18,104)
Changes in the percentage of capital held in affiliated companies	-	(4,103,273)
Changes resulting from currency translation	(743)	(24,529)
Others	-	141,287
Profit for the period attributable to minority interests	(281,930)	791,600
Closing balance	8,957,808	9,241,777

17. BORROWINGS

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

	31 March 2012		31 December 2011		Repayable on
	Outstanding amount		Outstanding amount		
	Current	Non Current	Current	Non Current	
Bank loans					
Sonae Capital SGPS - commercial paper ^{a)}	30,000,000	-	-	30,000,000	Mar/2013
Sonae Capital SGPS - commercial paper ^{b)}	30,350,000	-	39,600,000	-	Dec/2018
Sonae Capital SGPS - commercial paper ^{d)}	4,000,000	8,250,000	-	12,250,000	Dec/2013
Sonae Capital SGPS - commercial paper ^{c) g)}	-	35,700,000	-	16,000,000	Aug/2016
Sonae Capital SGPS - commercial paper ^{e)}	-	-	4,550,000	-	Feb/2016
Sonae Capital SGPS - commercial paper ^{h)}	2,700,000	-	3,000,000	-	Jun/2016
Selfrio Engenharia - commercial paper	700,000	-	700,000	-	May/2012
Sonae Capital SGPS ^{f)}	650,000	33,000,000	650,000	33,000,000	Jun/2017
Up-front fees	-	(407,932)	-	(437,911)	
Others	190,892	562,500	140,825	609,375	
	68,590,892	77,104,568	48,640,825	91,421,464	
Bank overdrafts (Note 14)	567,599	-	494,571	-	
Bank loans	69,158,491	77,104,568	49,135,397	91,421,464	
Bond Loans					
Sonae Capital 2007/2012 Bonds	30,000,000	-	30,000,000	-	Dec/2012
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	-	(453,903)	-	(490,184)	
Bond Loans	30,000,000	59,546,097	30,000,000	59,509,816	
Other loans	585,527	2,302,773	675,655	2,490,273	
Derivatives (Note 18)	146,719	1,968,094	138,448	1,733,828	
Obligations under finance leases	2,675,542	26,825,594	2,607,993	27,536,520	
Up-front fees on finance leases	-	(123,679)	-	(127,017)	
	102,566,279	167,623,447	82,557,493	182,564,884	

a) Commercial paper programme, with subscription guarantee, issued on 14 March 2008 and valid for a 5 year period.

b) Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period.

c) Sonae Turismo, SGPS, SA is a co-guarantor in this loan.

d) Short term commercial paper programme, with subscription guarantee, issued on 30 December 2011, with annual renewals up to a maximum of 3 years.

e) Short term commercial paper programme, with subscription guarantee, issued on 17 February 2011, with annual renewals up to a maximum of 5 years.

f) Bank loan guarantee by a mortgage on real estate, started on 2 June 2011 and valid for a 6 year period, with annual payments.

g) Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to August 2016.

h) Short term commercial paper programme, with subscription guarantee, issued on 1 June 2011, with annual renewals up to a maximum of 5 years.

As at 31 March 2012, borrowings of the Group were as follows:

- Sonae Capital SGPS - 2007/2012 bond loan - 2nd emission in the amount of 30,000,000 euro, with a 5 year maturity, and a sole reimbursement on 31 December 2012. This bond loan bears interest every six months.
- 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, except if the reimbursement is anticipated, fully or partially, which can happen on 17 January 2014. This bond loan bears interest every six months.

The interest rate on bonds in force on 31 March 2012 was on average 3.981%.

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.

Other current loans include bills receivable not yet due.

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

	31 March 2012		31 December 2011	
	Nominal value	Interest	Nominal value	Interest
N+1	102,419,560	8,808,867	82,419,045	8,892,411
N+2	49,593,012	7,140,250	55,571,186	6,799,606
N+3	10,691,279	6,456,697	18,899,142	5,918,320
N+4	20,490,985	5,906,631	10,656,839	5,305,279
N+5	10,187,746	3,357,818	20,205,856	4,019,406
After N+5	75,677,843	2,519,747	76,553,144	3,308,452
	<u>269,060,426</u>	<u>34,190,009</u>	<u>264,305,213</u>	<u>34,243,474</u>

18. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 31 March 2012 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 2,114,813 euro (1,872,276 euro at 31 December 2011) is recorded as liabilities. As at 31 March 2012 and 31 December 2011, 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 2012	31 December 2011	31 March 2012	31 December 2011
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 17)	-	-	2,114,813	1,872,276
Other derivatives				
	-	-	2,114,813	1,872,276

19. OTHER NON-CURRENT LIABILITIES

As at 31 March 2012 and 31 December 2011 other current liabilities can be detailed as follows:

	31 March 2012	31 December 2011
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,223,754	2,236,843
Others	1,298,000	1,298,000
	<u>3,521,754</u>	<u>3,534,843</u>
Other creditors		
Creditors in the restructuring process of Torralta	370,128	370,128
Others	140,803	140,548
	<u>510,931</u>	<u>510,676</u>
Deferred income	3,082,256	3,109,988
Other non current liabilities	<u>7,114,941</u>	<u>7,155,507</u>

20. SHARE-BASED PAYMENTS

In 2012 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 2012 and 31 December 2011, 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 2012	31 December 2011
Shares					
	2009	2012	3	52,816	75,054
	2010	2013	3	54,193	77,011
	2011	2014	4	92,901	132,017
	2012	2015	10	346,860	-
<u>Total</u>				546,769	284,082

As at 31 March 2012 and 31 December 2011, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	31 March 2012	31 December 2011
Other non current liabilities	79,214	106,946
Other current liabilities	113,723	95,317
Reserves	202,263	143,765
Staff Costs	(9,326)	58,498

21. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 31 March 2012 and 31 December 2011 trade accounts payable can be detailed as follows:

	31 March 2012	31 December 2011
Trade creditors	12,543,355	14,851,465
Loans granted by and other payables to related parties	107,760	107,760
Other current liabilities		
Fixed assets suppliers	1,049,172	514,752
Advances from customers and down payments	1,908,733	1,938,599
Other creditors	1,530,733	1,494,526
Taxes and contributions payable	4,811,543	5,596,653
Staff costs	7,705,585	6,555,743
Deferred income for services rendered	2,874,013	4,400,408
Other external supplies and services	5,413,086	4,988,701
Interest payable	939,941	1,472,238
Expenses with construction contracts	475,569	509,507
Investment aid	1,692,242	1,699,859
Other liabilities	5,538,945	4,775,428
	<u>33,939,562</u>	<u>33,946,414</u>
Trade accounts payable and other current liabilities	<u>46,590,677</u>	<u>48,905,639</u>

22. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 31 March 2012 were as follows:

Captions	Balance as at 1 January 2012	Increases	Decreases	Balance as at 31 March 2012
Accumulated impairment losses on:				
Other Investments (Notes 5 and 9)	7,868,877	-	-	7,868,877
Other non current assets (Note 10)	34,916	-	-	34,916
Trade accounts receivable (Note 12)	4,435,511	77,977	(222,909)	4,290,579
Other current assets (Note 12)	27,732,750	4,446	(167)	27,737,029
Stocks (Note 11)	3,505,580	-	(2,500)	3,503,080
Non current provisions	3,185,974	-	(106,150)	3,079,824
Current provisions	1,055,216	10,000	-	1,065,216
	<u>47,818,824</u>	<u>92,423</u>	<u>(331,726)</u>	<u>47,579,521</u>

As at 31 March 2012 and 31 December 2011 detail of other provisions was as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Judicial claims	1,611,177	1,707,327
Others	2,533,863	2,533,863
	<u>4,145,040</u>	<u>4,241,190</u>

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

23. CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2012 and 31 December 2011 the most important contingent liabilities referred to guarantees given and were made up as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Guarantees given:		
on VAT reimbursements	7,606,253	7,606,253
on tax claims	2,208,988	2,367,143
on judicial claims	-	-
on municipal claims	3,700,393	3,700,393
Others	16,400,076	17,317,084

Others include the following guarantees:

- 6,289,827 euro (6,923,850 euro as at 31 December 2011) of guarantees on construction works given to clients;
- 8,428,407 euro (8,643,393 euro as at 31 December 2011) 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.

24. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	103,920	86,545	92,124	134,976
Other partners in Group companies (b)	4,070,388	7,318,848	1,642,993	1,462,192
	<u>4,174,308</u>	<u>7,405,393</u>	<u>1,735,117</u>	<u>1,597,168</u>

Transactions	Interest income		Interest expenses	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	278,187	252,848	-	-
Other partners in Group companies (b)	-	-	35,866	36,709
	<u>278,187</u>	<u>252,848</u>	<u>35,866</u>	<u>36,709</u>

Balances	Accounts receivable		Accounts payable	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Parent company and group companies excluded from consolidation (a)	-	-	-	365
Associated companies	332,077	902,395	37,056	57,485
Other partners in Group companies (b)	7,106,728	9,645,265	3,103,131	3,335,962
	<u>7,438,805</u>	<u>10,547,660</u>	<u>3,140,187</u>	<u>3,393,812</u>

Balances	Loans obtained		Loans granted	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	16,819,898	15,859,170
Other partners in Group companies (b)	2,223,754	2,236,843	-	-
	<u>2,223,754</u>	<u>2,236,843</u>	<u>16,819,898</u>	<u>15,859,170</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.

25. TAXATION

Income tax for the three months periods ended 31 March 2012 and 2011 was made up as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Current tax	564,171	419,017
Deferred tax	(1,546,050)	(1,517,672)
Taxation	<u>(981,879)</u>	<u>(1,098,655)</u>

26. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 March 2012 and 2011, the reconciliation of consolidated net profit can be analysed as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Aggregate net profit	(5,944,508)	(5,411,538)
Harmonisation adjustments	(625,188)	(546,024)
Elimination of intragroup dividends	(2,398,068)	-
Share of gains/(losses) of associated undertakings	1,892,060	911,303
Elimination of intragroup impairment	169,893	115,318
Adjustments of gains/(losses) of financial shareholdings sale	-	1,676,572
Others	-	4,315
Consolidated net profit for the year	<u>(6,905,811)</u>	<u>(3,250,054)</u>

27. EARNINGS PER SHARE

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

	<u>31 March 2012</u>	<u>31 March 2011</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(6,623,881)	(3,229,638)
Net profit taken into consideration to calculate diluted earnings per share	<u>(6,623,881)</u>	<u>(3,229,638)</u>
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	249,618,700	250,000,000
Weighted average number of shares used to calculated diluted earnings per share	<u>249,618,700</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>(0.026536)</u>	<u>(0.012919)</u>

There are no convertible instruments included in Sonae Capital, SGPS, SA's shares, hence there is no dilutive effect.

28. SEGMENT INFORMATION

In 31 March 2012 and 2011, the following were identified as segments:

- Sonae Tourism:
 - Tourism Operations
 - Atlantic Ferries
 - Other
- SC Assets:
 - Residential Developments
 - Other Operating Assets
 - Other Assets
- Spred:
 - Energy and Environment
 - Sistavac Group
 - Other
- Holding and Others

The contribution of the business segments to the income statement of the periods ended 31 March 2012 and 2011 can be detailed as follows:

31 March 2012					
Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Tourism Operations	1,198,239	5,342,998	498,182	7,039,419	(3,623,563)
Atlantic Ferries	-	609,041	36,290	645,331	(397,831)
Other	-	519,578	232,481	752,059	181,434
Intersegment Income	(1)	(449,356)	(139,497)	(588,854)	(529)
Total Tourism	1,198,238	6,022,261	627,456	7,847,955	(3,840,489)
Residential Property Development	6,500	203,548	7,770	217,818	(170,446)
Other Operating Assets	58,500	1,983,693	129,768	2,171,961	1,207,763
Other Assets	-	-	15,879	15,879	(139)
Intersegment Income	-	(96,551)	(23,839)	(120,390)	-
Total SC Assets	65,000	2,090,690	129,578	2,285,268	1,037,178
Energy and environment	2,912,862	157,052	111,064	3,180,978	648,213
Sistavac Group	7,956,676	4,682,528	93,926	12,733,130	(300,551)
Other	12,425	2,176,456	183,979	2,372,860	(183,043)
Intersegment Income	(310,553)	(3,234)	1,896	(311,891)	(227)
Total Spred	10,571,410	7,012,802	390,865	17,975,077	164,392
Holding & Others	-	1,169,084	10,707	1,179,791	(453,157)
Subgroup Income	(208,158)	(2,820,523)	270,346	(2,758,335)	259
Consolidated	11,626,490	13,474,314	1,428,952	26,529,756	(3,091,817)

31 March 2011					
Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Tourism Operations	2,018,906	6,730,486	1,507,918	10,257,310	(4,400,760)
Atlantic Ferries	-	677,431	13,059	690,490	(351,703)
Other	-	731,337	36,059	767,396	399,162
Intersegment Income	-	(657,627)	(30,809)	(688,436)	(235)
Total Tourism	2,018,906	7,481,627	1,526,227	11,026,760	(4,353,536)
Residential Property Development	17,650	387,196	18,063	422,909	(216,527)
Other Operating Assets	4,604,267	1,590,641	237,300	6,432,208	318,734
Other Assets	-	-	28,649	28,649	(11,436)
Intersegment Income	(2,800,000)	(68,610)	(34,477)	(2,903,087)	894
Total SC Assets	1,821,917	1,909,227	249,535	3,980,679	91,665
Energy and environment	1,252,925	185,130	144,811	1,582,866	309,073
Sistavac Group	13,151,679	3,992,038	172,562	17,316,279	847,935
Other	16,153	1,336,468	106,180	1,458,801	9,958
Intersegment Income	-	(11,633)	-	(11,633)	(1)
Total Spred	14,420,757	5,502,003	423,553	20,346,313	1,166,965
Holding & Others	-	1,033,945	131,825	1,165,770	(260,162)
Subgroup Income	(1,291,845)	(2,457,845)	1,228,813	(2,520,877)	(7,438)
Consolidated	16,969,735	13,468,957	3,559,953	33,998,645	(3,362,506)

The contribution of the business segments to the balance sheets as at 31 March 2012 and 31 December 2010 can be detailed as follows:

31 March 2012								
Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Tourism Operations	92,292,616	247,390	180,185,226	272,725,232	236,208,429	1,332,710	3,265,134	3,075,396
Atlantic Ferries	24,416,719	-	1,873,645	26,290,364	24,090,166	5,505	19,946,746	19,880,190
Other	214,125	274,154	191,498,990	191,987,269	234,917,015	-	2,136	(261)
Intersegment Adjustments	-	-	(192,784,414)	(192,784,414)	(192,783,544)	-	-	-
Total Tourism	116,923,459	521,544	180,773,447	298,218,451	302,432,066	1,338,215	23,214,015	22,955,324
Residential Property Development	333,591	17,822	50,393,631	50,745,044	49,386,395	-	1,791	(506,800)
Other Operating Assets	111,391,407	694,031	115,850,448	227,935,886	133,932,943	364,760	23,662	(649,003)
Other Assets	-	58,351,197	137,669,429	196,020,626	188,500,021	-	238	(1,013)
Intersegment Adjustments	-	-	(191,548,594)	(191,548,594)	(188,748,598)	-	-	-
Total SC Assets	111,724,998	59,063,050	112,364,914	283,152,962	183,070,761	364,760	25,691	(1,156,816)
Energy and environment	12,277,195	2,546	4,531,786	16,811,527	15,089,359	1,362,504	9,933,922	9,932,891
Sistavac Group	387,803	-	51,976,481	52,364,284	16,730,985	99,441	792,732	232,885
Other	1,834,904	2,900,986	48,749,763	53,485,653	24,974,003	93,872	452,513	(322,644)
Intersegment Adjustments	-	-	(19,163,016)	(19,163,016)	(19,161,622)	-	-	-
Total Spred	14,499,901	2,903,532	86,095,014	103,498,447	37,632,725	1,555,816	11,179,167	9,843,132
Holding & Others	82,637	8,889	430,460,733	430,552,259	266,165,993	11,305	235,770,852	235,747,057
Subgroup Adjustments	-	-	(446,719,762)	(446,719,762)	(449,738,502)	-	-	-
Consolidated	243,230,996	62,497,016	362,974,345	668,702,357	339,563,043	3,270,097	270,189,725	267,388,697

31 December 2011								
Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Tourism Operations	92,839,325	247,390	181,511,412	274,598,127	231,673,239	5,828,655	3,466,557	3,180,230
Atlantic Ferries	24,755,340	-	1,672,236	26,427,576	23,305,133	78,690	20,291,480	20,204,261
Other	271,898	274,154	186,549,251	187,095,303	229,583,855	2,310	1,151	(4,919)
Intersegment Adjustments	-	-	(186,881,715)	(186,881,715)	(186,879,871)	-	-	-
Total Tourism	117,866,563	521,544	182,851,184	301,239,291	297,682,356	5,909,655	23,759,188	23,379,572
Residential Property Development	339,537	17,822	50,546,041	50,903,400	48,691,236	333,150	678	(509,228)
Other Operating Assets	111,878,325	903,500	114,187,323	226,969,148	131,829,728	597,029	200	(258,880)
Other Assets	-	57,716,010	133,708,180	191,424,190	184,198,370	-	-	(4,931)
Intersegment Adjustments	-	-	(187,314,735)	(187,314,735)	(184,514,738)	-	-	-
Total SC Assets	112,217,862	58,637,332	111,126,809	281,982,003	180,204,596	930,179	879	(773,039)
Energy and environment	11,253,391	2,546	4,506,946	15,762,883	14,147,725	3,748,308	10,168,918	10,149,905
Sistavac Group	322,342	-	54,857,951	55,180,293	19,283,480	162,018	1,084,721	(854,719)
Other	1,820,079	1,905,304	46,052,081	49,777,464	21,587,619	264,854	252,937	(248,699)
Intersegment Adjustments	-	-	(16,312,913)	(16,312,913)	(16,313,663)	-	-	-
Total Spred	13,395,812	1,907,850	89,104,064	104,407,726	38,705,161	4,175,180	11,506,577	9,046,486
Holding & Others	86,761	8,890	422,196,516	422,292,166	259,478,733	20,116	229,855,733	229,488,718
Subgroup Adjustments	-	-	(436,090,398)	(436,090,398)	(439,110,777)	-	-	-
Consolidated	243,566,998	61,075,617	369,188,174	673,830,788	336,960,068	11,035,130	265,122,377	261,141,737

Net debt of the Holding can be analysed as follows:

	<u>31 March 2012</u>
Inflows	
Gross bank debt	235,770,852
Cash and cash equivalents	<u>23,795</u>
Net bank debt	235,747,057
Sonae Turismo	-
SC Assets	-
Spred	<u>24,631,000</u>
Intercompany ST Loans Obtained	<u>24,631,000</u>
Total Inflows	<u><u>260,378,057</u></u>
Outflows	
Sonae Turismo	231,045,362
SC Assets	173,465,800
Spred	<u>933,546</u>
Intercompany Loans Granted	<u><u>405,444,708</u></u>

29. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 31 March 2012.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 24 May 2012.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

31 MARCH 2012

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 31 MARCH 2012 AND 31 DECEMBER 2011

(Amounts expressed in euro)

ASSETS	Notes	31 March 2012	31 December 2011
NON CURRENT ASSETS:			
Investments	4	542,141,999	542,141,999
Deferred tax assets	7	511,542	451,247
Other non current assets	5	200,578,543	164,370,542
Total Non Current Assets		<u>743,232,084</u>	<u>706,963,788</u>
CURRENT ASSETS:			
Other current assets	6	14,238,734	21,481,201
Cash and cash equivalents	8	15,242	350,634
Total Current Assets		<u>14,253,976</u>	<u>21,831,835</u>
TOTAL ASSETS		<u>757,486,060</u>	<u>728,795,623</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Own shares	9	(91,060)	(36,143)
Legal reserve	10	8,307,376	8,307,376
Other reserves	10	288,710,416	289,628,622
Retained earnings		-	-
Profit / (Loss) for the period		191,421	(918,206)
TOTAL EQUITY		<u>547,118,153</u>	<u>546,981,649</u>
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	11	76,542,068	90,812,089
Bond loans	11	9,953,840	9,943,470
Other non current liabilities		35,986	63,054
Deferred tax liabilities	7	8,998	11,699
Total Non Current Liabilities		<u>86,540,892</u>	<u>100,830,312</u>
CURRENT LIABILITIES			
Suppliers		63,032	1,638,046
Bank loans	11	67,700,000	47,800,000
Bond loans	11	30,000,000	30,000,000
Other creditors	12	24,631,000	31,923
Other current liabilities	13	1,432,983	1,513,693
Total Current Liabilities		<u>123,827,015</u>	<u>80,983,662</u>
TOTAL EQUITY AND LIABILITIES		<u>757,486,060</u>	<u>728,795,623</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 PERIODS ENDED 31 MARCH 2012 AND 2011

(Amounts expressed in euro)

	Notes	31 March 2012	31 March 2011
Operational income			
Other operational income		3,398	113,417
Total operational income		<u>3,398</u>	<u>113,417</u>
Operational expenses			
External supplies and services	14	(111,052)	(58,841)
Staff costs	15	(162,106)	(222,502)
Depreciation and amortisation		-	(1)
Other operational expenses		(7)	(21,947)
Total operational expenses		<u>(273,165)</u>	<u>(303,291)</u>
Operational profit/(loss)		<u>(269,767)</u>	<u>(189,874)</u>
Financial income	16	2,941,583	1,884,635
Financial expenses	16	<u>(2,924,037)</u>	<u>(2,073,318)</u>
Net financial income/(expenses)		<u>17,546</u>	<u>(188,683)</u>
Investment income	16	382,921	-
Profit/(loss) before taxation		<u>130,700</u>	<u>(378,557)</u>
Taxation	17	60,721	92,663
Profit/(loss) for the period		<u>191,421</u>	<u>(285,894)</u>
Profit/(loss) per share			
Basic and diluted	18	0.000767	(0.001144)

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 PERIODS ENDED 31 MARCH 2012 AND 2011

(Amounts expressed in euro)

	<u>31 March 2012</u>	<u>31 March 2011</u>
Net profit for the period	191,421	(285,894)
Exchange differences arising from translating foreign operations	-	-
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	-	-
Gains on property revaluations	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>191,421</u>	<u>(285,894)</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL SGPS, SA
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2012 AND 2011

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Translation Reserve	Fair Value Reserve	Hedging Reserve	Other Reserves	Retained Earnings	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2011	250,000,000	-	8,191,127	-	-	-	287,419,883	-	295,611,010	2,324,988	547,935,998
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(285,894)	(285,894)
Appropriation of profits:											
Transfer to reserves	-	-	116,249	-	-	-	2,208,739	-	2,324,988	(2,324,988)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2011	250,000,000	-	8,307,376	-	-	-	289,628,622	-	297,935,998	-285,894	547,650,104
Balance as at 1 January 2012	250,000,000	(36,143)	8,307,376	-	-	-	289,628,622	-	297,935,998	(918,206)	546,981,648
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	191,421	191,421
Appropriation of profits:											
Use of free Reserves to cover net loss	-	-	-	-	-	-	(918,206)	-	(918,206)	918,206	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(54,916)	-	-	-	-	-	-	-	-	(54,916)
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2012	250,000,000	(91,060)	8,307,376	-	-	-	288,710,416	-	297,017,792	191,421	547,118,153

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 PERIODS ENDED 31 MARCH 2012 AND 2011

(Amounts expressed in euro)

	<u>31 March 2012</u>	<u>31 March 2011</u>
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	1,725,111	118,895
Cash paid to employees	64,973	301,085
Cash flow generated by operations	<u>(1,790,084)</u>	<u>(419,980)</u>
Income taxes (paid)/received	17,440	102,865
Other cash receipts/(payments) relating to operating activities	<u>(48,527)</u>	<u>(144,819)</u>
Net cash flow from operating activities [1]	<u><u>(1,856,051)</u></u>	<u><u>(667,664)</u></u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	<u>5,200,426</u>	<u>3,019,564</u>
	<u>5,200,426</u>	<u>3,019,564</u>
Cash payments arising from:		
Loans granted	<u>30,821,846</u>	<u>15,644,000</u>
	<u>30,821,846</u>	<u>15,644,000</u>
Net cash flow from investment activities [2]	<u><u>(25,621,420)</u></u>	<u><u>(12,624,436)</u></u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	<u>45,981,000</u>	<u>14,853,000</u>
	<u>45,981,000</u>	<u>14,853,000</u>
Cash Payments arising from:		
Interest and similar costs	3,034,005	1,136,354
Acquisition of own shares	54,916	-
Loans obtained	<u>15,750,000</u>	<u>-</u>
Net cash flow from financing activities [3]	<u>18,838,921</u>	<u>1,136,354</u>
	<u>27,142,079</u>	<u>13,716,646</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	<u>(335,392)</u>	<u>424,546</u>
Cash and cash equivalents at the beginning of the period	<u>350,634</u>	<u>27,355</u>
Cash and cash equivalents at the end of the period	<u>15,242</u>	<u>451,901</u>

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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 PERIOD ENDED 31 MARCH 2012

(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 35/2005 of 17 February, 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 2011.

Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), applicable to financial years beginning on 1 January 2011.

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 (Note 2.3).

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 2012 and 31 December 2011 Investments are detailed as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Investments in affiliated and associated undertakings	542,138,253	542,138,253
Investments in other companies (Sonae RE - 0.04%)		
Sonae RE - (0,04%)	1,200	1,200
Fundo Invest. Imob. Imosonae Dois - (0,001%)	2,546	2,546
	<u>542,141,999</u>	<u>542,141,999</u>

4.1 Investments in affiliated and associated undertakings

As at 31 March 2012 and 31 December 2011, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

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

Company	31 March 2012				31 December 2011			
	% 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	-
Sprede, 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	-
Total			<u>542,138,253</u>	<u>-</u>			<u>542,138,253</u>	<u>-</u>

5. OTHER NON CURRENT ASSETS

As at 31 March 2012 and 31 December 2011 Other Non Current Assets are detailed as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Loans granted to group companies:		
SC, SGPS, SA	142,350,743	106,142,742
SC Assets, SGPS, SA	58,227,800	58,227,800
	<u>200,578,543</u>	<u>164,370,542</u>

These assets were not due or impaired as at 31 March 2012. The fair value of loans granted to Group companies is basically the same as their book value.

6. OTHER CURRENT ASSETS

As at 31 March 2012 and 31 December 2011 Other Current Assets can be detailed as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Group companies - Short term loans:		
SC, SGPS, SA	8,619,800	1,690,381
SC-Consultadoria,SA	-	3,413,021
Sonae Turismo-SGPS,SA	-	10,916,552
Spred-SGPS,SA	382,921	-
SC Assets, SGPS, SA	2,014,000	-
Income tax withheld	315,956	298,516
Other Debtors	3,709	9,956
Accrued income	2,866,868	5,128,767
Deferred costs	35,480	24,008
	<u>14,238,734</u>	<u>21,481,201</u>

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

7. DEFERRED TAXES

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

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Tax losses carried forward	511,542	451,247	-	-
Others	-	-	8,998	11,699

During the periods ended 31 March 2012 and 31 December 2011, movements in Deferred tax are as follows:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>31 March 2012</u>	<u>31 December 2011</u>	<u>31 March 2012</u>	<u>31 December 2011</u>
Opening balance	451,247	157,965	11,699	22,586
Effect in results :				
Tax losses carried forward	60,295	293,282	-	-
Others	-	-	(2,701)	(10,887)
	<u>511,542</u>	<u>451,247</u>	<u>8,998</u>	<u>11,699</u>
Effect in reserves:	-	-	-	-
Closing balance	<u>511,542</u>	<u>451,247</u>	<u>8,998</u>	<u>11,699</u>

8. CASH AND CASH EQUIVALENTS

As at 31 March 2012 and 31 December 2011 Cash and Cash Equivalents can be detailed as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Cash	1,004	1,004
Bank deposits	<u>14,239</u>	<u>349,631</u>
Cash and cash equivalents in the balance sheet	<u><u>15,242</u></u>	<u><u>350,634</u></u>
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	<u><u>15,242</u></u>	<u><u>350,634</u></u>

9. SHARE CAPITAL

As at 31 March 2012 and 31 December 2011, the share capital is represented by 250,000,000 ordinary shares with a nominal value of 1 euro each.

Up to 31 March 2012, Sonae Capital SGPS, S.A. bought 229,700 own shares in the stock market, representing 0.092% of its share capital, for a total consideration of 54,916 euro. As at 31 March 2012 the total number of own shares held by the company is 381,300, representing 0.153% of the share capital.

10. RESERVES

As at 31 March 2012, and 31 December 2011 the caption Other Reserves can be detailed as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Free reserves	155,981,103	156,954,227
Demerger reserve	132,638,252	132,638,252
Own shares reserve	<u>91,061</u>	<u>36,143</u>
	<u><u>288,710,416</u></u>	<u><u>289,628,622</u></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 2012 the value of this caption is 8,307,376 euro.

11. LOANS

As at 31 March 2012 and 31 December 2011 this caption included the following loans:

	<u>31 March 2012</u>	<u>31 December 2011</u>
Bank loans - Commercial paper	43,950,000	58,250,000
Bank loans - Term loan	33,000,000	33,000,000
Up-front fees not yet charged to income statement	<u>(407,932)</u>	<u>(437,911)</u>
Bank loans - non current	<u>76,542,068</u>	<u>90,812,089</u>
Nominal value of bonds	10,000,000	10,000,000
Up-front fees not yet charged to income statement	<u>(46,160)</u>	<u>(56,531)</u>
Bond Loans	<u>9,953,840</u>	<u>9,943,470</u>
Total non-current loans	<u><u>86,495,908</u></u>	<u><u>100,755,559</u></u>
Bank loans - Commercial paper	67,050,000	47,150,000
Bank loans - Term loan	<u>650,000</u>	<u>650,000</u>
Bank loans - current	<u>67,700,000</u>	<u>47,800,000</u>
Bond Loans	<u>30,000,000</u>	<u>30,000,000</u>
Total current bank loans	<u><u>97,700,000</u></u>	<u><u>77,800,000</u></u>

Non Current Bank Loans

The caption Non Current Bank Loans relates to amounts issued detailed as follows:

- i) Commercial Paper Programme issued on 14 March 2008 with subscription guarantee and valid for a period of 5 years;
- ii) Commercial Paper Programme issued on 31 March 2011 with subscription guarantee and valid for a period of 5 years and 5 months;
- iii) 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;
- iv) Commercial Paper Programme issued on 30 December 2010 with subscription guarantee and valid for a period of 3 years;
- v) Sonae Capital, SGPS 2011/2016, amounting to 10,000,000 euro, repayable after 5 years, in one instalment, on 17 January 2016. Early repayment can occur under the terms of the Call / Put Option. This bond issue pays interest every six months.

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

The average interest rate of these bond loans as at 31 March 2012 was 3.981%.

Current Bank Loans

The caption Current Bank Loans relates to amounts issued, detailed as follows:

- i. 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;
- ii. Commercial Paper Programme issued on 1 June 2011 with subscription guarantee, valid for a period of 1 year, automatically renewable for equal periods to a maximum of five years, unless terminated by either party;
- iii. Commercial Paper Programme issued on 17 February 2011 with subscription guarantee, valid for a period of 1 year, automatically renewable for equal periods to a maximum of five years, unless terminated by either party;
- iv. Commercial Paper Programme issued on 30 December 2010 with subscription guarantee, valid for a period of 3 years;
- v. Sonae Capital, SGPS 2007/2012^{2nd} Bond issue, amounting to 30,000,000 euro, repayable after 5 years, in one instalment, on 31 December 2012. This bond issue pays interest every six months

The above loans are not guaranteed, and their fair value is considered to be close to their book value, in view of the fact that interest payable on them is indexed to variable market rates.

There are no Derivatives.

12. OTHER CREDITORS

As at 31 March 2012 and 31 December 2011, these captions were made up as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
<u>Other creditors</u>		
Group companies - Short term loans:		
Spred, SGPS, SA	24,631,000	-
Other creditors	-	31,923
	<u>24,631,000</u>	<u>31,923</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 2012 and 31 December 2011, these captions were made up as follows:

	<u>31 March 2012</u>	<u>31 December 2011</u>
<u>Other current liabilities</u>		
Taxes payable	33,923	95,128
Accruals:		
Staff costs	473,583	376,622
Interest payable	906,759	993,925
Other accruals	15,690	42,717
Deferred income	3,029	5,301
	<u>1,432,983</u>	<u>1,513,693</u>

14. EXTERNAL SUPPLIES AND SERVICES

As at 31 March 2012 and 31 March 2011, External Supplies and Services can be detailed as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Operational rents	8,257	16,671
Insurance costs	12,707	10,084
Travelling expenses	2,938	2,667
Services obtained	84,031	8,700
Other services	3,120	20,720
	<u>111,052</u>	<u>58,841</u>

15. STAFF COSTS

As at 31 March 2012 and 31 March 2011, Staff Costs are made up as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Governing bodies' remunerations	147,152	205,380
Social security contributions	11,203	10,377
Other staff costs	3,751	6,745
	<u>162,106</u>	<u>222,502</u>

16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 31 March 2012 and 31 March 2011, Net Financial Expenses and Investment Income can be detailed as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(1,646,055)	(1,158,463)
Bonds	(318,937)	(253,043)
Other	(81,206)	(154,199)
Other financial expenses	(877,839)	(507,613)
	<u>(2,924,037)</u>	<u>(2,073,318)</u>
Interest receivable and similar income		
Interest income	2,941,583	1,884,635
	<u>2,941,583</u>	<u>1,884,635</u>
Net financial expenses	<u>17,546</u>	<u>(188,683)</u>
Investment income	<u>382,921</u>	<u>-</u>

As at 31 March 2012, Investment Income of 382,921 euro relates to dividends paid by an associated company.

17. TAXATION

As at 31 March 2012 and 31 March 2011, Taxation is made up as follows:

	<u>31 March 2012</u>	<u>31 March 2011</u>
Current tax	(2,275)	(1,977)
Deferred tax	62,996	94,639
	<u>60,721</u>	<u>92,663</u>

18. EARNINGS PER SHARE

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

	<u>31 March 2012</u>	<u>31 March 2011</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	191,421	(285,894)
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>191,421</u>	<u>(285,894)</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	249,618,700	250,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u>249,618,700</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>0.000767</u>	<u>(0.001144)</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 2012 shareholders' loan contracts were entered into with the company SC, SGPS, SA.

In the period ended 31 March 2012 short-term loan contracts were entered with the companies SC Assets, SGPS, SA and Spred, SGPS, SA.

As at 31 March 2012 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, SGPS, SA	150,970,543
SC Assets, SGPS, SA	60,241,800
Spred , SGPS, SA	382,921
	<u>211,595,264</u>

As at 31 March 2012 amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Spred , SGPS, SA	<u>24,631,000</u>
	<u>24,631,000</u>

20. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 24 May 2012.

The Board of Directors