



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 2011

(Translation from the Portuguese Original)



Index

I. Report of the Board of Directors	
1. Executive Summary	4
2. Selected Main Events	6
3. Consolidated Financial Statements Review	7
- Glossary	13
II. Consolidated Financial Statements	14
III. Individual Financial Statements	48



REPORT OF THE BOARD OF DIRECTORS

31 MARCH 2011

(Translation from the Portuguese Original)

Report of the Board of Directors 31 March 2011

(Translation from the Portuguese original)

Disclaimer:

Unless otherwise stated, comparable figures (presented within brackets), percent or absolute changes mentioned in this report refer to the comparable period of the previous year for performance figures and to the year 2010 for financial position figures.

Following the sale of the shareholding in Box Lines, which took effect as from 16 September 2010, this business unit's contribution to performance figures is disclosed under discontinued operations in 2010 and is no longer included in the consolidated financial position of the company as at 31 December 2010.

In view of the above considerations, comparisons presented throughout this report will be made on a like for like basis, not taking into account discontinued operations in the 2010 consolidated profit and loss statement.

1. Executive Summary

	1Q 11	1Q 10 (Continued Operations)
▪ Turnover	30.4 M.€	33.8 M.€
▪ EBITDA	-3.4 M.€	-0.5 M.€
▪ Net Income	-3.3 M.€	-5.1 M.€

	31.03.11	31.12.10
▪ Net Debt	288.2 M.€	277.2 M.€
▪ Capex ¹	4.0 M.€	10.2 M.€

¹ Relates to continued operations in 2010.

As in previous periods, Sonae Capital's first quarter results continued to be under pressure, impacted by economic uncertainty and a general lack of confidence, as recession threatens performance in the short term.

Consolidated turnover fell by around 10% to 30.4 million euro, with Resort Development and the Selfrio Group accounting for most of the fall (1.9 million euro and 1.0 million euro respectively). Despite the fact that the Easter holiday season did not fall in the first quarter of 2011, Resort Management and Atlantic Ferries increased their contributions to turnover by 12% and 19%, the latter favourably impacted by the opening of the *Casino de Tróia* on 1 January 2011. Also on the positive side, SC Assets and Energy and Environment posted significant double digit turnover growth (31% and 22% respectively).

Consolidated operational cash-flow (EBITDA) was negative 3.4 million euro (negative 0.5 million euro), with Resort Development (-2.2 million euro) and Hospitality (-2.4 million euro) delivering major negative contributions. Also in Tourism, and although still negative, contributions from Resort Management and Atlantic Ferries grew by 15% and 43%. The VAT increase clearly negatively impacted Fitness profitability, where EBITDA fell by 0.6 million euro to positive 0.5 million euro. Selfrio continued to post a positive contribution of 0.8 million euro, despite suffering erosion of margins as competition intensifies in the refrigeration and HVAC markets. EBITDA of the Energy and Environment business increased by 0.2 million euro, to 0.3 million euro, as the cogeneration plant enters into cruising speed. SC Assets contribution was also positive, at 0.1 million euro.

Net profit for the quarter was negative 3.3 million euro (negative 5.1 million euro), including 1.7 million euro from investment income (mostly explained by the positive price adjustment on the sale of Choice Car), and 0.9 million euro of profits from associated undertakings (mainly Imosedo Fund and TP).

Most of the quarter's capex relates to relevant investments at **troiaresort** (namely the refurbishment of Aqualuz **troiario**, since from a commercial standpoint it was deemed necessary to standardise the quality of accommodation to the level of **troiamar**, and construction of the Aqualuz Events Centre) and an additional stake in the previously announced Colombo cogeneration project. The Group intends to continue to limit capex in view of the tougher economic environment. Net Debt increased by around 11.0 million euro to 288.2 million euro, compared to the end of the previous year, as a result of lower cash flow generated from operations, investment in the period and cash-calls from TP (as set out in the Eneop agreement). The Group remains focused on reducing its debt level, mainly through the sale of non strategic assets (as in the case of TP).

As at the date of this report, total residential units sold at **troiaresort** amounted to 224 (no changes since the last reporting date). On 25 May 2011, there was one open reservation for a **troiaresort** Village unit. Sales figures remain weak impacted by the negative outlook for the Portuguese economy.

2. Selected Main Events

During the first quarter of the year, the following events were announced to the market:

Financing

17 January 2011

Sonae Capital, SGPS, SA announced the completion of an unsecured bond issue, by private placement, arranged and led by Banco BPI, in the amount of 10 million euro, with a tenor of 5 years and call and put options at the end of the third year.

Asset disposals

14 March 2011

Sonae Capital, SGPS, SA informed about the agreement signed with Finerge – Gestão de Projectos Energéticos, SA, a company owned by Enel Green Power España, SL, regarding the terms for the sale of the whole of its 50% shareholding in the share capital of TP – Sociedade Térmica Portuguesa, SA. The transaction is subject to non opposition by the Portuguese Competition Authority and is expected to generate a cash inflow of around 36.9 million euro and an impact of circa 22.9 million euro on the 2011 consolidated results of Sonae Capital.

Corporate Governance

31 March 2011

Sonae Capital, SGPS, SA informed about resolutions taken in the Shareholders' General Meeting and about decisions of the Board of Directors held on that date.

3. Consolidated Financial Statements Review

3.1. Consolidated Profit and Loss Statement

Values in 10³ euro

	1Q 11	1Q 10 Total Operations	1Q 10 Discontinued Operations	1Q 10 Continued Operations	Δ (A/B)
	(A)			(B)	
Turnover	30,438.7	42,131.5	8,357.1	33,774.4	-9.9%
Other Operational Income	3,560.0	1,446.6	39.9	1,406.7	>100%
Total Operational Income	33,998.6	43,578.0	8,397.0	35,181.1	-3.4%
Cost of Goods Sold	-9,312.6	-6,760.0	0.0	-6,760.0	-37.8%
Change in Stocks of Finished Goods	-514.2	-3,096.5	0.0	-3,096.5	+83.4%
External Supplies and Services	-13,405.8	-21,957.5	-7,939.9	-14,017.6	+4.4%
Staff Costs	-10,399.6	-11,268.9	-396.3	-10,872.6	+4.3%
Other Operational Expenses	-1,664.3	-1,072.9	-112.1	-960.8	-73.2%
Total Operational Expenses	-35,296.6	-44,155.8	-8,448.3	-35,707.5	+1.2%
Operational Cash-Flow (EBITDA)	-3,362.5	-583.7	-51.3	-532.3	<-100%
Amortisation and Depreciation	-3,280.4	-3,364.1	-54.7	-3,309.4	+0.9%
Provisions and Impairment Losses	-13.1	-2,116.7	0.0	-2,116.7	+99.4%
Operational Profit/(Loss) (EBIT)	-4,591.4	-6,058.6	-106.1	-5,952.5	+22.9%
Net Financial Expenses	-2,361.9	-2,137.3	2.8	-2,140.1	-10.4%
Share of Results of Associated Undertakings	911.3	477.1	0.0	477.1	+91.0%
Investment Income	1,693.3	-604.5	0.0	-604.5	-
Profit before Taxation	-4,348.7	-8,323.2	-103.2	-8,220.0	+47.1%
Taxation	1,098.7	3,105.5	3.2	3,102.3	-64.6%
Net Profit	-3,250.1	-5,217.8	-100.0	-5,117.8	+36.5%
Attributable to Equity Holders of Sonae Capital	-3,229.6	-5,206.4	-100.0	-5,106.5	+36.8%
Attributable to Non-Controlling Interests	-20.4	-11.3	0.0	-11.3	-80.6%

Quarterly contributions to the Group's consolidated turnover, 30.4 million euro (33.8 million euro), were as follows:

Values in 10³ euro

	Turnover		
	1Q 11	1Q 10	Δ
Resorts	2,976.7	4,754.4	-37.4%
Resort Development	2,064.2	3,973.8	-48.1%
Resort Management (Golf, Marina and Market)	235.3	209.5	+12.3%
Atlantic Ferries	677.2	571.0	+18.6%
Hotels	1,939.8	2,182.5	-11.1%
Fitness	4,483.3	4,706.9	-4.8%
Other	2.8	6.5	-57.5%
Sonae Turismo's contribution	9,402.5	11,650.3	-19.3%
Residential Property Development	126.2	837.6	-84.9%
Operational Assets	613.3	638.4	-3.9%
Other Assets	1,946.2	568.9	>100%
SC Assets's contribution	2,685.7	2,044.9	+31.3%
Selfrio Group	15,574.2	16,558.8	-5.9%
Energy and Environment	1,389.8	1,143.0	+21.6%
Other	1,353.3	2,278.8	-40.6%
Spred's contribution	18,317.2	19,980.6	-8.3%

Resorts contribution to consolidated turnover amounted to 3.0 million euro (4.8 million euro):

- Four sales deeds were signed for residential units in **troia**resort (one for an Ácala building apartment with a PPA signed in the past, another for a Marina apartment with no underlying PPA and the remaining two involving an exchange of units). In the first quarter of 2010, 7 sales deeds were signed, thus explaining the 1.9 million euro fall in the contribution of Resort Development, to 2.1 million euro;
- Atlantic Ferries grew its turnover contribution by 19%, to 0.7 million euro, mainly due to the 32% increase in passenger traffic as a result of the opening of *Casino de Tróia* this year, more than off-setting a 15% fall in vehicle traffic;
- Despite being of small significance in the overall context of Sonae Capital, Resort Management businesses turnover grew by 12% to 0.2 million euro by the end of the period. **troia**golf was the major driver of this turnover increase, reflecting improved sales and marketing.

Following the trend already evidenced in the last quarters of 2010, the Selfrio Group's refrigeration and HVAC Portuguese operations continued to be negatively impacted, with their contribution to consolidated turnover falling by circa 2.4 million euro to 11.6 million euro. Once again, the contribution of general maintenance services increased by around 2% to 1.5 million euro, while that from international operations (Brazil and Spain) grew by more than 2.5 times to 2.3 million euro (with most of this increase in Spain). This trend clearly demonstrates Selfrio Group's commitment to international expansion and its ability to move into new service areas which can offset the lower revenue and growth potential in the home market.

Hospitality's contribution to turnover decreased around 11%, to 1.9 million euro, partly reflecting 2011 Easter schedule effect:

- Porto Palácio Hotel reached 1.6 million euro turnover, down 0.1 million euro, with a 1.2 p.p. increase in occupancy rates and an average daily revenue 3.2% down on last year's comparable, at 86.6 euro;
- Aqualuz **troia**resort units posted 0.3 million euro of turnover, a 0.1 million euro decrease, with increased occupancy rates (+4.3 p.p.) and average daily revenue (+6%) at 71.4 euro, despite the fact that there was no contribution from the Easter season to the 1Q11 figures, in contrast to the comparable 2010 figures. Lower Food & Beverage revenues, a trend which seems to be emerging in the hotel business following the adverse economic environment, explain most of the decrease in the quarter;
- Aqualuz Lagos turnover performance was impacted by Easter occurrence in late April 2011, and not in early April as in 2010. Turnover totalled 0.05 million euro (0.1 million euro), reflecting lower occupancy rates (-5.8 p.p.) and a 7.5% decrease in average daily revenue to 39.6 euro. As in 1Q10, the hotel was closed for around 4 weeks in January.

Fitness turnover decreased around 5% to 4.5 million euro, explained by the recent VAT increase on sports activities and increased pressures on customer disposable income, thus leading to lower retention rates and new membership contracts.

The 0.6 million euro increase in SC Assets contribution, to 2.7 million euro in the first quarter, resulted from higher sales of real estate assets in the period.

In the Energy and Environment business, there was growth in turnover of 0.2 million euro to 1.4 million euro, the main contributor once again being the cogeneration unit, which has now reached its targeted operational capacity.

Consolidated operational cash-flow (EBITDA) for the first quarter of the year was negative 3.4 million euro (negative 0.5 million euro), split as follows:

Values in 10³ euro

	Operational Cash-Flow (EBITDA)		
	1Q 11	1Q 10	Δ
Resorts	-2,833.0	-902.2	<-100%
Resort Development	-2,231.9	9.7	-
Resort Management (Golf, Marina and Market)	-249.4	-294.7	+15.4%
Atlantic Ferries	-351.7	-617.3	+43.0%
Hotels	-2,350.6	-2,357.8	+0.3%
Fitness	480.2	1,055.3	-54.5%
Other	350.6	-3.6	-
Sonae Turismo's contribution	-4,352.8	-2,208.3	-97.1%
Residential Property Development	-216.6	-82.0	<-100%
Operational Assets	679.1	686.1	-1.0%
Other Assets	-374.8	217.1	-
SC Assets's contribution	87.7	821.2	-89.3%
Selfrio Group	847.9	1,161.9	-27.0%
Energy and Environment	309.1	70.8	>100%
Other	5.8	-160.2	-
Spred's contribution	1,162.8	1,072.5	+8.4%


The negative 2.8 million euro contribution from Resorts, 1.9 million euro down on last year's comparable period, includes different impacts:

- In line with the trend of **troiaresort** residential tourism sales, the Resort Development generated a negative 2.2 million euro contribution to consolidated operational cash-flow (EBITDA), compared to a nil contribution in the first quarter of 2010;
- Atlantic Ferries increased turnover and the optimised traffic schedules according to observed demand patterns, delivering a 43% increase in consolidated operational cash-flow (EBITDA), to negative 0.4 million euro;
- Resort Management had a 15% improvement in operational cash-flow (EBITDA) to negative 0.2 million euro, as a result of improved profitability in golf operations.

Hospitality contribution was at the same level as last year's figure, despite a fall in turnover, reflecting the impact of some organisational improvements and cost reduction programmes implemented.

Profitability of the Fitness business was badly affected by the recent VAT increase (5% of which not passed on to the final customer) and also reflects the opening of a new health club (February 2011). Operational cash-flow amounted to 0.5 million euro in the first quarter (1.1 million euro).

In line with the performance of turnover and reflecting increased competitive pressures, mainly in the Portuguese market, Selfrio Group's operational cash-flow (EBITDA) fell by 0.3 million euro to 0.8 million euro.



The Energy and Environment business made a positive contribution of 0.3 million euro to consolidated operational cash-flow (EBITDA) (positive 0.1 million euro), mainly due to the positive performance of the cogeneration unit currently in operation.

Net financial expenses grew 0.2 million euro to 2.4 million euro, as market interest rates began to rise and refinancing cost increases started to show.

The 0.9 million euro quarterly profits from associated undertakings, up 0.4 million euro, are mostly explained by Imosede Fund and TP, with individual contributions of 0.6 million euro and 0.5 million euro respectively.

Investment income for the period of 1.7 million euro is mostly explained by the positive price adjustment from the sale of Choice Car as set out in the sale agreement. Last year's first quarter negative 0.6 million euro investment income included the 1.5 million euro gain from the sale of Essences Fines and negative 2.1 million euro of impairment losses relating to shareholdings in associated undertakings.

The net loss for the period was 3.3 million euro (net loss of 5.1 million euro), including lower level of current taxes and deferred tax assets compared to last year, as a result of lower operational profitability and lower impairment losses accounted for in the period.

3.2 Consolidated Balance Sheet

Values in 10³ euro


	31.03.2011	31.12.2010	Δ
Tangible and Intangible Assets	265,211.8	264,939.8	+0.1%
Goodwill	61,133.3	61,133.3	+0.0%
Non-Current Investments	74,592.0	73,517.4	+1.5%
Other Non-Current Assets	38,980.0	36,897.2	+5.6%
Stocks	227,366.8	229,782.6	-1.1%
Trade Debtors and Other Current Assets	57,849.0	61,697.0	-6.2%
Cash and Cash Equivalents	4,243.5	3,199.3	+32.6%
Total Assets	729,376.3	731,166.7	-0.2%
Total Equity attributable to Equity Holders of Sonae Capital	323,561.6	326,914.8	-1.0%
Total Equity attributable to Non-Controlling Interests	8,330.8	12,454.8	-33.1%
Total Equity	331,892.4	339,369.6	-2.2%
Non-Current Borrowings	180,295.8	151,893.4	+18.7%
Deferred Tax Liabilities	3,653.6	3,616.0	+1.0%
Other Non-Current Liabilities	39,740.2	39,827.7	-0.2%
Non-Current Liabilities	223,689.5	195,337.1	+14.5%
Current Borrowings	112,109.2	128,515.5	-12.8%
Trade Creditors and Other Current Liabilities	60,086.4	65,239.5	-7.9%
Provisions	1,598.8	2,704.9	-40.9%
Current Liabilities	173,794.4	196,460.0	-11.5%
Total Liabilities	397,483.9	391,797.1	+1.5%
Total Equity and Liabilities	729,376.3	731,166.7	-0.2%

Capex amounted to 4.0 million euro in the quarter. **troiaresort** made up around 1.5 million euro of this total and Fitness 0.2 million euro. Troia capex covered the construction works for Aqualuz Events Center and the conclusion of the refurbishment works for the Aqualuz **troiario** hotel unit.

In April 2011, changes to the urbanization plan for the Troia Peninsula and the proposal for the UNOP 4 Detailed Plan were approved by the Grândola Municipality. A new 18 hole golf course is now permitted in the Peninsula and football pitches are projected for UNOPs 7 and 8, which plans are now in the public consultation stage. These projects will add to the range of services available at the resort and help reduce the seasonal effect of visitor flows.

SC Assets' and Spred's capex were 0.5 million euro and 1.8 million euro respectively, most of the latter for the Colombo cogeneration project now underway. This cogeneration facility located in the Colombo Shopping Centre, in Lisbon, is expected to start operations in early June this year, much earlier than the January 2012 date which had been announced when the agreement was signed.

The Group remains committed to strictly control its capital investment, proceeding only with projects which are significant to day to day operations and to the development of business areas defined as strategic and which represent growth options for the future.



As at 31 March 2011, Net Debt amounted to 288.2 million euro (277.2 million euro as at 31 December 2010). The trend of net debt has been consistent with operational performance and capex requirements in the period, and also reflect the Group's share of cash calls for the Eneop contract. The sale of non strategic assets (such as the expected sale of TP) will be an important source of significant cash inflows, which will contribute towards the Group's debt reduction objectives.

Gearing was 86.8% (81.7% as at 31 December 2010).

As at the date of this report, the Group has successfully concluded the refinancing process of debt maturing in 2011, a process which began at the end of 2010, increasing its average debt maturity to 2.9 years.

Maia, 25 May 2011

The Board of Directors,

Glossary

- Average Daily Revenue = Lodging Revenues / Number of rooms sold.
- Capex = Investment in Tangible and Intangible Assets.
- Gearing = Net Debt / Equity.
- HVAC = Heating, Ventilation and Air Conditioning.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- Operational Cash-Flow (EBITDA) = Operational Profit (EBIT) + Amortisation and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).
- PPA = Promissory Purchase Agreement.
- UNOP (Operational Planning Unit) = Planning and management operational units as specified in the Tróia Urbanisation Plan approved by the Portuguese Government Cabinet Resolution nr. 23/2000.



CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2011

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2011 AND 31 DECEMBER 2010

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

(Amounts expressed in euro)

ASSETS	Notes	31.03.2011 Total Operations	31.12.2010 Total Operations
NON-CURRENT ASSETS:			
Tangible assets	8	257,693,400	257,689,745
Intangible assets	8	7,518,369	7,250,028
Goodwill	9	61,133,327	61,133,327
Investments in associated companies	5	73,452,833	72,378,266
Other investments	6 and 10	1,139,126	1,139,123
Deferred tax assets	14	21,211,245	19,655,868
Other non-current assets	11	17,768,776	17,241,368
Total Non-Current Assets		<u>439,917,076</u>	<u>436,487,724</u>
CURRENT ASSETS:			
Stocks	12	227,366,758	229,782,596
Trade account receivables and other current assets	13	57,848,995	61,697,035
Investments	10	20,709	-
Cash and cash equivalents	15	4,222,804	3,199,298
Total Current Assets		<u>289,459,266</u>	<u>294,678,929</u>
TOTAL ASSETS		<u><u>729,376,342</u></u>	<u><u>731,166,653</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	250,000,000	250,000,000
Reserves and retained earnings		76,791,229	81,335,203
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(3,229,638)	(4,420,429)
Equity attributable to the equity holders of Sonae Capital		<u>323,561,591</u>	<u>326,914,774</u>
Equity attributable to non-controlling interests	17	8,330,812	12,454,796
TOTAL EQUITY		<u>331,892,403</u>	<u>339,369,570</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank Loans	18	180,295,771	151,893,406
Other non-current liabilities	20	36,554,209	36,641,690
Deferred tax liabilities	14	3,653,583	3,616,046
Provisions	23	3,185,974	3,185,974
Total Non-Current Liabilities		<u>223,689,537</u>	<u>195,337,116</u>
CURRENT LIABILITIES:			
Bank Loans	18	112,109,247	128,515,512
Trade creditors and other current liabilities	22	60,086,398	65,239,546
Provisions	23	1,598,757	2,704,909
Total Current Liabilities		<u>173,794,402</u>	<u>196,459,967</u>
TOTAL LIABILITIES		<u>397,483,939</u>	<u>391,797,083</u>
TOTAL EQUITY AND LIABILITIES		<u><u>729,376,342</u></u>	<u><u>731,166,653</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 ENDED 31 MARCH 2011 AND 2010

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

(Amounts expressed in euro)

Notes	31.03.2011	31.03.2010		
	Total Operations	Total Operations	Discontinued Operations	Continued Operations
Operational income				
Sales	16,969,735	20,121,793	-	20,121,793
Services rendered	13,468,957	22,009,657	8,357,054	13,652,603
Other operational income	3,559,953	1,446,580	39,926	1,406,654
Total operational income	33,998,645	43,578,030	8,396,980	35,181,050
Operational expenses				
Cost of goods sold and materials consumed	(9,312,582)	(6,759,995)	-	(6,759,995)
Changes in stocks of finished goods and work in progress	(514,211)	(3,096,522)	-	(3,096,522)
External supplies and services	(13,405,828)	(21,957,537)	(7,939,921)	(14,017,616)
Staff costs	(10,399,648)	(11,268,862)	(396,309)	(10,872,553)
Depreciation and amortisation	(3,280,383)	(3,364,121)	(54,742)	(3,309,379)
Provisions and impairment losses	(13,102)	(2,116,708)	-	(2,116,708)
Other operational expenses	(1,664,322)	(1,072,873)	(112,066)	(960,807)
Total operational expenses	(38,590,076)	(49,636,618)	(8,503,038)	(41,133,580)
Operational profit/(loss)	(4,591,431)	(6,058,588)	(106,058)	(5,952,530)
Financial Expenses	(2,651,954)	(2,659,098)	2,765	(2,661,863)
Financial Income	290,048	521,841	78	521,763
Net financial expenses	(2,361,906)	(2,137,257)	2,843	(2,140,100)
Share of results of associated undertakings	911,303	477,111	-	477,111
Investment income	1,693,325	(604,507)	-	(604,507)
Profit/(Loss) before taxation	(4,348,709)	(8,323,241)	(103,215)	(8,220,026)
Taxation	1,098,655	3,105,487	3,235	3,102,252
Profit/(Loss) for the year	(3,250,054)	(5,217,754)	(99,980)	(5,117,774)
Attributable to:				
Equity holders of Sonae Capital	(3,229,638)	(5,206,448)	(99,980)	(5,106,468)
Non-controlling interests	(20,416)	(11,306)	-	(11,306)
Profit/(Loss) per share				
Basic	(0.012919)	(0.020826)	(0.000400)	(0.020426)
Diluted	(0.012919)	(0.020826)	(0.000400)	(0.020426)

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 ENDED 31 MARCH 2011 AND 2010

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

(Amounts expressed in euro)

	31.03.2011	31.03.2010		
	Total Operations	Total Operations	Discontinued Operations	Continued Operations
Consolidated net profit/(loss) for the period	(3,250,054)	(5,217,754)	(99,980)	(5,117,774)
Exchange differences on translating foreign operations	(40,581)	54,879	-	54,879
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	597,230	14,645	-	14,645
Change in the fair value of assets available for sale	-	-	-	-
Change in the fair value of cash flow hedging derivatives	915,766	(847,831)	-	(847,831)
Other comprehensive income for the period	1,472,415	(778,307)	-	(778,307)
Total comprehensive income for the period	<u>(1,777,639)</u>	<u>(5,996,061)</u>	<u>(99,980)</u>	<u>(5,896,081)</u>
Attributable to:				
Equity holders of Sonae Capital	(1,759,103)	(5,992,709)	(99,980)	(5,892,729)
Non-controlling interests	<u>(18,536)</u>	<u>(3,352)</u>	-	<u>(3,352)</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 2011 AND 2010

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

(Amounts expressed in Euro)

Notes	Attributable to Equity Holders of Sonae Capital						Sub total	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
	Share Capital	Demerger Reserve (Note 16)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings					
Balance as at 1 January 2010	250,000,000	132,638,253	(1,239,053)	-	-	(70,853,320)	60,545,880	23,074,268	333,620,148	11,319,241	344,939,389
Total consolidated comprehensive income for the period	-	-	38,415	-	(839,321)	14,645	(786,261)	(5,206,448)	(5,992,709)	(3,352)	(5,996,061)
Appropriation of profit of 2009											
Transfer to legal reserves and retained earnings	-	-	-	-	-	23,074,268	23,074,268	(23,074,268)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	195,769	195,769	-	195,769	(2,113)	193,656
Balance as at 31 March 2010	<u>250,000,000</u>	<u>132,638,253</u>	<u>(1,200,638)</u>	<u>-</u>	<u>(839,321)</u>	<u>(47,568,638)</u>	<u>83,029,656</u>	<u>(5,206,448)</u>	<u>327,823,208</u>	<u>11,313,776</u>	<u>339,136,984</u>
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>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>

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 2011 AND 2010

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

(Amounts expressed in Euro)

	Notes	31.03.2011	31.03.2010
<u>OPERATING ACTIVITIES:</u>			
Cash receipts from trade debtors		39,163,472	49,643,821
Cash receipts from trade creditors		(28,862,720)	(39,339,825)
Cash paid to employees		(9,032,631)	(10,767,262)
Cash flow generated by operations		<u>1,268,121</u>	<u>(463,266)</u>
Income taxes (paid) / received		(965,650)	(686,010)
Other cash receipts and (payments) relating to operating activities		(545,790)	(1,897,347)
Net cash flow from operating activities (1)		<u>(243,319)</u>	<u>(3,046,623)</u>
<u>INVESTMENT ACTIVITIES:</u>			
Cash receipts arising from:			
Investments		2,500,000	363,547
Tangible assets		303,387	738,161
Interest and similar income		69,537	642,476
Loans granted		96,856	2,057,955
Dividends		-	26,486
		<u>2,969,780</u>	<u>3,828,625</u>
Cash Payments arising from:			
Investments		(6,004,144)	(618,846)
Tangible assets		(3,322,846)	(1,740,294)
Intangible assets		(22,235)	(28,130)
Loans granted		(3,250,000)	(12,000)
		<u>(12,599,225)</u>	<u>(2,399,270)</u>
Net cash used in investment activities (2)		<u>(9,629,445)</u>	<u>1,429,355</u>
<u>FINANCING ACTIVITIES:</u>			
Cash receipts arising from:			
Loans obtained		14,363,863	7,236,630
		<u>14,363,863</u>	<u>7,236,630</u>
Cash Payments arising from:			
Loans obtained		(1,317,033)	(285,345)
Interest and similar charges		(2,292,717)	(3,259,015)
Others		-	(815,522)
		<u>(3,609,750)</u>	<u>(4,359,882)</u>
Net cash used in financing activities (3)		<u>10,754,113</u>	<u>2,876,748</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>881,349</u>	<u>1,259,480</u>
Effect of foreign exchange rate		91	(16,087)
Cash and cash equivalents at the beginning of the period	15	<u>2,497,210</u>	<u>1,943,023</u>
Cash and cash equivalents at the end of the period	15	<u>3,378,468</u>	<u>3,218,590</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 ENDED 31 MARCH 2011

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

(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 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 Group, 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 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 with an integrated offer of services (SPA, congress/events centre and food court), and in health and fitness, through management of health clubs;
- The second business area, headed by SC Assets, SGPS, SA, is focused on investment and management of real estate property, comprising the ownership and management of real estate assets for the development of both tourism resorts and residential property, 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 shareholdings in different areas: refrigeration, air conditioning and maintenance; energy and environment (engineering services related to sustainable building and energy services to industries), and; financial shareholdings in wholly owned companies of smaller size and in relevant companies.

2. MAIN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those used in the financial statements presented for the year ended 31 December 2010.

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 there were no changes in accounting policies or prior period errors.

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 2011 and 31 December 2010, are as follows:

Company	Head Office	Percentage of capital held			
		31 March 2011		31 December 2010	
		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%
1) 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%
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%
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)	Málaga (Spain)	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)	Amesterdam (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%
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%	87.74%
Country Club da Maia-Imobiliaria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Espimaia, SGPS, SA	a)	Porto	100.00%	100.00%	-	-
Imobiliária da Cacela, SA	a)	Matosinhos	100.00%	100.00%	100.00%	87.74%
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%	87.74%
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%	87.74%
Porturbe-Edifícios e Urbanizações, SA	a)	Maia	100.00%	100.00%	100.00%	87.74%
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)	Amesterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Soira-Soc.Imobiliária de Ramalde, SA	a)	Porto	100.00%	100.00%	100.00%	87.74%
Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	87.74%
Spinveste - Promoção Imobiliária, SA	a)	Porto	100.00%	100.00%	87.74%	87.74%

Spinveste-Gestão Imobiliária SGII, SA	a)	Porto	100.00%	100.00%	87.74%	87.74%
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-Serviços Partilhados, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
Invsauúde – Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	50.00%
3) 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%
Selfrio, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%
Selfrio-Engenharia do Frio, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
Sistavac-Sist.Aquecimento,V.Ar C., SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
SKK Distribucion de Refrigeración, S.R.L.	a)	Spain	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%
SMP-Serv. de Manutenção Planeamento, SA	a)	Matosinhos	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%
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)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%

a) Majority of voting rights

- 1) Company included in Spred segment in 2010
- 2) Company acquired in the period
- 3) Company included in Tourism segment in 2010

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 2011 and 31 December 2010 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		31 March 2011		31 December 2010		31 March 2011	31 December 2010
		Direct	Total	Direct	Total		
Tourism							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	963,689	942,174
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%	55,764,265	55,156,588
Sociedade Imobiliária Tróia - B3, SA	Grândola	20.00%	20.00%	20.00%	20.00%	436,153	438,004
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							
1) Cinclus-Plan. e Gestão de Projectos, SA	Porto	-	-	25.00%	25.00%	-	606,678
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	445,629	489,822
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	785,475	742,338
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Sodesa, SA	Lisbon	50.00%	50.00%	50.00%	50.00%	6,398	10,548
TP - Sociedade Térmica, SA	Porto	50.00%	50.00%	50.00%	50.00%	15,027,224	13,968,114
Total						73,452,833	72,378,266

1) Company sold in the period

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 2011 and 31 December 2010, aggregate values of main financial indicators of associated and jointly controlled companies can be analysed as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
Total Assets	996,362,120	987,199,563
Total Liabilities	793,668,824	784,329,964
Income	39,996,854	178,412,566
Expenses	36,868,249	161,303,622

During the periods ended 31 March 2011 and 2010, movements in investments in associated companies may be summarised as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Opening balance as at 1 January	72,378,266	69,233,729
Acquisitions in the period	172,712	48,880
Impairments in the period	-	(592,817)
Disposals in the period	(606,678)	-
Equity method	1,508,533	491,755
Dividends received	-	(26,486)
Transfers	-	-
Closing balance as at 31 March	<u>73,452,833</u>	<u>69,155,061</u>
Consolidation differences transferred to investments	-	-
	<u><u>73,452,833</u></u>	<u><u>69,155,061</u></u>

The use of the equity method had the following impacts: 911,303 euro were recorded in share of results of associated undertakings (477,111 euro at 31 March 2010) and 597,230 euro of other changes recorded in Reserves (14,644 euro at 31 March 2010).

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 2011 and 31 December 2010 are made up as follows:

Company	Reason for exclusion	Head Office	Percentage of capital held				31 March 2011	31 December 2010
			31 March 2011		31 December 2010			
			Direct	Total	Direct	Total		
Tourism								
Delphinus – Soc. de Tur. e Div. de Tróia, SA	a)	Grândola	79.00%	79.00%	79.00%	79.00%	-	-
Infratroia – Emp. De Infraest. De Troia, E.N.	a)	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
Spidouro S.P.E.I. Douro e Trás-os-Montes, SA		Vila Real	8,30%	8,30%	8,30%	8,30%	-	-
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
Spinarq – Engenharia, Energia e Ambiente, SA	a)	Luanda	99.90%	99.90%	99.90%	99.90%	191,507	191,507
Other investments							471,709	471,705
Total (Note 10)							1,139,126	1,139,122

a) Subsidiary incorporated in the period for which, at the date of these financial statements, there is not enough financial information regarding the current period.

Nil balances shown above result from deduction of impairment losses.

7. CHANGES TO THE CONSOLIDATION PERIMETER

Additions

Company	Head Office	Percentage of capital held	
		At acquisition date	
		Direct	Total
SC Assets			
Espimaia, SGPS, SA	Porto	100.00%	100.00%

The above acquisition had the following impact in the consolidated financial statements as at 31 March 2011:

	Acquisition Date	31 March 2011
Net assets acquired		
Investments	5,000,000	-
Other assets	117,858	119,744
Cash and cash equivalents	2,033	1,532
Other liabilities	(1,085)	(1,188)
	5,118,806	120,088
Equity	699,696	
Acquisition price	5,818,502	
Payments made	5,818,502	
Net cash flow from the acquisition		
Payments made	5,818,502	
Cash and equivalents acquired	(2,033)	
	5,816,469	

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

During the three months period ended 31 March 2011, movements in tangible and intangible fixed assets, as well as in amortisation 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 2011	200,519,144	126,961,058	3,463,524	13,774,203	344,717,929
Changes in consolidation perimeter	-	-	-	-	-
Capital expenditure	92,117	50,482	3,837	3,531,073	3,677,509
Disposals	(276,503)	(42,764)	-	(160)	(319,427)
Exchange rate effect	(7,281)	(2,758)	(2,533)	-	(12,572)
Transfers	312,796	682,252	45,210	(1,287,329)	(247,071)
Closing balance as at 31 March 2011	200,640,273	127,648,270	3,510,038	16,017,787	347,816,368
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	44,334,203	40,050,694	2,643,287	-	87,028,184
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period 1)	781,469	2,392,486	35,184	-	3,209,139
Disposals 2)	(62,862)	(16,788)	-	-	(79,650)
Exchange rate effect	(1,951)	(1,848)	(1,661)	-	(5,460)
Transfers	-	(29,245)	-	-	(29,245)
Closing balance as at 31 March 2011	45,050,859	42,395,299	2,676,810	-	90,122,968
Carrying amount as at 31 March 2011	155,589,414	85,252,971	833,228	16,017,787	257,693,400

- 1) Include impairment losses of 13,102 euro.
- 2) Include reversal of impairment losses of 22,238 euro, recorded as other operational income.

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

	31 March 2011
Tróia	7,272,984
Ecoresort Project (Tróia)	2,166,269
Cogeneration Project Integrum Colombo	3,669,511
Boavista Complex refurbishment	1,393,789
Others	1,515,234
	<u>16,017,787</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 2011	7,441,756	2,649,462	8,202	36,788	10,136,208
Changes in consolidation perimeter	-	-	-	-	-
Capital expenditure	332,175	-	-	22,235	354,410
Disposals	-	-	-	-	-
Exchange rate effect	-	(823)	-	-	(823)
Transfers	-	26,631	-	(7,663)	18,968
Closing balance as at 31 March 2011	7,773,931	2,675,270	8,202	51,360	10,508,763
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2011	836,125	2,041,853	8,202	-	2,886,180
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	41,926	42,420	-	-	84,346
Disposals	-	-	-	-	-
Exchange rate effect	-	(494)	-	-	(494)
Transfers	1	20,361	-	-	20,362
Closing balance as at 31 March 2011	878,052	2,104,140	8,202	-	2,990,394
Carrying amount as at 31 March 2011	6,895,879	571,130	-	51,360	7,518,369

9. GOODWILL

During the three months period ended 31 March 2011, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	31 March 2011
Gross amount:	
Opening balance	62,434,923
Increases - acquisition of affiliated companies	-
Closing balance	62,434,923
Accumulated impairment losses:	
Opening balance	1,301,596
Increases	-
Decreases	-
Closing balance	1,301,596
Total Operations	61,133,327

10. INVESTMENTS

As at 31 March 2011 this caption can be detailed as follows:

	31 March 2011	
	Non current	Current
<u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u>		
Opening balance as at 1 January	8,324,249	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Transfers	4	-
Changes in consolidation perimeter	-	-
Closing balance as at 31 March	8,324,253	-
Accumulated impairment losses (Note 23)	(7,707,935)	-
	616,318	-
<u>Investments held for sale</u>		
Fair value as at 1 January	651,807	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Increase/(Decrease) in fair value	-	-
Transfers	-	-
Fair value as at 31 December	651,807	-
Accumulated impairment losses (Note 23)	(128,999)	-
Fair value (net of impairment losses) as at 31 March	522,808	-
	1,139,126	-
<u>Other Investments (Note 6)</u>		
<u>Derivatives (Note 19)</u>		
Fair value as at 1 January	-	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Increase/(Decrease) in fair value	-	20,709
Fair value as at 31 March	-	20,709
	1,139,126	20,709

Investments in group companies, jointly controlled companies or associated companies excluded from consolidation and investments held for sale 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.

11. OTHER NON CURRENT ASSETS

As at 31 March 2011 and 31 December 2010, Other non current assets are detailed as follows:

	31 March 2011	31 December 2010
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	15,689,170	15,222,745
Others	89,915	89,916
	<u>15,779,085</u>	<u>15,312,661</u>
Impairment losses (Note 23)	(34,916)	(34,916)
	<u>15,744,169</u>	<u>15,277,745</u>
Trade accounts receivable and other debtors	2,024,607	1,963,623
Impairment losses (Note 23)	-	-
	<u>2,024,607</u>	<u>1,963,623</u>
Other non current assets	<u>17,768,776</u>	<u>17,241,368</u>

12. STOCKS

Stocks as at 31 March 2011 and 31 December 2010 can be detailed as follows, highlighting the value attributable to real estate developments:

	31 March 2011		31 December 2010	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,024,264	-	970,130	-
Goods for sale	31,672,732	29,402,219	46,410,044	44,141,062
Finished goods	115,640,394	115,640,394	118,169,443	118,169,444
Work in progress	85,767,679	81,365,509	71,891,012	68,202,152
Payments on account	68,459	-	68,459	-
	<u>234,173,528</u>	<u>226,408,122</u>	<u>237,509,088</u>	<u>230,512,658</u>
Accumulated impairment losses on stocks (Note 23)	(6,806,770)	(6,738,311)	(7,726,492)	(7,658,033)
Stocks	<u>227,366,758</u>	<u>219,669,811</u>	<u>229,782,596</u>	<u>222,854,625</u>

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 31 March 2011 and 31 December 2010, Trade accounts receivable and Other current assets are detailed as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
Trade accounts receivable	32,409,443	40,387,089
Taxes recoverable	14,018,858	12,781,799
Loans granted to and other amounts to be received from related parties		
Sit B3	2,559,886	2,559,886
TP	3,250,000	-
Others	62,121	152,997
	<u>5,872,007</u>	<u>2,712,883</u>
Other current assets		
Suppliers with a debtor balance	957,958	817,490
Other debtors	9,250,745	9,704,647
Accounts receivable from the sale of financial investments	25,346,339	25,546,339
Accounts receivable from the sale of tangible assets	19,560	17,824
Interest receivable	252,574	506,646
Deferred costs - Rents	250,192	141,923
Deferred costs - External supplies and services	801,844	698,899
Other current assets	919,884	655,536
	<u>37,799,096</u>	<u>38,089,304</u>
Accumulated impairment losses (Note 23)	(32,250,409)	(32,274,040)
	<u>57,848,995</u>	<u>61,697,035</u>

14. DEFERRED TAXES

Deferred tax Assets and Liabilities as at 31 March 2011 and 31 December 2010, split between the different types of temporary differences, can be detailed as follows:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>31 March 2011</u>	<u>31 December 2010</u>	<u>31 March 2011</u>	<u>31 December 2010</u>
Amortisation and Depreciation harmonisation adjustments	1,547,814	1,498,863	1,524,842	1,469,476
Provisions and impairment losses of non-tax deductible	2,965,530	2,965,355	-	-
Write off of tangible and intangible assets	1,219,269	1,219,269	-	-
Write off of accruals	547,186	547,186	-	-
Revaluation of tangible assets	-	-	554,125	558,354
Tax losses carried forward	14,924,874	13,413,700	-	-
Write off of stocks	-	-	1,124,065	1,128,591
Others	6,572	11,495	450,551	459,625
	<u>21,211,245</u>	<u>19,655,868</u>	<u>3,653,583</u>	<u>3,616,046</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 2011 and 31 December 2010, and using exchange rates effective at that time, tax losses carried forward can be summarised as follows:

	31 March 2011			31 December 2010		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2005	3,714,504	928,626	2011	3,809,015	952,254	2011
Generated in 2006	6,814,148	1,703,537	2012	6,879,972	1,719,993	2012
Generated in 2007	2,832,608	708,152	2013	2,832,608	708,152	2013
Generated in 2008	7,747,724	1,936,931	2014	7,747,724	1,936,931	2014
Generated in 2009	11,153,623	2,788,406	2015	11,338,921	2,834,730	2015
Generated in 2010	20,705,765	5,176,441	2014	20,705,765	5,176,440	2014
Generated in 2011	6,372,934	1,593,234	2015	-	-	2015
	<u>59,341,306</u>	<u>14,835,327</u>		<u>53,314,005</u>	<u>13,328,501</u>	
With a time limit different from the above mentioned	358,256	89,548		340,859	85,199	
	<u>59,699,562</u>	<u>14,924,875</u>		<u>53,654,864</u>	<u>13,413,700</u>	

As at 31 March 2011 and 31 December 2010, 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 2011, tax losses carried forward amounting to 162,484,356 euro (158,693,020 euro as at 31 December 2010), have not originated deferred tax assets for prudential reasons:

	31 March 2011			31 December 2010		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2005	5,207,881	1,301,970	2011	5,238,537	1,309,633	2011
Generated in 2006	10,714,837	2,678,716	2012	10,739,887	2,684,974	2012
Generated in 2007	17,984,722	4,496,181	2013	18,591,477	4,647,869	2013
Generated in 2008	31,045,934	7,761,485	2014	31,452,195	7,863,050	2014
Generated in 2009	52,115,485	13,028,951	2015	52,127,358	13,031,839	2015
Generated in 2010	18,167,587	4,541,897	2014	18,374,162	4,593,540	2014
Generated in 2011	3,780,685	945,171	2015	-	-	2015
	<u>139,017,131</u>	<u>34,754,371</u>		<u>136,523,615</u>	<u>34,130,906</u>	
Without limited time use	1,186,715	395,532		1,186,715	395,532	
With a time limit different from the above mentioned	22,280,510	6,166,775		20,982,690	5,802,011	
	<u>23,467,225</u>	<u>6,562,307</u>		<u>22,169,405</u>	<u>6,197,543</u>	
	<u>162,484,356</u>	<u>41,316,678</u>		<u>158,693,020</u>	<u>40,328,449</u>	

15. CASH AND CASH EQUIVALENTS

As at 31 March 2011 and 31 December 2010, Cash and Cash equivalents can be detailed as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
Cash at hand	218,284	236,316
Bank deposits	4,004,520	2,962,982
Treasury applications	-	-
Cash and cash equivalents on the balance sheet	<u>4,222,804</u>	<u>3,199,298</u>
Bank overdrafts (Note 18)	(344,336)	(202,088)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	<u><u>3,378,468</u></u>	<u><u>2,497,210</u></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. 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.

17. NON-CONTROLLING INTERESTS

Movements in Non-controlling interests in the periods ended 31 March 2011 and 31 December 2010 are as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
Opening balance as at 1 January	12,454,796	11,319,241
Changes in percentage by acquisition / increase capital	-	310,000
Changes in hedging reserves	14,054	(9,033)
Changes in the percentage of capital held in affiliated companies	(4,103,273)	-
Changes resulting from currency translation	(12,174)	46,997
Others	(2,175)	(12,677)
Profit for the period attributable to minority interests	(20,416)	800,268
Closing balance	<u><u>8,330,812</u></u>	<u><u>12,454,796</u></u>

18. BORROWINGS

As at 31 March 2011 and 31 December 2010, Borrowings are made up as follows:

	31 March 2011		31 December 2010		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 ^{f)}	-	17,750,000	-	-	Aug/2016
Sonae Capital SGPS - commercial paper ^{e)}	4,000,000	12,250,000	4,000,000	12,250,000	Dec/2013
Sonae Capital SGPS - commercial paper ^{b)}	25,450,000	-	22,000,000	-	Mar/2018
Sonae Capital SGPS - commercial paper ^{c) d)}	36,600,000	-	59,700,000	-	Aug/2011
Sonae Capital SGPS - commercial paper ^{d)}	36,600,000	-	36,600,000	-	Aug/2011
Sonae Capital SGPS - commercial paper ^{g)}	3,800,000	-	-	-	Feb/2016
Selfrio Engenharia - commercial paper	1,400,000	700,000	1,400,000	700,000	May/2012
Up-front fees	-	(30,367)	-	(34,211)	
Others	69,308	-	132,844	-	
	<u>107,919,308</u>	<u>60,669,633</u>	<u>123,832,844</u>	<u>42,915,789</u>	
Bank overdrafts (Note 15)	344,336	-	202,088	-	
Bank loans	<u>108,263,644</u>	<u>60,669,633</u>	<u>124,034,932</u>	<u>42,915,789</u>	
Bond Loans					
Sonae Capital 2007/2012 Bonds	-	30,000,000	-	30,000,000	Dec/2012
Sonae Capital 2011/2016 Bonds	-	10,000,000	-	-	Jan/2016
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(600,058)	-	(593,681)	
Bond Loans	<u>-</u>	<u>89,399,942</u>	<u>-</u>	<u>79,406,319</u>	
Other loans	655,045	2,798,959	1,001,327	2,986,459	
Derivatives (Note 19)	-	13,648	-	1,077,097	
Obligations under finance leases	3,190,558	27,549,934	3,479,253	25,636,993	
Up-front fees on finance leases	-	(136,346)	-	(129,251)	
	<u>112,109,247</u>	<u>180,295,771</u>	<u>128,515,512</u>	<u>151,893,406</u>	

- 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) Commercial paper programme, issued on 29 August 2009 and valid up to 29 August 2011.
e) Short term commercial paper programme, with subscription guarantee, issued on 30 December 2010, with annual renewals up to 3 years.
f) Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to 29 August 2016.
g) Short term commercial paper programme, with subscription guarantee, issued on 17 February 2011, with annual renewals up to 5 years.

As at 31 March 2011, Bond loans 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.
- 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.
- 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.

The interest rate on bonds in force on 31 March 2011 was on average 2.53%.

The bank loans are not warranted and its fair value is considered to be close to its book value, taking into account that the interest payable is indexed to Euribor market rates of the respective period.

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

The repayment schedule of the nominal value of borrowings (includes financial leasing creditors) may be summarised as follows:

	31 March 2011		31 December 2010	
	Nominal value	Interest	Nominal value	Interest
N+1 ^{a)}	112,109,247	5,770,259	128,515,511	5,703,005
N+2	67,466,101	4,254,000	37,457,919	3,234,236
N+3	29,014,853	2,765,593	41,255,250	2,020,753
N+4	5,515,497	2,317,017	3,051,392	1,538,673
N+5	12,831,811	2,179,324	3,025,754	1,480,122
After N+5	66,220,632	3,749,859	66,783,138	2,503,818
	<u>293,158,141</u>	<u>21,036,052</u>	<u>280,088,964</u>	<u>16,480,607</u>

a) Includes amounts drawn under commercial paper programmes.

19. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 31 March 2011 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 13,648 euro is recorded as liabilities and 20,709 is recorded as assets. As at 31 March 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.

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 2011	31 December 2010	31 March 2011	31 December 2010
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate	20,709	-	13,648	1,077,097
Other derivatives	-	-	-	-
	<u>20,709</u>	<u>-</u>	<u>13,648</u>	<u>1,077,097</u>

20. OTHER NON CURRENT LIABILITIES

As at 31 March 2011 and 31 December 2010 Other non current liabilities can be detailed as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,249,687	2,252,251
Others	1,098,000	1,098,000
	<u>3,347,687</u>	<u>3,350,251</u>
Other creditors		
Creditors in the restructuring process of Torralta	30,141,462	30,141,463
Fixed assets suppliers	-	-
Others	-	3,999
	<u>30,141,462</u>	<u>30,145,462</u>
Deferred income	<u>3,065,060</u>	<u>3,145,977</u>
Pension fund responsibilities	<u>-</u>	<u>-</u>
Other non current liabilities	<u><u>36,554,209</u></u>	<u><u>36,641,690</u></u>

Other creditors include 30,141,462 euro payable to creditors of an affiliated undertaking under the terms of a judicial restructuring process. The court decision dated 27 November 1997 (which confirms the terms approved in the creditors meeting of 23 September 1997) states that these credits will be payable 50 years from the date that the decision was confirmed (30 January 2003).

21. SHARE-BASED PAYMENTS

In 2010 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. On 28 January 2008 existing liabilities based on Sonae, SGPS, SA's shares have been recalculated to reflect liabilities based on Sonae Capital, SGPS, SA's shares. Closing share prices as at that date were used in this recalculation.

As at 31 March 2011 and December 2010, 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 2011	31 December 2010
Shares					
	2008	2011	3	-	34,015
	2009	2012	4	138,208	141,664
	2010	2013	4	141,930	145,478
	2011	2014	3	163,200	-
Total				443,338	321,157

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

	31 March 2011	31 December 2010
Other non current liabilities	72,738	142,935
Other current liabilities	125,643	34,015
Reserves	152,137	293,939
Staff Costs	46,244	(116,989)

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 31 March 2011 and December 2010 trade accounts payable and other current liabilities can be detailed as follows:

	31 March 2011	31 December 2010
Trade creditors	18,270,621	26,672,579
Loans granted by and other payables to related parties	107,761	202,241
Other current liabilities		
Fixed assets suppliers	1,655,820	1,299,229
Advances from customers and down payments	2,325,583	2,166,714
Other creditors	1,276,662	1,193,755
Taxes and contributions payable	5,745,015	5,975,560
Staff costs	7,653,043	6,271,783
Amounts invoiced for works not yet completed	8,527,962	8,078,357
Other external supplies and services	5,312,591	4,838,872
Interest payable	1,135,470	608,832
Expenses with construction contracts	560,123	970,584
Investment aid	1,754,717	1,757,658
Other liabilities	5,761,030	5,203,381
	41,708,016	38,364,725
Trade accounts payable and other current liabilities	60,086,398	65,239,545

23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 31 March 2011 were as follows:

Captions	Balance as at 1 January 2011	Increases	Decreases	Balance as at 31 March 2011
Accumulated impairment losses on:				
Other Investments (Notes 5 and 10)	7,868,877	-	-	7,868,877
Other non current assets (Note 11)	34,916	-	-	34,916
Trade accounts receivable (Note 13)	4,367,254	-	(23,631)	4,343,623
Other current debtors (Note 13)	27,906,786	-	-	27,906,786
Stocks (Note 12)	7,726,492	537	(920,259)	6,806,770
Non current provisions	3,185,975	-	(1)	3,185,974
Current provisions	2,704,909	-	(1,106,152)	1,598,757
	53,795,209	537	(2,050,043)	51,745,703

As at 31 March 2011 and 31 December 2010, detail of other provisions was as follows:

	31 March 2011	31 December 2010
Judicial claims	1,850,868	2,887,019
Others	2,933,863	3,003,864
	<u>4,784,731</u>	<u>5,890,883</u>

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

24. CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2011 and 31 December 2010 the most important contingent liabilities referred to guarantees given and were made up as follows:

	31 March 2011	31 December 2010
Guarantees given:		
on VAT reimbursements	-	1,295,000
on tax claims	2,842,535	2,702,720
on judicial claims	-	1,897,406
on municipal claims	3,858,549	3,175,168
Others	17,578,628	17,976,743

Other include the following guarantees:

- 7,244,040 euro (7,766,329 euro as at 31 December 2010) of guarantees on construction works given to clients;

- 8,643,393 euro (same amount as at 31 December 2010) 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 during the periods ended 31 March 2011 and 2010 with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Parent company and group companies excluded from consolidation (a)	-	-	-	115
Associated companies	86,545	592,472	134,976	127,013
Other partners in Group companies	7,318,848	14,116,501	1,462,192	1,824,466
	<u>7,405,393</u>	<u>14,708,973</u>	<u>1,597,168</u>	<u>1,951,594</u>

Transactions	Interest income		Interest expenses	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	252,848	382,972	-	-
Other partners in Group companies	-	1,645	36,709	38,565
	<u>252,848</u>	<u>384,617</u>	<u>36,709</u>	<u>38,565</u>

Balances	Accounts receivable		Accounts payable	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Parent company and group companies excluded from consolidation (a)	-	-	174	115
Associated companies	3,651,477	562,039	67,873	24,598
Other partners in Group companies	10,484,533	15,874,001	4,637,820	5,346,467
	<u>14,136,010</u>	<u>16,436,040</u>	<u>4,705,867</u>	<u>5,371,180</u>

Balances	Loans obtained		Loans granted	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Parent company and group companies excluded from consolidation (a)	-	-	-	-
Associated companies	-	-	15,689,170	15,569,601
Other partners in Group companies	2,256,287	2,252,251	-	-
	<u>2,256,287</u>	<u>2,252,251</u>	<u>15,689,170</u>	<u>15,569,601</u>

(a) The parent company is Efanor Investimentos, SGPS, SA; balances and transactions with Sonae, SGPS, SA and Sonae Indústria, SGPS, SA are included under Other partners in Group companies.

26. TAXATION

Income tax for the three months periods ended 31 March 2011 and 2010 was made up as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Current tax	419,017	923,975
Deferred tax	(1,517,672)	(4,029,462)
	<u>(1,098,655)</u>	<u>(3,105,487)</u>

27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 March 2011 and 2010, the reconciliation of consolidated net profit can be analyzed as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Aggregate net profit	(5,411,538)	(38,901,886)
Harmonisation adjustments	(546,024)	1,795,610
Share of gains/(losses) of associated undertakings	911,303	450,625
Elimination of intragroup capital gains/(losses)	-	27,251,640
Elimination of intragroup impairment	115,318	(7,091,989)
Reversal of impairment losses	-	3,457,708
Adjustments of gains/(losses) of financial shareholdings sale	1,676,572	7,816,779
Others	4,315	3,759
Consolidated net profit for the year	<u>(3,250,054)</u>	<u>(5,217,754)</u>

28. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2011 and 2010 were calculated taking into consideration the following amounts:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(3,229,638)	(5,206,448)
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>(3,229,638)</u>	<u>(5,206,448)</u>
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	250,000,000	250,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculated diluted earnings per share	<u>250,000,000</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>(0.012919)</u>	<u>(0.020826)</u>

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



29. SEGMENT INFORMATION

In the periods ended 31 March 2011 and 2010, the following were identified as segments:

- Sonae Turismo:
 - Tourism Operations
 - Atlantic Ferries
 - Other

- SC Assets:
 - Residential Development
 - Other Real Estate Assets
 - Other

- Spred:
 - Selfrio Group
 - Other

- Holding and Others

No secondary business segments were disclosed since Group activities are almost all carried out in Portugal. Foreign activities are not significant enough to justify disclosure of a different geographical segment.

The contribution of the business segments to the income statement for the three months periods ended on 31 March 2011 and 2010 can be detailed as follows:

31 March 2011

Profit & Loss Account	Tourism Operations	Atlantic Ferries	Other	Intersegment Income	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Income	Total SC Assets	Selfrio Group	Other	Intersegment Income	Total Spred	Holding & Others	Intersegment Income	Consolidated
Operational Income																	
Sales	2,018,906	-	-	-	2,018,906	17,650	4,604,267	-	(2,800,000)	1,821,917	13,151,681	1,269,078	-	14,420,759	-	(1,291,847)	16,969,735
Services rendered	6,730,484	677,431	731,337	(657,627)	7,481,625	387,196	1,590,641	-	(68,610)	1,909,227	3,992,039	1,521,598	(11,633)	5,502,004	1,033,945	(2,457,844)	13,468,957
Other operational income	1,507,917	13,059	36,059	(30,810)	1,526,225	18,063	237,301	28,649	(34,478)	249,535	172,562	250,991	-	423,553	131,825	1,228,815	3,559,953
	10,257,307	690,490	767,396	(688,437)	11,026,756	422,909	6,432,209	28,649	(2,903,088)	3,980,679	17,316,282	3,041,667	(11,633)	20,346,316	1,165,770	(2,520,876)	33,998,645
Operational cash-flow (EBITDA)	(4,400,762)	(351,704)	399,162	(234)	(4,353,538)	(216,527)	318,733	(11,436)	894	91,664	847,933	319,031	2	1,166,966	(260,162)	(7,436)	(3,362,506)

31 March 2010

Profit & Loss Account	Tourism Operations	Atlantic Ferries	Other	Intersegment Income	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Income	Total SC Assets	Box Lines	Selfrio Group	Other	Intersegment Income	Total Spred	Holding & Others	Intersegment Income	Consolidated
Operational Income																		
Sales	3,920,737	-	-	-	3,920,737	707,100	406,000	-	-	1,113,100	-	13,390,331	1,810,964	-	15,201,295	-	(113,339)	20,121,793
Services rendered	7,170,625	571,048	737,183	(658,713)	7,820,143	312,380	1,758,949	-	(83,226)	1,988,103	8,437,305	3,437,658	1,696,698	(9,128)	13,562,533	-	(1,361,122)	22,009,657
Other operational income	536,142	19,877	67,289	(36,852)	586,456	97,883	296,663	-	(36,564)	357,982	47,261	200,618	142,606	-	390,485	186,907	(75,250)	1,446,580
	11,627,504	590,925	804,472	(695,565)	12,327,336	1,117,363	2,461,612	-	(119,790)	3,459,185	8,484,566	17,028,607	3,650,268	(9,128)	29,154,313	186,907	(1,549,711)	43,578,030
Operational cash-flow (EBITDA)	(1,654,435)	(617,281)	62,697	21	(2,208,998)	(76,920)	910,469	(7,270)	(615)	825,664	(51,316)	1,165,567	(89,381)	162	1,025,032	(218,134)	(2,786)	(579,222)

The contribution of the business segments to the balance sheets as at 31 March 2011 and 31 December 2010 can be detailed as follows:

31 March 2011

Balance Sheet	Tourism Operations	Atlantic Ferries	Other	Intersegment Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Adjustments	Total SC Assets	Selfrio Group	Other	Intersegment Adjustments	Total Spred	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible and Intangible	148,300,857	25,646,275	364,596	-	174,311,729	355,928	78,015,490	-	-	78,371,419	557,484	11,822,383	-	12,379,868	148,754	-	265,211,769
Investments	645,470	-	271,608	-	917,078	-	963,689	55,764,264	-	56,727,953	0	1,918,454	-	1,918,454	15,028,475	-	74,591,959
Other Assets	186,732,024	1,973,803	175,581,537	(176,032,742)	188,254,622	50,036,757	114,028,452	154,010,846	(196,589,976)	121,486,079	61,214,150	45,588,352	(13,168,687)	93,633,815	408,211,161	(422,013,059)	394,264,869
Total Assets	335,678,351	27,620,078	176,217,741	(176,032,742)	363,483,428	50,392,685	193,007,631	209,775,110	(196,589,976)	256,585,451	61,771,635	59,329,189	(13,168,687)	107,932,137	423,388,389	(422,013,059)	729,376,346
Total Liabilities	250,892,850	24,044,331	207,821,025	(176,032,573)	306,725,633	51,137,942	147,115,624	181,925,816	(193,789,671)	186,389,711	28,879,746	31,070,890	(13,168,695)	46,781,941	282,648,059	(425,061,404)	397,483,940
Technical investment	1,698,483	20,114	-	-	1,718,597	333,381	148,287	-	-	481,668	45,396	1,768,239	-	1,813,634	18,020	-	4,031,919
Gross Debt	3,217,999	21,252,172	0	-	24,470,171	190,496	572,115	-	-	762,611	2,657,960	8,659,168	-	11,317,127	255,855,109	-	292,405,018
Net Debt	2,816,476	21,162,890	(6,273)	-	23,973,092	(563,618)	539,418	(2,090)	-	(26,290)	768,264	8,057,067	-	8,825,331	255,389,371	-	288,161,505

31 December 2010

Balance Sheet	Tourism Operations	Atlantic Ferries	Other	Intersegment Adjustments	Total Tourism	Residential Property Development	Other Real Estate Assets	Other	Intersegment Adjustments	Total SC Assets	Selfrio Group	Other	Intersegment Adjustments	Total Spred	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible and Intangible	148,819,754	26,052,929	395,538	-	175,268,221	25,415	78,619,454	-	-	78,644,869	557,484	10,283,015	-	10,878,774	147,910	-	264,939,773
Investments	647,321	-	271,608	-	918,929	-	942,174	54,524,812	-	55,466,986	0	1,923,660	-	1,923,660	15,207,815	-	73,517,389
Other Assets	189,212,015	1,931,534	169,457,322	(170,467,915)	190,132,955	46,407,978	114,537,861	153,686,107	(190,744,145)	123,887,801	61,214,150	46,496,706	(24,101,549)	87,817,966	391,073,353	(400,202,583)	392,709,492
Total Assets	338,679,089	27,984,462	170,124,468	(170,467,915)	366,320,105	46,433,392	194,099,489	208,210,919	(190,744,145)	257,999,655	61,771,635	58,703,381	(24,101,549)	100,620,399	406,429,078	(400,202,583)	731,166,655
Total Liabilities	247,955,879	23,577,160	201,845,568	(170,467,453)	302,911,154	46,733,559	148,301,219	175,585,925	(190,744,356)	179,876,347	28,879,746	27,432,106	(20,881,416)	40,176,816	269,276,207	(400,443,442)	391,797,082
Technical investment	6,697,646	334,932	312,873	-	7,345,451	57,990	268,987	-	-	326,977	45,396	2,209,777	-	2,477,577	92,824	20,884	10,263,714
Gross Debt	3,358,544	21,670,957	25,095	-	25,054,597	-	718,081	-	-	718,081	2,657,960	6,452,714	-	9,686,885	244,949,354	-	280,408,918
Net Debt	3,091,256	21,404,648	(261,565)	-	24,234,339	(512,754)	517,864	(40,727)	-	(35,616)	768,264	6,370,428	-	8,119,628	244,891,269	-	277,209,619

Net debt of the Holding can be analysed as follows:

	<u>31 March 2011</u>
Inflows	
Gross bank debt	255,855,109
Cash and cash equivalents	<u>465,738</u>
Net bank debt	255,389,371
Sonae Turismo	-
SC Assets	-
Spred	<u>21,355,200</u>
Intercompany ST Loans obtained	21,355,200
Total Inflows	<u><u>276,744,571</u></u>
Outflows	
Sonae Turismo	204,820,362
SC Assets	176,186,250
Spred	<u>4,076,000</u>
Intercompany ST Loans granted	<u><u>385,082,612</u></u>

30. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 31 March 2011.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 25 May 2011.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

31 MARCH 2011

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 31 MARCH 2011 AND 31 DECEMBER 2010

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

(Amounts expressed in euro)

ASSETS	Notes	31 March 2011	31 December 2010
NON CURRENT ASSETS:			
Tangible assets		-	-
Investments	4	542,139,453	542,139,453
Deferred tax assets		249,936	157,965
Other non current assets	5	234,642,043	220,718,043
Total Non Current Assets		<u>777,031,432</u>	<u>763,015,461</u>
CURRENT ASSETS:			
Other current assets	6	20,976,928	20,151,723
Cash and cash equivalents	7	451,901	27,355
Total Current Assets		<u>21,428,829</u>	<u>20,179,078</u>
TOTAL ASSETS		<u>798,460,261</u>	<u>783,194,539</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	8	250,000,000	250,000,000
Legal reserve		8,307,376	8,191,127
Other reserves	9	289,628,622	287,419,883
Retained earnings		-	-
Profit / (Loss) for the period		(285,894)	2,324,988
TOTAL EQUITY		<u>547,650,104</u>	<u>547,935,998</u>
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	10	59,969,633	42,215,789
Bonds	10	39,911,899	29,943,901
Other non current liabilities		48,218	97,003
Deferred tax liabilities		19,919	22,586
Total Non Current Liabilities		<u>99,949,669</u>	<u>72,279,279</u>
CURRENT LIABILITIES			
Suppliers		15,852	75,521
Bank overdrafts	10	106,450,000	122,300,000
Other creditors	11	42,657,192	39,693,292
Other current liabilities	12	1,737,444	910,449
Total Current Liabilities		<u>150,860,488</u>	<u>162,979,262</u>
TOTAL EQUITY AND LIABILITIES		<u>798,460,261</u>	<u>783,194,539</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 2011 AND 2010

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

(Amounts expressed in euro)

	Notes	31 March 2011	31 March 2010
Operational income			
Other operational income		113,417	12,987
Total operational income		<u>113,417</u>	<u>12,987</u>
Operational expenses			
External supplies and services	13	(58,841)	(58,642)
Staff costs	14	(222,502)	(311,641)
Depreciation and amortisation		(1)	(661)
Other operational expenses		(21,947)	(61,678)
Total operational expenses		<u>(303,291)</u>	<u>(432,622)</u>
Operational profit/(loss)		<u>(189,874)</u>	<u>(419,635)</u>
Financial income	15	1,884,635	2,842,699
Financial expenses	15	(2,073,318)	(2,474,877)
Net financial income/(expenses)		<u>(188,683)</u>	<u>367,822</u>
Investment income		-	-
Profit/(loss) before taxation		<u>(378,557)</u>	<u>(51,813)</u>
Taxation	16	92,663	12,953
Profit/(loss) for the period		<u>(285,894)</u>	<u>(38,860)</u>
Profit/(loss) per share			
Basic and diluted	17	(0.001144)	(0.000155)

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 2011 AND 2010

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

(Amounts expressed in euro)

	<u>31 March 2011</u>	<u>31 March 2010</u>
Net profit for the period	(285,894)	(38,860)
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	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>(285,894)</u>	<u>(38,860)</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 ENDED 31 MARCH 2011 AND 2010

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

(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 2010	250,000,000	-	-	-	-	-	132,638,253	(849,780)	131,788,473	163,822,537	545,611,010
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(38,860)	(38,860)
Appropriation of profits:											
Transfer to legal reserve and retained earnings	-	-	-	-	-	-	-	163,822,537	163,822,537	(163,822,537)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2010	250,000,000	-	-	-	-	-	132,638,253	162,972,757	295,611,010	(38,860)	545,572,150
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 legal reserve and retained earnings	-	-	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

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 2011 AND 2010

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

(Amounts expressed in euro)

	31 March 2011	31 March 2010
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	118,895	86,467
Cash paid to employees	301,085	170,461
Cash flow generated by operations	(419,980)	(256,928)
Income taxes (paid)/received	102,865	501
Other cash receipts/(payments) relating to operating activities	(144,819)	90,083
Net cash flow from operating activities [1]	(667,664)	(167,346)
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	3,019,564	6,120,870
Dividends	-	-
Loans granted	-	-
	3,019,564	6,120,870
Cash payments arising from:		
Investments	-	159,500,000
Tangible assets	-	-
Loans granted	15,644,000	11,115,184
	15,644,000	(170,615,184)
Net cash flow from investment activities [2]	(12,624,436)	(164,494,314)
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	14,853,000	166,554,564
	14,853,000	166,554,564
Cash Payments arising from:		
Interest and similar costs	1,136,354	1,877,133
Loans obtained	-	-
	1,136,354	(1,877,133)
Net cash flow from financing activities [3]	13,716,646	164,677,431
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	424,546	15,771
Cash and cash equivalents at the beginning of the period	27,355	55,597
Cash and cash equivalents at the end of the period	451,901	71,368

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 2011

(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 35/2005 of 17 February 2007, the Company’s financial statements have been prepared in accordance with International Financial Reporting Standards.

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

4. INVESTMENTS

As at 31 March 2011 and 31 December 2010 Investments are detailed as follows:

	31 March 2011	31 December 2010
Investments in affiliated and associated undertakings	542,138,253	542,138,253
Investments in other companies (Sonae RE - 0.04%)	1,200	1,200
	<u>542,139,453</u>	<u>542,139,453</u>

4.1 Investments in affiliated and associated undertakings

As at 31 March 2011 and 31 December 2010, 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 2011				31 December 2010			
	% 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	-
Total		-	542,138,253	-		-	542,138,253	-

5. OTHER NON CURRENT ASSETS

As at 31 March 2011 and 31 December 2010 Other Non Current Assets are detailed as follows:

	31 March 2011	31 December 2010
Loans granted to group companies:		
SC, SGPS, SA	181,414,243	171,414,243
SC Assets, SGPS, SA	53,227,800	49,303,800
	<u>234,642,043</u>	<u>220,718,043</u>

These assets were not due or impaired as at 31 March 2011. 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 2011 and 31 December 2010 Other Current Assets can be detailed as follows:

	31 March 2011	31 December 2010
Group companies - Short term loans:		
SC, SGPS, SA	14,651,500	16,852,500
SC Assets, SGPS, SA	3,921,000	-
Suppliers	288	21,505
Income tax withheld	292,030	189,164
Other Debtors	3,070	3,877
Accrued income	1,892,283	3,022,754
Deferred costs	216,759	61,923
	<u>20,976,928</u>	<u>20,151,723</u>

7. CASH AND CASH EQUIVALENTS

As at 31 March 2011 and 31 December 2010 Cash and Cash Equivalents can be detailed as follows:

	31 March 2011	31 December 2010
Cash	1,004	1,004
Bank deposits	450,897	26,351
Cash and cash equivalents in the balance sheet	<u>451,901</u>	<u>27,355</u>
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	<u>451,901</u>	<u>27,355</u>

8. SHARE CAPITAL

As at 31 March 2011 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

9. OTHER RESERVES

As at 31 March 2011, and 31 December 2010 the caption Other Reserves can be detailed as follows:

	31 March 2011	31 December 2010
Free reserves	156,990,370	154,781,631
Demerger reserve	132,638,252	132,638,252
	<u>289,628,622</u>	<u>287,419,883</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).

10. LOANS

As at 31 March 2011 and 31 December 2010 this caption included the following loans:

	31 March 2011	31 December 2010
Bank loans - Commercial paper	60,000,000	42,250,000
Up-front fees not yet charged to income statement	(30,367)	(34,211)
Bank loans - non current	59,969,633	42,215,789
Nominal value of bonds	40,000,000	30,000,000
Up-front fees not yet charged to income statement	(88,101)	(56,099)
Bond Loans	39,911,899	29,943,901
Non-current loans	<u>99,881,532</u>	<u>72,159,690</u>
Bank loans - Commercial paper	106,450,000	122,300,000
Current bank loans	<u>106,450,000</u>	<u>122,300,000</u>

Non Current Bank Loans

The caption Non Current Bank Loans relates to amounts issued under Commercial Paper Programmes with guaranteed subscription and can be detailed as follows:

- i) Programme launched on 14 March 2008 with the maximum amount of 30,000,000 euro and valid for a period of 5 years;
- ii) Programme launched on 30 December 2010 with the maximum amount of 16,250,000 euro and valid for a period of 3 years;
- iii) Programme launched on 31 March 2011 with the maximum amount of 36,600,000 euro and valid for a period of 5 years and 5 months.

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

Bond Loans

- i) Sonae Capital 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;
- ii) Sonae Capital 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 average interest rate of these bond loans as at 31 March 2011 was 2.078%.

Current Bank Loans

- i) Commercial Paper Programme launched on 28 March 2008 with a maximum limit of 60,000,000 euro, without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company;
- ii) Two Commercial Paper Programmes launched on 28 August 2009 with the maximum amount of 36,600,000 euro each, with subscription guarantee and valid for a period of 2 years;

- iii) Commercial Paper Programme launched on 17 February 2011 with a maximum limit of 5,000,000 euro, 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) 4,000,000 euro regarding the short-term portion of the 16,250,000 euro Commercial Paper Programme, with guaranteed subscription, mentioned in the previous paragraph.

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 at variable market rates.

There are no Derivatives.

11. OTHER CREDITORS

As at 31 March 2011 and 31 December 2010, these captions were made up as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
<u>Other creditors</u>		
Group companies - Short term loans:		
Inparvi, SGPS, SA	377,000	697,000
Interlog, SGPS, SA	20,994,000	20,999,000
SC Assets, SGPS, SA	-	100,000
SC Finance BV	297,000	300,000
Spred, SGPS, SA	20,978,200	17,597,200
Other creditors	<u>10,992</u>	<u>92.38</u>
	<u><u>42,657,192</u></u>	<u><u>39,693,292</u></u>

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

12. OTHER CURRENT LIABILITIES

As at 31 March 2011 and 31 December 2010, these captions were made up as follows:

	<u>31 March 2011</u>	<u>31 December 2010</u>
<u>Other current liabilities</u>		
Taxes payable	62,728	130,981
Accruals:		
Staff costs	453,546	519,335
Interest payable	1,212,102	246,980
Other accruals	5,435	6,795
Deferred income	<u>3,634</u>	<u>6,358</u>
	<u><u>1,737,444</u></u>	<u><u>910,449</u></u>

13. EXTERNAL SUPPLIES AND SERVICES

As at 31 March 2011 and 31 March 2010, External Supplies and Services can be detailed as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Operational rents	16,671	16,672
Insurance costs	10,084	14,746
Travelling expenses	2,667	13,594
Services obtained	8,700	7,935
Other services	20,720	5,695
	<u>58,841</u>	<u>58,642</u>

14. STAFF COSTS

As at 31 March 2011 and 31 March 2010, Staff Costs are made up as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Governing bodies' remunerations	205,380	282,599
Social security contributions	10,377	23,255
Other staff costs	6,745	5,787
	<u>222,502</u>	<u>311,641</u>

15. NET FINANCIAL EXPENSES

As at 31 March 2011 and 31 March 2010, Net Financial Expenses can be detailed as follows:

	<u>31 March 2011</u>	<u>31 March 2010</u>
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(1,158,463)	(905,434)
Bonds	(253,043)	(194,125)
Other	(154,199)	(793,495)
Other financial expenses	(507,613)	(581,823)
	<u>(2,073,318)</u>	<u>(2,474,877)</u>
Interest receivable and similar income		
Interest income	1,884,635	2,842,699
	<u>1,884,635</u>	<u>2,842,699</u>
Net financial expenses	<u>(188,683)</u>	<u>367,822</u>

16. TAXATION

As at 31 March 2011 and 31 March 2010, Taxation is made up as follows:

	31 March 2011	31 March 2010
	<u>Total</u>	<u>Total</u>
Current tax	(1,977)	-
Deferred tax	94,639	12,953
	<u>92,663</u>	<u>12,953</u>

17. EARNINGS PER SHARE

Earnings per share for the three months periods ended 31 March 2011 and 2010 were calculated taking into consideration the following amounts:

	31 March 2011	31 March 2010
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(285,894)	(38,860)
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>(285,894)</u>	<u>(38,860)</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	250,000,000	250,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u>250,000,000</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>(0.001144)</u>	<u>(0.000155)</u>

18. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 25 May 2011.

19. INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

In the period ended 31 March 2011 shareholders' loan contracts were entered into with the following companies:

- SC, SGPS, SA
- SC Assets, SGPS, SA

In the period ended 31 March 2011 no short-term loan contracts were entered.

As at 31 March 2011 amounts owed by affiliated companies can be summarized as follows:

Loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, SGPS, SA	196,065,743
SC Assets, SGPS, SA	57,148,800
	<u>253,214,543</u>

As at 31 March 2011 amounts owed to affiliated companies can be summarized as follows:

Loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Inparvi , SGPS, SA	377,000
Interlog , SGPS, SA	20,994,000
SC Finance BV	297,000
Spred , SGPS, SA	20,978,200
	<u>42,646,200</u>

The Board of Directors