



REPORT AND ACCOUNTS

30 JUNE 2014



INDEX

▪ REPORT OF THE BOARD OF DIRECTORS	3
1. HIGHLIGHTS & CEO MESSAGE	5
2. OVERALL PERFORMANCE	6
3. SEGMENTS PERFORMANCE	9
4. CORPORATE INFORMATION	13
5. METHODOLOGICAL NOTES	14
GLOSSARY	14
▪ APPENDIX TO THE REPORT OF THE BOARD OF DIRECTORS	15
▪ CONSOLIDATED FINANCIAL STATEMENTS	20
▪ INDIVIDUAL FINANCIAL STATEMENTS	58
▪ LIMITED REVIEW REPORT	78

The background of the page features a large, abstract graphic composed of several overlapping, wavy lines in various shades of blue. These lines create a sense of movement and depth, resembling a stylized wave or a series of overlapping curves. The graphic is positioned on the left side of the page, extending towards the center.

REPORT OF THE BOARD OF
DIRECTORS

30 JUNE 2014



The consolidated financial statements presented in this report was subjected to a limited revision and have been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS"), issued by International Accounting Standards Board ("IASB"), as adopted by European Union. The quarterly information is unaudited.

1. HIGHLIGHTS & CEO MESSAGE

"During the 1H14 we kept focused implementing and executing the defined strategy, namely, growing current businesses both in top line and profitability. At the same time, we are looking for releasing cash from non strategic assets to support new investments opportunities, such as the case with the new cogeneration operations and, particularly, with the aim of reducing debt. Within this framework we're able to achieve a significant 51% top line growth, improving EBITDA margin from 0.4% in 1H13 to 5.1% in 1H14. Also, at the net results level, the performance was remarkable achieving a 40% growth rate. Notwithstanding the seasonal Net Debt growth, mainly as a consequence of the level of investments on the energy expansion plan and working capital performance, we remain strongly focused in reducing debt and releasing capital from non strategic businesses, demonstrating our commitment and focus on continuing with the implementation of the corporate strategy defined at the end of 2013."

Cláudia Azevedo, CEO

2Q14 RESULTS CONFIRM THE POSITIVE OPERATIONAL AND FINANCIAL INDICATORS TREND EVOLUTION

... Consolidated **TURNOVER GREW 43.7%**, driven by:

- Energy grew from 3.4M€ to 13.1M€, mainly as a result from the consolidation of the new cogeneration plants acquired during the 1Q14;
- Real Estate at troiaresort maintained the positive trend growing by 82% to 5.4M€. During the 2Q14 were signed 6 deeds regarding real estate units in troiaresort, to which we should add 12 promissory purchase agreements and 9 reservation agreements. Over the 1H14 it were commercialized a total of 48 units, comparing to 67 during the FY13;
- Fitness grew 24%, consolidating the positive trend evolution observed in previous quarters and Hospitality improved 15%, fully offsetting the negative 1Q14 contribution.

...Consolidated **EBITDA¹**, excluding Guaranteed Income Provisions, amounted to **4.5M€**, a significant 3.5M€ improvement when compared to 2Q13:

- As a result of all Tourism segments improvement and the growing contribution from the Energy segment when considered either the "stand alone" business or when considering the 1.57M contribution from the new cogeneration operations;
- Including the provision related to the estimated present value of potential costs for the period of the guaranteed income in real estate sales in troiaresort, consolidated EBITDA amounted to 4.08M€, growing 3.8 times or 3.0M€ compared to 2Q13.

LEADING TO 1H14 CONSOLIDATED RESULTS WELL ABOVE LAST YEAR...

- Top Line reached 76.23M€, registering an improvement of 51.1% compared to last year with the majority of the segments contributing favourably;
- **EBITDA¹** amounted 6.0M€ (or 3.91M€ considering guaranteed income provisions), reaching a 7.9% margin, compared to 0.2M€ and a margin of 0.4% recorded in 1H13;
- Net Results grew 39.8% to -7.19M€;
- Net Debt grew 8.0M€ to 254M€ mainly driven by the investments concluded in the semester, achieving a positive performance when compared to the 12.7M€ growth registered during the 1H13, on a comparable basis e.g., excluding the positive impact from the sale of Imosede Fund participation units in 1H13;
 - It should be noted that Net Debt reduced 4.8M€ when compared to same period last year.

¹ EBITDA excluding the estimated present value of potential costs for the full period of the guaranteed income in real estate sales at troiaresort.

2. OVERALL PERFORMANCE

The financial and operational performance throughout the 1H14 was globally positive, showing growth across all key financial indicators, namely, a Turnover growth of 51.1%, a 3.7M€ EBITDA improvement and a growth of 39.8% at the Net Results level. Also, at the EBITDA-Capex level that during the 1H14 has posted a marginal negative contribution, registered a significant improvement of 2.4M€.

2.1. CONSOLIDATED PROFIT & LOSS STATEMENT

Million euro	2Q 2014	2Q 2013	Δ 14/13	6M 2014	6M 2013	Δ 14/13
Total Operational Income	43.22	29.26	+47.7%	79.99	52.96	+51.0%
Turnover	40.07	27.89	+43.7%	76.23	50.44	+51.1%
Tourism	12.89	9.27	+39.1%	29.81	15.58	+91.4%
Resorts	5.36	2.95	+81.8%	17.45	4.72	>100%
Hospitality	3.99	3.46	+15.4%	5.45	5.22	+4.4%
Fitness	3.54	2.86	+23.8%	6.91	5.64	+22.6%
Energy	13.11	3.38	>100%	20.20	6.65	>100%
Refrigeration & HVAC	12.96	14.62	-11.3%	24.14	26.80	-9.9%
Others & Eliminations	1.11	2.24	-50.7%	2.08	3.03	-31.1%
Other Operational Income	3.15	1.38	>100%	3.76	2.52	+49.0%
EBITDA, excluding Guaranteed Income Provisions ⁽¹⁾	4.53	1.08	>100%	6.01	0.19	>100%
Tourism	0.57	-1.28	-	0.55	-3.96	-
Resorts	0.95	-0.37	-	3.12	-0.74	-
Hospitality	-1.00	-1.22	+17.9%	-3.45	-3.58	+3.6%
Fitness	0.56	0.24	>100%	0.87	0.27	>100%
Energy	2.95	0.88	>100%	4.40	1.74	>100%
Refrigeration & HVAC	0.60	1.01	-40.4%	0.21	1.34	-84.4%
Others & Eliminations	0.40	0.46	-13.0%	0.85	1.07	-20.8%
Provisions for Guaranteed Income	-0.44	0.00	-	-2.09	0.00	-
EBITDA	4.08	1.08	>100%	3.91	0.19	>100%
Amortization & Depreciation	-3.77	-3.30	-14.5%	-7.05	-6.61	-6.7%
Provisions & Impairment Losses	-0.14	-0.02	<-100%	-0.17	-0.01	<-100%
Discontinued Operations ⁽²⁾	0.02	-0.13	-	-0.14	-0.06	<-100%
EBIT	0.19	-2.37	-	-3.45	-6.49	+46.9%
Net Financial Expenses	-3.20	-2.86	-11.9%	-6.11	-5.31	-15.0%
Investment Income and Results from Assoc. Undertakings	1.55	1.38	+12.3%	3.28	2.96	+10.8%
EBT	-1.47	-3.85	+61.9%	-6.28	-8.85	+29.0%
Taxation	-0.49	-1.64	+70.1%	-0.90	-3.08	+70.6%
Net Profit	-1.96	-5.49	+64.4%	-7.19	-11.93	+39.8%
Attributable to Equity Holders of Sonae Capital	-2.37	-5.68	+58.4%	-7.36	-11.93	+38.3%
Attributable to Non-Controlling Interests	0.41	0.19	>100%	0.18	0.00	>100%

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

(2) Includes discontinued businesses in the reported period (2013/ 14)

Consolidated Turnover reached 76.23M€, evidencing a 51.1% growth compared to last year, with significant contributions from the majority of the segments: (i) a 270% growth in Resorts, supported on the growth number of sales deeds at troiaresort; (ii) Hospitality grew 4.4% as a result from the increased occupation rates; (iii) Fitness improved 22.6%, driven by the 34% growth in the number of active members; (iv) Energy posted a growth of 204% driven mainly by the new cogeneration operations; and (v) notwithstanding the 9.9% decrease in Refrigeration & HVAC segment despite the 17% increase in the level of pipeline when compared to year end 2013. With respect to segment "Others", the 47.8% positive evolution is related with our effort and commitment in realising capital from non-strategic assets, namely, real estate sales.

During the 2Q14, as it was the case in the semester, it was also registered a significant Top Line improvement of 43.7% with the majority of the segments, with the exception of Refrigeration & HVAC, showing a positive evolution compared to LY.

Consolidated 1H14 EBITDA, excluding guaranteed income provisions, totalled 6.0M€, generating a margin of 7.9% and registering an important growth of 5.8M€. All segments presented positive evolutions compared to LY, with the exception of Refrigeration & HVAC driven by the Top Line performance.

Consolidated 1H14 EBITDA including, for conservative reasons, the estimated present value of the potential costs for the full period of the guaranteed income in real estate sales at troiaresort, amounted to 3.91M€, registering a significant growth of 20.6 times or 3.7M€ compared to LY.

During the 2Q14, consolidated EBITDA reached 4.08M€, a growth of 3.8 times or 3.0M€ compared to the 2Q13.

Net Profit in 1H14 was negative 7.19M€, 39.8% or 4.74M€ above the level registered last year. It should be highlighted, besides the positive EBITDA performance, the 10.8% growth registered in Results from Associated Undertakings/Investment, mostly due to the contribution of Norscut and the two new cogeneration operations where the group does not hold a majority shareholding.

2.2. CAPEX

Capex (excluding the investment related to the acquisition of the new cogeneration operations) amounted to 4.01M€ during the 1H14, correspondent to a Capex/Sales ratio of 5.26%, below the 5.35% level registered during the 1H13. The bulk of Capex was mostly driven by Resorts and Hospitality, the latter driven by the opening of the new concept Hotel in Porto, a partnership with "Escola de Hotelaria e Turismo do Porto". Regarding the Energy business, Capex was mainly driven by the launch of Martim Longo operation (Photovoltaic park - 2MW).

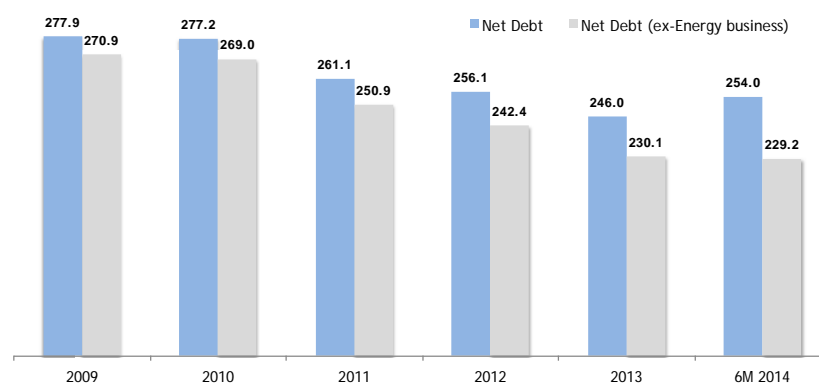
2.3. CAPITAL STRUCTURE

At the end of 1H14, Net Debt amounted to 254.0M€, 8.0M€ above the level registered at the end of 2013, consequence of the FCF performance, influenced by the acquisition of the new cogeneration operations and by the level of Capex referred above.

It should be noted that, traditionally, 1H is characterized by a seasonal increase in the level of working capital. During the 1H13 Net Debt has also showed a growth of 2.7M€ and as such: (i) excluding, during the 1H13, the positive 10.0M€ impact from the sale of Imosede Fund participation units; and (ii) excluding the negative impact at the Net Debt level derived from the acquisition of the new cogeneration plants (4.2M€), on a comparable basis, the evolution of Net Debt during the 1H14 has shown a positive performance of 8.9M€ compared to the 1H13.

It should be highlighted that compared to the same period last year, Net debt registered a decrease of 4.8M€.

Consolidated Balance Sheet			
Million euro			
	Jun-14	Dec 2013	Δ Jun14/Dec13
Total Assets	662.5	633.4	+4.6%
Tangible and Intangible Assets	247.8	246.3	+0.6%
Goodwill	61.0	61.0	+0.0%
Non-Current Investments	55.7	52.0	+7.2%
Other Non-Current Assets	46.5	45.8	+1.6%
Stocks	170.0	178.9	-5.0%
Trade Debtors and Other Current Assets	60.0	46.5	+29.2%
Cash and Cash Equivalents	21.4	3.0	>100%
Total Equity	306.5	313.2	-2.1%
Total Equity attributable to Equity Holders of Sonae Capital	297.4	304.3	-2.3%
Total Equity attributable to Non-Controlling Interests	9.1	8.9	+2.5%
Total Liabilities	356.0	320.3	+11.2%
Non-Current Liabilities	202.4	171.9	+17.7%
Non-Current Borrowings	183.1	153.0	+19.7%
Deferred Tax Liabilities	13.0	12.6	+3.7%
Other Non-Current Liabilities	6.2	6.3	-2.5%
Current Liabilities	153.6	148.4	+3.5%
Current Borrowings	92.3	96.1	-3.9%
Trade Creditors and Other Current Liabilities	61.4	52.3	+17.3%
Total Equity and Liabilities	662.5	633.4	+4.6%
Net Capital Employed	560.5	559.2	+0.2%
Fixed Assets	308.8	307.3	+0.5%
Non-Current Investments (net)	83.0	78.8	+5.3%
Working Capital	168.6	173.1	-2.6%
Capex (6M period)	4.0	2.7	+48.8%
% Fixed Assets	1.3%	0.9%	
Net Debt	254.0	246.0	+3.2%
% Net Capital Employed	45.3%	44.0%	
Gearing	82.9%	78.6%	
Net Debt excluding Energy	229.2	230.1	-0.4%



Capital Employed grew marginally, mainly driven by both the cogeneration operations acquired during the 1Q14 and by the updated non current investments valuation, namely Imosede Fund and Norscut, notwithstanding the reduction in the working capital investment vs YE'13 (although it has registered an increase of 7.0M€ compared to the previous quarter).

It is expected for the 2H14, as it was the case last year, the reversion of part of the working capital investment as to improve FCF performance and, consequently, reduce the level of Debt in accordance with our ambition and strategic intent.

3. SEGMENTS PERFORMANCE

3.1. TOURISM

Profit and Loss Account Million euro						
Tourism	2Q 2014	2Q 2013	Δ 14/13	6M 2014	6M 2013	Δ 14/13
Total Operational Income	12.31	7.88	+56.3%	27.69	12.88	>100%
Turnover	12.89	9.27	+39.1%	29.81	15.58	+91.4%
Resorts	5.36	2.95	+81.8%	17.45	4.72	>100%
Hospitality	3.99	3.46	+15.4%	5.45	5.22	+4.4%
Fitness	3.54	2.86	+23.8%	6.91	5.64	+22.6%
Other Operational Income	-0.57	-1.39	+58.6%	-2.12	-2.70	+21.5%
Total Operational Costs	-9.54	-8.86	-7.7%	-24.94	-16.68	-49.5%
Cost of Goods Sold	-0.68	-0.99	+30.6%	-1.00	-1.27	+21.1%
Change in Stocks of Finished Goods	-1.70	-0.72	<-100%	-7.66	-1.33	<-100%
External Supplies and Services	-5.23	-4.38	-19.4%	-11.14	-8.10	-37.5%
Staff Costs	-3.04	-2.73	-11.2%	-5.91	-5.56	-6.2%
Other Operational Expenses	1.11	-0.04	-	0.77	-0.42	-
EBITDA excluding Guaranteed Income Provisions *	0.57	-1.28	-	0.55	-3.96	-
Resorts	0.95	-0.37	-	3.12	-0.74	-
Hospitality	-1.00	-1.22	+17.9%	-3.45	-3.58	+3.6%
Fitness	0.56	0.24	>100%	0.87	0.27	>100%
Provisions for Guaranteed Income	-0.44	0.00	-	-2.09	0.00	-
EBITDA	0.13	-1.28	-	-1.54	-3.96	+61.0%
Capex	0.90	0.56	+61.3%	1.55	0.68	>100%
EBITDA-Capex	-0.77	-1.83	+58.0%	-3.10	-4.64	+33.3%

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

A. RESORTS

The 1H14 maintained a commercial dynamism in line with the end of 2013, having been celebrated 27 deeds from the troiaresort residential units (compared to 39 during the full year 2013) to which we should add 12 promissory purchase agreements and reservation agreements (with advanced payment) for additional 9 units. As at 30th June 2014, 294 sales deeds on troiaresort residential units had been signed.

Driven by the enlarged number of deeds, 1H14 Turnover reached 17.45M€, 3.7 times higher than the level registered last year and, as a consequence, EBITDA excluding guaranteed income provisions, amounted to 3.12M€, registering an improvement of 3.86M€.

For prudence reasons and following the traditional conservative approach that should govern the accounting principles, it is accounted as provisions at the time of the sale, the present value of potential costs for the entire period of the guaranteed income from troiaresort real estate sales (the difference between the guaranteed rate of return and the expected commercial operation). Driven by the sale deeds registered during the 1H14, the value amounted to 2.09M€, reflecting a level of EBITDA of 1.03M€, 1.77M€ above the level registered last year.

B. FITNESS

The dynamism and the improving trend in turnover and profitability observed since the end of 2013 has remained during the 1H14 with the average number of active members registering a growth of 34% when compared to the 1H13.

Turnover grew 22.6% to 6.91M€, driven by the mentioned increase number of active members, notwithstanding the lower market average monthly fees. As a result of both, the increased Turnover and the optimization and rationalization cost measures implemented aimed at reducing the cost base, EBITDA has tripled to 0.87M€ compared to 1H13, registering a margin of 12.6% (15.8% in 2Q14), +7.8pp above last year.

C. HOSPITALITY

Turnover in the 1H14, now on a comparable calendar basis, registered a growth of 4.4% (compared to 1H13) to 5.45M€ as a consequence of the 3pp increase in the overall occupation rate. During the semester and compared to 1H13, the number of nights sold and RevPar increased 12.5% and 6.3%, in the total Group's hotel properties, respectively.

Due to the 4.4% top line increase and the optimization and rationalization cost measures implemented over the past years, EBITDA grew 3.6% remaining, nevertheless, at negative levels of 3.45M€.

Excluding rents (that are intercompany movements subject to changes upon completion of the assets' valuation carried out by an external entity), it should be highlighted that the Hospitality segment EBITDAR amounted to negative 0.68M€, an improvement of 7.3% when compared to the negative value of 0.74M€ registered in 1H13.

In April, in partnership with the "Escola de Hotelaria e Turismo do Porto" it was launched a new hotel, following a capital light approach. This is a unit with 17 rooms, restaurant, bar and meetings room, where students of the "Escola de Hotelaria e Turismo do Porto" are able to apply their knowledge. Inspired by the arts and appreciation of beauty, The Artist Porto Hotel & Bistro offers a contemporary and comfortable atmosphere, where every detail transports us to a creative and unique environment with a strong motivational atmosphere, inspiring and helping to grow (personally and professionally) students of the "Escola de Hotelaria e Turismo do Porto".

3.2. ENERGY

Profit and Loss Account Million euro						
Energy	2Q 2014	2Q 2013	Δ 14/13	6M 2014	6M 2013	Δ 14/13
Total Operational Income	13.52	3.46	>100%	20.60	6.77	>100%
Turnover	13.11	3.38	>100%	20.20	6.65	>100%
Other Operational Income	0.41	0.09	>100%	0.40	0.12	>100%
Total Operational Costs	-10.56	-2.58	<-100%	-16.20	-5.03	<-100%
Cost of Goods Sold	-9.17	-2.02	<-100%	-13.87	-3.92	<-100%
Change in Stocks of Finished Goods	0.00	0.00	-	0.00	0.00	-
External Supplies and Services	-0.90	-0.35	<-100%	-1.48	-0.69	<-100%
Staff Costs	-0.48	-0.21	<-100%	-0.84	-0.41	<-100%
Other Operational Expenses	-0.01	0.00	<-100%	-0.01	0.00	<-100%
EBITDA	2.95	0.88	>100%	4.40	1.74	>100%
Capex	0.53	0.74	-28.3%	0.93	1.62	-42.4%
EBITDA-Capex	2.42	0.14	>100%	3.47	0.12	>100%

During the 1Q14 it was announced the acquisition of a set of shareholdings and interests held by subsidiaries of Enel Green Power, S.p.A. in cogeneration plants located in Portugal. This acquisition of 44 MW (10 units, 8 majority held) is part of the expansion plan for the Energy segment, one of the

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

With the fully operational photovoltaic project, the capacity under management will ascend to 53 MW (50MW Cogeneration and 3MW Photovoltaic) or 62.3 MW, considering the non-fully held operations, a growth of 3.0 times when compared to the end of 2013.

Turnover, including four months of the new cogeneration operations, grew 204% to 20.2M€. Excluding this effect (13.24M€ in 1H14), Turnover would have grown by 4.7%. EBITDA has also shown a significant 153% increase to 4.40M€, registering a margin of 21.8%. Excluding new operations' contribution (2.06M€), EBITDA would have grown by 34.5%.

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

3.3. REFRIGERATION, HVAC AND MAINTENANCE

Profit and Loss Account Million euro						
Refrigeration & HVAC	2Q 2014	2Q 2013	Δ 14/13	6M 2014	6M 2013	Δ 14/13
Total Operational Income	14.35	15.43	-7.0%	25.08	27.43	-8.6%
Turnover	12.96	14.62	-11.3%	24.14	26.80	-9.9%
Total Operational Costs	-12.36	-13.60	+9.1%	-23.93	-25.47	+6.0%
Cost of Goods Sold	-4.27	-6.37	+32.9%	-7.64	-10.38	+26.4%
Change in Stocks of Finished Goods	-0.29	2.41	-	-0.61	2.76	-
External Supplies and Services	-4.89	-5.07	+3.5%	-8.43	-8.77	+3.9%
Staff Costs	-3.61	-4.16	+13.2%	-7.43	-8.38	+11.3%
Other Operational Expenses/Income	0.70	-0.42	-	0.17	-0.69	-
EBITDA	0.60	1.01	-40.4%	0.21	1.34	-84.4%
Capex	0.10	0.02	>100%	0.18	0.09	>100%
EBITDA-Capex	0.51	1.00	-49.1%	0.03	1.25	-97.5%

1H14 Turnover amounted to 24.14M€, a decrease of 9.9% compared to 1H13, due to some delays in important projects both in Portuguese and international operations. Backlog grew 17% and 3% when compared to YE13 and 1Q14, respectively, representing, approximately, 7 months of turnover.

The level of International Turnover from the Refrigeration & HVAC business (consolidating exports and direct sales abroad), despite the lower international activity following some delays in the launch of important projects, amounted to 5.3M€, representing 22% of the consolidated turnover.

Despite the on-going implementation of measures leading to rationalize and variable the cost structure to the new benchmark, due to the turnover performance, consolidated EBITDA amounted to only 0.21M€ reverting, nevertheless, the negative value registered in 1Q14.

Domestic EBITDA reached 0.17M€, registering a decrease of 0.61M€ when compared to 1H13, driven by top line performance. International EBITDA reached 39K€, posting a decrease of 0.52M€ compared to 1H13.

Capex remained at low levels and the large majority of the lower Operational Cash Flow was driven by the negative EBITDA evolution.



3.4. OTHER ASSETS

Sonae Capital Group owns a set of non-strategic assets and thus available for sale, including Real Estate assets (excluding Sonae Tourism assets) and Financial Shareholdings.

During the period there were no material operations to highlight.

With respect to Real Estate assets, during the 1H14, it were celebrated over a disperse set of assets sales deeds amounting to 0.82M€.

As at 30 June 2014, Capital Employed in this set of assets (real estate) amounted to 128.1M€.

3.5. INDIVIDUAL FINANCIAL STATEMENTS

Sonae Capital, SGPS, SA, the Group's holding company, posted a positive 19,449,049 euro net profit in 1H14, including a material 15.6 million euro impact from dividends paid by subsidiaries. 1H13 net profit of 12,371,328 euro was also impacted from dividends paid by subsidiaries in the amount of 13,113,126 euro.

4. CORPORATE INFORMATION

4.1. CORPORATE INFORMATION 1H14

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

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

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

- As at May 22, 2014 Sonae Capital, SGPS, SA (Sonae Capital) has disclosed that it had closed the conditions for a Bond issue of €42,500,000 (forty two million five hundred thousand euros), subscribed by institutional investors, without any guarantees and with a 5 year term, maturing in May 2019. The physical and financial settlement occurred on 28 May 2014 and the process for the bonds to be listed for trading on Euronext Lisbon is being prepared.

Sonae Capital maintains its commitment and focus on reducing Net Debt and the operation allows the Group to strengthen its capital structure, diversify its sources of funding while optimizing the financing costs. It also ensures the structural funds to implement the corporate strategy defined at the end of 2013 and to prosecute the respective strategic goals.

4.2. SUBSEQUENT CORPORATE EVENTS

There were no subsequent corporate events to register.

5. METHODOLOGICAL NOTES

The consolidated financial statements presented in this report was subjected to a limited revision and have been prepared in accordance with International Financial Reporting Standards ("IAS/IFRS"), issued by International Accounting Standards Board ("IASB"), as adopted by European Union. The quarterly information is unaudited.

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

With the aim of continuing improve the quality and transparency of the information provided, from the 2Q14 onwards, discontinued operations are reported on a specific line of the Profit & Loss statement.

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

GLOSSARY

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



APPENDIX TO THE REPORT OF
THE BOARD OF DIRECTORS

30 JUNE 2014



STATEMENT

Under the terms of Article 245, paragraph 1, c) of the Portuguese Securities Code

(Translation of a Statement originally issued in Portuguese)

The signatories individually declare that, to their knowledge, the Report of the Board of Directors, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared in accordance with applicable International Financial Reporting Standards, and give a true and fair view, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of Sonae Capital, SGPS, SA, and of the companies included in the consolidation perimeter, and that the Report of the Board of Directors faithfully describes major events that occurred during the first half of 2014 and their impacts, if any, in the business performance and financial position of Sonae Capital, SGPS, SA and of the companies included in the consolidation perimeter, and contains an appropriate description of the major risks and uncertainties that they face.

Maia, 31 July 2014

Belmiro Mendes de Azevedo
Chairman of the Board of Directors

Ivone Pinho Teixeira
Member of the Board of Directors

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

Álvaro Carmona e Costa Portela
Member of the Board of Directors

Paulo José Jubilado Soares de Pinho
Member of the Board of Directors

GOVERNING BODIES

(Article 447 of the Portuguese Companies Act and nr. 7 of Article 14 of CMVM's 5/2008 Regulation)

Disclosure of shares and other securities held by Members of the Board of Directors and Fiscal Board and of transactions during 1st semester 2014 involving shares and other securities:

	Date	Purchases		Sales		Balance as at
		Quantity	Av. Price €	Quantity	Av. Price €	30.06.2014 Quantity
Belmiro Mendes de Azevedo						
Efanor Investimentos, SGPS, SA (1) (includes 1 share owned by the spouse)						49,999,997
Sonae Capital, SGPS, SA ^(a)						838,862
Maria Cláudia Teixeira de Azevedo						
Efanor Investimentos, SGPS, SA (1)						1
Linhacom, SGPS, SA (2)						99,996
Álvaro Carmona e Costa Portela						
Sonae Capital, SGPS, SA	20.02.2014	21,700	0.46			24,942
Paulo José Jubilado Soares de Pinho						
Sonae Capital, SGPS, SA ^(b)						20,775

	Date	Purchases		Sales		Balance as at
		Quantity	Av. Price €	Quantity	Av. Price €	30.06.2014 Quantity
(1) Efanor Investimentos, SGPS, SA						
Sonae Capital, SGPS, SA						88,859,200
Pareuro, BV (3)						5,583,100
(2) Linhacom, SGPS, SA						
Sonae Capital, SGPS, SA						43,912
Imparfin, SGPS, SA (4)						150,000
(3) Pareuro, BV						
Sonae Capital, SGPS, SA						66,600,000
(4) Imparfin, SGPS, SA						
Sonae Capital, SGPS, SA						513,160

^(a) Includes 1,862 shares owned by the spouse.

^(b) Includes 8,125 shares owned by Change Partners, SCR, SA, company where Paulo José Jubilado Soares de Pinho is member of the Board of Directors.

APPENDIX REQUIRED BY ARTICLE 448 OF THE PORTUGUESE COMPANIES ACT

Number of shares held by shareholders owning more than 10%, 33% or 50% of the company's share capital:

	<u>Number of shares as at 30.06.2014</u>
Efanor Investimentos, SGPS, SA (1)	
Sonae Capital, SGPS, SA	88,859,200
Pareuro, BV	5,583,100
Pareuro, BV	
Sonae Capital, SGPS, SA	66,600,000

(1) Belmiro Mendes de Azevedo is, under the terms of paragraph b number 1 of Article 20 and number 1 of Article 21 of the Portuguese Securities Code, the ultimate beneficial owner, as he holds around 99% of the share capital and voting rights of Efanor Investimentos SGPS, SA, which entirely controls Pareuro BV.

QUALIFIED SHAREHOLDINGS

As required by number 1, c) of Article 9 of CMVM Regulation Nr. 5/2008, the following shareholders held more than 2% of the company's share capital as at 30 June 2014:

Shareholder	Nr. of Shares	% of Share Capital	% of Voting Rights
Efanor Investimentos, SGPS, S.A. (1)			
Directly Owned	88,859,200	35.544%	35.544%
Through Pareuro, BV (controlled by Efanor)	66,600,000	26.640%	26.640%
Through Belmiro Mendes de Azevedo (Chairman of the Board of Directors of Efanor)	837,000	0.335%	0.335%
Through Maria Margarida Carvalhais Teixeira de Azevedo (Member of the Board of Directors of Efanor)	1,862	0.001%	0.001%
Through Linhacom, SGPS, S.A. (controlled by the Member of the Board of Directors of Efanor Maria Cláudia Teixeira de Azevedo)	43,912	0.018%	0.018%
Through Migracom, SGPS, S.A. (controlled by the Member of the Board of Directors of Efanor Duarte Paulo Teixeira de Azevedo)	161,250	0.065%	0.065%
Through descendents of Duarte Paulo Teixeira de Azevedo (Member of the Board of Directors of Efanor)	411	0.000%	0.000%
Total attributable	<u>156,503,635</u>	<u>62.601%</u>	<u>62.601%</u>
Santander Asset Management - Sociedade Gestora de Fundos de Investimento Mobiliários, SA			
Through Santander Acções Portugal Fund (managed by Santander Asset Management)	5,214,974	2.086%	2.086%
Through Santander PPA Fund (managed by Santander Asset Management)	484,869	0.194%	0.194%
Total attributable	<u>5,699,843</u>	<u>2.280%</u>	<u>2.280%</u>
Blueshore Global Equity Fund			
Total attributable	<u>5,000,000</u>	<u>2.000%</u>	<u>2.000%</u>

(1) Belmiro Mendes de Azevedo is, under the terms of paragraph b) number 1 of Article 20 and number 1 of Article 21 of the Portuguese Securities Code, the ultimate beneficial owner, as he holds around 99% of the share capital and voting rights of Efanor Investimentos SGPS, SA, which entirely controls Pareuro BV; 1312 shares are no longer attributed to Nuno Miguel Teixeira de Azevedo due to be held by descendant and ceased the legal basis of imputation arising from paragraph a) number 4 of Article 248-B of the Portuguese Securities Code.



CONSOLIDATED FINANCIAL
STATEMENTS

30 JUNE 2014



SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014 AND 31 DECEMBER 2013

(Amounts expressed in euro)

ASSETS	Notes	30.06.2014	31.12.2013
NON-CURRENT ASSETS:			
Tangible assets	8	239,978,779	238,552,228
Intangible assets	8	7,870,078	7,745,826
Goodwill	9	60,982,213	60,982,213
Investments in associated companies	5	15,473,281	12,458,452
Other investments	6 and 10	40,270,882	39,540,098
Deferred tax assets	14	25,989,709	26,186,529
Other non-current assets	11	20,509,721	19,570,690
Total non-current assets		<u>411,074,663</u>	<u>405,036,036</u>
CURRENT ASSETS:			
Stocks	12	169,983,015	178,930,013
Trade account receivables and other current assets	13	60,022,716	46,472,406
Cash and cash equivalents	15	21,402,933	2,997,963
Total Current Assets		<u>251,408,664</u>	<u>228,400,382</u>
TOTAL ASSETS		<u><u>662,483,327</u></u>	<u><u>633,436,418</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	16	250,000,000	250,000,000
Own Shares	16	(1,486,301)	(1,124,125)
Reserves and retained earnings		56,248,472	68,634,546
Profit/(Loss) for the year attributable to the equity holders of Sonae		(7,361,621)	(13,200,373)
Equity attributable to the equity holders of Sonae Capital		<u>297,400,550</u>	<u>304,310,048</u>
Equity attributable to non-controlling interests	17	9,069,540	8,850,291
TOTAL EQUITY		<u>306,470,090</u>	<u>313,160,339</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	18	183,141,725	152,968,701
Other non current liabilities	20	3,098,525	3,256,871
Deferred tax liabilities	14	13,044,870	12,581,859
Provisions	23	3,079,824	3,079,824
Total Non-Current Liabilities		<u>202,364,944</u>	<u>171,887,255</u>
CURRENT LIABILITIES:			
Loans	18	92,262,211	96,050,940
Trade creditors and other current liabilities	22	56,769,789	49,380,171
Provisions	23	4,616,293	2,957,713
Total Current Liabilities		<u>153,648,293</u>	<u>148,388,824</u>
TOTAL LIABILITIES		<u><u>356,013,237</u></u>	<u><u>320,276,079</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>662,483,327</u></u>	<u><u>633,436,418</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 SIX MONTHS PERIODS ENDED 30 JUNE 2014 AND 2013

(Amounts expressed in euro)

	<u>Notes</u>	<u>30.06.2014</u>	<u>30.06.2013</u>
Sales		39,743,873	23,132,450
Services rendered		37,834,194	31,465,974
Other operating income		4,257,270	3,484,841
Cost of sales		(24,149,974)	(17,983,399)
Changes in stocks of finished goods and work in progress		(8,756,434)	1,297,934
External supplies and services		(23,980,322)	(21,828,702)
Staff costs		(16,784,781)	(17,790,572)
Depreciation and amortisation	8	(7,051,409)	(6,713,058)
Provisions and impairment losses		(2,503,817)	(584,827)
Other operating expenses		(2,058,614)	(975,522)
Operational profit/(loss)		<u>(3,450,014)</u>	<u>(6,494,881)</u>
Financial Expenses		(6,841,853)	(5,910,733)
Financial Income		733,393	598,610
Profit/(Loss) in associated and jointly controlled companies	5	2,886,867	2,442,536
Investment income		389,368	513,605
Profit/(Loss) before taxation		<u>(6,282,239)</u>	<u>(8,850,863)</u>
Taxation	26	(903,653)	(3,075,964)
Profit/(Loss) for the year	27	<u>(7,185,892)</u>	<u>(11,926,827)</u>
Attributable to:			
Equity holders of Sonae Capital		(7,361,621)	(11,929,132)
Non-controlling interests	17	<u>175,729</u>	<u>2,305</u>
Profit/(Loss) per share			
Basic	28	(0.029902)	(0.048092)
Diluted	28	<u>(0.029902)</u>	<u>(0.048092)</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 2nd QUARTERS OF 2014 AND 2013

(Amounts expressed in euro)

	<u>Notes</u>	<u>2nd Quarter 14 ¹</u>	<u>2nd Quarter 13 ¹</u>
Sales		19,465,912	16,250,249
Services rendered		20,698,914	13,782,753
Other operating income		3,216,747	1,804,530
Cost of sales		(14,217,605)	(10,713,892)
Changes in stocks of finished goods and work in progress		(2,395,802)	1,688,708
External supplies and services		(12,414,723)	(11,830,344)
Staff costs		(8,142,333)	(8,909,468)
Depreciation and amortisation		(3,774,289)	(3,333,024)
Provisions and impairment losses		(747,230)	(516,987)
Other operating expenses		(1,500,428)	(588,775)
Operational profit/(loss)		<u>189,163</u>	<u>(2,366,250)</u>
Financial Expenses		(3,534,901)	(3,161,335)
Financial Income		331,523	298,492
Profit/(Loss) in associated and jointly controlled companies		1,439,052	1,189,829
Investment income		109,678	189,435
Profit/(Loss) before taxation		<u>(1,465,485)</u>	<u>(3,849,829)</u>
Taxation		(491,973)	(1,643,144)
Profit/(Loss) for the period		<u>(1,957,458)</u>	<u>(5,492,973)</u>
Attributable to:			
Equity holders of Sonae Capital		(2,365,164)	(5,679,648)
Non-controlling interests		<u>407,706</u>	<u>186,675</u>
Profit/(Loss) per share			
Basic		(0.009604)	(0.022913)
Diluted		<u>(0.009604)</u>	<u>(0.022913)</u>

The accompanying notes are part of these financial statements.

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

The Board of Directors

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIODS ENDED 30 JUNE 2014 AND 2013

(Amounts expressed in euro)

	30.06.2014	30.06.2013
Consolidated net profit/(loss) for the period	(7,185,892)	(11,926,827)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	117,373	(73,510)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(351,176)	1,704,670
Change in the fair value of assets available for sale	772,140	833,690
Change in the fair value of cash flow hedging derivatives	542,813	714,369
Tax related to other comprehensive income captions	(176,163)	(216,125)
Other comprehensive income for the period	<u>904,987</u>	<u>2,963,094</u>
Total comprehensive income for the period	<u>(6,280,905)</u>	<u>(8,963,733)</u>
Attributable to:		
Equity holders of Sonae Capital	(6,497,775)	(8,956,162)
Non-controlling interests	<u>216,870</u>	<u>(7,571)</u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2nd QUARTERS OF 2014 AND 2013
(Amounts expressed in euro)

	2 nd Quarter 14 ¹	2 nd Quarter 13 ¹
Consolidated net profit/(loss) for the period	(1,957,458)	(5,492,973)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	66,167	(112,159)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	679,660	1,190,978
Change in the fair value of assets available for sale	372,187	360,926
Change in the fair value of cash flow hedging derivatives	278,677	330,497
Tax related to other comprehensive income captions	(84,174)	(97,934)
Other comprehensive income for the period	<u>1,312,517</u>	<u>1,672,308</u>
Total comprehensive income for the period	<u>(644,941)</u>	<u>(3,820,665)</u>
Attributable to:		
Equity holders of Sonae Capital	(1,074,320)	(3,981,615)
Non-controlling interests	<u>429,379</u>	<u>160,950</u>

The accompanying notes are part of these financial statements.

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

The Board of Directors

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

(Amounts expressed in Euro)

	Attributable to Equity Holders of Sonae Capital							Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity	
	Share Capital	Own Shares	Demerger Reserve (Note 16)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings					Sub total
Balance as at 1 January 2013	250,000,000	(264,705)	132,638,253	(11,486)	153,082	(2,337,176)	(53,836,504)	76,606,169	(11,092,003)	315,249,461	8,707,639	323,957,100
Total consolidated comprehensive income for the period	-	-	-	(51,196)	617,565	701,931	1,704,670	2,972,970	(11,929,132)	(8,956,162)	(7,571)	(8,963,733)
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(11,092,003)	(11,092,003)	11,092,003	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(291,900)	(291,900)
Acquisition of own shares	-	(260,680)	-	-	-	-	-	-	-	(260,680)	-	(260,680)
Changes in the percentage of capital held in affiliated	-	-	-	-	-	-	750	750	-	750	(750)	-
Other changes	-	-	-	-	-	-	339	339	-	339	-	339
Balance as at 30 June 2013	<u>250,000,000</u>	<u>(525,385)</u>	<u>132,638,253</u>	<u>(62,682)</u>	<u>770,647</u>	<u>(1,635,245)</u>	<u>(63,222,748)</u>	<u>68,488,225</u>	<u>(11,929,132)</u>	<u>306,033,708</u>	<u>8,407,418</u>	<u>314,441,126</u>
Balance as at 1 January 2014	250,000,000	(1,124,125)	132,638,253	(189,622)	(590,856)	(1,166,854)	(62,056,375)	68,634,546	(13,200,373)	304,310,048	8,850,291	313,160,339
Total consolidated comprehensive income for the period	-	-	-	82,172	772,140	536,873	(527,339)	863,846	(7,361,621)	(6,497,775)	216,870	(6,280,905)
Appropriation of profit of 2013:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(13,200,373)	(13,200,373)	13,200,373	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(649,927)	(649,927)
Acquisition of own shares	-	(362,176)	-	-	-	-	-	-	-	(362,176)	-	(362,176)
Changes in the percentage of capital held in affiliated	-	-	-	-	-	-	-	-	-	-	652,223	652,223
Other changes	-	-	-	-	-	-	(49,547)	(49,547)	-	(49,547)	83	(49,464)
Balance as at 30 June 2014	<u>250,000,000</u>	<u>(1,486,301)</u>	<u>132,638,253</u>	<u>(107,450)</u>	<u>181,284</u>	<u>(629,981)</u>	<u>(75,833,634)</u>	<u>56,248,472</u>	<u>(7,361,621)</u>	<u>297,400,550</u>	<u>9,069,540</u>	<u>306,470,090</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 SIX MONTHS ENDED 30 JUNE 2014 AND 2013

(Amounts expressed in Euro)

	Notes	30.06.2014	30.06.2013	2 nd Quarter 14 ¹	2 nd Quarter 13 ¹
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		78,924,691	52,018,420	38,380,316	23,512,934
Cash receipts from trade creditors		(54,957,222)	(39,716,604)	(31,541,408)	(18,132,583)
Cash paid to employees		(16,646,874)	(16,663,470)	(9,145,473)	(9,087,557)
Cash flow generated by operations		<u>7,320,595</u>	<u>(4,361,654)</u>	<u>(2,306,565)</u>	<u>(3,707,206)</u>
Income taxes (paid) / received		(3,905,507)	(1,865,983)	(3,886,078)	(1,734,027)
Other cash receipts and (payments) relating to operating activities		<u>3,182,978</u>	<u>1,896,151</u>	<u>2,007,431</u>	<u>1,998,149</u>
Net cash flow from operating activities (1)		<u><u>6,598,066</u></u>	<u><u>(4,331,486)</u></u>	<u><u>(4,185,212)</u></u>	<u><u>(3,443,084)</u></u>
INVESTMENT ACTIVITIES:					
Cash receipts arising from:					
Investments		120,181	10,393,862	120,181	-
Tangible assets		335,763	770,067	(238,619)	505,786
Intangible assets		-	9,417	-	9,417
Interest and similar income		1,139,380	30,453	63,315	9,779
Dividends		<u>796,367</u>	<u>158,628</u>	<u>796,367</u>	<u>158,628</u>
		<u>2,391,691</u>	<u>11,362,427</u>	<u>741,244</u>	<u>683,610</u>
Cash Payments arising from:					
Investments		(3,324,592)	(28,250)	(59,681)	-
Tangible assets		(3,432,497)	(2,400,855)	(1,150,885)	(525,421)
Intangible assets		(488,793)	(64,604)	(199,875)	(37,440)
Loans granted		<u>(936,926)</u>	<u>(465,885)</u>	<u>-</u>	<u>(459,000)</u>
		<u>(8,182,808)</u>	<u>(2,959,594)</u>	<u>(1,410,441)</u>	<u>(1,021,861)</u>
Net cash used in investment activities (2)		<u><u>(5,791,117)</u></u>	<u><u>8,402,833</u></u>	<u><u>(669,197)</u></u>	<u><u>(338,251)</u></u>
FINANCING ACTIVITIES:					
Cash receipts arising from:					
Loans obtained		64,199,200	18,380,478	52,574,700	10,677,204
Sale of own shares		<u>42,606</u>	<u>-</u>	<u>42,606</u>	<u>-</u>
		<u>64,241,806</u>	<u>18,380,478</u>	<u>52,617,306</u>	<u>10,677,204</u>
Cash Payments arising from:					
Loans obtained		(38,539,183)	(13,946,962)	(35,973,550)	(3,031,351)
Interest and similar charges		(6,736,891)	(6,631,195)	(2,618,515)	(2,850,009)
Reimbursement of capital and paid in capital		(28,385)	-	(28,385)	-
Dividends		(1,004,034)	-	(1,004,034)	-
Purchase of own shares		<u>(404,783)</u>	<u>(260,680)</u>	<u>-</u>	<u>(55,959)</u>
		<u>(46,713,276)</u>	<u>(20,838,837)</u>	<u>(39,624,484)</u>	<u>(5,937,319)</u>
Net cash used in financing activities (3)		<u><u>17,528,530</u></u>	<u><u>(2,458,359)</u></u>	<u><u>12,992,822</u></u>	<u><u>4,739,885</u></u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>18,335,479</u>	<u>1,612,988</u>	<u>8,138,413</u>	<u>958,550</u>
Effect of foreign exchange rate		(14,823)	9,859	(8,561)	24,009
Cash and cash equivalents at the beginning of the period	15	<u>2,922,307</u>	<u>2,609,152</u>	<u>13,125,636</u>	<u>3,277,740</u>
Cash and cash equivalents at the end of the period	15	<u><u>21,272,609</u></u>	<u><u>4,212,281</u></u>	<u><u>21,272,609</u></u>	<u><u>4,212,281</u></u>

The accompanying notes are part of these financial statements.

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

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

(Translation from the Portuguese Original)

(Amounts expressed in Euro)

1. INTRODUCTION

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

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

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

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

On March 6 2014, Sonae Capital acquired a group of shareholdings and equity in cogeneration plants located in Portugal, precisely 10 new units (8 majority held) following the expansion plan of the Energy segment.



2. MAIN ACCOUNTING POLICIES

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

Basis of preparation

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

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

3. CHANGES IN ACCOUNTING POLICIES

Changes to international accounting standards that came into force on or after 1 January 2014, did not have material impacts in the financial statements as at 30 June 2014.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 30 June 2014 and 31 December 2013, are as follows:

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

Energy							
2)	Atelgen - Produção de Energia, ACE	a)	Barcelos	51.00%	51.00%	-	-
2)	Carvemagere - Manutenção e Energias Renováveis, Lda	a)	Barcelos	65.00%	65.00%	-	-
2)	Companhia Térmica Hectare ACE	a)	Alcochete	100.00%	100.00%	-	-
2)	Companhia Térmica Tagol Lda	a)	Oeiras	100.00%	100.00%	-	-
2)	C.T.E. - Central Termoelétrica, Lda	a)	Maia	100.00%	100.00%	-	-
	Ecociclo II - Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Enerlousado - Recursos Energéticos, Lda	a)	Maia	100.00%	100.00%	-	-
	Integrum Colombo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Integrum ACE, SA	a)	Maia	100.00%	100.00%	-	-
	Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Integrum - Engenho Novo - Energia, SA	a)	Maia	100.00%	100.00%	-	-
	Integrum Martim Longo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Integrum Vale do Caima- Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Integrum II- Energia, SA	a)	Maia	100.00%	100.00%	-	-
3)	Integrum III- Energia, SA	a)	Maia	100.00%	100.00%	-	-
	Integrum Vale do Tejo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Ronfegen - Recursos Energéticos, Lda	a)	Maia	100.00%	100.00%	-	-
2)	Soternix - Produção de Energia ACE	a)	Barcelos	51.00%	51.00%	-	-
Refrigeration and HVAC							
	PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
	Sistavac, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%
	Sistavac Sistemas HVAC-R do Brasil, Lda	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
	Sistavac, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
8)	Spinaraq-Engenharia, Energia e Ambiente, SA	a)	Luanda (Angola)	99.90%	99.90%	99.90%	99.90%
8)	Spinaraq-Moçambique, Lda	a)	Maputo (Mozambique)	100.00%	100.00%	100.00%	100.00%
4)	SC - Central de Distribuição para Refrigeração e Climatização, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
Other Assets							
	Bloco Q-Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
5)	Casa da Ribeira - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Centro Residencial da Maia,Urban., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Cinclus Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Country Club da Maia-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fundo Especial de Investimento Imobiliário Fechado WTC	a)	Maia	99.82%	99.82%	99.82%	99.82%
7)	Imobiliária da Cacela, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imoclub-Serviços Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imodivor - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%

Imobeauty, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imohotel-Emp.Turist.Imobiliários, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imponte-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Imosedas-Imobiliária e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Implantação - Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Martimope - Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Porturbe-Edifícios e Urbanizações, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium - Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium-SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Prédios Privados Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Predisedas-Predial das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Promessa Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SC Assets, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SC - Eng. e Promo Imobiliária,SGPS,SA	a)	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%
Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Soira-Soc.Imobiliária de Ramalde, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Sótaqua - Soc. de Empreendimentos Turísticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spinveste - Promoção Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spinveste-Gestão Imobiliária SGII, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Urbisedas-Imobiliária das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
7) World Trade Center Porto, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Others						
Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	98.98%	98.98%
SC - Sociedade de Consultadoria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SC-SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
SC Finance, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
6) SC FOR - Ser.Formação e Desenvolvimento de Recursos Humanos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
a)	Majority of voting rights.					
1)	Ex-Casa da Ribeira - Hotelaria e Turismo, SA;					
2)	Company acquired in March 2014;					
3)	Company incorporated in the period;					
4)	Ex-SKK- Central de Distr., SA;					
5)	Ex-Bloco W - Sociedade Imobiliária, SA;					
6)	Ex-SKKFOR - Ser.For.e Desen.de Recursos, SA;					
7)	Company dissolved in the period;					
8)	Company included in the Other Assets segment in 2013.					

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 30 June 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		30 June 2014		31 December 2013		30 June 2014	31 December 2013
		Direct	Total	Direct	Total		
Other Assets							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	189,253	357,859
1) Sociedade de Construções do Chile, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
1) Vastgoed One - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
1) Vastgoed Sun - Sociedade Imobiliária, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	772,432	690,582
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	13,837,724	11,386,011
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Energy							
2) Feneralt - Produção de Energia, ACE	Barcelos	25.00%	25.00%	-	-	77,260	-
2) Powercer - Sociedade de Cogeração da Vialonga, SA	Lisbon	30.00%	30.00%	-	-	572,612	-
Total						15,473,281	12,458,452

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

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

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

As at 30 June 2014 and 31 December 2013, aggregate values of main financial indicators of associated and jointly controlled companies can be analyzed as follows:

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

During the periods ended 30 June 2014 and 30 June 2013, movements in investments of associated and jointly controlled companies may be summarized as follows:

	30 June 2014	30 June 2013
Opening balance as at 1 January	12,490,395	4,697,978
Acquisitions in the period	1,249,300	7,000
Disposals in the period	-	-
Equity method	1,792,015	4,147,206
Dividends received	(26,486)	-
Change in the consolidation method	-	-
Closing balance as at 30 June	15,505,224	8,852,184
Accumulated impairment losses	(31,943)	(31,943)
	<u>15,473,281</u>	<u>8,820,241</u>

The use of the equity method had the following impacts: 2,116,705 euro recorded on share of results of associated undertakings (2,442,536 euro at 30 June 2013), and -351,176 euro in changes in reserves (1,704,670 euro at 30 June 2013).

6. OTHER INVESTMENTS

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 30 June 2014 and 31 December 2013 are made up as follows:

Company	Head Office	Percentage of capital held				30 June 2014	31 December 2013
		30 June 2014		31 December 2013			
		Direct	Total	Direct	Total		
Tourism							
Infratroia - Emp. de Infraest. de Troia, E.N.	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
Other Assets							
Fundo de Investimento Imobiliário Fechado Imosedo	Maia	25.85%	25.85%	25.85%	25.85%	39,426,263	38,654,123
Fundo de Investimento Imobiliário Imosonaes Dois	Maia	0.06%	0.06%	0.06%	0.06%	124,934	124,892
Net, SA	Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Fundo de Capital de Risco F-HITEC	Lisbon	6.48%	6.48%	6.48%	6.48%	250,000	250,000
Other investments						393,806	435,204
Total (Note 10)						40,270,882	39,540,098

7. CHANGES TO THE CONSOLIDATION PERIMETER

Additions in the consolidation perimeter by acquisition:

Company	Head Office	Percentage of capital held	
		At acquisition date	
		Direct	Total
Atelgen - Produção de Energia, ACE	Barcelos	51.00%	51.00%
Carvemagere - Manutenção e Energias Renováveis, Lda	Barcelos	65.00%	65.00%
Companhia Térmica Hectare ACE	Alcochete	100.00%	100.00%
Companhia Térmica Tagol Lda	Oeiras	95.00%	95.00%
C.T.E. - Central Termoeléctrica, Lda	Maia	100.00%	100.00%
Enerlousado - Recursos Energéticos, Lda	Maia	100.00%	100.00%
Ronfegen - Recursos Energéticos, Lda	Maia	100.00%	100.00%
Soternix - Produção de Energia ACE	Barcelos	51.00%	51.00%

The acquisitions that occurred in the six month period ended 30 June 2014 had the following impact in the consolidated financial statements:

	Acquisition Date	30 June 2014
Net assets acquired		
Tangible and intangible assets	5,122,251	4,481,423
Other assets	9,947,142	8,516,392
Cash and cash equivalents	6,318,519	2,218,622
Other liabilities	(12,845,848)	(12,128,219)
	<u>8,542,064</u>	<u>3,088,218</u>
Gain in acquisition	<u>279,690</u>	
Acquisition price	<u>8,262,374</u>	
Payments made	<u>8,262,374</u>	
Net cash flow from the acquisition		
Payments made	8,262,374	
Cash and equivalents acquired	(6,318,519)	
	<u>1,943,855</u>	

8. TANGIBLE AND INTANGIBLE ASSETS

During the six months period ended 30 June 2014, movements in tangible and intangible fixed assets as well as in depreciation and accumulated impairment losses, are made up as follows:

	Tangible Assets				Total Tangible Assets
	Land and Buildings	Equipment	Other Tangible Assets	Tangible Assets in progress	
Gross Cost:					
Opening balance as at 1 January 2014	224,681,479	146,714,608	1,916,702	16,042,362	389,355,151
Changes in consolidation perimeter	1,640,691	23,314,681	248,629	-	25,204,001
Capital expenditure	328,225	148,754	13,227	3,007,351	3,497,557
Disposals	(331,328)	(373,207)	(6,297)	-	(710,832)
Exchange rate effect	-	9,783	5,104	-	14,887
Transfers	-	8,774,196	11,596	(8,632,145)	153,647
Closing balance as at 30 June 2014	<u>226,319,067</u>	<u>178,588,815</u>	<u>2,188,961</u>	<u>10,417,568</u>	<u>417,514,411</u>
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2014	86,377,115	62,883,216	1,542,592	-	150,802,923
Changes in consolidation perimeter	1,419,542	18,587,084	178,843	-	20,185,469
Charges for the period 1)	1,415,748	5,427,052	37,575	-	6,880,375
Disposals	(68,229)	(256,985)	(6,298)	-	(331,512)
Exchange rate effect	-	6,017	3,195	-	9,212
Transfers	-	(10,650)	(184)	-	(10,834)
Closing balance as at 30 June 2014	<u>89,144,176</u>	<u>86,635,734</u>	<u>1,755,723</u>	<u>-</u>	<u>177,535,633</u>
Carrying amount as at 1 January 2014	<u>138,304,364</u>	<u>83,831,392</u>	<u>374,110</u>	<u>16,042,362</u>	<u>238,552,228</u>
Carrying amount as at 30 June 2014	<u>137,174,891</u>	<u>91,953,081</u>	<u>433,239</u>	<u>10,417,568</u>	<u>239,978,779</u>

1) Includes impairment losses amounting to 167,620 euro (229,832 euro at December 2013)

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

	30 June 2014	31 December 2013
Tróia	8,071,649	7,322,147
Photovoltaic Project	195,000	7,412,790
Others	2,150,919	1,307,425
	<u>10,417,568</u>	<u>16,042,362</u>

	Intangible Assets				
	Patents and other similar rights	Software	Other Intangible Assets	Intangible Assets in progress	Total Intangible Assets
Gross Cost:					
Opening balance as at 1 January 2014	7,834,037	2,211,797	9,422	435,656	10,490,912
Changes in consolidation perimeter	-	-	103,719	-	103,719
Capital expenditure	-	8,645	19,416	327,366	355,427
Disposals	-	(37,355)	-	-	(37,355)
Exchange rate effect	-	1,920	-	-	1,920
Transfers	(22,471)	531,083	-	(529,375)	(20,763)
Closing balance as at 30 June 2014	7,811,566	2,716,090	132,557	233,647	10,893,859
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2014	1,207,452	1,528,846	8,788	-	2,745,086
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	95,084	243,228	317	-	338,629
Disposals	-	(37,355)	-	-	(37,355)
Exchange rate effect	-	1,075	-	-	1,075
Transfers	(23,654)	-	-	-	(23,654)
Closing balance as at 30 June 2014	1,278,882	1,735,794	9,105	-	3,023,781
Carrying amount as at 1 January 2014	6,626,585	682,951	634	435,656	7,745,826
Carrying amount as at 30 June 2014	6,532,684	980,296	123,452	233,647	7,870,078

As at June 2014 net assets of Marina de Tróia amount to 6,068,025 euro (6,141,720 euro at 31 December 2013).

9. GOODWILL

During the periods ended 30 June 2014 and 31 December 2013, movements in goodwill, as well as in corresponding impairment losses, are as follows:

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

10. OTHER INVESTMENTS

As at 30 June 2014, movements in investments were as follows:

	30 June 2014		31 December 2013	
	Non current	Current	Non current	Current
<u>Investments at acquisition cost</u>				
Opening balance as at 1 January	8,071,101	-	8,223,418	-
Acquisitions in the period	8,485	-	122	-
Disposals in the period	(7,499,512)	-	(152,525)	-
Transfers	-	-	86	-
Closing balance as at 30 June	580,074	-	8,071,101	-
Accumulated impairment losses (Note 23)	(258,264)	-	(7,707,935)	-
	<u>321,810</u>	<u>-</u>	<u>363,166</u>	<u>-</u>
<u>Investments held for sale</u>				
Fair value as at 1 January	39,305,931	-	49,938,723	-
Disposals in the period	-	-	(9,919,661)	-
Increase/(Decrease) in fair value	772,140	-	(713,131)	-
Fair value as at 30 June	40,078,071	-	39,305,931	-
Accumulated impairment losses (Note 23)	(128,999)	-	(128,999)	-
Fair value (net of impairment losses) as at 30 June	<u>39,949,072</u>	<u>-</u>	<u>39,176,932</u>	<u>-</u>
<u>Other Investments</u>	<u>40,270,882</u>	<u>-</u>	<u>39,540,098</u>	<u>-</u>

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

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

These investments are recorded at acquisition cost less impairment losses.

11. OTHER NON-CURRENT ASSETS

As at 30 June 2014 and 31 December 2013, other non-current assets are detailed as follows:

	30 June 2014	31 December 2013
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	18,647,695	17,740,756
Others	721,492	691,505
	<u>19,369,187</u>	<u>18,432,261</u>
Impairment losses (Note 23)	(34,916)	(34,916)
	<u>19,334,271</u>	<u>18,397,345</u>
Trade accounts receivable and other debtors		
Others	1,175,450	1,173,345
Impairment losses (Note 23)	-	-
	<u>1,175,450</u>	<u>1,173,345</u>
Other non current assets	<u>20,509,721</u>	<u>19,570,690</u>

12. INVENTORIES

Inventories as at 30 June 2014 and 31 December 2013 can be detailed as follows, highlighting the value attributable to real estate developments:

	30 June 2014		31 December 2013	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,574,525	-	1,162,725	-
Goods for sale	31,268,828	29,914,214	32,155,488	30,045,640
Finished goods	60,752,608	60,752,608	68,373,552	68,373,552
Work in progress	79,964,240	76,686,469	80,964,110	77,147,748
	173,560,201	167,353,291	182,655,875	175,566,940
Accumulated impairment losses on stocks (Note 23)	(3,577,186)	(3,434,621)	(3,725,862)	(3,434,621)
	<u>169,983,015</u>	<u>163,918,670</u>	<u>178,930,013</u>	<u>172,132,319</u>

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 June 2014 and 31 December 2013, trade accounts receivable and other current assets are detailed as follows:

	<u>30 June 2014</u>	<u>31 December 2013</u>
Trade accounts receivable	31,965,802	26,911,545
Accumulated impairment losses on trade debtors (Note 23)	(5,835,559)	(6,039,005)
	<u>26,130,243</u>	<u>20,872,540</u>
Taxes recoverable	14,859,461	12,841,371
Loans granted to and other amounts to be received from related parties	307,198	70,058
Other current assets		
Suppliers with a debtor balance	979,095	850,602
Other debtors	11,931,418	10,923,538
Accounts receivable from the sale of financial investments	4,802,159	4,804,214
Accounts receivable from the sale of tangible assets	25,255	9,678
Interest receivable	570,105	965,460
Deferred costs - Rents	380,864	264,345
Deferred costs - External supplies and services	1,469,390	895,653
Other current assets	5,483,310	1,681,955
	<u>25,641,596</u>	<u>20,395,445</u>
Accumulated impairment losses on other current assets (Note 23)	(6,915,782)	(7,707,008)
Trade accounts receivable and other current assets	<u><u>60,022,716</u></u>	<u><u>46,472,406</u></u>

14. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2014 and 31 December 2013 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Amortisation and Depreciation harmonisation adjustments	858,281	884,314	3,096,676	2,783,003
Provisions and impairment losses of non-tax deductible	8,937,231	8,934,857	-	-
Write off of tangible and intangible assets	201,678	325,774	-	-
Write off of accruals	67,820	126,853	-	-
Revaluation of tangible assets	-	-	102,853	103,166
Tax losses carried forward	15,840,014	15,843,605	-	-
Financial instruments	-	-	1,452,787	1,276,624
Write off of stocks	-	-	-	931,724
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	-	7,150,724
Others	84,685	71,126	8,392,554	336,618
	<u>25,989,709</u>	<u>26,186,529</u>	<u>13,044,870</u>	<u>12,581,859</u>

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2014 and 31 December 2013, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 June 2014			31 December 2013		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2008	351,292	80,797	2014	1,105,341	254,228	2014
Generated in 2009	6,379,907	1,467,379	2015	6,379,907	1,467,379	2015
Generated in 2010	14,563,454	3,349,595	2014	18,328,751	4,215,613	2014
Generated in 2011	17,938,869	4,125,940	2015	17,938,869	4,125,940	2015
Generated in 2012	16,006,259	3,681,440	2017	16,006,259	3,681,440	2017
Generated in 2013	4,803,515	1,104,808	2018	9,126,112	2,099,006	2018
Generated in 2014	8,826,326	2,030,055	2026	-	-	
	<u>68,869,622</u>	<u>15,840,014</u>		<u>68,885,239</u>	<u>15,843,605</u>	
With a time limit different from the above mentioned						
	-	-		-	-	
	<u>68,869,622</u>	<u>15,840,014</u>		<u>68,885,239</u>	<u>15,843,605</u>	

As at 30 June 2014 and 31 December 2013, deferred tax assets resulting from tax losses carried forward were re-assessed. Deferred tax assets have only been recorded to the extent that future profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 30 June 2014, tax losses carried forward amounting to 182,346,599 euro (175,288,767 euro as at 31 December 2013), have not originated deferred tax assets for prudential reasons and are detailed as follows:

	30 June 2014			31 December 2013		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2008	33,380,187	7,677,443	2014	33,053,902	7,602,397	2014
Generated in 2009	35,488,269	8,162,302	2015	35,694,882	8,209,823	2015
Generated in 2010	20,041,588	4,609,565	2014	16,443,812	3,782,077	2014
Generated in 2011	17,168,301	3,948,709	2015	18,024,594	4,145,657	2015
Generated in 2012	19,081,891	4,388,835	2017	19,508,597	4,486,977	2017
Generated in 2013	40,546,486	9,325,692	2018	36,378,392	8,367,030	2018
Generated in 2014	63,317	14,563	2026	-	-	
	<u>165,770,039</u>	<u>38,127,109</u>		<u>159,104,179</u>	<u>36,593,961</u>	
Without limited time use	-	-		1,186,715	395,532	
With a time limit different from the above mentioned	16,576,560	4,661,438		14,997,872	4,318,664	
	<u>16,576,560</u>	<u>4,661,438</u>		<u>16,184,587</u>	<u>4,714,196</u>	
	<u>182,346,599</u>	<u>42,788,547</u>		<u>175,288,767</u>	<u>41,308,157</u>	

15. CASH AND CASH EQUIVALENTS

As at 30 June 2014 and 31 December 2013, cash and cash equivalents can be detailed as follows:

	30 June 2014	31 December 2013
Cash at hand	221,092	84,252
Bank deposits	21,167,392	2,901,739
Treasury applications	14,449	11,972
Cash and cash equivalents on the balance sheet	21,402,933	2,997,963
Bank overdrafts - (Note 18)	(130,324)	(75,657)
Cash and cash equivalents in the statement of cash-flows	<u>21,272,609</u>	<u>2,922,307</u>

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

16. EQUITY

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

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

As at 30 June 2014, Sonae Capital SGPS, S.A. owns 6,068,850 own shares (5,119,562 own shares at 31 December 2013) booked for 1,486,301 euro (1,124,125 euro at 31 December 2013).

17. NON CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 30 June 2014 and 31 December 2013 are as follows:

	30 June 2014	31 December 2013
Opening balance as at 1 January	8,850,291	8,707,639
Changes in hedging reserves	5,940	16,215
Changes in the percentage of capital held in affiliated companies	652,223	548,518
Changes resulting from currency translation	35,201	(68,547)
Dividends paid	(649,927)	(304,254)
Others	83	-
Profit for the period attributable to minority interests	175,729	(49,280)
Closing balance	9,069,540	8,850,291

18. BORROWINGS

As at 30 June 2014 and 31 December 2013, Borrowings are made up as follows:

	30 June 2014		31 December 2013		Repayable on
	Outstanding amount		Outstanding amount		
	Current	Non Current	Current	Non Current	
Bank loans					
Sonae Capital SGPS - commercial paper ^{a)}	58,050,000	-	75,000,000	-	Mar/2018
Sonae Capital SGPS - commercial paper ^{d)}	8,250,000	-	8,250,000	-	Jan/2015
Sonae Capital SGPS - commercial paper ^{b)}	-	4,000,000	-	12,650,000	Aug/2016
Sonae Capital SGPS - commercial paper ^{c)}	-	30,000,000	-	30,000,000	Dec/2017
Sonae Capital SGPS - commercial paper ^{f)}	3,500,000	6,500,000	-	-	May/2017
Sonae Capital SGPS - commercial paper ^{g)}	8,000,000	-	-	-	Feb/2016
Sonae Capital SGPS ^{e)}	7,000,000	17,000,000	7,000,000	24,000,000	Jun/2017
Up-front fees	-	(463,852)	-	(552,029)	
Others	2,666,357	3,275,418	2,080,029	2,863,444	
	<u>87,466,357</u>	<u>60,311,566</u>	<u>92,330,029</u>	<u>68,961,416</u>	
Bank overdrafts (Note 15)	130,324	-	75,657	-	
Bank loans	<u>87,596,681</u>	<u>60,311,566</u>	<u>92,405,686</u>	<u>68,961,416</u>	
Bond Loans					
Sonae Capital 2011/2016 Bonds	-	10,000,000	-	10,000,000	Jan/2016
Sonae Capital 2014/2019 Bonds	-	42,500,000	-	-	May/2019
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(716,774)	-	(226,532)	
Bond Loans	<u>-</u>	<u>101,783,226</u>	<u>-</u>	<u>59,773,468</u>	
Other loans	686,969	772,852	686,968	1,116,336	
Derivatives (Note 19)	1,135,946	-	101,543	1,433,909	
Obligations under finance leases	2,842,615	20,369,409	2,856,743	21,785,159	
Up-front fees on finance leases	-	(95,328)	-	(101,587)	
	<u>92,262,211</u>	<u>183,141,725</u>	<u>96,050,940</u>	<u>152,968,701</u>	

- a) Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period, which may be extended at the option of Sonae Capital. Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks.
- b) Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to August 2018, except if the reimbursement is anticipated under the contracted terms of the call/put option, in August 2016. This loan is guaranteed by a mortgage on real estate assets.
- c) Commercial paper programme, with subscription guarantee, issued on 27 December 2012 and valid up to December 2017.
- d) Commercial paper programme, with subscription guarantee, issued on 31 December 2013, with annual renewals up to 3 years.
- e) Bank loan guarantee by a mortgage on real estate, started on 2 June 2011 and valid for a 6 year period, with annual payments.
- f) Commercial paper programme, with subscription guarantee, issued on 7 May 2014, valid for a 3 year period, with payments every six months.
- g) Short term commercial paper programme, with subscription guarantee, issued on 17 February 2011, with one year term and automatic annual renewals up to 5 years.

As at 30 June 2014, borrowings of the Group were as follows:

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

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

- Sonae Capital SGPS - 2014/2019 bond loan in the amount of 42,500,000 euro, with a 5 year maturity, and a sole reimbursement on 28 May 2019. This bond loan bears interest every six months.

The interest rate on bonds in force on 30 June 2014 was on average 3.508%.

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

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

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

	30 June 2014		31 December 2013	
	Nominal value	Interest	Nominal value	Interest
N+1 ^{a)}	91,126,264	9,486,099	95,949,397	8,582,090
N+2	25,042,664	6,672,182	11,417,824	6,548,639
N+3	18,381,195	5,262,893	25,082,672	4,290,860
N+4	84,742,329	3,288,382	47,689,566	2,861,554
N+5	47,321,647	2,132,571	57,636,739	2,140,898
After N+5	8,929,844	334,593	10,588,138	415,871
	<u>275,543,944</u>	<u>27,176,720</u>	<u>248,364,336</u>	<u>24,839,912</u>

a) Includes amounts drawn under commercial paper programmes. Of the total amount maturing in N+1, 58% concerns to commercial paper taken under lines of credit with commitment exceeding one year. Taking into account the policies and measures to manage liquidity risk, no risks that could jeopardize the continuity of operations are anticipated.

In the event of, upon maturity, any Bank or investor of commercial paper issued is not renewed, the Group has credit lines available to cope with these non renewals.

19. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 30 June 2014 were mainly interest rate options (cash-flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose fair value of 1,135,946 euro (1,535,452 euro at 31 December 2013) is recorded as liabilities. As at 30 June 2014 and 31 December 2013, all derivatives are hedging derivatives.

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

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

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

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

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

Fair value of derivatives

The fair value of derivatives is as follows:

	Assets		Liabilities	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 18)	-	-	1,135,946	1,535,452
Other derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,135,946</u>	<u>1,535,452</u>

20. OTHER NON-CURRENT LIABILITIES

As at 30 June 2014 and 31 December 2013 other current liabilities can be detailed as follows:

	30 June 2014	31 December 2013
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,055,483	2,092,131
Others	216,645	216,645
	<u>2,272,128</u>	<u>2,308,776</u>
Other creditors		
Creditors in the restructuring process of Torralta	478,006	456,039
	<u>478,006</u>	<u>456,039</u>
Deferred income	-	-
Obligations by share-based payments (Note 21)	348,391	492,056
	<u>348,391</u>	<u>492,056</u>
Other non current liabilities	<u>3,098,525</u>	<u>3,256,871</u>

21. SHARE-BASED PAYMENTS

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

As at 30 June 2014 and 31 December 2013, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Year of grant	Vesting year	Number of participants	Fair Value	
				30 June 2014	31 December 2013
Shares					
	2011	2014	2	-	106,579
	2012	2015	7	484,465	467,581
	2013	2016	8	611,404	535,181
	2014	2017	7	221,190	-
Total				<u>1,317,059</u>	<u>1,109,341</u>

As at 30 June 2014 and 31 December 2013, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	30 June 2014	31 December 2013
Other non current liabilities (Note 20)	348,391	492,056
Other current liabilities	410,821	106,579
Reserves	398,128	110,935
Staff Costs	361,084	487,700

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 June 2014 and 31 December 2013 trade accounts payable can be detailed as follows:

	30 June 2014	31 December 2013
Trade creditors	15,889,977	15,756,800
Loans granted by and other payables to related parties	1,415,685	107,740
Other current liabilities		
Fixed assets suppliers	1,906,569	2,494,318
Advances from customers and down payments	2,273,129	3,203,979
Other creditors	4,082,101	1,197,491
Taxes and contributions payable	7,814,710	7,007,231
Staff costs	6,138,264	5,610,334
Deferred income for services rendered	1,115,706	2,777,135
Interest payable	1,370,409	1,339,963
Investment aid	1,669,778	1,604,523
Other liabilities	13,093,461	8,280,657
	<u>39,464,127</u>	<u>33,515,631</u>
Trade accounts payable and other current liabilities	<u><u>56,769,789</u></u>	<u><u>49,380,171</u></u>

23. PROVISIONS AND ACUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 June 2014 were as follows:

Captions	Balance as at 1 January 2014	Increases	Decreases	Utilisations	Balance as at 30 June 2014
Accumulated impairment losses on:					
Other Investments (Notes 5 and 10)	7,868,877	-	-	(7,449,671)	419,206
Other non current assets (Note 11)	34,916	-	-	-	34,916
Trade accounts receivable (Note 13)	6,039,005	199,436	(225,947)	(176,935)	5,835,559
Other current assets (Note 13)	7,707,008	4,920	(30,841)	(765,305)	6,915,782
Stocks (Note 12)	3,725,862	-	(148,676)	-	3,577,186
Non current provisions	3,079,824	-	-	-	3,079,824
Current provisions	2,957,713	2,545,086	(102,264)	(784,241)	4,616,293
	31,413,205	2,749,442	(507,729)	(9,176,152)	24,478,766

As at 30 June 2014 and 31 December 2013 detail of other provisions was as follows:

	30 June 2014	31 December 2013
Judicial claims	1,745,595	1,824,313
Others	5,950,522	4,213,223
	7,696,117	6,037,537

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

24. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2014 and 31 December 2013 the most important contingent liabilities referred to guarantees given and were made up as follows:

	30 June 2014	31 December 2013
Guarantees given:		
on VAT reimbursements	5,065,159	5,065,159
on tax claims	6,561,339	4,015,535
on municipal claims	1,134,224	2,884,505
Others	15,104,351	14,905,311

Others include the following guarantees:

- 8,159,522 euro as at 30 June 2014 (7,862,436 euro as at 31 December 2013) of guarantees on construction works given to clients;

- 5,581,280 euro as at 30 June 2014 of guarantees given concerning building permits in the Tourism business.

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

25. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

<u>Transactions</u>	Sales and services rendered		Purchases and services obtained	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Parent company (a)	-	-	-	-
Associated companies	17,898	-	14,628	11,327
Other partners and Group companies (b)	12,058,960	11,878,841	2,946,340	3,028,860
	<u>12,076,858</u>	<u>11,878,841</u>	<u>2,960,968</u>	<u>3,040,187</u>

<u>Transactions</u>	Interest income		Interest expenses	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Parent company (a)	-	-	-	-
Associated companies	507,178	459,982	-	-
Other partners and Group companies (b)	-	-	64,419	70,311
	<u>507,178</u>	<u>459,982</u>	<u>64,419</u>	<u>70,311</u>

<u>Balances</u>	Accounts receivable		Accounts payable	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Parent company (a)	-	-	-	-
Associated companies	566,675	937,076	6,947	1,812
Other partners and Group companies (b)	8,219,129	8,463,343	2,342,197	2,415,720
	<u>8,785,804</u>	<u>9,400,419</u>	<u>2,349,144</u>	<u>2,417,532</u>

<u>Balances</u>	Loans obtained		Loans granted	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Parent company (a)	-	-	-	-
Associated companies	-	-	19,334,271	18,397,346
Other partners and Group companies (b)	2,055,483	2,092,131	-	-
	<u>2,055,483</u>	<u>2,092,131</u>	<u>19,334,271</u>	<u>18,397,346</u>

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

26. TAXATION

As at 30 June 2014 and 2013, Taxation was made up as follows:

	30 June 2014	30 June 2013
Current tax	400,173	3,531,825
Deferred tax	503,480	(455,861)
Taxation	903,653	3,075,964

27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 June 2014 and 2013, the reconciliation of consolidated net profit can be analysed as follows:

	30 June 2014	30 June 2013
Aggregate net profit	7,168,463	2,713,607
Harmonisation adjustments	(1,133,822)	(483,345)
Elimination of intragroup dividends	(27,732,238)	(16,400,420)
Share of gains/(losses) of associated undertakings	2,116,705	2,442,536
Elimination of intragroup capital gains/(losses)	11,590,777	(4,257)
Elimination of intragroup impairment	(775,169)	(444,917)
Adjustments of gains/(losses) on assets disposals	-	-
Adjustments of gains/(losses) of financial shareholdings sale	1,299,702	249,969
Others	279,690	-
Consolidated net profit for the year	(7,185,892)	(11,926,827)

28. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2014 and 30 June 2013 were calculated taking into consideration the following amounts:

	30 June 2014	30 June 2013
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(7,361,621)	(11,929,132)
Net profit taken into consideration to calculate diluted earnings per share	(7,361,621)	(11,929,132)
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	246,190,249	248,046,518
Weighted average number of shares used to calculate diluted earnings per share	246,190,249	248,046,518
Earnings per share (basic and diluted)	<u>(0.029902)</u>	<u>(0.048092)</u>

29. SEGMENT INFORMATION

In 30 June 2014 and 30 June and 31 December 2013, the following were identified as segments:

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

The contribution of the business segments to the income statement of the periods ended 30 June 2014 and 2013 can be detailed as follows:

30 June 2014					
Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Resorts	14,984,952	3,484,010	1,474,451	19,943,413	1,026,895
Hotels	23,723	5,571,585	195,154	5,790,462	(3,452,838)
Fitness	107,340	6,815,435	280,106	7,202,881	874,524
Other	-	474,945	64,718	539,663	9,572
Intersegment Adjustments	(65)	(1,642,703)	(411,232)	(2,054,000)	4,516
Tourism	15,115,950	14,703,272	1,603,197	31,422,419	(1,537,331)
Energy	20,015,248	255,176	593,826	20,864,250	4,394,995
Refrigeration and HVAC	3,094,988	22,415,218	539,394	26,049,600	208,902
Real Estate Assets	531,360	3,602,744	250,051	4,384,155	1,890,073
Financial Assets	-	(73)	166	93	(124,006)
Intersegment Adjustments	-	-	-	-	-
Total Other Assets	531,360	3,602,671	250,217	4,384,248	1,766,067
Holding & Others	-	3,111,305	41,986	3,153,291	(915,660)
Discontinued Operations	1,544,053	233,322	169,038	1,946,413	(143,151)
Intersegment Adjustments	(557,726)	(6,486,770)	1,059,612	(5,984,884)	(5,478)
Consolidated	39,743,873	37,834,194	4,257,270	81,835,337	3,768,344

30 June 2013					
Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Resorts	2,212,854	3,505,566	881,480	6,599,900	(734,727)
Hotels	29,184	5,324,901	259,372	5,613,457	(3,581,036)
Fitness	70,325	5,594,140	300,916	5,965,381	266,251
Other	-	586,863	83,222	670,085	96,424
Intersegment Adjustments	(376)	(1,730,224)	(417,741)	(2,148,341)	1,271
Tourism	2,311,987	13,281,246	1,107,249	16,700,482	(3,951,817)
Energy	6,651,877	77,265	175,207	6,904,349	1,735,546
Refrigeration and HVAC	12,431,411	15,256,983	656,818	28,345,212	1,336,565
Real Estate Assets	100,203	3,601,770	204,798	3,906,771	2,009,250
Financial Assets	744	25,332	540,406	566,482	(126,244)
Intersegment Adjustments	-	-	-	-	-
Total Other Assets	100,947	3,627,102	745,204	4,473,253	1,883,006
Holding & Others	-	2,790,728	87,663	2,878,391	(809,557)
Discontinued Operations	2,576,033	2,544,957	392,344	5,513,334	(93,743)
Intersegment Adjustments	(939,805)	(6,112,307)	320,356	(6,731,756)	(4,969)
Consolidated	23,132,450	31,465,974	3,484,841	58,083,265	95,031

The contribution of the business segments to the Balance sheets as at 30 June 2014 and 31 December 2013 can be detailed as follows:

30 June 2014

Balance Sheet	Fixed Assets			Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
	Tangible and Intangible	Investments	Other Assets					
Resorts	103,428,490	113,088	142,923,281	246,464,859	144,895,164	850,342	17,122,258	16,495,048
Hotels	666,098	7,998	11,610,476	12,284,572	22,703,785	104,375	96,410	7,533
Fitness	9,154,509	20,760	1,912,712	11,087,981	8,158,227	338,563	992,440	912,861
Other	249,874	341,457	108,156,505	108,747,836	257,234,817	253,251	5,526	(11,941)
Intersegment Adjustments	-	-	(125,105,525)	(125,105,525)	(125,101,192)	-	-	-
Tourism	113,498,971	483,303	139,497,449	253,479,723	307,890,801	1,546,532	18,216,635	17,403,502
Energy	26,053,754	79,852	20,389,402	46,523,008	46,525,389	776,950	11,077,809	8,701,038
Refrigeration and HVAC	639,736	152	47,954,191	48,594,079	16,329,499	180,950	1,443,025	540,543
Real Estate Assets	106,552,975	20,308,089	103,179,112	230,040,176	152,487,667	822,419	388	(1,435,664)
Financial Assets	3,568	15,479,457	42,441,547	57,924,572	17,551,530	-	-	(14,292)
Intersegment Adjustments	-	-	5,017,899	5,017,899	-	-	-	-
Total Other Assets	106,556,543	35,787,546	150,638,558	292,982,647	170,039,197	822,419	388	(1,449,956)
Holding & Others	1,099,853	19,393,310	444,104,966	464,598,129	260,474,835	526,132	244,666,079	228,873,980
Discontinued Operations	-	-	1,936,781	1,936,781	11,394,291	-	-	(68,103)
Intersegment Adjustments	-	-	(445,631,039)	(445,631,039)	(456,640,775)	-	-	-
Consolidated	247,848,857	55,744,163	358,890,307	662,483,327	356,013,237	3,852,984	275,403,936	254,001,003

31 December 2013

Balance Sheet	Fixed Assets			Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
	Tangible and Intangible	Investments	Other Assets					
Resorts	105,481,311	162,441	154,102,824	259,746,576	156,927,406	617,795	18,335,737	18,238,655
Hotels	1,075,954	7,647	11,789,571	12,873,172	24,015,098	173,498	277	(56,961)
Fitness	9,404,573	20,098	1,761,853	11,186,524	9,887,446	502,800	1,240,792	1,198,570
Other	4,489	341,450	123,672,141	124,018,080	243,598,480	-	24,296	(6,689)
Intersegment Adjustments	-	-	(138,720,005)	(138,720,005)	(138,712,020)	-	-	-
Tourism	115,966,327	531,637	152,606,384	269,104,348	295,716,410	1,294,093	19,601,101	19,373,576
Energy	21,611,730	2,546	7,349,632	28,963,908	25,241,374	4,541,284	10,539,415	10,535,939
Refrigeration and HVAC	374,001	13	46,312,512	46,686,526	15,481,189	38,657	767,756	430,279
Real Estate Assets	107,375,160	20,084,089	103,624,966	231,084,215	160,459,401	371,489	50,035	(1,062,597)
Financial Assets	234,843	12,366,945	50,785,054	63,386,842	20,803,840	159,677	455,459	283,541
Intersegment Adjustments	-	-	4,164,013	4,164,013	-	-	-	-
Total Other Assets	107,610,003	32,451,034	158,574,033	298,635,070	181,263,241	531,166	505,494	(779,056)
Holding & Others	735,993	19,013,320	416,120,995	435,870,308	243,563,946	433,778	217,605,606	216,812,506
Discontinued Operations	-	-	4,638,546	4,638,546	13,108,607	1,355	268	(351,566)
Intersegment Adjustments	-	-	(450,462,288)	(450,462,288)	(454,098,688)	-	-	-
Consolidated	246,298,054	51,998,550	335,139,814	633,436,418	320,276,079	6,840,333	249,019,641	246,021,678

Net debt of the Holding can be analysed as follows:

	<u>30 June 2014</u>
Inflows	
Gross Bank Debt	244,666,079
Cash and Cash Equivalents	1,577
Net bank debt	<u>244,664,502</u>
Other Assets	<u>7,711,864</u>
Intercompany ST Loans Obtained	<u>7,711,864</u>
Total Inflows	<u><u>252,376,366</u></u>
Outflows	
Tourism	245,238,908
Other Assets	<u>143,484,052</u>
Intercompany Loans Granted	<u><u>388,722,960</u></u>

30. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 June 2014.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 31 July 2014.

The Board of Directors



INDIVIDUAL FINANCIAL
STATEMENTS

30 JUNE 2014



SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 30 JUNE 2014 AND 31 DECEMBER 2013

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

(Amounts expressed in euro)

ASSETS	Notes	30 June 2014	31 December 2013
NON CURRENT ASSETS:			
Tangible assets		2,917	4,668
Investments	4	577,554,412	576,779,243
Deferred tax assets	7	2,416,568	407,059
Other non current assets	5	155,717,195	153,051,695
Total Non Current Assets		<u>735,691,092</u>	<u>730,242,665</u>
CURRENT ASSETS:			
Other current assets	6	22,079,428	6,970,428
Cash and cash equivalents	8	15,784,638	786,250
Total Current Assets		<u>37,864,066</u>	<u>7,756,678</u>
TOTAL ASSETS		<u>773,555,158</u>	<u>737,999,343</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Own shares	9	(1,486,301)	(1,124,125)
Legal reserve	10	8,611,464	8,307,376
Other reserves	10	293,493,001	287,715,325
Profit / (Loss) for the period		19,449,049	6,081,764
TOTAL EQUITY		<u>570,067,213</u>	<u>550,980,341</u>
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	11	57,082,369	66,148,229
Bonds	11	51,957,485	9,999,265
Other non current liabilities		165,449	167,556
Deferred tax liabilities	7	-	-
Total Non Current Liabilities		<u>109,205,303</u>	<u>76,315,050</u>
CURRENT LIABILITIES			
Suppliers		69,848	229,793
Bank loans	11	84,800,000	90,250,000
Other creditors	12	7,713,840	18,798,082
Other current liabilities	13	1,698,954	1,426,077
Total Current Liabilities		<u>94,282,642</u>	<u>110,703,952</u>
TOTAL EQUITY AND LIABILITIES		<u>773,555,158</u>	<u>737,999,343</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	Notes	30 June 2014	30 June 2013
Operational income			
Other operational income		20,337	7,605
Total operational income		<u>20,337</u>	<u>7,605</u>
Operational expenses			
External supplies and services	14	(218,874)	(467,120)
Staff costs	15	(641,774)	(390,745)
Depreciation and amortisation		(1,750)	(583)
Other operational expenses		(11,714)	(24,948)
Total operational expenses		<u>(874,112)</u>	<u>(883,397)</u>
Operational profit/(loss)		<u>(853,775)</u>	<u>(875,792)</u>
Financial income	16	5,436,458	4,558,961
Financial expenses	16	(5,238,040)	(4,666,805)
Net financial income/(expenses)		<u>198,418</u>	<u>(107,844)</u>
Investment income	16	15,645,955	13,113,126
Profit/(loss) before taxation		<u>14,990,598</u>	<u>12,129,490</u>
Taxation	17	4,458,451	241,838
Profit/(loss) for the period		<u>19,449,049</u>	<u>12,371,328</u>
Profit/(loss) per share			
Basic and diluted	18	0.079000	0.049875

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENT BY NATURE

FOR THE THREE MONTHS ENDED 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	2 nd Quarter 2014 (Unaudited)	2 nd Quarter 2013 (Unaudited)
Operational income:		
Other operational income	381	2,870
Total operational income	381	2,870
Operational expenses:		
External supplies and services	(118,905)	(217,046)
Staff costs	(143,526)	(168,910)
Depreciation and amortisation	(874)	(583)
Other operational expenses	(3,050)	(15,065)
Total operational expenses	(266,355)	(401,604)
Operational profit/(loss)	(265,974)	(398,734)
Financial income	2,822,967	2,295,278
Financial expenses	(2,692,799)	(2,405,497)
Net financial income/(expenses)	130,168	(110,218)
Investment income	389,533	348,734
Profit/(loss) before taxation	253,727	(160,218)
Taxation	1,762,658	(139,053)
Profit/(loss) for the period	2,016,385	(299,271)
Profit/(loss) per share		
Basic and diluted	0.008190	(0.001207)

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	<u>30 June 2014</u>	<u>30 June 2013</u>
Net profit for the period	19,449,049	12,371,328
Items that may subsequently be reclassified to net income:		
Change in currency translation reserve	-	-
Share of other comprehensive income of associated undertakings and joint ventures accounted for by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>19,449,049</u>	<u>12,371,328</u>

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 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	<u>2nd Quarter 2014</u> <u>(Unaudited)</u>	<u>2nd Quarter 2013</u> <u>(Unaudited)</u>
Net profit for the period	2,016,385	(299,271)
Exchange differences on translating foreign operations	-	-
Share of other comprehensive income of associates and joint ventures accounted 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 revaluation	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>2,016,385</u>	<u>(299,271)</u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL SGPS, SA
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Other Reserves	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2013	250,000,000	(264,705)	8,307,376	288,710,416	297,017,792	(995,091)	545,757,996
Total comprehensive income for the period	-	-	-	-	-	12,371,328	12,371,328
Appropriation of profits:							
Transfer to legal reserve and retained earnings	-	-	-	(995,091)	(995,091)	995,091	-
Dividends distributed	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(260,680)	-	-	-	-	(260,680)
Others	-	-	-	-	-	-	-
Balance as at 30 June 2013	<u>250,000,000</u>	<u>(525,385)</u>	<u>8,307,376</u>	<u>287,715,325</u>	<u>296,022,701</u>	<u>12,371,328</u>	<u>557,868,645</u>
Balance as at 1 January 2014	250,000,000	(1,124,125)	8,307,376	287,715,325	296,022,701	6,081,764	550,980,341
Total comprehensive income for the period	-	-	-	-	-	19,449,049	19,449,049
Appropriation of profits:							
Transfer to other reserves and legal reserve	-	-	304,088	5,777,676	6,081,764	(6,081,764)	-
Dividends distributed	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(362,177)	-	-	-	-	(362,177)
Others	-	-	-	-	-	-	-
Balance as at 30 June 2014	<u>250,000,000</u>	<u>(1,486,301)</u>	<u>8,611,464</u>	<u>293,493,001</u>	<u>302,104,465</u>	<u>19,449,049</u>	<u>570,067,213</u>

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 SIX MONTHS ENDED 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	<u>30 June 2014</u>	<u>30 June 2013</u>
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	390,776	505,604
Cash paid to employees	508,624	356,601
Cash flow generated by operations	<u>(899,400)</u>	<u>(862,205)</u>
Income taxes (paid)/received	1,227	510
Other cash receipts/(payments) relating to operating activities	39,827	(428,236)
Net cash flow from operating activities [1]	<u>(860,800)</u>	<u>(1,290,951)</u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Investments	-	-
Interest and similar income	4,979,203	5,051,185
Dividends	14,870,786	12,355,245
Loans granted	14,957,934	-
	<u>34,807,923</u>	<u>17,406,430</u>
Cash payments arising from:		
Investments	-	7,000
Tangible assets	-	-
Loans granted	29,714,614	13,200,200
	<u>29,714,614</u>	<u>13,207,200</u>
Net cash flow from investment activities [2]	<u>5,093,309</u>	<u>4,199,230</u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Sale of own shares	42,606	-
Loans obtained	42,500,000	17,200,000
	<u>42,542,606</u>	<u>17,200,000</u>
Cash Payments arising from:		
Interest and similar costs	5,687,638	4,498,402
Acquisition of own shares	404,783	260,680
Loans obtained	25,684,306	15,486,500
	<u>31,776,727</u>	<u>20,245,582</u>
Net cash flow from financing activities [3]	<u>10,765,879</u>	<u>(3,045,582)</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	14,998,388	(137,303)
Cash and cash equivalents at the beginning of the period	8 786,250	373,019
Cash and cash equivalents at the end of the period	8 <u>15,784,638</u>	<u>235,716</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED 30 JUNE 2014 AND 2013

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

(Amounts expressed in euro)

	<u>2nd Quarter 2014</u> (Unaudited)	<u>2nd Quarter 2013</u> (Unaudited)
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	114,626	229,088
Cash paid to employees	230,519	198,267
Cash flow generated by operations	<u>(345,145)</u>	<u>(427,354)</u>
Income taxes (paid)/received	718	4
Other cash receipts/(payments) relating to operating activities	296,675	78,477
Net cash flow from operating activities [1]	<u>(49,188)</u>	<u>(348,881)</u>
 <u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Investments	-	-
Interest and similar income	2,873	17
Dividends	14,870,786	12,355,245
Others	-	-
Loans granted	14,957,934	(6,098,450)
	<u>29,831,593</u>	<u>6,256,812</u>
Cash payments arising from:		
Investments	-	-
Tangible assets	-	7,000
Loans granted	30,160,254	7,996,200
	<u>30,160,254</u>	<u>8,003,200</u>
Net cash flow from investment activities [2]	<u>(328,661)</u>	<u>(1,746,388)</u>
 <u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Sale of own shares	42,606	-
Loans obtained	30,950,000	10,250,000
	<u>30,992,606</u>	<u>10,250,000</u>
Cash Payments arising from:		
Interest and similar costs	3,643,843	2,607,373
Acquisition of own shares	-	55,959
Loans obtained	11,748,506	5,361,000
	<u>15,392,349</u>	<u>8,024,332</u>
Net cash from financing activities [3]	<u>15,600,257</u>	<u>2,225,668</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	15,222,408	130,399
Cash and cash equivalents at the beginning of the period	562,230	105,317
Cash and cash equivalents at the end of the period	<u>15,784,638</u>	<u>235,716</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors



SONAE CAPITAL, SGPS, SA

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

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

1. INTRODUCTION

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

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

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are consisting with those used in the financial statements presented for the year ended 30 June 2014.

Basis of preparation

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

The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments which are stated at fair value.

3. CHANGES IN ACCOUNTING POLICIES

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

4. INVESTMENTS

As at 30 June 2014 and 31 December 2013 Investments are detailed as follows:

	30 June 2014	31 December 2013
Investments in affiliated and associated undertakings	584,195,526	584,195,526
Investments in other companies		
Sonae RE - (0,04%)	1,200	1,200
Fundo Invest. Imob. Imosonae Dois - (0,001%)	2,546	2,546
	<u>584,199,272</u>	<u>584,199,272</u>
Impairment	(6,644,860)	(7,420,029)
	<u>577,554,412</u>	<u>576,779,243</u>

4.1 Investments in affiliated and associated undertakings

As at 30 June 2014 and 31 December 2013, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

Company	30 June 2014				31 December 2013			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
SC, SGPS, SA	100.00	-	382,638,253	-	100.00	-	382,638,253	-
Spred, SGPS, SA	54.05	-	40,000,000	-	54.05	-	40,000,000	-
SC Assets, SGPS, SA	76.64	-	82,000,000	-	76.64	-	82,000,000	-
Sonae Turismo, SGPS, SA	23.08	-	37,500,000	-	23.08	-	37,500,000	-
Fundo Esp.Inv.Imo.Fec. WTC	59.57	-	42,057,273	-	59.57	-	42,057,273	-
Total		-	584,195,526	-		-	584,195,526	-

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

Impairment tests on financial investments were performed in 2013, based on external valuations of the real estate of group companies, to assess the fair value of such investments.

As at 30 June 2014 and 31 December 2013, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below.

	30 June 2014	31 December 2013
Fundo Esp.Inv.Imo.Fec. WTC	(144,860)	(920,029)
Sonae Turismo, SGPS, SA	(6,500,000)	(6,500,000)
	<u>(6,644,860)</u>	<u>(7,420,029)</u>

5. OTHER NON CURRENT ASSETS

As at 30 June 2014 and 31 December 2013 Other Non Current Assets are detailed as follows:

	<u>30 June 2014</u>	<u>31 December 2013</u>
Loans granted to group companies:		
SC, SGPS, SA	116,349,218	121,338,653
SC Assets, SGPS, SA	39,367,977	31,713,043
	<u>155,717,195</u>	<u>153,051,695</u>

These assets were not due or impaired as at 30 June 2014. The fair value of loans granted to Group companies is basically the same as their book value.

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

6. OTHER CURRENT ASSETS

As at 30 June 2014 and 31 December 2013 Other Current Assets can be detailed as follows:

	<u>30 June 2014</u>	<u>31 December 2013</u>
Group companies - Short term loans:		
SC, SGPS, SA	8,122,260	232,300
SC Assets SGPS, SA	4,528,720	327,500
Income tax withheld	3,384,691	847,476
Other Debtors	55,033	81,727
Accrued income	5,439,714	4,984,735
Deferred costs	549,010	496,690
	<u>22,079,428</u>	<u>6,970,428</u>

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

The amount recorded as accrued income includes EUR 5,437,647 for interest on loans granted to group companies.

Under the heading deferred costs include EUR 506,434 relating to bank charges.

7. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2014 and 31 December 2013 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Tax losses carried forward	2,416,568	407,059	-	-

During the periods ended 30 June 2014 and 31 December 2013, movements in Deferred tax are as follows:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Opening balance	407,059	429,213	-	778
Effect in results (Nota 17):				
Tax losses carried forward	2,009,509	12,108	-	-
Others	-	(34,262)	-	(778)
	2,416,568	407,059	-	-
Effect in reserves:	-	-	-	-
Closing balance	2,416,568	407,059	-	-

8. CASH AND CASH EQUIVALENTS

As at 30 June 2014 and 31 December 2013 Cash and Cash Equivalents can be detailed as follows:

	30 June 2014	31 December 2013
Cash	4	1,004
Bank deposits	15,784,634	785,247
Cash and cash equivalents in the balance sheet	15,784,638	786,250
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	15,784,638	786,250

9. SHARE CAPITAL

As at 30 June 2014 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

In 2014, Sonae Capital SGPS, S.A. bought 1,034,500 own shares on the stock market, representing 0.4138% of its share capital, for a total consideration of 404,782.67 euro, and sold 85,212 shares for a total amount of 42,606 euros. As at 30 June 2014, the total of own shares held by the company is 6,068,850, representing 2.428% of its share capital.

10. RESERVES

As at 30 June 2014, and 31 December 2013 the caption Other Reserves can be detailed as follows:

	30 June 2014	31 December 2013
Free reserves	159,368,447	153,952,948
Demerger reserve	132,638,252	132,638,252
Own shares reserve	1,486,301	1,124,125
	<u>293,493,001</u>	<u>287,715,325</u>

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

Legal Reserve: According to the Company Law, at least 5% of the annual net profit must be transferred to the legal reserve until it represents 20% of share capital. This reserve cannot be distributed to shareholders, unless the company is liquidated, but can be used to cover prior year losses, once other reserves have been used fully, or for capital increases. As at 30 June 2014 the value of this caption is 8,611,464 euro.

11. LOANS

As at 30 June 2014 and 31 December 2013 this caption included the following loans:

	30 June 2014		31 December 2013	
	Current	Non Current	Current	Non Current
Bank Loans				
Sonae Capital SGPS - Commercial paper a)	58,050,000	-	75,000,000	-
Sonae Capital SGPS - Commercial paper d)	8,250,000	-	8,250,000	-
Sonae Capital SGPS - Commercial paper b)	-	4,000,000	-	12,650,000
Sonae Capital SGPS - Commercial paper c)	-	30,000,000	-	30,000,000
Sonae Capital SGPS - Term loan e)	7,000,000	17,000,000	7,000,000	24,000,000
Sonae Capital SGPS - Commercial paper g)	3,500,000	6,500,000	-	-
Sonae Capital SGPS - Commercial paper i)	8,000,000	-	-	-
Up-front fees not yet charged to income statement	-	(417,631)	-	(501,771)
	<u>84,800,000</u>	<u>57,082,369</u>	<u>90,250,000</u>	<u>66,148,229</u>
Bank overdrafts (Nota 8)	-	-	-	-
	<u>84,800,000</u>	<u>57,082,369</u>	<u>90,250,000</u>	<u>66,148,229</u>
Bond Loans				
Nominal value of bonds Sonae Capital 2011/2016 f)	-	10,000,000	-	10,000,000
Nominal value of bonds Sonae Capital 2014/2019 h)	-	42,500,000	-	-
Up-front fees not yet charged to income statement	-	(542,515)	-	(735)
	-	<u>51,957,485</u>	-	<u>9,999,265</u>
	<u>84,800,000</u>	<u>109,039,854</u>	<u>90,250,000</u>	<u>76,147,494</u>

- a) Commercial Paper Programme issued on 28 March 2008 without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company; Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks;
- b) Commercial Paper Programme issued on 31 March 2011 with subscription guarantee and valid till August 2018 for a period of 5 years. Early repayment can occur under the terms of the Call / Put Option on August 2016. This loan is guaranteed by a mortgage of investment properties;
- c) Commercial Paper Programme issued on 27 December 2012 with subscription guarantee and valid for a period of 5 years;
- d) Commercial Paper Programme issued on 31 December 2013 with subscription guarantee and valid for a period of 3 years;
- e) Bank loan started on 2 June 2011 valid for six years and repayable in six annual instalments. This loan is guaranteed by a mortgage of investment properties;
- f) Sonae Capital, SGPS 2011/2016, repayable after 5 years, in one instalment, on 17 January 2016. This bond issue pays interest every six months.
- g) Commercial Paper Programme issued on 07 May 2014 with subscription guarantee and valid for a period of 3 years. This Programme pays interest every six months.
- h) Sonae Capital, SGPS 2014/2019, repayable after 5 years, in one instalment, on 28 May 2019. This bond issue pays interest every six months.
- i) Commercial Paper Programme issued on 17 February 2011 with subscription guarantee, valid for a period of 1 year, automatically renewable for equal periods to a maximum of five years;

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

The average interest rate of these bond loans as at 30 June 2014 was 4.227%.

In the event of, upon maturity, any Bank or investor of commercial paper issued is not renewed, the Group has credit lines available to cope with these non renewals.

There are no Derivatives.

12. OTHER CREDITORS

As at 30 June 2014 and 31 December 2013, these captions were made up as follows:

	30 June 2014	31 December 2013
<u>Other creditors</u>		
Group companies - Short term loans:		
Spred, SGPS, SA	7,711,864	18,796,170
Other creditors	1,976	1,912
	<u>7,713,840</u>	<u>18,798,082</u>

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

13. OTHER CURRENT LIABILITIES

As at 30 June 2014 and 31 December 2013, these captions were made up as follows:

	30 June 2014	31 December 2013
<u>Other current liabilities</u>		
Taxes payable	135,047	80,830
Accruals:		
Staff costs	360,952	235,119
Interest payable	1,147,550	1,101,139
Other accruals	54,751	4,410
Deferred income	654	4,578
	<u>1,698,954</u>	<u>1,426,077</u>

14. EXTERNAL SUPPLIES AND SERVICES

As at 30 June 2014 and 30 June 2013, External Supplies and Services can be detailed as follows:

	30 June 2014	30 June 2013
Operational rents	23,249	18,737
Insurance costs	25,750	22,693
Travelling expenses	12,384	12,373
Services obtained	132,010	401,662
Other services	25,480	11,654
	<u>218,874</u>	<u>467,120</u>

15. STAFF COSTS

As at 30 June 2014 and 30 June 2013, Staff Costs are made up as follows:

	30 June 2014	30 June 2013
Governing bodies' remunerations	562,016	331,474
Social security contributions	64,682	28,924
Other staff costs	15,075	30,346
	<u>641,774</u>	<u>390,745</u>

16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 30 June 2014 and 30 June 2013, Net Financial Expenses and Investment Income can be detailed as follows:

	30 June 2014	30 June 2013
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(3,422,320)	(3,582,898)
Bonds	(416,208)	(239,003)
Other	(29,032)	(54,642)
Other financial expenses	(1,370,481)	(790,261)
	<u>(5,238,040)</u>	<u>(4,666,805)</u>
Interest receivable and similar income		
Interest income	5,436,458	4,558,961
	<u>5,436,458</u>	<u>4,558,961</u>
Net financial expenses	<u>198,418</u>	<u>(107,844)</u>
Reversal of Impairment losses (Note 4.1)	775,169	757,881
Dividends received	14,870,786	12,355,245
Other income	-	-
Investment income	<u>15,645,955</u>	<u>13,113,126</u>

As at 30 June 2014, the amount of dividends received from affiliated companies was as follows:

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

17. TAXATION

As at 30 June 2014 and 30 June 2013, Taxation is made up as follows:

	30 June 2014	30 June 2013
Current tax	(87,045)	(4,162)
Deferred tax	4,545,496	246,000
	<u>4,458,451</u>	<u>241,838</u>

18. EARNINGS PER SHARE

Earnings per share for the three months periods ended 30 June 2014 and 2013 were calculated taking into consideration the following amounts:

	30 June 2014	30 June 2013
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	19,449,049	12,371,328
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>19,449,049</u>	<u>12,371,328</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	246,190,249	248,046,518
Weighted average number of shares used to calculate diluted earnings per share	<u>246,190,249</u>	<u>248,046,518</u>
Earnings per share (basic and diluted)	<u>0.079000</u>	<u>0.049875</u>

19. INFORMATION REQUIRED BY LAW

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

In the period ended 30 June 2014 shareholders' loan contracts were entered with the companies SC Assets SGPS, SA and SC SGPS, SA.

In the period ended 30 June 2014 short-term loan contracts were entered with the company Spred, SGPS, SA.

As at 30 June 2014 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted

Companies	Closing Balance
SC, SGPS, SA	124,471,478
SC Assets, SGPS, SA	43,896,697
	<u>168,368,175</u>

As at 30 June 2014 amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

Companies	Closing Balance
Spred, SGPS, SA	7,711,864
	<u>7,711,864</u>



20. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 June 2014.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 31 July 2014.

The Board of Directors



LIMITED REVIEW REPORT

30 JUNE 2014





***Limited Review Report Prepared by Auditor Registered
with the Securities Market Commission (CMVM)
on the Consolidated Half Year Information***

(Free translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market Code (CVM), we present our limited review report on the consolidated financial information for the six-month period ended June 30, 2014 of Sonae Capital, SGPS, S.A. included in the Management Report, consolidated balance sheet (which shows total assets of Euro 662,483,327 and total shareholders' equity of Euro 306,470,090, including non-controlling interests of Euro 9,069,540 and a net loss of Euro 7,361,621), consolidated income statement by nature, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and the corresponding notes to the accounts.

2 The amounts in the consolidated financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

Responsibilities

3 It is the responsibility of the Board of Directors: (a) to prepare consolidated financial information which present fairly, in all material respects, the financial position of the companies included in the consolidation, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows; (b) to prepare historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful as required by the CVM; (c) to adopt appropriate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any significant matters which have influenced the activity, financial position or results.

4 Our responsibility is to verify the financial information included in the documents referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the CVM, for the purpose of issuing an independent and professional report based on our work.

Scope

5 Our work was performed with the objective of obtaining moderate assurance about whether the financial information referred to above is free from material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors, planned according to that objective, and consisted: (a) primarily, in enquiries and analytical procedures, to review: (i) the reliability of the assertions included in the financial information; (ii) the appropriateness and consistency of the accounting principles used, as applicable; (iii) the applicability, or not, of the going concern basis of accounting; (iv) the presentation of the financial information; (v) as to whether the consolidated financial information is complete, true, up-to-date, clear, objective and lawful; and (b) of substantive tests of unusual significant transactions.

6 Our work also covered the verification that the consolidated financial information included in the Management Report is consistent with the remaining documents referred to above.

7 We believe that the work performed provides a reasonable basis for the issue of this limited review report on the half year information.

Conclusions

9 Based on the work, which was performed with the objective of obtaining a moderate level of assurance, nothing has come to our attention that leads us to conclude that the consolidated financial information for the six-month period ended June 30, 2014 contain material misstatements that affect its conformity with International Financial Reporting Standards as adopted by the European Union and that it is not complete, true, up-to-date, clear, objective and lawful.

Report on other requirements

10 Based on the work, nothing has come to our attention that leads us to believe that the consolidated financial information included in the Management Report is not consistent with the consolidated financial information for the period.

July 31, 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Hermínio António Paulos Afonso, R.O.C.

(This is a translation, not to be signed)



***Limited Review Report Prepared by Auditor Registered
with the Securities Market Commission (CMVM)
on the Individual Half Year Information***

(Free translation from the original in Portuguese)

Introduction

1 In accordance with the Portuguese Securities Market Code (CVM), we present our limited review report on the financial information for the six-month period ended June 30, 2014 of Sonae Capital, SGPS, S.A. included in the Management Report, balance sheet (which shows total assets of Euro 773.555.158 and total shareholders' equity of Euro 570.067.213, including non-controlling interests of Euro 9,069,540 and a net profit of Euro 19.449.049), income statement by nature, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and the corresponding notes to the accounts.

2 The amounts in the financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

Responsibilities

3 It is the responsibility of the Board of Directors: (a) to prepare financial information which present fairly, in all material respects, the financial position of the Company, the results and the comprehensive income of their operations, the changes in equity and the cash flows; (b) to prepare historical financial information in accordance with International Financial Reporting Standards as adopted by the European Union and which is complete, true, up-to-date, clear, objective and lawful as required by the CVM; (c) to adopt appropriate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any significant matters which have influenced the activity, financial position or results.

4 Our responsibility is to verify the financial information included in the documents referred to above, namely as to whether it is complete, true, up-to-date, clear, objective and lawful, as required by the CVM, for the purpose of issuing an independent and professional report based on our work.

Scope

5 Our work was performed with the objective of obtaining moderate assurance about whether the financial information referred to above is free from material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors, planned according to that objective, and consisted: (a) primarily, in enquiries and analytical procedures, to review: (i) the reliability of the assertions included in the financial information; (ii) the appropriateness and consistency of the accounting principles used, as applicable; (iii) the applicability, or not, of the going concern basis of accounting; (iv) the presentation of the financial information; (v) as to whether the consolidated financial information is complete, true, up-to-date, clear, objective and lawful; and (b) of substantive tests of unusual significant transactions.

6 Our work also covered the verification that the consolidated financial information included in the Management Report is consistent with the remaining documents referred to above.

7 We believe that the work performed provides a reasonable basis for the issue of this limited review report on the half year information.

Conclusions

9 Based on the work, which was performed with the objective of obtaining a moderate level of assurance, nothing has come to our attention that leads us to conclude that the financial information for the six-month period ended June 30, 2014 contain material misstatements that affect its conformity with International Financial Reporting Standards as adopted by the European Union and that it is not complete, true, up-to-date, clear, objective and lawful.

Report on other requirements

10 Based on the work, nothing has come to our attention that leads us to believe that the financial information included in the Management Report is not consistent with the financial information for the period.

July 31, 2014

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Comissão do Mercado de Valores Mobiliários with no. 9077
represented by:

Hermínio António Paulos Afonso, R.O.C.

(This is a translation, not to be signed)