

**REPORT AND  
ACCOUNTS**  
30 SEPTEMBER 2014



**SONAE CAPITAL**

## 1. CEO MESSAGE & HIGHLIGHTS

*"The results achieved during the first nine months of 2014 witness our commitment and effort on implementing the strategy defined at the end of 2013. Growing and improving each Business Units competitive position, releasing cash from non-strategic assets to support new business opportunities and, primarily, to reduce debt, have been our core tasks and the team's main effort during 2014. In fact, the nine months results showed significant improvements across all key financial indicators: Consolidated Top Line grew 44% and, at the same time, EBITDA posted an improvement of 84% reaching a margin of 7.6%, registering homologous growth in all quarters of the year. Analysing by segment, with the exception of SISTAVAC that is dealing with an important reorganization process, all business units have been presenting better operational results. Also, at the Net Results level, despite negative, it should be noted the improvement of 6.37M€ when compared to last year.*

*Net Debt reached 238M€, the lowest level since the spin-off, already including the acquisition of a set of Cogeneration operations, during the 1Q14. This result materializes and reinforces the team's commitment and effort on continuing with the implementation of the defined corporate strategy".*

*Cláudia Azevedo, CEO*

### **3Q14 RESULTS CONFIRM THE POSITIVE OPERATIONAL AND FINANCIAL INDICATORS TREND EVOLUTION, HAVING BEEN ONE OF THE BEST QUARTERS IN SONAE CAPITAL HISTORY...**

... Consolidated TOP LINE GREW 34.8%, based on:

- The Energy segment growth, from 3.5M€ to 13.2M€, driven mainly by the consolidation of the new cogeneration plants acquired during the 1Q14 and the Martim Longo photovoltaic operation that began production during the quarter;
- Real Estate at troiaresort maintained a positive rhythm of sales, achieving one of best quarters to date: +40.1%, to 13.5M€. During 3Q14 it were signed 13 deeds regarding real estate residential units in troiaresort, to which we should add a stock of 17 promissory purchase agreements and 7 reservation agreements; During the 9M14 it were signed 40 deeds regarding real estate residential units in troiaresort that adding to the 24 promissory purchase and reserve agreements, totals 64 commercialized units, compared to 67 throughout the full year of 2013; and
- Fitness grew 21% and Hospitality improved 10.8%, consolidating the positive trend seen in previous quarters.

... Consolidated EBITDA<sup>1</sup>, not including Guaranteed Income Provisions, amounted to 6.78M€, a significant improvement of 1.46M€ or 27.5% compared to 3Q13:

- Driven by all Tourism segments expressive operational improvement;
- The growing Energy contribution both on a comparable basis and when considering the 1.43M€ relative to 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

<sup>1</sup> EBITDA not including the estimated present value of potential costs for the full period of the guaranteed income in real estate sales at troiaresort.

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troiaresort, consolidated EBITDA amounted to 5.97M€, growing 26.3% or 1.24M€ compared to 3Q13;

- Excluding the recognition of a non-recurrent operational cost accounted for under the SISTAVAC restructuring process in course, EBITDA would have been 7.15M€, growing 51.2% or 2.42M€ compared to 3Q13;

Net Results in 3Q14 amounted to negative 0.61M€, negatively impacted by the non-recurrent operational cost referred above. Nevertheless, driven by the operational improvement across the majority of the businesses and the traditional Hospitality positive seasonality effect, this was the best result of the year, representing an improvement of 1.62M€ compared to 3Q13.

### THE POSITIVE PERFORMANCE WITNESSED IN ALL QUARTERS OF THE YEAR, LED TO 9M14 CUMULATIVE CONSOLIDATED RESULTS WELL ABOVE LAST YEAR...

- Consolidated TOP LINE amounted to 130.57M€, registering an improvement of 43.9% when compared to last year with the majority of the business contributing favourably;
- Consolidated EBITDA<sup>1</sup> totalled 12.85M€ (or 9.95M€ considering the Guaranteed income Provisions), reaching a margin of 9.8%, which compares to the 6.0M€ and a margin of 6.6% registered in 9M13;
  - Excluding the above mentioned non-recurrent operational cost, recognised during the 3Q14 in Refrigeration & HVAC segment, EBITDA would have reached 14.04M€ (or 11.13M€ considering the Guaranteed income Provisions), reaching a margin of 10.8%
- NET RESULTS improved 45.0% to negative 7.79M€, compared to the negative 14.16M€ achieved last year;
- FREE CASH FLOW (levered), including the net impact relative to the acquisition of the new cogeneration operations during the 1Q14, stood at 8.1M€, above last year by 2.7M€, benefiting from the improved operational performance across the majority of the segments, particularly, from the real estate sales at troiaresort, which has led...
- ... to a significant Net Debt reduction of 7.8M€ compared to end of 2013, to 238.2M€, the lowest value since the spin-off;
  - It should be noted that, compared to same period last year, Net Debt reduced by 13.1M€, driven by the FCF generation in the period;
  - Excluding the Energy segment, where the majority of the Group investments are concentrated, Net Debt showed a reduction of 17.4M€ compared to the end of 2013, in line with our debt reduction strategic intent.

## 2. OVERALL PERFORMANCE

The financial and operational performance throughout the 9M14 was globally positive, showing growth across all major financial indicators, namely, a consolidated Top Line growth of 43.9%, an 84.0% improvement at the EBITDA level and a Net Results growth of 45.0%. Also at the EBITDA-Capex level, that amounted to 4.04M€ in the 9M14, there was an improvement with the respective positive impact at the FCF generation being visible on the reduction of the Net Debt.

### 2.1. CONSOLIDATED PROFIT & LOSS STATEMENT

Consolidated Profit and Loss Million euro						
	3Q 2014	3Q 2013	Δ 14/13	9M 2014	9M 2013	Δ 14/13
<b>Total Operational Income</b>	<b>58.74</b>	<b>41.16</b>	<b>+42.7%</b>	<b>138.74</b>	<b>94.12</b>	<b>+47.4%</b>
<b>Turnover</b>	<b>54.34</b>	<b>40.31</b>	<b>+34.8%</b>	<b>130.57</b>	<b>90.75</b>	<b>+43.9%</b>
Tourism	23.80	18.69	+27.3%	53.61	34.27	+56.5%
Resorts	13.48	9.62	+40.1%	30.93	14.34	>100%
Hospitality	7.10	6.41	+10.8%	12.55	11.63	+7.9%
Fitness	3.22	2.66	+21.0%	10.13	8.30	+22.1%
Energy	13.23	3.47	>100%	33.42	10.11	>100%
Refrigeration & HVAC	16.46	17.30	-4.9%	40.60	44.10	-8.0%
Others & Eliminations	0.86	0.85	+0.3%	2.94	2.26	+29.9%
Other Operational Income	4.40	0.85	>100%	8.16	3.37	>100%
<b>EBITDA, before Guaranteed Income Provisions <sup>(1)</sup></b>	<b>6.78</b>	<b>5.32</b>	<b>+27.5%</b>	<b>12.85</b>	<b>6.00</b>	<b>&gt;100%</b>
Tourism	4.50	3.01	+49.8%	5.11	-0.94	-
Resorts	3.43	2.33	+47.1%	6.55	1.60	>100%
Hospitality	0.74	0.60	+23.5%	-2.71	-2.98	+9.0%
Fitness	0.17	-0.01	-	1.10	0.26	>100%
Energy	2.62	0.81	>100%	7.02	2.54	>100%
Refrigeration & HVAC	-0.66	1.33	-	-0.47	2.81	-
Others & Eliminations	0.31	0.18	+74.0%	1.19	1.59	-24.8%
Provisions for Guaranteed Income	-0.81	-0.59	-37.6%	-2.90	-0.59	<-100%
<b>EBITDA</b>	<b>5.97</b>	<b>4.73</b>	<b>+26.3%</b>	<b>9.95</b>	<b>5.41</b>	<b>+84.0%</b>
Amortization & Depreciation	-3.85	-3.25	-18.4%	-10.90	-9.86	-10.5%
Provisions & Impairment Losses	0.00	0.01	-	-0.17	0.00	-
Non-recurrent costs/income <sup>(2)</sup>	0.07	-0.30	-	0.01	-0.78	-
Discontinued Operations <sup>(2)</sup>	-0.07	-0.23	+69.1%	-0.21	-0.29	+25.4%
<b>EBIT</b>	<b>2.12</b>	<b>0.97</b>	<b>&gt;100%</b>	<b>-1.33</b>	<b>-5.53</b>	<b>+76.0%</b>
Net Financial Expenses	-2.95	-3.11	+5.0%	-9.06	-8.42	-7.6%
Investment Income and Results from Assoc. Undertakings	1.84	1.29	+42.7%	5.12	4.25	+20.5%
<b>EBT</b>	<b>1.01</b>	<b>-0.85</b>	<b>-</b>	<b>-5.27</b>	<b>-9.70</b>	<b>+45.7%</b>
Taxation	-1.62	-1.38	-17.5%	-2.52	-4.45	+43.3%
<b>Net Profit</b>	<b>-0.61</b>	<b>-2.23</b>	<b>+72.8%</b>	<b>-7.79</b>	<b>-14.16</b>	<b>+45.0%</b>
Attributable to Equity Holders of Sonae Capital	-0.57	-2.53	+77.5%	-7.93	-14.46	+45.1%
Attributable to Non-Controlling Interests	-0.04	0.30	-	0.14	0.30	-53.9%

(1) EBITDA not including the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at troiaresort

(2) Non-recurrent items mainly related to restructuring costs and one-off income

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

Consolidated Top Line in 3Q14 amounted to 54.34M€, registering a growth of 34.8% compared to 3Q13 with the majority of the segments showing favourably evolutions. It should be noted the performance registered by Resorts (+40.1%), Hospitality (+10.8%) and Energy (+3.8x) that have achieved one of the highest levels ever, benefiting, in the case of Hospitality from a positive seasonality effect. Refrigeration & HVAC, notwithstanding below the level verified in 3Q13, registered the best performance of the year.

Driven by the growth registered in the three quarters of the year, the 9M14 Consolidated Top Line registered a growth of 43.9% to 130.57M€, with all segments, with the exception of Refrigeration & HVAC, showing positive evolutions: (i) Resorts, +116%, leveraging on the increasing number of real estate sales deeds at troiaresort; (ii) Hospitality, +7.9%, driven by the improved occupancy rate; (iii) Fitness, +22.1%, resulting from the 34% active members growth rate; (iv) Energy, +3.3x, driven primarily by the consolidation of the new cogeneration operations and by the beginning, in 3Q14, of Martim Longo photovoltaic production; and (v) notwithstanding the 8.0% decrease registered in Refrigeration & HVAC, despite the

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17% pipeline growth when compared to the end of 2013. With respect to segment "Others", the positive variation of 29.9% translates our effort and commitment in releasing cash from non-strategic assets, namely real estate sales.

3Q14 consolidated EBITDA, not including Guaranteed Income Provisions, amounted to 6.78M€, correspondent to a margin of 12.5% and registering a growth of 27.5% or 1.46M€, with positive evolutions across all segments with the exception of Refrigeration & HVAC, driven by both the top line performance and the recognition of a non-recurrent operational cost.

It should be highlighted that, as in Top Line, Resorts performance, driven by a favourably sales mix and Hospitality, benefiting from a positive seasonality effect, as a result of the increased occupation rates and, consequently, RevPar, was one the best ever in Sonae Capital history.

3Q14 consolidated 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 5.97M€ registering, however, a growth of 26.3% or 1.24M€ when compared to last year. Excluding the above-mentioned non-recurrent operational cost recognised in Refrigeration & HVAC segment, as to highlight a better judgement of Group's performance, EBITDA would have reached 7.15M€, correspondent to a margin of 13.2% and a growth of 2.42M€ compared to the same period last year.

During the 9M14, consolidated EBITDA amounted to 9.95M€, correspondent to a margin of 7.6%, registering a growth of 4.54M€ when compared to the 5.41M€ and the margin of 6.0% achieved last year.

3Q14 Net Results, driven by the improved operational performance across the majority of the segments, was negative 0.61M€. In YTD terms, Net Results remained in negative levels of 7.79M€, although 45.0% or 6.37M€ better than the achieved in 9M13. For this positive evolution it should be highlighted, besides the EBITDA performance, the 20.5% growth registered in Results from Associated Undertakings/Investments, 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) in the period 9M14 amounted to 5.9M€, correspondent to a Capex/sales ratio of 4.5%, below the 6.4% registered in the period 9M13. Resorts and Hospitality (driven by the opening of the new concept Hotel in Porto, a partnership with "Escola de Hotelaria e Turismo do Porto") segments drove the bulk of Capex. It should also be noted the growth registered in Fitness, driven by the opening of new clubs. 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 9M14, Net Debt amounted to 238.2M€, and as referred above, the lowest level since the spin-off, in 2007, stood 7.8M€ below the level registered at

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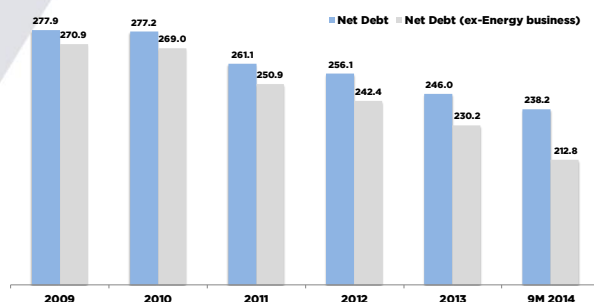
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the end of 2013. This result was driven by the FCF performance notwithstanding the acquisition of cogeneration operations during the 1Q14.

It should be noted that the favourable FCF performance and, consequently, Net Debt has primarily resulted from the 3Q14 performance. In fact, during the 3Q14, Net Debt reduced by 15.8M€ as consequence of the strong FCF generation. It should be highlighted that, in the quarter, as anticipated in previous earnings announcement, it was registered a recovery from the traditional 2Q working capital investment and, importantly, it also incorporates the sale of an Imosede fund stake by 5.0M€.

It should also be noted that when compared to the same period last year, Net Debt presented a reduction of 13.1M€.

Consolidated Balance Sheet			
Million euro			
	Sep 2014	Dec 2013	Δ Sep14/Dec13
<b>Total Assets</b>	<b>633.9</b>	<b>633.4</b>	<b>+0.1%</b>
Tangible and Intangible Assets	246.4	246.3	+0.0%
Goodwill	61.0	61.0	+0.0%
Non-Current Investments	52.4	52.0	+0.7%
Other Non-Current Assets	46.5	45.8	+1.7%
Stocks	164.2	178.9	-8.2%
Trade Debtors and Other Current Assets	58.2	46.5	+25.3%
Cash and Cash Equivalents	5.2	3.0	+73.5%
<b>Total Equity</b>	<b>306.2</b>	<b>313.2</b>	<b>-2.2%</b>
Total Equity attributable to Equity Holders of Sonae Capital	297.2	304.3	-2.4%
Total Equity attributable to Non-Controlling Interests	9.0	8.9	+2.2%
<b>Total Liabilities</b>	<b>327.7</b>	<b>320.3</b>	<b>+2.3%</b>
<b>Non-Current Liabilities</b>	<b>204.4</b>	<b>171.9</b>	<b>+18.9%</b>
Non-Current Borrowings	185.0	153.0	+21.0%
Deferred Tax Liabilities	13.2	12.6	+4.6%
Other Non-Current Liabilities	6.2	6.3	-1.7%
<b>Current Liabilities</b>	<b>123.3</b>	<b>148.4</b>	<b>-16.9%</b>
Current Borrowings	58.4	96.1	-39.2%
Trade Creditors and Other Current Liabilities	64.9	52.3	+24.0%
<b>Total Equity and Liabilities</b>	<b>633.9</b>	<b>633.4</b>	<b>+0.1%</b>
<b>Net Capital Employed</b>	<b>544.4</b>	<b>559.2</b>	<b>-2.6%</b>
Fixed Assets	307.4	307.3	+0.0%
Non-Current Investments (net)	79.5	78.8	+0.9%
Working Capital	157.5	173.1	-9.0%
Capex (6M period)	5.9	5.8	+1.5%
% Fixed Assets	1.9%	1.9%	
<b>Net Debt</b>	<b>238.2</b>	<b>246.0</b>	<b>-3.2%</b>
% Net Capital Employed	43.8%	44.0%	
Gearing	77.8%	78.6%	
<b>Net Debt excluding Energy</b>	<b>212.8</b>	<b>230.2</b>	<b>-7.6%</b>



Capital employed decreased by 2.6% compared to end of 2013 despite of the new cogeneration operations acquired during the 1Q14. This performance resulted mainly from the decrease in working capital investment of 15.6M€.

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## 3. SEGMENTS PERFORMANCE

### 3.1. TOURISM

Profit and Loss Account Million euro						
Tourism	3Q 2014	3Q 2013	Δ 14/13	9M 2014	9M 2013	Δ 14/13
<b>Total Operational Income</b>	<b>24.47</b>	<b>17.27</b>	<b>+41.7%</b>	<b>52.16</b>	<b>30.15</b>	<b>+73.0%</b>
<b>Turnover</b>	<b>23.80</b>	<b>18.69</b>	<b>+27.3%</b>	<b>53.61</b>	<b>34.27</b>	<b>+56.5%</b>
Resorts	13.48	9.62	+40.1%	30.93	14.34	>100%
Hospitality	7.10	6.41	+10.8%	12.55	11.63	+7.9%
Fitness	3.22	2.66	+21.0%	10.13	8.30	+22.1%
Other Operational Income	0.67	-1.42	-	-1.45	-4.12	+64.8%
<b>Total Operational Costs</b>	<b>-19.97</b>	<b>-14.26</b>	<b>-40.0%</b>	<b>-47.05</b>	<b>-31.09</b>	<b>-51.3%</b>
Cost of Goods Sold	-1.44	-1.60	+10.3%	-2.44	-2.88	+15.1%
Change in Stocks of Finished Goods	-4.49	-2.74	-64.3%	-12.15	-4.06	<-100%
External Supplies and Services	-8.39	-6.23	-34.7%	-19.53	-14.33	-36.3%
Staff Costs	-3.40	-3.36	-1.3%	-9.25	-8.91	-3.8%
Other Operational Expenses	-2.24	-0.34	<-100%	-3.67	-0.91	<-100%
<b>EBITDA before Guaranteed Income Provisions *</b>	<b>4.50</b>	<b>3.01</b>	<b>+49.8%</b>	<b>5.11</b>	<b>-0.94</b>	<b>-</b>
Resorts	3.43	2.33	+47.1%	6.55	1.60	>100%
Hospitality	0.74	0.60	+23.5%	-2.71	-2.98	+9.0%
Fitness	0.17	-0.01	-	1.10	0.26	>100%
Provisions for Guaranteed Income	-0.81	-0.59	-37.6%	-2.90	-0.59	<-100%
<b>EBITDA</b>	<b>3.70</b>	<b>2.42</b>	<b>+52.8%</b>	<b>2.21</b>	<b>-1.53</b>	<b>-</b>
<b>Capex</b>	<b>1.17</b>	<b>0.58</b>	<b>+99.3%</b>	<b>2.72</b>	<b>1.27</b>	<b>&gt;100%</b>
<b>EBITDA-Capex</b>	<b>2.53</b>	<b>1.83</b>	<b>+38.0%</b>	<b>-0.51</b>	<b>-2.80</b>	<b>+81.7%</b>

\* EBITDA not including the estimated present value of potential costs for the period of the Guaranteed Income from real estate sales at troiaresort

### A. RESORTS

During the 3Q14 it were celebrated 13 deeds from the troiaresort residential units which adding to the 21 and 6 celebrated in 1Q14 and 2Q14, total a cumulative number for the 9M14 of 40 deeds (compared to the 39 celebrated in the full year 2013). On top of that, we should add 17 promissory purchase agreements and reservation agreements (with advanced payment) for additional 7 units. As at 30<sup>th</sup> September 2014, there were 307 sales deeds signed on troiaresort residential units.

Driven by the enlarged number of deeds celebrated in the quarter and also benefitting from a positive sales mix effect, Turnover reached 13.48M€, one of the best ever, registering a growth of 40.1%. In cumulative terms, Turnover amounted to 30.93M€, 2.2x higher than the registered in the same period last year.

Additionally, benefitting from the positive mix sales effect, EBITDA not including guaranteed income provisions, reached in the quarter, 3.43M€ achieving a growth of 47.1% compared to 3Q13. In the 9M14, totalled 6.55M€, 4.95M€ above that verified in the 9M13.

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 sales deeds registered during the 9M14, the value amounted to 2.9M€, reflecting a level of EBITDA of 3.64M€, 2.64M€ 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 3Q14 with the average number of active members registering a growth of 34% when compared to the 3Q13.

In 3Q14 Turnover grew 21.0% to 3.22M€ driven by the mentioned increase number of active members, notwithstanding the lower market average monthly fees. As a result of the Top Line performance on one hand, and the optimization and

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rationalization cost measures implemented, on the other hand, EBITDA amounted to 0.17M€, an increase of 0.18M€ when compared to last year. In the 9M14, EBITDA totalled 1.10M€, correspondent to a margin of 10.8%, 7.4pp above the registered last year.

### C. HOSPITALITY

During the 3Q14, Hospitality Turnover showed a growth of 10.8% when compared to 3Q13, to 7.1M€, achieving one of the best quarters ever. This performance resulted from the 13pp increase level of occupation rate. In the same period, the number of nights sold grew 20.5% in the total Group's hotel properties and RevPar has also shown an improvement of 11.6%.

In the 9M14, Turnover amounted to 12.55M€, correspondent to a growth of 7.9% driven by the improved majority of operational indicators.

Due to the increased Top Line level and the optimization and rationalisation cost measures implemented over the past years, 3Q14 and 9M14 EBITDA increased 23.5% and 9.0%, respectively.

Excluding rents, it should be highlighted that the Hospitality segment EBITDAR in the period 9M14 ascended to positive 1.53M€, registering a margin of 21.3%, an improvement of 7.0% when compared to the positive 1.43M€ achieved in the same period last year.

### 3.2. ENERGY

Profit and Loss Account Million euro						
Energy	3Q 2014	3Q 2013	Δ 14/13	9M 2014	9M 2013	Δ 14/13
<b>Total Operational Income</b>	<b>13.77</b>	<b>3.50</b>	<b>&gt;100%</b>	<b>34.37</b>	<b>10.26</b>	<b>&gt;100%</b>
<b>Turnover</b>	<b>13.23</b>	<b>3.47</b>	<b>&gt;100%</b>	<b>33.42</b>	<b>10.11</b>	<b>&gt;100%</b>
Other Operational Income	0.54	0.03	>100%	0.94	0.15	>100%
<b>Total Operational Costs</b>	<b>-11.14</b>	<b>-2.69</b>	<b>&lt;-100%</b>	<b>-27.34</b>	<b>-7.72</b>	<b>&lt;-100%</b>
Cost of Goods Sold	-8.99	-2.13	<-100%	-22.86	-6.05	<-100%
Change in Stocks of Finished Goods	0.00	0.00	-	0.00	0.00	-
External Supplies and Services	-1.10	-0.35	<-100%	-2.58	-1.04	<-100%
Staff Costs	-0.50	-0.21	<-100%	-1.34	-0.62	<-100%
Other Operational Expenses	-0.55	0.00	<-100%	-0.56	0.00	<-100%
<b>EBITDA</b>	<b>2.62</b>	<b>0.81</b>	<b>&gt;100%</b>	<b>7.02</b>	<b>2.54</b>	<b>&gt;100%</b>
<b>Capex</b>	<b>0.37</b>	<b>0.63</b>	<b>-41.9%</b>	<b>1.30</b>	<b>2.25</b>	<b>-42.3%</b>
<b>EBITDA-Capex</b>	<b>2.26</b>	<b>0.18</b>	<b>&gt;100%</b>	<b>5.72</b>	<b>0.30</b>	<b>&gt;100%</b>

Energy segment Top Line, during the 3Q14, grew 3.8x to 13.23M€, including the contribution of the new cogeneration operations acquired at the end of 1Q14. Importantly, excluding that contribution (9.28M€ in 3Q14 and 22.51M€ in 9M14), Top Line would have grown 14.0%. EBITDA in the period has also shown a significant growth of 3.3x to 2.62M€, achieving a margin of 19.8%. Excluding the contribution of the acquired operations, (1.43M€ and 3.49M€ in 3Q14 and 9M14, respectively), EBITDA would have grown 48.5% in the quarter and 39.1% in the 9M14 when compared to the 9M13.

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

With the fully operational photovoltaic project since June, the capacity under management ascends to 53 MW (50MW Cogeneration and 3MW Photovoltaic) or



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62.3 MW, considering the non-fully held operations, a growth of 3.0 times when compared to the end of 2013.

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.

### 3.3. REFRIGERATION & HVAC

Profit and Loss Account Million euro						
Refrigeration & HVAC	3Q 2014	3Q 2013	Δ 14/13	9M 2014	9M 2013	Δ 14/13
<b>Total Operational Income</b>	<b>16.99</b>	<b>17.14</b>	<b>-0.9%</b>	<b>41.61</b>	<b>43.89</b>	<b>-5.2%</b>
<b>Turnover</b>	<b>16.46</b>	<b>17.30</b>	<b>-4.9%</b>	<b>40.60</b>	<b>44.10</b>	<b>-8.0%</b>
<b>Total Operational Costs</b>	<b>-17.12</b>	<b>-15.97</b>	<b>-7.1%</b>	<b>-41.07</b>	<b>-41.30</b>	<b>+0.6%</b>
Cost of Goods Sold	-7.55	-6.72	-12.4%	-15.19	-17.10	+11.2%
Change in Stocks of Finished Goods	-1.12	0.77	-	-1.72	3.53	-
External Supplies and Services	-5.11	-5.99	+14.8%	-13.54	-14.77	+8.3%
Staff Costs	-3.47	-3.41	-1.7%	-10.92	-11.65	+6.3%
Other Operational Expenses/Income	0.13	-0.62	-	0.30	-1.31	-
<b>EBITDA</b>	<b>-0.66</b>	<b>1.33</b>	<b>-</b>	<b>-0.47</b>	<b>2.81</b>	<b>-</b>
<b>Capex</b>	<b>0.09</b>	<b>0.15</b>	<b>-34.9%</b>	<b>0.27</b>	<b>0.23</b>	<b>+17.4%</b>
<b>EBITDA-Capex</b>	<b>-0.75</b>	<b>1.18</b>	<b>-</b>	<b>-0.75</b>	<b>2.57</b>	<b>-</b>

During 3Q14, Top Line amounted to 16.46M€, the best performance of the year, notwithstanding 4.9% below the level registered in 3Q13 (a yoy improvement compared to -8.3% in 1Q and -11.3% in 2Q vs. LY). Backlog at the end of the period amounted to, approximately, 29M€, having remained relatively stable compared to the previous quarter, representing circa 6.5 months of Turnover.

In YTD terms (9M14), Top Line totalled 40.6M€, a decrease of 8.0% compared to last year. International Top Line (consolidating exports and direct sales abroad), driven by the lower level of international activity following some delays in the launch of important projects, represented 20% of the consolidated Turnover.

In 3Q14, under the restructuring process that is being implemented, it were recognised a bulk of non-recurrent operational costs amounting to 1.19M€ that have penalised both the segment and overall Sonae Capital Group results.

Despite of the on-going implementation of measures leading to rationalize and variable the cost structure to the new benchmark, and excluding the above non-recurrent operational cost, 9M14 EBITDA amounted to only 0.72M€, registering a significant decrease when compared to same period last year.

EBITDA in the domestic operation amounted to 0.71M€ in the 9M14 period and 0.5M€ in the 3Q14, registering a decrease of 53% and 28%, respectively when compared to last year.

Capex remained at low levels and the large majority of the lower operational cash flow was driven by the negative EBITDA evolution.

## **REPORT AND ACCOUNTS**

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### 3.4. OTHER ASSETS

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

During the period it was sold a stake of the Imosede Fund for 5.0M€. There were no other material operations to highlight.

With respect to Real Estate assets, during the 9M14, it were celebrated sales deeds over a disperse set of assets amounting to 0.87M€.

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

## 4. CORPORATE INFORMATION

### 4.1. CORPORATE INFORMATION 3Q14

There was no corporate information to register.

### 4.2. SUBSEQUENT CORPORATE EVENTS

There were no subsequent corporate events to register.

## 5. METHODOLOGICAL NOTES

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

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

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

## CONTACTS

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# CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2014

SONAE CAPITAL, SGPS, SA

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

(Amounts expressed in euro)

ASSETS	Notes	30.09.2014	31.12.2013
<b>NON-CURRENT ASSETS:</b>			
Tangible assets	8	238,519,783	238,552,228
Intangible assets	8	7,890,827	7,745,826
Goodwill	9	60,990,244	60,982,213
Investments in associated companies	5	17,194,828	12,458,452
Other Investments	6 and 10	35,187,331	39,540,098
Deferred tax assets	14	25,859,453	26,186,529
Other non-current assets	11	20,673,507	19,570,690
Total non-current assets		<u>406,315,973</u>	<u>405,036,036</u>
<b>CURRENT ASSETS:</b>			
Stocks	12	164,200,669	178,930,013
Trade account receivables and other current assets	13	58,207,303	46,472,406
Cash and cash equivalents	15	5,201,020	2,997,963
Total Current Assets		<u>227,608,992</u>	<u>228,400,382</u>
<b>TOTAL ASSETS</b>		<u><u>633,924,965</u></u>	<u><u>633,436,418</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	16	250,000,000	250,000,000
Own Shares	16	(1,486,301)	(1,124,125)
Reserves and retained earnings		56,570,056	68,634,546
Profit/(Loss) for the year attributable to the equity holders of Sonae		(7,930,747)	(13,200,373)
Equity attributable to the equity holders of Sonae Capital		<u>297,153,008</u>	<u>304,310,048</u>
Equity attributable to non-controlling interests	17	9,045,958	8,850,291
<b>TOTAL EQUITY</b>		<u>306,198,966</u>	<u>313,160,339</u>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Loans	18	185,041,297	152,968,701
Other non current liabilities	20	3,146,646	3,256,871
Deferred tax liabilities	14	13,158,137	12,581,859
Provisions	23	3,079,824	3,079,824
Total Non-Current Liabilities		<u>204,425,904</u>	<u>171,887,255</u>
<b>CURRENT LIABILITIES:</b>			
Loans	18	58,384,664	96,050,940
Trade creditors and other current liabilities	22	59,452,177	49,380,171
Provisions	23	5,463,254	2,957,713
Total Current Liabilities		<u>123,300,095</u>	<u>148,388,824</u>
<b>TOTAL LIABILITIES</b>		<u>327,725,999</u>	<u>320,276,079</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>633,924,965</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 NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in euro)

	Notes	30.09.2014	30.09.2013
Sales		65,631,246	43,618,251
Services rendered		66,279,177	54,108,957
Other operating income		8,668,656	5,751,397
Cost of sales		(42,164,098)	(30,637,917)
Changes in stocks of finished goods and work in progress		(14,433,677)	(1,584,388)
External supplies and services		(39,946,484)	(36,997,708)
Staff costs		(25,449,432)	(26,646,362)
Depreciation and amortisation	8	(10,902,965)	(10,002,029)
Provisions and impairment losses		(4,162,028)	(1,577,485)
Other operating expenses		(4,845,897)	(1,559,738)
Operational profit/(loss)		(1,325,502)	(5,527,022)
Financial Expenses		(10,067,045)	(9,242,156)
Financial Income		1,004,311	820,269
Profit/(Loss) in associated and jointly controlled companies	5	4,549,523	3,671,861
Investment income		569,899	575,658
Profit/(Loss) before taxation		(5,268,814)	(9,701,390)
Taxation	26	(2,524,104)	(4,454,804)
Profit/(Loss) for the year	27	(7,792,918)	(14,156,194)
Attributable to:			
Equity holders of Sonae Capital		(7,930,747)	(14,455,259)
Non-controlling interests	17	137,829	299,065
Profit/(Loss) per share			
Basic	28	(0.032212)	(0.058369)
Diluted	28	(0.032212)	(0.058369)

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA  
CONSOLIDATED INCOME STATEMENTS BY NATURE  
FOR THE 3<sup>rd</sup> QUARTERS OF 2014 AND 2013  
(Amounts expressed in euro)

	<u>Notes</u>	<u>3<sup>rd</sup> Quarter 14 <sup>1</sup></u>	<u>3<sup>rd</sup> Quarter 13 <sup>1</sup></u>
Sales		25,887,373	20,485,801
Services rendered		28,444,983	22,642,983
Other operating income		4,411,386	2,266,556
Cost of sales		(18,014,124)	(12,654,518)
Changes in stocks of finished goods and work in progress		(5,677,243)	(2,882,322)
External supplies and services		(15,966,162)	(15,169,006)
Staff costs		(8,664,651)	(8,855,790)
Depreciation and amortisation		(3,851,556)	(3,288,971)
Provisions and impairment losses		(1,658,211)	(992,658)
Other operating expenses		(2,787,283)	(584,216)
Operational profit/(loss)		<u>2,124,512</u>	<u>967,859</u>
Financial Expenses		(3,225,192)	(3,331,423)
Financial Income		270,918	221,659
Profit/(Loss) in associated and jointly controlled companies		1,662,656	1,229,325
Investment income		180,531	62,053
Profit/(Loss) before taxation		<u>1,013,425</u>	<u>(850,527)</u>
Taxation		(1,620,451)	(1,378,840)
Profit/(Loss) for the period		<u>(607,026)</u>	<u>(2,229,367)</u>
Attributable to:			
Equity holders of Sonae Capital		(569,126)	(2,526,127)
Non-controlling interests		<u>(37,900)</u>	<u>296,760</u>
Profit/(Loss) per share			
Basic		(0.002310)	(0.010277)
Diluted		<u>(0.002310)</u>	<u>(0.010277)</u>

The accompanying notes are part of these financial statements.

<sup>1</sup> 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 NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in euro)

	30.09.2014	30.09.2013
Consolidated net profit/(loss) for the period	(7,792,918)	(14,156,194)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	88,286	(150,113)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(292,285)	2,193,407
Change in the fair value of assets available for sale	904,216	1,252,774
Change in the fair value of cash flow hedging derivatives	635,193	906,501
Tax related to other comprehensive income captions	(129,268)	(320,896)
Other comprehensive income for the period	<u>1,206,142</u>	<u>3,881,673</u>
Total comprehensive income for the period	<u>(6,586,776)</u>	<u>(10,274,521)</u>
Attributable to:		
Equity holders of Sonae Capital	(6,754,398)	(10,543,600)
Non-controlling interests	<u>167,622</u>	<u>269,079</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 3<sup>rd</sup> QUARTERS OF 2014 AND 2013  
(Amounts expressed in euro)

	3 <sup>rd</sup> Quarter 14 <sup>1</sup>	3 <sup>rd</sup> Quarter 13 <sup>1</sup>
Consolidated net profit/(loss) for the period	(607,026)	(2,229,367)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	(29,087)	(76,603)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	58,891	488,737
Change in the fair value of assets available for sale	132,076	419,084
Change in the fair value of cash flow hedging derivatives	92,380	192,132
Tax related to other comprehensive income captions	46,895	(104,771)
Other comprehensive income for the period	<u>301,155</u>	<u>918,579</u>
Total comprehensive income for the period	<u><u>(305,871)</u></u>	<u><u>(1,310,788)</u></u>
Attributable to:		
Equity holders of Sonae Capital	(256,623)	(1,587,438)
Non-controlling interests	<u>(49,248)</u>	<u>276,650</u>

The accompanying notes are part of these financial statements.

<sup>1</sup> 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 NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in Euro)

Attributable to Equity Holders of Sonae Capital

	Share Capital	Own Shares	Demerger Reserve (Note 16)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings	Sub total	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
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	-	-	-	(107,609)	1,252,774	893,983	1,872,511	3,911,659	(14,455,259)	(10,543,600)	269,079	(10,274,521)
Appropriation of profit of 2012:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(11,092,003)	(11,092,003)	11,092,003	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)
Acquisition of own shares	-	(501,348)	-	-	-	-	-	-	-	(501,348)	-	(501,348)
Changes in the percentage of capital held in affiliated	-	-	-	-	-	-	750	750	-	750	(750)	-
Other changes	-	-	-	-	-	-	(1,490)	(1,490)	-	(1,490)	(1)	(1,491)
Balance as at 30 September 2013	<u>250,000,000</u>	<u>(766,053)</u>	<u>132,638,253</u>	<u>(119,095)</u>	<u>1,405,856</u>	<u>(1,443,193)</u>	<u>(63,056,736)</u>	<u>69,425,085</u>	<u>(14,455,259)</u>	<u>304,203,773</u>	<u>8,675,967</u>	<u>312,879,740</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	-	-	-	67,320	904,216	626,366	(421,553)	1,176,349	(7,930,747)	(6,754,398)	167,622	(6,586,776)
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	-	-	-	-	-	-	-	-	-	-	677,890	677,890
Other changes	-	-	-	-	-	-	(40,466)	(40,466)	-	(40,466)	82	(40,384)
Balance as at 30 September 2014	<u>250,000,000</u>	<u>(1,486,301)</u>	<u>132,638,253</u>	<u>(122,302)</u>	<u>313,360</u>	<u>(540,488)</u>	<u>(75,718,767)</u>	<u>56,570,056</u>	<u>(7,930,747)</u>	<u>297,153,008</u>	<u>9,045,958</u>	<u>306,198,966</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 NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

(Amounts expressed in Euro)

	Notes	30.09.2014	30.09.2013	3 <sup>rd</sup> Quarter 14 <sup>1</sup>	3 <sup>rd</sup> Quarter 13 <sup>1</sup>
<b>OPERATING ACTIVITIES:</b>					
Cash receipts from trade debtors		134,810,744	99,229,381	55,886,053	47,210,961
Cash receipts from trade creditors		(80,567,933)	(63,807,381)	(25,610,711)	(24,090,777)
Cash paid to employees		(24,729,821)	(25,687,886)	(8,082,947)	(9,024,416)
Cash flow generated by operations		<u>29,512,990</u>	<u>9,734,114</u>	<u>22,192,395</u>	<u>14,095,768</u>
Income taxes (paid) / received		(3,866,108)	(1,483,227)	39,399	382,756
Other cash receipts and (payments) relating to operating activities		<u>(5,174,651)</u>	<u>(2,161,629)</u>	<u>(8,357,629)</u>	<u>(4,057,780)</u>
Net cash flow from operating activities (1)		<u>20,472,231</u>	<u>6,089,258</u>	<u>13,874,165</u>	<u>10,420,744</u>
<b>INVESTMENT ACTIVITIES:</b>					
Cash receipts arising from:					
Investments		8,125,183	12,860,404	8,005,002	2,466,542
Tangible assets		1,083,926	1,092,356	748,163	322,289
Intangible assets		-	9,417	-	-
Interest and similar income		1,243,050	207,082	103,670	176,629
Dividends		<u>868,687</u>	<u>220,681</u>	<u>72,320</u>	<u>62,053</u>
		<u>11,320,846</u>	<u>14,389,940</u>	<u>8,929,155</u>	<u>3,027,513</u>
Cash Payments arising from:					
Investments		(3,341,003)	(69,325)	(16,411)	(41,075)
Tangible assets		(5,196,640)	(4,550,598)	(1,764,143)	(2,149,743)
Intangible assets		(851,121)	(122,850)	(362,328)	(58,246)
Loans granted		<u>(969,509)</u>	<u>(476,203)</u>	<u>(32,583)</u>	<u>(10,318)</u>
		<u>(10,358,273)</u>	<u>(5,218,976)</u>	<u>(2,175,465)</u>	<u>(2,259,382)</u>
Net cash used in investment activities (2)		<u>962,573</u>	<u>9,170,964</u>	<u>6,753,690</u>	<u>768,131</u>
<b>FINANCING ACTIVITIES:</b>					
Cash receipts arising from:					
Loans obtained		71,151,000	23,706,279	6,951,800	5,325,801
Capital increases, additional paid in capital and share premiums		25,393	-	25,393	-
Sale of own shares		<u>42,606</u>	-	-	-
		<u>71,218,999</u>	<u>23,706,279</u>	<u>6,977,193</u>	<u>5,325,801</u>
Cash Payments arising from:					
Loans obtained		(77,607,469)	(26,885,100)	(39,068,286)	(12,938,138)
Interest and similar charges		(11,510,973)	(10,652,947)	(4,774,082)	(4,021,752)
Reimbursement of capital and paid in capital		(28,385)	-	-	-
Dividends		(1,597,370)	(300,000)	(593,336)	(300,000)
Purchase of own shares		<u>(404,783)</u>	<u>(501,348)</u>	-	<u>(240,668)</u>
		<u>(91,148,980)</u>	<u>(38,339,395)</u>	<u>(44,435,704)</u>	<u>(17,500,558)</u>
Net cash used in financing activities (3)		<u>(19,929,981)</u>	<u>(14,633,116)</u>	<u>(37,458,511)</u>	<u>(12,174,757)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>1,504,823</u>	<u>627,106</u>	<u>(16,830,656)</u>	<u>(985,882)</u>
Effect of foreign exchange rate		<u>(32,761)</u>	<u>48,462</u>	<u>(17,938)</u>	<u>38,603</u>
Cash and cash equivalents at the beginning of the period	15	<u>2,922,307</u>	<u>2,609,152</u>	<u>21,272,609</u>	<u>4,212,281</u>
Cash and cash equivalents at the end of the period	15	<u>4,459,891</u>	<u>3,187,796</u>	<u>4,459,891</u>	<u>3,187,796</u>

The accompanying notes are part of these financial statements.

<sup>1</sup> Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited.

The Board of Directors

# SONAE CAPITAL, SGPS, SA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

(Translation from the Portuguese Original)

(Amounts expressed in Euro)

## 1. INTRODUCTION

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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

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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

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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 September 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 September 2014 and 31 December 2013, are as follows:

Company	Head Office	Percentage of capital held			
		30 September 2014		31 December 2013	
		Direct	Total	Direct	Total
<b>Sonae Capital SGPS, SA</b>	Maia	Holding	Holding	Holding	Holding
<b>Tourism</b>					
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%	-	-
9)	Companhia Térmica do Serrado ACE	a)	Maia	70.00%	70.00%	-	-
2)	Companhia Térmica Tagol, Lda	a)	Oeiras	100.00%	100.00%	-	-
2)	C.T.E. - Central Termoeléctrica, Lda	a)	Maia	100.00%	100.00%	-	-
	Ecociclo II - Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2)	Enerlousado - Recursos Energéticos, Lda	a)	Maia	100.00%	100.00%	-	-
	Integrum Colombo - Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
3)	Integrum ACE, SA	a)	Maia	100.00%	100.00%	-	-
	Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
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)	Spinarq-Engenharia, Energia e Ambiente, SA	a)	Luanda (Angola)	99.90%	99.90%	99.90%	99.90%
8)	Spinarq-Moçambique, Lda	a)	Maputo (Mozambique)	70.00%	70.00%	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%
	Imoponte-Soc.Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosedas-Imobiliária e Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Implantação - Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Martimope - Empreendimentos Turisticos, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Porturbe-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%
	<b>Others</b>						
	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;
- 9) Company acquired in September 2014.

## 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 September 2014 and 31 December 2013 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		30 September 2014		31 December 2013		30 September 2014	31 December 2013
		Direct	Total	Direct	Total		
<b>Other Assets</b>							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	102,456	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%	846,752	690,582
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	15,425,675	11,386,011
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
<b>Energy</b>							
2) Feneralt - Produção de Energia, ACE	Barcelos	25.00%	25.00%	-	-	107,255	-
2) Powercer - Sociedade de Cogeração da Vialonga, SA	Lisbon	30.00%	30.00%	-	-	688,690	-
<b>Total</b>						<b>17,194,828</b>	<b>12,458,452</b>

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

	30 September 2014	31 December 2013
Total Assets	108,315,155	668,902,549
Total Liabilities	588,533,246	590,182,432
Income	108,315,155	128,281,701
Expenses	92,533,372	112,365,691

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

	30 September 2014	30 September 2013
Opening balance as at 1 January	12,490,395	4,697,978
Acquisitions in the period	1,249,300	37,000
Disposals in the period	-	-
Equity method	3,513,562	5,865,268
Dividends received	(26,486)	-
Change in the consolidation method	-	-
Closing balance as at 30 September	17,226,771	10,600,246
Accumulated impairment losses	(31,943)	(31,943)
	<u>17,194,828</u>	<u>10,568,303</u>

The use of the equity method had the following impacts: 3,779,361 euro recorded on share of results of associated undertakings (3,671,861 euro at 30 September 2013), and -292,285 euro in changes in reserves (2,193,407 euro at 30 September 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 September 2014 and 31 December 2013 are made up as follows:

Company	Head Office	Percentage of capital held				30 September	31 December 2013
		30 September 2014		31 December 2013			
		Direct	Total	Direct	Total		
<b>Tourism</b>							
Infratroia - Emp. de Infraest. de Troia, E.N.	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
<b>Other Assets</b>							
Fundo de Investimento Imobiliário Fechado Imosedo	Maia	25.85%	25.85%	25.85%	25.85%	34,558,205	38,654,123
Fundo de Investimento Imobiliário Imosonaes Dois	Maia	0.06%	0.06%	0.06%	0.06%	124,892	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						178,313	435,204
Total (Note 10)						35,187,331	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 do Serrado ACE	Maia	70.00%	70.00%
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 nine month period ended 30 September 2014 had the following impact in the consolidated financial statements:

	Acquisition Date	30 September 2014
Net assets acquired		
Tangible and intangible assets	6,315,082	5,177,148
Other assets	10,235,315	6,755,810
Cash and cash equivalents	6,318,519	1,268,335
Other liabilities	(14,326,852)	(9,432,278)
	<u>8,542,064</u>	<u>3,769,014</u>
Goodwill (Note 9)	8,031	
Gain in acquisition	<u>279,690</u>	
Acquisition price	<u>8,270,405</u>	
Payments made	<u>8,270,405</u>	
Net cash flow from the acquisition		
Payments made	8,270,405	
Cash and equivalents acquired	<u>(6,318,519)</u>	
	<u>1,951,886</u>	

## 8. TANGIBLE AND INTANGIBLE ASSETS

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

	Tangible Assets				
	Land and Buildings	Equipment	Other Tangible Assets	Tangible Assets in progress	Total Tangible Assets
<b>Gross Cost:</b>					
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	24,542,530	248,629	-	26,431,850
Capital expenditure	348,594	203,758	13,387	4,318,344	4,884,083
Disposals	(3,919,745)	(1,570,380)	(10,293)	-	(5,500,418)
Exchange rate effect	-	52,377	5,450	-	57,827
Transfers	(86,418)	9,745,912	44,155	(9,674,868)	28,781
Closing balance as at 30 September 2014	<u>222,664,601</u>	<u>179,688,805</u>	<u>2,218,030</u>	<u>10,685,838</u>	<u>415,257,274</u>
<b>Accumulated depreciation and impairment losses</b>					
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	18,628,133	178,843	-	20,226,518
Charges for the period 1)	2,136,001	8,441,523	62,870	-	10,640,394
Disposals	(3,498,755)	(1,322,511)	(10,224)	-	(4,831,490)
Exchange rate effect	-	27,878	2,347	-	30,225
Transfers	(80,618)	(50,276)	(185)	-	(131,079)
Closing balance as at 30 September 2014	<u>86,353,285</u>	<u>88,607,963</u>	<u>1,776,243</u>	<u>-</u>	<u>176,737,491</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 September 2014	<u>136,311,316</u>	<u>91,080,842</u>	<u>441,787</u>	<u>10,685,838</u>	<u>238,519,783</u>

1) Includes impairment losses amounting to 261.520 euro (229,832 euro at December 2013)

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

	30 September 2014	31 December 2013
Tróia	8,202,450	7,322,147
Photovoltaic Project	24,585	7,412,790
Others	2,458,803	1,307,425
	<u>10,685,838</u>	<u>16,042,362</u>

	Intangible Assets				Total Intangible Assets
	Patents and other similar rights	Software	Other Intangible Assets	Intangible Assets in progress	
<b>Gross Cost:</b>					
Opening balance as at 1 January 2014	7,834,037	2,211,797	9,422	435,656	10,490,912
Changes in consolidation perimeter	-	-	208,361	-	208,361
Capital expenditure	-	8,776	171,855	413,595	594,226
Disposals	-	(43,550)	(163,541)	-	(207,091)
Exchange rate effect	-	1,639	-	-	1,639
Transfers	1,659	637,215	124,960	(659,619)	104,215
Closing balance as at 30 September 2014	<u>7,835,696</u>	<u>2,815,877</u>	<u>351,057</u>	<u>189,632</u>	<u>11,192,262</u>
<b>Accumulated depreciation and impairment losses</b>					
Opening balance as at 1 January 2014	1,207,452	1,528,846	8,788	-	2,745,086
Changes in consolidation perimeter	-	-	98,610	-	98,610
Charges for the period	146,020	377,393	475	-	523,888
Disposals	-	(43,548)	-	-	(43,548)
Exchange rate effect	-	1,054	-	-	1,054
Transfers	(23,655)	-	-	-	(23,655)
Closing balance as at 30 September 2014	<u>1,329,817</u>	<u>1,863,745</u>	<u>107,873</u>	<u>-</u>	<u>3,301,435</u>
Carrying amount as at 1 January 2014	<u>6,626,585</u>	<u>682,951</u>	<u>634</u>	<u>435,656</u>	<u>7,745,826</u>
Carrying amount as at 30 September 2014	<u>6,505,879</u>	<u>952,132</u>	<u>243,184</u>	<u>189,632</u>	<u>7,890,827</u>

As at September 2014 net assets of Marina de Tróia amount to 6,031,207 euro (6,141,720 euro at 31 December 2013).

## 9. GOODWILL

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

	30 September 2014	31 December 2013
<b>Gross amount:</b>		
Opening balance	62,283,809	62,290,239
Increases - acquisition of affiliated companies	8,031	-
Decreases - disposals of affiliated companies	-	(6,430)
Closing balance	<u>62,291,840</u>	<u>62,283,809</u>
<b>Accumulated impairment losses:</b>		
Opening balance	1,301,596	1,301,596
Closing balance	<u>1,301,596</u>	<u>1,301,596</u>
		-
<b>Total</b>	<u>60,990,244</u>	<u>60,982,213</u>

## 10. OTHER INVESTMENTS

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

	30 September 2014		31 December 2013	
	Non current	Current	Non current	Current
<b><u>Investments at acquisition cost</u></b>				
Opening balance as at 1 January	8,071,101	-	8,223,418	-
Acquisitions in the period	14,601	-	122	-
Disposals in the period	(7,499,512)	-	(152,525)	-
Transfers	-	-	86	-
Closing balance as at 30 September	586,190	-	8,071,101	-
Accumulated impairment losses (Note 23)	(258,264)	-	(7,707,935)	-
	<u>327,926</u>	<u>-</u>	<u>363,166</u>	<u>-</u>
<b><u>Investments held for sale</u></b>				
Fair value as at 1 January	39,305,931	-	49,938,723	-
Acquisitions in the period	-	-	-	-
Disposals in the period	(5,221,742)	-	(9,919,661)	-
Increase/(Decrease) in fair value	904,216	-	(713,131)	-
Fair value as at 30 September	<u>34,988,404</u>	<u>-</u>	<u>39,305,931</u>	<u>-</u>
Accumulated impairment losses (Note 23)	(128,999)	-	(128,999)	-
Fair value (net of impairment losses) as at 30 September	<u>34,859,405</u>	<u>-</u>	<u>39,176,932</u>	<u>-</u>
	<u>35,187,331</u>	<u>-</u>	<u>39,540,098</u>	<u>-</u>

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

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

These investments are recorded at acquisition cost less impairment losses.



## 11. OTHER NON-CURRENT ASSETS

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

	30 September 2014	31 December 2013
<b>Loans granted to related parties</b>		
Norscut - Concessionária de Scut Interior Norte, SA	18,647,695	17,740,756
Others	754,075	691,505
	<u>19,401,770</u>	<u>18,432,261</u>
Impairment losses (Note 23)	(34,916)	(34,916)
	<u>19,366,854</u>	<u>18,397,345</u>
<b>Trade accounts receivable and other debtors</b>		
Others	1,306,653	1,173,345
Impairment losses (Note 23)	-	-
	<u>1,306,653</u>	<u>1,173,345</u>
<b>Other non current assets</b>	<u>20,673,507</u>	<u>19,570,690</u>

## 12. INVENTORIES

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

	30 September 2014		31 December 2013	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,302,236	-	1,162,725	-
Goods for sale	31,280,846	29,892,598	32,155,488	30,045,640
Finished goods	56,297,024	56,297,024	68,373,552	68,373,552
Work in progress	78,765,781	76,628,201	80,964,110	77,147,748
	<u>167,645,887</u>	<u>162,817,823</u>	<u>182,655,875</u>	<u>175,566,940</u>
Accumulated impairment losses on stocks (Note 23)	(3,445,218)	(3,434,621)	(3,725,862)	(3,434,621)
	<u>164,200,669</u>	<u>159,383,202</u>	<u>178,930,013</u>	<u>172,132,319</u>

### 13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

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

	<u>30 September 2014</u>	<u>31 December 2013</u>
Trade accounts receivable	31,242,837	26,911,545
Accumulated impairment losses on trade debtors (Note 23)	(4,613,266)	(6,039,005)
	<u>26,629,571</u>	<u>20,872,540</u>
Taxes recoverable	14,141,401	12,841,371
Loans granted to and other amounts to be received from related parties	26,623	70,058
Other current assets		
Suppliers with a debtor balance	797,440	850,602
Other debtors	10,517,404	10,923,538
Accounts receivable from the sale of financial investments	2,103,910	4,804,214
Accounts receivable from the sale of tangible assets	29,504	9,678
Interest receivable	737,739	965,460
Deferred costs - Rents	338,560	264,345
Deferred costs - External supplies and services	1,468,082	895,653
Other current assets	7,743,773	1,681,955
	<u>23,736,412</u>	<u>20,395,445</u>
Accumulated impairment losses on other current assets (Note 23)	(6,326,704)	(7,707,008)
Trade accounts receivable and other current assets	<u><u>58,207,303</u></u>	<u><u>46,472,406</u></u>

## 14. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 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 September 2014	31 December 2013	30 September 2014	31 December 2013
Amortisation and Depreciation harmonisation adjustments	847,009	884,314	3,268,769	2,783,003
Provisions and impairment losses of non-tax deductible	8,912,229	8,934,857	-	-
Write off of tangible and intangible assets	139,494	325,774	-	-
Write off of accruals	38,303	126,853	-	-
Revaluation of tangible assets	-	-	102,697	103,166
Tax losses carried forward	15,845,567	15,843,605	-	-
Financial instruments	-	-	1,419,686	1,276,624
Write off of stocks	-	-	906,974	931,724
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	7,141,626	7,150,724
Others	76,851	71,126	318,385	336,618
	<u>25,859,453</u>	<u>26,186,529</u>	<u>13,158,137</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 September 2014 and 31 December 2013, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 September 2014			31 December 2013		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
<b>With limited time use</b>						
Generated in 2008	754,049	173,431	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	2,245,419	516,446	2014	18,328,751	4,215,613	2014
Generated in 2011	17,938,869	4,125,940	2015	17,938,869	4,125,940	2015
Generated in 2012	16,006,259	3,681,440	2017	16,006,259	3,681,440	2017
Generated in 2013	9,134,645	2,100,968	2018	9,126,112	2,099,006	2018
Generated in 2014	16,434,622	3,779,963	2026	-	-	
	<u>68,893,770</u>	<u>15,845,567</u>		<u>68,885,239</u>	<u>15,843,605</u>	
<b>With a time limit different from the above mentioned</b>						
	-	-		-	-	
	<u>68,893,770</u>	<u>15,845,567</u>		<u>68,885,239</u>	<u>15,843,605</u>	

As at 30 September 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. This assessment was based in the Group business plans which are regularly updated.

As at 30 September 2014, tax losses carried forward amounting to 194,186,316 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 September 2014			31 December 2013		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
<b>With limited time use</b>						
Generated in 2008	32,809,905	7,546,278	2014	33,053,902	7,602,397	2014
Generated in 2009	35,674,539	8,205,144	2015	35,694,882	8,209,823	2015
Generated in 2010	32,477,235	7,469,764	2014	16,443,812	3,782,077	2014
Generated in 2011	17,563,037	4,039,498	2015	18,024,594	4,145,657	2015
Generated in 2012	19,461,343	4,476,109	2017	19,508,597	4,486,977	2017
Generated in 2013	37,067,762	8,525,586	2018	36,378,392	8,367,030	2018
Generated in 2014	60,737	13,969	2026	-	-	
	<u>175,114,558</u>	<u>40,276,348</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	19,071,758	5,449,287		14,997,872	4,318,664	
	<u>19,071,758</u>	<u>5,449,287</u>		<u>16,184,587</u>	<u>4,714,196</u>	
	<u>194,186,316</u>	<u>45,725,635</u>		<u>175,288,767</u>	<u>41,308,157</u>	

## 15. CASH AND CASH EQUIVALENTS

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

	30 September 2014	31 December 2013
Cash at hand	79,638	84,252
Bank deposits	5,112,677	2,901,739
Treasury applications	8,705	11,972
Cash and cash equivalents on the balance sheet	<u>5,201,020</u>	<u>2,997,963</u>
Bank overdrafts - (Note 18)	(741,129)	(75,657)
Cash and cash equivalents in the statement of cash-flows	<u>4,459,891</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

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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 September 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

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

	30 September 2014	31 December 2013
Opening balance as at 1 January	8,850,291	8,707,639
Changes in hedging reserves	8,827	16,215
Changes in the percentage of capital held in affiliated companies	677,890	548,518
Changes resulting from currency translation	20,966	(68,547)
Dividends paid	(649,927)	(304,254)
Others	82	-
Profit for the period attributable to minority interests	137,829	(49,280)
<b>Closing balance</b>	<b>9,045,958</b>	<b>8,850,291</b>

## 18. BORROWINGS

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

	30 September 2014		31 December 2013		Repayable on
	Outstanding amount		Outstanding amount		
	Current	Non Current	Current	Non Current	
<b>Bank loans</b>					
Sonae Capital SGPS - commercial paper <sup>a)</sup>	28,050,000	-	75,000,000	-	Mar/2018
Sonae Capital SGPS - commercial paper <sup>d)</sup>	8,250,000	-	8,250,000	-	Jan/2015
Sonae Capital SGPS - commercial paper <sup>b)</sup>	-	10,950,000	-	12,650,000	Aug/2016
Sonae Capital SGPS - commercial paper <sup>c)</sup>	-	30,000,000	-	30,000,000	Dec/2017
Sonae Capital SGPS - commercial paper <sup>f)</sup>	3,500,000	6,500,000	-	-	May/2017
Sonae Capital SGPS - commercial paper <sup>g)</sup>	8,000,000	-	-	-	Feb/2016
Sonae Capital SGPS <sup>e)</sup>	3,290,000	13,160,000	7,000,000	24,000,000	Sep/2019
Up-front fees	-	(418,838)	-	(552,029)	
Others	2,376,159	2,866,922	2,080,029	2,863,444	
	<u>53,466,159</u>	<u>63,058,084</u>	<u>92,330,029</u>	<u>68,961,416</u>	
Bank overdrafts (Note 15)	741,129	-	75,657	-	
<b>Bank loans</b>	<u>54,207,288</u>	<u>63,058,084</u>	<u>92,405,686</u>	<u>68,961,416</u>	
<b>Bond Loans</b>					
Sonae Capital 2011/2016 Bonds	-	10,000,000	-	10,000,000	Jan/2016
Sonae Capital 2014/2019 Bonds	-	50,000,000	-	-	Jun/2019
SC, SGPS, S.A. 2008/2018 Bonds	-	42,500,000	-	50,000,000	Mar/2018
Up-front fees	-	(662,741)	-	(226,532)	
<b>Bond Loans</b>	<u>-</u>	<u>101,837,259</u>	<u>-</u>	<u>59,773,468</u>	
<b>Other loans</b>	686,968	585,352	686,968	1,116,336	
Derivatives (Note 19)	643,513	-	101,543	1,433,909	
Obligations under finance leases	2,846,895	19,652,745	2,856,743	21,785,159	
Up-front fees on finance leases	-	(92,144)	-	(101,587)	
	<u>58,384,664</u>	<u>185,041,297</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 till September 2019, with quarter 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 September 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 bank and bond loans in force on 30 September 2014 was on average 3.087%.

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 September 2014		31 December 2013	
	Nominal value	Interest	Nominal value	Interest
N+1 <sup>a)</sup>	57,741,151	7,841,613	95,949,397	8,582,090
N+2	24,775,799	5,255,321	11,417,824	6,548,639
N+3	13,750,045	4,611,559	25,082,672	4,290,860
N+4	90,372,434	2,836,658	47,689,566	2,861,554
N+5	49,239,157	2,179,921	57,636,739	2,140,898
After N+5	8,077,585	268,115	10,588,138	415,871
	<u>243,956,171</u>	<u>22,993,187</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, 72% 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 September 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 643,513 euro (1,535,452 euro at 31 December 2013) is recorded as liabilities. As at 30 September 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 September 2014	31 December 2013	30 September 2014	31 December 2013
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 18)	-	-	643,513	1,535,452
Other derivatives	-	-	-	-
	<u>-</u>	<u>-</u>	<u>643,513</u>	<u>1,535,452</u>



## 20. OTHER NON-CURRENT LIABILITIES

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

	30 September 2014	31 December 2013
<b>Loans and other amounts payable to related parties</b>		
Plaza Mayor Parque de Ocio, SA	2,036,779	2,092,131
Others	216,645	216,645
	<u>2,253,424</u>	<u>2,308,776</u>
<b>Other creditors</b>		
Creditors in the restructuring process of Torralta	534,454	456,039
	<u>534,454</u>	<u>456,039</u>
<b>Deferred income</b>	-	-
Obligations by share-based payments (Note 21)	358,768	492,056
	<u>358,768</u>	<u>492,056</u>
<b>Other non current liabilities</b>	<u>3,146,646</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 September 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 September 2014	31 December 2013
<b>Shares</b>					
	2011	2014	2	-	106,579
	2012	2015	7	420,897	467,581
	2013	2016	8	523,829	535,181
	2014	2017	7	189,507	-
<b>Total</b>				<u>1,134,233</u>	<u>1,109,341</u>

As at 30 September 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 September 2014	31 December 2013
Other non current liabilities (Note 20)	358,768	492,056
Other current liabilities	380,483	106,579
Reserves	391,028	110,935
Staff Costs	348,223	487,700

## 22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

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

	30 September 2014	31 December 2013
Trade creditors	19,154,899	15,756,800
	837,811	107,740
Loans granted by and other payables to related parties		
Other current liabilities		
Fixed assets suppliers	1,259,516	2,494,318
Advances from customers and down payments	4,064,510	3,203,979
Other creditors	1,762,847	1,197,491
Taxes and contributions payable	6,687,959	7,007,231
Staff costs	6,181,301	5,610,334
Deferred income for services rendered	1,355,082	2,777,135
Interest payable	1,430,475	1,339,963
Investment aid	1,642,221	1,604,523
Other liabilities	15,075,556	8,280,657
	39,459,467	33,515,631
Trade accounts payable and other current liabilities	59,452,177	49,380,171

## 23. PROVISIONS AND ACUMULATED IMPAIRMENT LOSSES

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

Captions	Balance as at 1 January 2014	Increases	Decreases	Utilisations	Balance as at 30 September 2014
<b>Accumulated impairment losses on:</b>					
Other Investments (Notes 5 and 10)	7,868,876	-	-	(7,449,670)	419,206
Other non current assets (Note 11)	34,916	-	-	-	34,916
Trade accounts receivable (Note 13)	6,039,005	634,994	(367,528)	(1,693,205)	4,613,266
Other current assets (Note 13)	7,707,009	30,344	(34,543)	(1,376,106)	6,326,704
Stocks (Note 12)	3,725,862	-	(280,644)	-	3,445,218
<b>Non current provisions</b>	<b>3,079,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,079,824</b>
<b>Current provisions</b>	<b>2,957,712</b>	<b>3,650,098</b>	<b>(309,448)</b>	<b>(835,108)</b>	<b>5,463,254</b>
	<b>31,413,204</b>	<b>4,315,436</b>	<b>(992,163)</b>	<b>(11,354,089)</b>	<b>23,382,388</b>

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

	30 September 2014	31 December 2013
Judicial claims	1,740,595	1,824,313
Others	6,802,483	4,213,223
	<b>8,543,078</b>	<b>6,037,537</b>

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

## 24. CONTINGENT ASSETS AND LIABILITIES

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

	30 September 2014	31 December 2013
Guarantees given:		
on VAT reimbursements	5,065,159	5,065,159
on tax claims	6,880,883	4,015,535
on municipal claims	1,134,224	2,884,505
Others	18,501,767	14,905,311

Others include the following guarantees:

- 11,658,308 euro as at 30 September 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 September 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 September 2014	30 September 2013	30 September 2014	30 September 2013
Parent company (a)	-	-	-	-
Associated companies	209,830	-	20,037	-
Other partners and Group companies (b)	23,200,960	22,560,604	4,275,308	5,396,925
	<u>23,410,790</u>	<u>22,560,604</u>	<u>4,295,345</u>	<u>5,396,925</u>

<u>Transactions</u>	Interest income		Interest expenses	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Parent company (a)	-	-	-	-
Associated companies	763,779	702,855	-	459,982
Other partners and Group companies (b)	-	-	96,200	-
	<u>763,779</u>	<u>702,855</u>	<u>96,200</u>	<u>459,982</u>

<u>Balances</u>	Accounts receivable		Accounts payable	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Parent company (a)	-	-	-	-
Associated companies	971,117	937,076	4,187	1,812
Other partners and Group companies (b)	12,400,387	8,463,343	3,455,764	2,415,720
	<u>13,371,504</u>	<u>9,400,419</u>	<u>3,459,951</u>	<u>2,417,532</u>

<u>Balances</u>	Loans obtained		Loans granted	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Parent company (a)	-	-	-	-
Associated companies	-	-	19,366,854	18,397,346
Other partners and Group companies (b)	2,036,779	2,092,131	-	-
	<u>2,036,779</u>	<u>2,092,131</u>	<u>19,366,854</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

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Current tax	1,749,195	4,970,500
Deferred tax	774,909	(515,696)
<b>Taxation</b>	<u><u>2,524,104</u></u>	<u><u>4,454,804</u></u>

## 27. RECONCILIATION OF CONSOLIDATED NET PROFIT

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Aggregate net profit	4,627,335	(4,049,943)
Harmonisation adjustments	(750,314)	(888,816)
Elimination of intragroup dividends	(27,729,470)	(16,419,321)
Share of gains/(losses) of associated undertakings	3,779,361	3,671,861
Elimination of intragroup capital gains/(losses)	11,590,777	(4,257)
Elimination of intragroup impairment	(920,029)	3,792
Adjustments of gains/(losses) on assets disposals	-	-
Adjustments of gains/(losses) of financial shareholdings sale	1,329,732	3,530,490
Others	279,690	-
<b>Consolidated net profit for the year</b>	<u><u>(7,792,918)</u></u>	<u><u>(14,156,194)</u></u>

## 28. EARNINGS PER SHARE

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

	30 September 2014	30 September 2013
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period )	(7,930,747)	(14,455,259)
Net profit taken into consideration to calculate diluted earnings per share	(7,930,747)	(14,455,259)
<b>Number of shares</b>		
Weighted average number of shares used to calculated basic earnings per share	246,204,451	247,652,318
Weighted average number of shares used to calculated diluted earnings per share	246,204,451	247,652,318
<b>Earnings per share (basic and diluted)</b>	<u>(0.032212)</u>	<u>(0.058369)</u>

## 29. SEGMENT INFORMATION

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In 30 September 2014 and 30 September 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 September 2014 and 2013 can be detailed as follows:

30 September 2014

Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Resorts	24,266,354	8,279,847	3,910,867	36,457,068	3,643,507
Hotels	35,173	12,714,862	360,357	13,110,392	(2,726,393)
Fitness	153,690	10,021,258	370,067	10,545,015	1,033,179
Other	-	673,418	542,610	1,216,028	502,863
Intersegment Adjustments	(545)	(2,519,757)	(759,446)	(3,279,748)	16,466
<b>Tourism</b>	<b>24,454,672</b>	<b>29,169,628</b>	<b>4,424,455</b>	<b>58,048,755</b>	<b>2,469,622</b>
<b>Energy</b>	<b>33,168,685</b>	<b>355,570</b>	<b>1,272,719</b>	<b>34,796,974</b>	<b>7,021,934</b>
<b>Refrigeration and HVAC</b>	<b>6,434,931</b>	<b>36,401,655</b>	<b>753,638</b>	<b>43,590,224</b>	<b>(629,180)</b>
Real Estate Assets	627,261	5,433,364	265,599	6,326,224	2,770,561
Financial Assets	-	-	8,562	8,562	(330,212)
Intersegment Adjustments	-	-	-	-	-
<b>Total Other Assets</b>	<b>627,261</b>	<b>5,433,364</b>	<b>274,161</b>	<b>6,334,786</b>	<b>2,440,349</b>
<b>Holding &amp; Others</b>	<b>-</b>	<b>4,678,673</b>	<b>45,321</b>	<b>4,723,994</b>	<b>(1,323,445)</b>
<b>Discontinued Operations</b>	<b>1,554,845</b>	<b>233,322</b>	<b>170,512</b>	<b>1,958,679</b>	<b>(212,292)</b>
Intersegment Adjustments	(609,148)	(9,993,035)	1,727,850	(8,874,333)	(20,650)
<b>Consolidated</b>	<b>65,631,246</b>	<b>66,279,177</b>	<b>8,668,656</b>	<b>140,579,079</b>	<b>9,746,338</b>

30 September 2013

Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Resorts	8,505,785	7,450,502	1,263,460	17,219,747	907,810
Hotels	41,317	11,760,831	446,310	12,248,458	(2,981,966)
Fitness	112,548	8,245,396	426,692	8,784,636	244,943
Other	-	880,297	232,672	1,112,969	178,389
Intersegment Adjustments	(525)	(2,701,961)	(743,472)	(3,445,958)	6,159
<b>Tourism</b>	<b>8,659,125</b>	<b>25,635,065</b>	<b>1,625,662</b>	<b>35,919,852</b>	<b>(1,644,665)</b>
<b>Energy</b>	<b>10,111,447</b>	<b>106,103</b>	<b>262,657</b>	<b>10,480,207</b>	<b>2,541,225</b>
<b>Refrigeration and HVAC</b>	<b>21,397,124</b>	<b>24,262,240</b>	<b>835,424</b>	<b>46,494,788</b>	<b>2,564,568</b>
Real Estate Assets	219,858	5,503,813	120,706	5,844,377	3,069,165
Financial Assets	744	25,332	626,371	652,447	(82,678)
Intersegment Adjustments	-	-	-	-	-
<b>Total Other Assets</b>	<b>220,602</b>	<b>5,529,145</b>	<b>747,077</b>	<b>6,496,824</b>	<b>2,986,487</b>
<b>Holding &amp; Others</b>	<b>-</b>	<b>4,199,269</b>	<b>91,451</b>	<b>4,290,720</b>	<b>(1,807,921)</b>
<b>Discontinued Operations</b>	<b>5,657,005</b>	<b>3,791,649</b>	<b>487,312</b>	<b>9,935,966</b>	<b>(284,086)</b>
Intersegment Adjustments	(2,427,052)	(9,414,514)	1,701,814	(10,139,751)	(16,934)
<b>Consolidated</b>	<b>43,618,251</b>	<b>54,108,957</b>	<b>5,751,397</b>	<b>103,478,606</b>	<b>4,338,674</b>



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

30 September 2014								
Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Resorts	102,139,111	114,064	133,693,739	235,946,915	136,537,400	1,047,791	16,482,083	16,396,730
Hotels	477,288	9,879	11,365,882	11,853,049	22,046,327	175,046	-	(85,073)
Fitness	9,498,428	21,229	1,965,511	11,485,168	8,869,891	1,077,241	852,679	777,943
Other	258,801	119,875	100,144,920	100,523,597	250,089,871	281,917	(0)	(7,672)
Intersegment Adjustments	-	-	(117,932,402)	(117,932,402)	(117,931,269)	-	-	-
<b>Tourism</b>	<b>112,373,629</b>	<b>265,048</b>	<b>129,237,650</b>	<b>241,876,327</b>	<b>299,612,220</b>	<b>2,581,995</b>	<b>17,334,762</b>	<b>17,081,929</b>
<b>Energy</b>	<b>26,306,693</b>	<b>109,879</b>	<b>18,272,748</b>	<b>44,689,320</b>	<b>43,770,773</b>	<b>994,390</b>	<b>10,856,680</b>	<b>9,544,003</b>
<b>Refrigeration and HVAC</b>	<b>641,852</b>	<b>319</b>	<b>51,304,519</b>	<b>51,946,690</b>	<b>20,636,421</b>	<b>274,078</b>	<b>1,258,169</b>	<b>590,380</b>
Real Estate Assets	106,015,794	15,278,925	104,400,808	225,695,526	150,372,119	1,039,324	172,305	(2,303,772)
Financial Assets	0	17,260,026	43,637,340	60,897,366	18,559,597	-	107,491	93,461
Intersegment Adjustments	-	-	4,711,371	4,711,371	-	-	-	-
<b>Total Other Assets</b>	<b>106,015,794</b>	<b>32,538,950</b>	<b>152,749,519</b>	<b>291,304,263</b>	<b>168,931,716</b>	<b>1,039,324</b>	<b>279,796</b>	<b>(2,210,311)</b>
<b>Holding &amp; Others</b>	<b>1,072,642</b>	<b>19,467,963</b>	<b>418,078,702</b>	<b>438,619,307</b>	<b>230,950,257</b>	<b>596,552</b>	<b>213,696,554</b>	<b>213,287,043</b>
Discontinued Operations	-	-	1,864,769	1,864,769	11,513,034	-	-	(68,103)
Intersegment Adjustments	-	-	(436,375,711)	(436,375,711)	(447,688,422)	-	-	-
<b>Consolidated</b>	<b>246,410,610</b>	<b>52,382,159</b>	<b>335,132,196</b>	<b>633,924,965</b>	<b>327,725,999</b>	<b>5,486,339</b>	<b>243,425,961</b>	<b>238,224,941</b>

31 December 2013								
Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Resorts	105,481,311	162,441	154,102,824	259,746,576	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)	-	-	-
<b>Tourism</b>	<b>115,966,327</b>	<b>531,637</b>	<b>152,606,384</b>	<b>269,104,348</b>	<b>295,716,410</b>	<b>1,294,093</b>	<b>19,601,101</b>	<b>19,373,576</b>
<b>Energy</b>	<b>21,611,730</b>	<b>2,546</b>	<b>7,349,632</b>	<b>28,963,908</b>	<b>25,241,374</b>	<b>4,541,284</b>	<b>10,539,415</b>	<b>10,535,939</b>
<b>Refrigeration and HVAC</b>	<b>374,001</b>	<b>13</b>	<b>46,312,512</b>	<b>46,686,526</b>	<b>15,481,189</b>	<b>38,657</b>	<b>767,756</b>	<b>430,279</b>
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	-	-	-	-
<b>Total Other Assets</b>	<b>107,610,003</b>	<b>32,451,034</b>	<b>158,574,033</b>	<b>298,635,070</b>	<b>181,263,241</b>	<b>531,166</b>	<b>505,494</b>	<b>(779,056)</b>
<b>Holding &amp; Others</b>	<b>735,993</b>	<b>19,013,320</b>	<b>416,120,995</b>	<b>435,870,308</b>	<b>243,563,946</b>	<b>433,778</b>	<b>217,605,606</b>	<b>216,812,506</b>
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)	-	-	-
<b>Consolidated</b>	<b>246,298,054</b>	<b>51,998,550</b>	<b>335,139,814</b>	<b>633,436,418</b>	<b>320,276,079</b>	<b>6,840,333</b>	<b>249,019,641</b>	<b>246,021,678</b>

Net debt of the Holding can be analysed as follows:

	<u>30 September 2014</u>
<b>Inflows</b>	
Gross Bank Debt	213,696,554
Cash and Cash Equivalents	<u>392,016</u>
Net bank debt	213,304,538
Other Assets	<u>9,226,364</u>
Intercompany ST Loans Obtained	<u>9,226,364</u>
<b>Total Inflows</b>	<u><u>222,530,902</u></u>
<b>Outflows</b>	
Tourism	240,412,408
Other Assets	<u>143,782,802</u>
Intercompany Loans Granted	<u><u>384,195,210</u></u>

## 30. SUBSEQUENT EVENTS

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

## 31. APPROVAL OF THE FINANCIAL STATEMENTS

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These consolidated financial statements were approved by the Board of Directors and authorized for issue on 30 October 2014.

The Board of Directors

# INDIVIDUAL FINANCIAL STATEMENTS

30 SEPTEMBER 2014

SONAE CAPITAL SGPS, SA

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

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

(Amounts expressed in euro)

ASSETS	Notes	30 September 2014	31 December 2013
<b>NON CURRENT ASSETS:</b>			
Tangible assets		3,522	4,668
Investments	4	577,699,272	576,779,243
Deferred tax assets	7	4,062,004	407,059
Other non current assets	5	148,750,495	153,051,695
Total Non Current Assets		<u>730,515,293</u>	<u>730,242,665</u>
<b>CURRENT ASSETS:</b>			
Other current assets	6	14,890,997	6,970,428
Cash and cash equivalents	8	391,617	786,250
Total Current Assets		<u>15,282,614</u>	<u>7,756,678</u>
<b>TOTAL ASSETS</b>		<u><b>745,797,907</b></u>	<u><b>737,999,343</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
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		20,409,188	6,081,764
<b>TOTAL EQUITY</b>		<u><b>571,027,352</b></u>	<u><b>550,980,341</b></u>
<b>LIABILITIES:</b>			
<b>NON CURRENT LIABILITIES:</b>			
Bank loans	11	60,235,181	66,148,229
Bonds	11	51,985,322	9,999,265
Other non current liabilities		168,568	167,556
Deferred tax liabilities	7	-	-
Total Non Current Liabilities		<u>112,389,071</u>	<u>76,315,050</u>
<b>CURRENT LIABILITIES</b>			
Suppliers		122,908	229,793
Bank loans	11	51,090,000	90,250,000
Other creditors	12	9,247,021	18,798,082
Other current liabilities	13	1,921,555	1,426,077
Total Current Liabilities		<u>62,381,484</u>	<u>110,703,952</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>745,797,907</b></u>	<u><b>737,999,343</b></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 NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	Notes	30 September 2014	30 September 2013
Operational income			
Other operational income		21,475	14,246
Total operational income		<u>21,475</u>	<u>14,246</u>
Operational expenses			
External supplies and services	14	(331,145)	(1,159,690)
Staff costs	15	(859,642)	(615,931)
Depreciation and amortisation		(2,760)	(1,458)
Other operational expenses		(15,406)	(61,675)
Total operational expenses		<u>(1,208,953)</u>	<u>(1,838,754)</u>
Operational profit/(loss)		<u>(1,187,478)</u>	<u>(1,824,508)</u>
Financial income	16	7,826,161	7,069,062
Financial expenses	16	(7,755,996)	(7,259,190)
Net financial income/(expenses)		<u>70,165</u>	<u>(190,128)</u>
Investment income	16	15,790,815	13,482,306
Profit/(loss) before taxation		<u>14,673,502</u>	<u>11,467,670</u>
Taxation	17	5,735,686	497,492
Profit/(loss) for the period		<u>20,409,188</u>	<u>11,965,162</u>
Profit/(loss) per share			
Basic and diluted	18	0.082895	0.048314

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 SEPTEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	3 <sup>rd</sup> Quarter 2014 (Unaudited)	3 <sup>rd</sup> Quarter 2013 (Unaudited)
Operational income:		
Other operational income	1,138	6,641
Total operational income	1,138	6,641
Operational expenses:		
External supplies and services	(112,271)	(692,570)
Staff costs	(217,868)	(225,186)
Depreciation and amortisation	(1,010)	(875)
Other operational expenses	(3,692)	(36,727)
Total operational expenses	(334,841)	(955,357)
Operational profit/(loss)	(333,703)	(948,716)
Financial income	2,389,703	2,510,101
Financial expenses	(2,517,956)	(2,592,385)
Net financial income/(expenses)	(128,253)	(82,284)
Investment income	144,860	369,180
Profit/(loss) before taxation	(317,096)	(661,820)
Taxation	1,277,235	527,369
Profit/(loss) for the period	960,139	(134,451)
Profit/(loss) per share		
Basic and diluted	0.003900	(0.000542)

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	<u>30 September 2014</u>	<u>30 September 2013</u>
Net profit for the period	20,409,188	11,965,162
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>20,409,188</u>	<u>11,965,162</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 SEPTEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	<u>3<sup>rd</sup> Quarter 2014</u> <u>(Unaudited)</u>	<u>3<sup>rd</sup> Quarter 2013</u> <u>(Unaudited)</u>
Net profit for the period	960,139	(134,451)
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>960,139</u>	<u>(134,451)</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 NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	-	-	11,965,162	11,965,162
Appropriation of profits 2012							
Transfer to legal reserve and retained earnings	-	-	-	(995,091)	(995,091)	995,091	-
Acquisition/(disposal) of own shares	-	(501,348)	-	-	-	-	(501,348)
Balance as at 30 September 2013	<u>250,000,000</u>	<u>(766,053)</u>	<u>8,307,376</u>	<u>287,715,325</u>	<u>296,022,701</u>	<u>11,965,162</u>	<u>557,221,810</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	-	-	-	-	-	20,409,188	20,409,188
Appropriation of profits 2013							
Transfer to other reserves and legal reserve	-	-	304,088	5,777,676	6,081,764	(6,081,764)	-
Acquisition/(disposal) of own shares	-	(362,177)	-	-	-	-	(362,177)
Balance as at 30 September 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>20,409,188</u>	<u>571,027,352</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 NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	30 September 2014	30 September 2013
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	403,094	1,219,298
Cash paid to employees	541,811	552,464
Cash flow generated by operations	<u>(944,905)</u>	<u>(1,771,762)</u>
Income taxes (paid)/received	(836,509)	(175,402)
Other cash receipts/(payments) relating to operating activities	<u>(367,240)</u>	<u>(660,495)</u>
Net cash flow from operating activities [1]	<u>(475,636)</u>	<u>(2,256,855)</u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	10,112,082	8,962,910
Dividends	14,870,786	12,355,245
Loans granted	<u>42,368,634</u>	<u>12,543,787</u>
	<u>67,351,502</u>	<u>33,861,942</u>
Cash payments arising from:		
Tangible assets	1,614	7,000
Loans granted	<u>46,758,409</u>	<u>19,599,500</u>
	<u>46,760,023</u>	<u>19,606,500</u>
Net cash flow from investment activities [2]	<u>20,591,479</u>	<u>14,255,442</u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Sale of own shares	42,606	-
Loans obtained	<u>71,000,000</u>	<u>19,600,000</u>
	<u>71,042,606</u>	<u>19,600,000</u>
Cash Payments arising from:		
Interest and similar costs	7,878,493	7,316,483
Acquisition of own shares	404,783	501,348
Loans obtained	<u>83,269,806</u>	<u>23,804,800</u>
	<u>91,553,082</u>	<u>31,622,631</u>
Net cash flow from financing activities [3]	<u>(20,510,476)</u>	<u>(12,022,631)</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	<u>(394,633)</u>	<u>(24,044)</u>
Cash and cash equivalents at the beginning of the period	8 786,250	373,019
Cash and cash equivalents at the end of the period	8 <u>391,617</u>	<u>348,975</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 SEPTEMBER 2014 AND 2013

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

(Amounts expressed in euro)

	3 <sup>rd</sup> Quarter 2014 (Unaudited)	3 <sup>rd</sup> Quarter 2013 (Unaudited)
<b><u>OPERATING ACTIVITIES</u></b>		
Cash paid to trade creditors	12,318	713,694
Cash paid to employees	33,187	195,863
Cash flow generated by operations	<u>(45,505)</u>	<u>(909,557)</u>
Income taxes (paid)/received	(837,736)	(175,912)
Other cash receipts/(payments) relating to operating activities	<u>(407,067)</u>	<u>(232,259)</u>
Net cash flow from operating activities [1]	<u><u>385,164</u></u>	<u><u>(965,904)</u></u>
<b><u>INVESTMENT ACTIVITIES</u></b>		
Cash receipts arising from:		
Investments	-	-
Interest and similar income	5,132,879	3,911,725
Dividends	-	-
Others	-	-
Loans granted	<u>27,410,700</u>	<u>12,543,787</u>
	<u>32,543,579</u>	<u>16,455,512</u>
Cash payments arising from:		
Investments	-	-
Tangible assets	1,614	-
Loans granted	<u>17,043,795</u>	<u>6,399,300</u>
	<u>17,045,409</u>	<u>6,399,300</u>
Net cash flow from investment activities [2]	<u><u>15,498,170</u></u>	<u><u>10,056,212</u></u>
<b><u>FINANCING ACTIVITIES</u></b>		
Cash receipts arising from:		
Sale of own shares	-	-
Loans obtained	<u>28,500,000</u>	<u>2,400,000</u>
	<u>28,500,000</u>	<u>2,400,000</u>
Cash Payments arising from:		
Interest and similar costs	2,190,855	2,818,081
Acquisition of own shares	-	240,668
Loans obtained	<u>57,585,500</u>	<u>8,318,300</u>
	<u>59,776,355</u>	<u>11,377,049</u>
Net cash from financing activities [3]	<u><u>(31,276,355)</u></u>	<u><u>(8,977,049)</u></u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	(15,393,021)	113,259
Cash and cash equivalents at the beginning of the period	<u>15,784,638</u>	<u>235,716</u>
Cash and cash equivalents at the end of the period	<u><u>391,617</u></u>	<u><u>348,975</u></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 NINE MONTHS ENDED 30 SEPTEMBER 2014

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

### 1. INTRODUCTION

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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.

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

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

#### Basis of preparation

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

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

### 3. CHANGES IN ACCOUNTING POLICIES

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

## 4. INVESTMENTS

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

	30 September 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	(6,500,000)	(7,420,029)
	<u>577,699,272</u>	<u>576,779,243</u>

### 4.1 Investments in affiliated and associated undertakings

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

Company	30 September 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 September 2014 and 31 December 2013, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below:

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

## 5. OTHER NON CURRENT ASSETS

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

	<u>30 September 2014</u>	<u>31 December 2013</u>
Loans granted to group companies:		
SC, SGPS, SA	99,160,518	121,338,653
SC Assets, SGPS, SA	43,416,977	31,713,043
Sonae Turismo, SGPS, S.A	6,173,000	-
	<u>148,750,495</u>	<u>153,051,695</u>

These assets were not due or impaired as at 30 September 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

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

	<u>30 September 2014</u>	<u>31 December 2013</u>
Group companies - Short term loans:		
SC, SGPS, SA	3,195,305	232,300
SC Assets SGPS, SA	6,055,470	327,500
Income tax withheld	2,136,679	847,476
Other Debtors	34,513	81,727
Accrued income	2,697,676	4,984,735
Deferred costs	771,354	496,690
	<u>14,890,997</u>	<u>6,970,428</u>

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

The amount recorded as accrued income includes EUR 2,694,471 for interest on loans granted to group companies.

Under the heading deferred costs include EUR 719,644 relating to bank charges.

## 7. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 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 September 2014	31 December 2013	30 September 2014	31 December 2013
Tax losses carried forward	4,062,004	407,059	-	-

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

	Deferred tax assets		Deferred tax liabilities	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Opening balance	407,059	429,213	-	778
Effect in results (Nota 17):				
Tax losses carried forward	3,654,945	12,108	-	-
Others	-	(34,262)	-	(778)
	4,062,004	407,059	-	-
Effect in reserves:	-	-	-	-
Closing balance	4,062,004	407,059	-	-

## 8. CASH AND CASH EQUIVALENTS

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

	30 September 2014	31 December 2013
Cash	4	1,004
Bank deposits	391,613	785,247
Cash and cash equivalents in the balance sheet	391,617	786,250
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	391,617	786,250

## 9. SHARE CAPITAL

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As at 30 September 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 September 2014, the total of own shares held by the company is 6,068,850, representing 2.428% of its share capital.

## 10. RESERVES

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

	30 September 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 September 2014 the value of this caption is 8,611,464 euro.



## 11. LOANS

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

	30 September 2014		31 December 2013	
	Current	Non Current	Current	Non Current
<b>Bank Loans</b>				
Sonae Capital SGPS - Commercial paper a)	28,050,000	-	75,000,000	-
Sonae Capital SGPS - Commercial paper d)	8,250,000	-	8,250,000	-
Sonae Capital SGPS - Commercial paper b)	-	10,950,000	-	12,650,000
Sonae Capital SGPS - Commercial paper c)	-	30,000,000	-	30,000,000
Sonae Capital SGPS - Term loan e)	3,290,000	13,160,000	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	-	(374,819)	-	(501,771)
	<u>51,090,000</u>	<u>60,235,181</u>	<u>90,250,000</u>	<u>66,148,229</u>
Bank overdrafts (Nota 8)	-	-	-	-
	<u>51,090,000</u>	<u>60,235,181</u>	<u>90,250,000</u>	<u>66,148,229</u>
<b>Bond Loans</b>				
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	-	(514,678)	-	(735)
	<u>-</u>	<u>51,985,322</u>	<u>-</u>	<u>9,999,265</u>
	<u>51,090,000</u>	<u>112,220,503</u>	<u>90,250,000</u>	<u>76,147,494</u>

- Commercial paper programme issued on 28 March 2008 without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company. Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks;
- Commercial paper programme issued on 31 March 2011 with subscription guarantee and valid till August 2018 for a period of 5 years. Early repayment can occur under the terms of the Call / Put Option on August 2016. This loan is guaranteed by a mortgage of investment properties;
- Commercial paper programme issued on 27 December 2012 with subscription guarantee and valid for a period of 5 years;
- Commercial paper Programme issued on 31 December 2013 with subscription guarantee and valid for a period of 3 years;
- Bank loan started on 2 June 2011 valid till September 2019 and repayable in quarter instalments. This loan is guaranteed by a mortgage of investment properties;
- Sonae Capital, SGPS 2011/2016, repayable after 5 years, in one instalment, on 17 January 2016. This bond issue pays interest every six months.
- 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.
- Sonae Capital, SGPS 2014/2019, repayable after 5 years, in one instalment, on 28 May 2019. This bond issue pays interest every six months.
- Short term 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 average interest rate of these bank and bond loans as at 30 September 2014 was 4.015%.

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

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 September 2014 and 31 December 2013, these captions were made up as follows:

	<u>30 September 2014</u>	<u>31 December 2013</u>
<u>Other creditors</u>		
Group companies - Short term loans:		
Spred, SGPS, SA	9,226,364	18,796,170
Other creditors	20,657	1,912
	<u>9,247,021</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 September 2014 and 31 December 2013, these captions were made up as follows:

	<u>30 September 2014</u>	<u>31 December 2013</u>
<u>Other current liabilities</u>		
Taxes payable	71,540	80,830
Accruals:		
Staff costs	380,695	235,119
Interest payable	1,404,002	1,101,139
Other accruals	65,317	4,410
Deferred income	-	4,578
	<u>1,921,555</u>	<u>1,426,077</u>

## 14. EXTERNAL SUPPLIES AND SERVICES

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Operational rents	34,025	27,132
Insurance costs	37,651	36,067
Travelling expenses	21,126	18,967
Services obtained	189,482	1,051,954
Other services	48,862	25,569
	<u>331,145</u>	<u>1,159,690</u>

## 15. STAFF COSTS

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Governing bodies' remunerations	737,354	548,573
Social security contributions	100,149	32,816
Other staff costs	22,140	34,542
	<u>859,642</u>	<u>615,931</u>

## 16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(4,676,992)	(5,507,887)
Bonds	(1,014,018)	(359,333)
Other	(92,127)	(58,603)
Other financial expenses	(1,972,859)	(1,333,367)
	<u>(7,755,996)</u>	<u>(7,259,190)</u>
Interest receivable and similar income		
Interest income	7,826,161	7,069,062
	<u>7,826,161</u>	<u>7,069,062</u>
Net financial expenses	<u>70,165</u>	<u>(190,128)</u>
Reversal of Impairment losses (Note 4.1)	920,029	1,127,061
Dividends received	14,870,786	12,355,245
Other income	-	-
Investment income	<u>15,790,815</u>	<u>13,482,306</u>

As at 30 September 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

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Current tax	2,080,742	(6,258)
Deferred tax	3,654,945	503,750
	<u>5,735,686</u>	<u>497,492</u>

## 18. EARNINGS PER SHARE

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

	<u>30 September 2014</u>	<u>30 September 2013</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period )	20,409,188	11,965,162
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>20,409,188</u>	<u>11,965,162</u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	246,204,451	247,652,318
Weighted average number of shares used to calculate diluted earnings per share	<u>246,204,451</u>	<u>247,652,318</u>
Earnings per share (basic and diluted)	<u>0.082895</u>	<u>0.048314</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 September 2014 shareholders' loan contracts were entered with the companies SC Assets SGPS, SA, Sonae Turismo SGPS, SA and SC SGPS, SA.

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

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

Loans and Short term loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, SGPS, SA	102,355,823
SC Assets, SGPS, SA	49,472,447
Sonae Turismo, SGPS, S.A	6,173,000
	<u>158,001,270</u>

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

Short term loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Spred, SGPS, SA	9,226,364
	<u>9,226,364</u>

## 20. SUBSEQUENT EVENTS

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

## 21. APPROVAL OF THE FINANCIAL STATEMENTS

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The accompanying financial statements were approved by the Board of Directors and authorized for issue on 30 October 2014.

The Board of Directors