



SONAE CAPITAL, SGPS, SA

Lugar do Espido, Via Norte, Maia

Capital Social: 250.000.000 Euros

Matriculada na CRC da Maia

Número único de matrícula e de pessoa colectiva 508 276 756

Sociedade Aberta

REPORT AND ACCOUNTS

30 SEPTEMBER 2012

(Translation from the Portuguese Original)



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REPORT OF THE BOARD OF DIRECTORS

30 SEPTEMBER 2012

▪ **Third quarter results evidence:**

- Emphasis towards **cost optimisation**, leading to a 16% decrease in operational costs, compared with the same period of last year (-17% in the 9 months period, on a like for like basis);
- **Higher number of tourists in troiaresort** during this year's summer season, leading to an 11% increase in room nights sold;
- **Start of operations of a new cogeneration plant (3.4 MW)**, located in Vale de Cambra, the first project outside the Efanor Group;
- **Low number of real estate assets sales**, reflecting the current adverse market environment;
- **Turnover under pressure in Fitness and Sistavac Group's Portuguese and Spanish operations**, with negative impact in EBITDA, driving cost reduction efforts at these business units as well as other actions aimed at increasing their activity levels;
- **Imosede Fund's reclassification as available for sale asset**, with the corresponding change in the accounting method, being now measured at fair value, with a **positive 17.1 M.€ impact in this quarter's income**.

Values in 10⁶ euro

	9M			3Q		
	2012	2011	Δ	2012	2011	Δ
Turnover	83.7	102.4	-18%	31.8	38.4	-17%
EBITDA	1.9	-0.4	-	5.0	2.9	+75%
EBIT	-8.2	-8.2	-0%	2.0	-0.5	-
Net Financial Expenses	-8.6	-8.0	-7%	-3.0	-2.9	-1%
Results from Associated Undertakings	4.9	4.3	+14%	1.8	1.6	+17%
Investment Income	15.8	28.4	-44%	16.8	6.3	>100%
Net Profit	2.1	15.4	-87%	14.9	2.9	>100%
	30.09.12	31.12.11	Δ			
Capex	7.3	11.0	-34%			
Net Debt	267.3	261.1	+2%			

- As at the date of this report, the Group has already **ensured the refinancing of the 30 M.€ bond loan** which matures in December 2012.

1. CONSOLIDATED PROFIT AND LOSS STATEMENTS

Values in 10³ euro

	9M 12	9M 11	Δ (A/B)	3Q 12	3Q 11	Δ (C/D)
	(A)	(B)		(C)	(D)	
Turnover	83,722.9	102,425.8	-18.3%	31,814.8	38,435.4	-17.2%
Other Operational Income	8,907.8	9,871.0	-9.8%	5,222.4	1,978.2	>100%
Total Operational Income	92,630.7	112,296.7	-17.5%	37,037.2	40,413.6	-8.4%
Cost of Goods Sold	-25,932.7	-31,591.2	+17.9%	-9,977.3	-11,506.9	+13.3%
Change in Stocks of Finished Goods	-917.3	-2,332.8	+60.7%	975.9	-1,327.4	-
External Supplies and Services	-32,742.3	-42,153.7	+22.3%	-11,804.4	-13,900.9	+15.1%
Staff Costs	-27,968.9	-30,299.8	+7.7%	-9,547.5	-9,874.0	+3.3%
Other Operational Expenses	-2,626.8	-3,927.9	+33.1%	-1,286.3	-846.9	-51.9%
Total Operational Expenses	-90,188.0	-110,305.4	+18.2%	-31,639.6	-37,456.1	+15.5%
EBITDA	1,857.3	-399.0	-	5,024.6	2,869.1	+75.1%
Amortisation and Depreciation	-10,153.2	-10,131.0	-0.2%	-2,977.6	-3,478.3	+14.4%
Provisions and Impairment Losses	-504.8	-75.3	<-100%	-377.9	0.0	-
Operational Profit/(Loss) (EBIT)	-8,215.4	-8,215.0	-0.0%	2,042.2	-520.7	-
Net Financial Expenses	-8,577.9	-8,032.4	-6.8%	-2,954.5	-2,911.5	-1.5%
Share of Results of Associated Undertakings	4,896.8	4,312.2	+13.6%	1,820.5	1,561.3	+16.6%
Investment Income	15,760.2	28,361.7	-44.4%	16,841.0	6,258.8	>100%
Profit before Taxation	3,863.8	16,426.5	-76.5%	17,749.2	4,387.9	>100%
Taxation	-1,795.9	-992.1	-81.0%	-2,886.2	-1,530.2	-88.6%
Net Profit	2,067.9	15,434.4	-86.6%	14,863.0	2,857.7	>100%
Attributable to Equity Holders of Sonae Capital	2,237.7	14,692.4	-84.8%	14,688.2	2,489.7	>100%
Attributable to Non-Controlling Interests	-169.8	742.1	-	174.9	367.9	-52.5%

For most businesses, the **third quarter** was not far from the previous ones regarding **Turnover** performance, showing negative deviations compared to the same period last year.


Exceptions to this pattern include Atlantic Ferries, reflecting the tariff increases implemented in 2012, and the Energy and Environment business, with improved contributions from the Colombo and Vale de Cambra cogeneration plants.

Turnover reached 31.8 million euro in the quarter, 17% below the 38.4 million euro from the third quarter of 2011, contributing to the 83.7 million euro year to date 2012 September figure (102.4 million euro in September 2011).

Quarterly EBITDA, amounting to 5.0 million euro, includes non-recurrent income of around 3.0 million euro, arising from the change in the accounting method of the Imosede Fund participation units (from equity accounting to available for sale asset, measured at fair value).

Regarding operational performance, highlight should be given to the Hotel business, which posted the most significant improvement in quarterly EBITDA (49% growth to 11.4 million euro), following the decrease in staff costs and maintenance. Atlantic Ferries and Energy performance was consistent with the respective Turnover growth, posting positive 1.3 million euro (+9%) and 0.8 million euro (+19%) EBITDA, in that order.

Lower real estate assets sales and fall in Sistavac Group's Portuguese and Spanish operations, constrained the quarters recurrent EBITDA.



In the **nine months period, EBITDA** amounted to 1.9 million euro (negative 0,4 million euro in the same period of 2011), with visible contributions from the strategic plan designed to develop the Energy business and from the cost restructuring which is underway, with 17% decrease in operational costs in the nine months and 16% in the third quarter, in a like for like basis (i.e., excluding the impact of non-recurrent costs incurred in 2011, related with judicial claims which had been fully impaired and had a negative effect on 2011 comparable periods EBITDA).

The 7% increase in year to date **Net Financial Expenses**, to 8.6 million euro, reflects the higher cost of debt over the same period of last year, as a result of higher average spread in the first six months of the year, partially offset by lower market interest rate in the third quarter.

Share of results of associated undertakings grew 0.6 million euro, to 4.9 million euro, driven by Norcut, with a 3.9 million euro contribution.

On the other hand, with effect from 1 July 2012, and due to the Imosede Fund's reclassification as available for sale asset, the Imosede Fund is no longer equity accounted (impacting the caption under analysis), with the corresponding participation units being measured at fair value. Changes in the fair value of these participation units will be periodically assessed and recognized directly in equity.

Investment Income for the quarter include around 16.8 million euro related with the value update of Imosede Fund's participation units, following the Fund's reclassification as available for sale asset (and held at fair value).

Accordingly, year to date **Net Profit** amounted to 2.1 million euro, 13.3 million euro below the nine months 2011 net profit, which included 20.3 million euro from the sale of the shareholding in TP.

2. BUSINESS HIGHLIGHTS

2.1. SONAE TURISMO

Values in 10⁶ euro


	Contributions to Consolidated Turnover					
	9M 12	9M 11	Δ	3Q 12	3Q 11	Δ
Resorts	9.8	12.5	-21.8%	4.7	6.7	-29.1%
Resort Development	3.5	6.0	-41.5%	0.8	3.0	-72.4%
Resort Management (Golf, Marina and Supermarket)	2.1	2.1	+0.8%	1.4	1.3	+8.8%
Atlantic Ferries	4.1	4.4	-5.8%	2.5	2.4	+4.6%
Hotels	11.3	12.8	-11.4%	6.1	6.4	-6.1%
Fitness	9.1	12.2	-25.7%	2.7	3.5	-25.1%
Other Tourism	0.0	0.0	-60.3%	0.0	0.0	-
Sonae Turismo's contribution	30.2	37.5	-19.5%	13.4	16.7	-19.4%

	Contributions to Consolidated EBITDA					
	9M 12	9M 11	Δ	3Q 12	3Q 11	Δ
Resorts	-1.6	-2.6	+38.6%	0.7	1.0	-36.2%
Resort Development	-2.1	-3.2	+34.6%	-0.7	-0.1	<-100%
Resort Management (Golf, Marina and Supermarket)	-0.4	-0.5	+20.6%	0.1	0.0	>100%
Atlantic Ferries	0.8	1.0	-18.0%	1.3	1.2	+9.5%
Hotels	-0.5	-2.0	+75.6%	1.4	0.9	+53.2%
Fitness	-0.8	0.5	-	-0.3	-0.2	-54.0%
Other Tourism	0.0	0.0	+59.8%	-0.5	-0.3	-42.7%
Sonae Turismo's contribution	-3.0	-4.2	+29.5%	1.4	1.5	-7.5%

Sonae Turismo's turnover reached 13.4 million euro in the quarter (16.7 million euro) and 30.2 million euro in the nine months (a 7.3 million euro decrease compared to last year). Despite of the decrease in turnover, EBITDA contribution, although still negative at 3.0 million euro, improved around 30% in the nine months due to the significant cost cutting efforts (namely in the hotel business).

Despite of the higher number of tourists in **troiaresort** during this year's summer season, the respective impact in turnover was not significant since average room rates remained below last year figures, despite of the 10% growth in the number of room nights sold in Aqualuz hotel units located in the Peninsula, which evidenced a 4% marginal decrease, to 3.1 million euro, compared to the comparable period of 2011.

In Resort Management, **troiamarina** and **troiamarket** performed positively, with 17% and 11% turnover growth, in that order.



Atlantic Ferries turnover has also grown 5% in the quarter, to 2.5 million euro, mostly due to the price increases which were implemented in the beginning of 2012.

Quarterly EBITDA from resort operations (including Aqualuz units) was positive 2.4 million euro, corresponding to a 0.5 million euro increase compared to the third quarter of 2011, led by the improved profitability of the hotel units and Atlantic Ferries.

Fitness contribution continued to post a negative deviation regarding turnover, remaining at 9.1 million euro, a 3.2 million euro decrease over the previous year, with lower average number of members and average revenue per member.

Cancellations remained significantly below last year's figures, and in September (with the launch of the promotional campaign) the number of new membership contracts was higher than the number of cancellations, for the first time in the last 18 months.

EBITDA remained at negative 0.8 million euro in the nine months, 1.3 million euro below the first nine months of 2011.

In **Hotels**, and following previous quarters performance, the decrease in the activity level (particularly visible in Porto Palácio Hotel), has been followed by cost restructuring, mainly in Aqualuz **troia** resort hotels (negative 0.1 million euro EBITDA in the nine months, corresponding to a 1.3 million euro improvement, despite of the 7% decrease in turnover) and in Porto Palácio Hotel (positive 0.1 million euro EBITDA, compared to negative 0.2 million euro in 2011, despite of the 16% decrease in turnover).

In **Resort Development**, a sales deed (with no underlying promissory purchase agreement) and a Try Before Buy contract (rental contract with embedded call option) were signed during the third quarter of 2012, leading to year to date 7 sales deeds and 3 Try Before Buy contracts. Residential units sold up to 30 September 2012 amounted to 7, compared to 6 in the comparable period of 2011.

2.2. SPRED

Values in 10⁶ euro

Contributions to Consolidated Turnover						
	9M 12	9M 11	Δ	3Q 12	3Q 11	Δ
Sistavac Group	36.5	50.5	-27.8%	12.6	16.6	-24.1%
Energy and Environmet	9.6	5.6	+71.0%	3.6	2.8	+29.5%
Other Spred	5.9	4.0	+47.4%	1.8	1.4	+30.3%
Spred's contribution	52.0	60.1	-13.6%	18.0	20.7	-13.3%

Contributions to Consolidated EBITDA						
	9M 12	9M 11	Δ	3Q 12	3Q 11	Δ
Sistavac Group	0.3	3.7	-92.4%	0.3	1.1	-75.1%
Energy and Environmet	2.4	1.3	+78.4%	0.8	0.7	+18.7%
Other Spred	0.2	0.2	-36.4%	0.2	0.2	+12.2%
Spred's contribution	2.8	5.3	-47.1%	1.3	2.0	-34.3%

Performance in the third quarter of 2012 did not differ significantly from Spred's profitability profile in the last months.

Turnover totaled 52.0 million euro in the nine months, posting a 14% decrease as a result of Sistavac Group's lower turnover. Positive 2.8 million euro **EBITDA** continues to be mostly sustained by the Energy and Environment business, which generated a 2.4 million euro contribution in the nine months.

Sistavac Group's Portuguese operations continued below last year's performance in the third quarter, in the main business segments (refrigeration and HVAC), contributing to the 30% decrease in the nine months turnover, to 31.2 million euro, and to the 3.4 million euro decrease in EBITDA, to 0.3 million euro.

In Spain, adverse market conditions hampered third quarter's performance, leading to a 2.9 million euro turnover in the nine months, a 29% fall, and a negative 0.3 million euro EBITDA (positive 44 thousand euro in the 2011 nine months period).

In Brazil, the evolution of new work assignments has been positive, leading to improved turnover, representing a 35% increase to 2.4 million euro. EBITDA in the nine months was close to zero, including the impact of a stronger third quarter, with a 0.2 million euro growth compared to September 2011.

Growth in the **Energy and Environment** turnover, 0.8 million euro in the quarter and 4.0 million euro in the nine months, to 3.6 million euro and 9.6 million euro, respectively, follows the start of operations of the new cogeneration plant in Vale de Cambra (in the third quarter of 2012) and

still reflects a partial impact of Colombo cogeneration plant (which was still ramping up in July 2011).

The 1.1 million euro increase in EBITDA, to 2.4 million euro in the nine months, has the same underlying explanation (+0.8 million euro Colombo cogeneration and +0.2 million euro Vale de Cambra cogeneration), with the pipeline still including an ongoing photovoltaic project.

2.3. OTHERS

Values in 10⁶ euro

Contributions for Consolidated Turnover						
	9M 12	9M 11	Δ	3Q 12	3Q 11	Δ
SC Assets	1.5	4.6	-67.8%	0.4	1.0	-61.3%
Holding and Others	0.1	0.2	-53.6%	0.0	0.0	+9.4%
Others' contribution	1.6	4.8	-67.3%	0.4	1.1	-59.3%

Contributions for Consolidated EBITDA						
	9M 12	9M 11	Δ	3Q 12	3Q 11	Δ
SC Assets	3.3	-0.2	-	3.0	0.1	>100%
Holding e outros	-1.2	-1.3	5.4%	-0.6	-0.7	+4.2%
Contributo de Outros	2.0	-1.5	-	2.4	-0.6	-

The performance of **SC Assets** turnover was undoubtedly impacted by a lower volume of real estate assets sale in the first nine months of the year.

EBITDA from SC Assets includes 3.0 million euro regarding one-off accounting adjustment following the change in Imosede Fund's participation units accounting method (from equity accounting to available for sale assets, measured at fair value), and thus not related with any real estate transaction made in the period.

3. CONSOLIDATED BALANCE SHEET


Values in 10³ euro

	30.09.2012	31.12.2011	Δ
Tangible and Intangible Assets	256,711.3	243,567.0	5.4%
Goodwill	61,028.5	61,028.5	0.0%
Non Current Investments	75,948.9	61,075.6	+24.4%
Other Non Current Assets	48,538.5	45,384.1	+7.0%
Stocks	189,709.0	209,213.3	-9.3%
Trade Debtors and Other Current Assets	45,530.1	49,581.6	-8.2%
Cash and Cash Equivalents	4,922.2	3,980.6	+23.7%
Total Assets	682,388.5	673,830.8	+1.3%
Total Equity attributable to Equity Holders of Sonae Capital	329,905.5	327,628.9	+0.7%
Total Equity attributable to Non Controlling Interests	9,040.4	9,241.8	-2.2%
Total Equity	338,945.8	336,870.7	+0.6%
Non Current Borrowings	129,538.4	182,564.9	-29.0%
Deferred Tax Liabilities	15,753.5	11,535.4	+36.6%
Other Non Current Liabilities	7,084.6	10,341.5	-31.5%
Non Current Liabilities	152,376.5	204,441.7	-25.5%
Current Borrowings	142,710.8	82,557.5	+72.9%
Trade Creditors and Other Current Liabilities	48,355.4	49,960.9	-3.2%
Current Liabilities	191,066.2	132,518.3	+44.2%
Total Liabilities	343,442.7	336,960.1	+1.9%
Total Equity and Liabilities	682,388.5	673,830.8	+1.3%

Capex does not include any major changes over the last reported period, being aligned with the Group's guidelines on this matter. As at 30 September, capex amounted to 7.3 million euro, of which 4.6 million euro attributable to the Energy business (2.6 million euro in Vale de Cambra cogeneration plant, which started operations in the third quarter of 2012, and 1.8 million euro in the new photovoltaic project). Capex from Fitness was 1.2 million euro, including the renewal of equipment and renewal of the Solinca brand. Remaining contributions, minor in value, mostly regard maintenance capex.

Net Debt reached 267.3 million euro at 30 September 2012, compared to 261.1 million euro at the end of 2011 and 273.0 million euro at 30 June 2012.

As at the date of this report, the Group has already ensured the **refinancing** of the 30 million euro bond loan which matures in December 2012.



In the third quarter of the year, the Group's operational free cash flow was 3.0 million euro, contributing to a total free cash flow of 4.0 million euro in the nine months period. Gearing as at 30 September 2012 was 78.9% (77.5% in 31 December 2011).

Maia, 14 November 2012

The Board of Directors,



Glossary

- Capex = Investment in Tangible and Intangible Assets.
- Gearing = Net Debt / Equity.
- Net Debt = Non Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments.
- EBITDA = Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Cost of Goods Sold) – Reversal of Impairment Losses and Provisions (included in Other Operating Income).



CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2012

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2012 AND 31 DECEMBER 2011

(Amounts expressed in euro)

ASSETS	Notes	30.09.2012	31.12.2011
NON-CURRENT ASSETS:			
Tangible assets	7	249,281,105	236,088,219
Intangible assets	7	7,430,203	7,478,779
Goodwill	8	61,028,512	61,028,512
Investments in associated companies	5	5,865,448	60,060,236
Other investments	6 and 9	70,083,472	1,015,381
Deferred tax assets	13	28,235,649	23,563,437
Other non-current assets	10	20,302,816	21,820,629
Total non-current assets		<u>442,227,205</u>	<u>411,055,193</u>
CURRENT ASSETS:			
Stocks	11	189,708,954	209,213,344
Trade account receivables and other current assets	12	45,530,126	49,581,611
Cash and cash equivalents	14	4,922,208	3,980,640
Total Current Assets		<u>240,161,288</u>	<u>262,775,595</u>
TOTAL ASSETS		<u><u>682,388,493</u></u>	<u><u>673,830,788</u></u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	15	250,000,000	250,000,000
Own Shares		(101,000)	(36,143)
Reserves and retained earnings		77,768,758	74,670,814
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		2,237,698	2,994,272
Equity attributable to the equity holders of Sonae Capital		<u>329,905,456</u>	<u>327,628,943</u>
Equity attributable to non-controlling interests	16	9,040,365	9,241,777
TOTAL EQUITY		<u>338,945,821</u>	<u>336,870,720</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Loans	17	129,538,410	182,564,884
Other noncurrent liabilities	19	4,004,735	7,155,507
Deferred tax liabilities	13	15,753,525	11,535,355
Provisions	22	3,079,824	3,185,974
Total Non-Current Liabilities		<u>152,376,494</u>	<u>204,441,720</u>
CURRENT LIABILITIES:			
Loans	17	142,710,775	82,557,493
Trade creditors and other current liabilities	21	47,261,513	48,905,639
Provisions	22	1,093,890	1,055,216
Total Current Liabilities		<u>191,066,178</u>	<u>132,518,348</u>
TOTAL LIABILITIES		<u>343,442,672</u>	<u>336,960,068</u>
TOTAL EQUITY AND LIABILITIES		<u><u>682,388,493</u></u>	<u><u>673,830,788</u></u>

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in euro)

	Notes	30.09.2012	30.09.2011
Sales		36,797,815	53,437,743
Services rendered		46,925,087	48,988,043
Other operating income		8,907,833	9,870,960
Cost of sales		(25,932,722)	(31,591,211)
Changes in stocks of finished goods and work in progress		(917,312)	(2,332,781)
External supplies and services		(32,742,326)	(42,153,660)
Staff costs		(27,968,911)	(30,299,843)
Depreciation and amortisation		(10,153,238)	(10,131,021)
Provisions and impairment losses		(504,815)	(75,347)
Other operating expenses		(2,626,772)	(3,927,911)
Operational profit/(loss)		<u>(8,215,361)</u>	<u>(8,215,028)</u>
Financial Expenses		(9,833,650)	(8,981,491)
Financial Income		1,255,746	949,137
Profit/(Loss) in associated undertakings	5	4,896,810	4,312,240
Investment income		<u>15,760,218</u>	<u>28,361,668</u>
Profit/(Loss) before taxation		3,863,763	16,426,526
Taxation	25	<u>(1,795,879)</u>	<u>(992,089)</u>
Profit/(Loss) for the year	26	<u><u>2,067,884</u></u>	<u><u>15,434,437</u></u>
Attributable to:			
Equity holders of Sonae Capital		2,237,698	14,692,381
Non-controlling interests	16	<u><u>(169,814)</u></u>	<u><u>742,056</u></u>
Profit/(Loss) per share			
Basic	27	0.008966	0.058770
Diluted	27	<u><u>0.008966</u></u>	<u><u>0.058770</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 3rd QUARTERS OF 2012 AND 2011
(Amounts expressed in euro)

	Notes	3 rd Quarter 12 ¹	3 rd Quarter 11 ¹
Sales		13,097,398	18,925,499
Services rendered		18,717,391	19,509,886
Other operating income		5,222,443	1,978,209
Cost of sales		(9,977,276)	(11,506,854)
Changes in stocks of finished goods and work in progress		975,897	(1,327,391)
External supplies and services		(11,804,396)	(13,900,915)
Staff costs		(9,547,491)	(9,873,956)
Depreciation and amortisation		(2,977,566)	(3,478,252)
Provisions and impairment losses		(377,905)	-
Other operating expenses		(1,286,335)	(846,941)
Operational profit/(loss)		<u>2,042,160</u>	<u>(520,715)</u>
Financial Expenses		(3,335,498)	(3,208,856)
Financial Income		<u>381,069</u>	<u>297,328</u>
Profit/(Loss) in associated undertakings	5	1,820,507	1,561,322
Investment income		<u>16,840,981</u>	<u>6,258,832</u>
Profit/(Loss) before taxation		<u>17,749,219</u>	<u>4,387,911</u>
Taxation	25	<u>(2,886,153)</u>	<u>(1,530,233)</u>
Profit/(Loss) for the year	26	<u><u>14,863,066</u></u>	<u><u>2,857,678</u></u>
Attributable to:			
Equity holders of Sonae Capital		14,688,175	2,489,733
Non-controlling interests	16	<u><u>174,891</u></u>	<u><u>367,945</u></u>
Profit/(Loss) per share			
Basic	27	0.058848	0.009959
Diluted	27	<u><u>0.058848</u></u>	<u><u>0.009959</u></u>

The accompanying notes are part of these financial statements.

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

The Board of Directors

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in euro)

	30.09.2012	30.09.2011
Consolidated net profit/(loss) for the period	2,067,884	15,434,437
Changes in the currency translation differences	1,166,383	(107,470)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(324,852)	(170,455)
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	(773,954)	(930,586)
Other comprehensive income for the period	67,577	(1,208,511)
Total comprehensive income for the period	<u>2,135,461</u>	<u>14,225,926</u>
Attributable to:		
Equity holders of Sonae Capital	2,336,870	13,526,743
Non-controlling interests	<u>(201,409)</u>	<u>699,183</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 3rd QUARTERS OF 2012 AND 2011
(Amounts expressed in euro)

	3 rd Quarter 12 ¹	3 rd Quarter 11 ¹
Consolidated net profit/(loss) for the period	14,863,066	2,857,678
Changes in the currency translation differences	(26,713)	(85,619)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	(366,114)	(2,764,751)
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	(420,807)	(1,476,353)
Other comprehensive income for the period	(813,634)	(4,326,723)
Total comprehensive income for the period	14,049,432	(1,469,045)
Attributable to:		
Equity holders of Sonae Capital	13,886,288	(1,792,890)
Non-controlling interests	163,144	323,845

The accompanying notes are part of these financial statements.

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

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in Euro)

	Attributable to Equity Holders of Sonae Capital							Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity	
	Share Capital	Own Shares	Demerger Reserve (Note 16)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves and Retained Earnings					Sub total
Balance as at 1 January 2011	250,000,000	-	132,638,253	(1,129,394)	-	(854,880)	(49,318,776)	81,335,203	(4,420,429)	326,914,774	12,454,796	339,369,570
Total consolidated comprehensive income for the period	-	-	-	(75,229)	-	(919,954)	(170,455)	(1,165,638)	14,692,381	13,526,743	699,183	14,225,926
Appropriation of profit of 2010:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(4,420,429)	(4,420,429)	4,420,429	-	-	-
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	(1,596,425)	(1,596,425)	-	(1,596,425)	(4,103,273)	(5,699,698)
Other changes	-	-	-	-	-	-	3,417	3,417	-	3,417	(1,858)	1,559
Balance as at 30 September 2011	<u>250,000,000</u>	<u>-</u>	<u>132,638,253</u>	<u>(1,204,623)</u>	<u>-</u>	<u>(1,774,834)</u>	<u>(55,502,668)</u>	<u>74,156,128</u>	<u>14,692,381</u>	<u>338,848,509</u>	<u>9,048,848</u>	<u>347,897,357</u>
Balance as at 1 January 2012	250,000,000	(36,143)	132,638,253	(1,179,502)	-	(1,737,980)	(55,049,957)	74,670,814	2,994,272	327,628,943	9,241,777	336,870,720
Total consolidated comprehensive income for the period	-	-	-	1,184,907	-	(760,883)	(324,852)	99,172	2,237,698	2,336,870	(201,409)	2,135,461
Appropriation of profit of 2011:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	2,994,272	2,994,272	(2,994,272)	-	-	-
Acquisition of own shares	-	(64,857)	-	-	-	-	-	-	-	(64,857)	-	(64,857)
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	4,500	4,500	-	4,500	(3)	4,497
Balance as at 30 September 2012	<u>250,000,000</u>	<u>(101,000)</u>	<u>132,638,253</u>	<u>5,405</u>	<u>-</u>	<u>(2,498,863)</u>	<u>(52,376,037)</u>	<u>77,768,758</u>	<u>2,237,698</u>	<u>329,905,456</u>	<u>9,040,365</u>	<u>338,945,821</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 AND THREE MONTHS ENDED SEPTEMBER 2012 AND 2011

(Amounts expressed in Euro)

	Notes	30.09.2012	30.09.2011	3 rd Quarter 12 ¹	3 rd Quarter 11 ¹
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		83,257,825	105,141,683	30,839,612	34,502,782
Cash receipts from trade creditors		(53,264,185)	(74,220,880)	(20,131,577)	(25,356,167)
Cash paid to employees		(28,202,241)	(29,666,257)	(9,483,121)	(9,853,655)
Cash flow generated by operations		<u>1,791,399</u>	<u>1,254,546</u>	<u>1,224,914</u>	<u>(707,040)</u>
Income taxes (paid) / received		(61,463)	182,452	406,322	1,794,119
Other cash receipts and (payments) relating to operating activities		<u>2,312,987</u>	<u>(1,065,869)</u>	<u>1,377,789</u>	<u>1,430,953</u>
Net cash flow from operating activities (1)		<u>4,042,923</u>	<u>371,129</u>	<u>3,009,025</u>	<u>2,518,032</u>
INVESTMENT ACTIVITIES:					
Cash receipts arising from:					
Investments		9,204,903	45,004,072	9,185,418	4,093,119
Tangible assets		206,081	942,197	37,511	306,213
Interest and similar income		486,708	268,951	356,165	53,982
Loans granted		-	96,856	-	-
Dividends		214,698	201,314	67,311	51,812
		<u>10,112,390</u>	<u>46,513,390</u>	<u>9,646,405</u>	<u>4,505,126</u>
Cash Payments arising from:					
Investments		(324,718)	(6,197,865)	(60,000)	(170,000)
Tangible assets		(7,830,999)	(10,800,924)	(1,894,738)	(3,677,309)
Intangible assets		(417,440)	(432,996)	(405,264)	(36,199)
Loans granted		-	(170,000)	-	(170,000)
		<u>(8,573,157)</u>	<u>(17,601,785)</u>	<u>(2,360,002)</u>	<u>(4,053,508)</u>
Net cash used in investment activities (2)		<u>1,539,233</u>	<u>28,911,605</u>	<u>7,286,403</u>	<u>451,618</u>
FINANCING ACTIVITIES:					
Cash receipts arising from:					
Loans obtained		51,323,534	87,642,904	17,720,110	38,662,935
		<u>51,323,534</u>	<u>87,642,904</u>	<u>17,720,110</u>	<u>38,662,935</u>
Cash Payments arising from:					
Loans obtained		(45,658,091)	(109,854,819)	(23,728,422)	(39,492,312)
Interest and similar charges		(10,875,473)	(8,667,981)	(4,273,525)	(3,226,722)
Purchase of own shares		(64,857)	-	(1,930)	-
		<u>(56,598,421)</u>	<u>(118,522,800)</u>	<u>(28,003,877)</u>	<u>(42,719,034)</u>
Net cash used in financing activities (3)		<u>(5,274,887)</u>	<u>(30,879,896)</u>	<u>(10,283,767)</u>	<u>(4,056,099)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		<u>307,269</u>	<u>(1,597,162)</u>	<u>11,661</u>	<u>(1,086,449)</u>
Effect of foreign exchange rate		12,113	4,374	27,825	6,771
Cash and cash equivalents at the beginning of the period	14	2,986,070	2,497,210	3,297,390	1,988,894
Cash and cash equivalents at the end of the period	14	<u>3,281,226</u>	<u>895,674</u>	<u>3,281,226</u>	<u>895,674</u>

The accompanying notes are part of these financial statements.

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

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

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

(Amounts express in Euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA ("Company", "Group" or "Sonae Capital") whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent company of a group of companies, as detailed in Notes 4 to 6 ("Sonae Capital Group") and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae, 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.

Following the strategic review process which took place in the first half of 2012, two distinct and autonomous business areas, were identified as strategic:

- The first, headed by Sonae Turismo, SGPS, SA, includes businesses in tourism, through the development and management of tourism resorts, in hotels, through management of hotels and services, and in health and fitness through management of health clubs;
- The second business area, headed by Spred, SGPS, SA, includes businesses in three segments: refrigeration, HVAC and maintenance; Energy and Environment businesses (energy services in the areas of cogeneration, solar thermal and photovoltaic) and management of a financial portfolio in an investment basis.

As a result of the strategic review carried out, the management of real estate properties as autonomous business area was discontinued, thereby ceasing the development of the business segment comprising the ownership, development and management of real state.

2. MAIN ACCOUNTING POLICIES

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

Basis of preparation

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

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

Since, from 1 July 2012, no Sonae Capital representatives hold seat in the Board of Directors of *Fundo de Investimento Imobiliário Fechado Imosede*, Sonae Capital does no longer have significant influence in the Imosede Fund, meaning it cannot, under any circumstance: (i) influence operational and financial policies, and; (ii) does not have the power to appoint, in the future, a new representative in the Fund's Board of Directors (only Imosede Fund's management entity is entitled to do so). As a result, the Imosede Fund is now accounted as an available for sale financial asset, and the change from equity accounting to fair value had an impact in the period's income statement.

3. CHANGES IN ACCOUNTING POLICIES

During the period ended 30 September 2012 there were no changes in international financial reporting standards leading to amendments in accounting policies compared with those disclosed as at 31 December 2011.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

As Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 30 September 2012 and 31 December 2011, are as follows:

Company	Head Office	Percentage of capital held			
		30 September 2012		31 December 2011	
		Direct	Total	Direct	Total
Sonae Capital SGPS, SA	Maia	Holding	Holding	Holding	Holding
Tourism					
Aqualuz - Turismo e Lazer, Lda	a) Lagos	100.00%	100.00%	100.00%	100.00%
Casa da Ribeira - Hotelaria e Turismo, SA	a) Marco de Canaveses	100.00%	100.00%	100.00%	100.00%
Atlantic Ferries - Traf.Loc.Flu.e Marit., SA	a) Grândola	80.00%	80.00%	80.00%	80.00%
1) Fundo Especial de Investimento Imobiliário Fechado WTC	a) Maia	99.84%	99.84%	99.84%	99.84%
Golf Time - Golfe e Inv.Turisticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Imoareia Investimentos Turísticos,SGPS, SA	a) Matosinhos	100.00%	100.00%	100.00%	100.00%
1) Imoferro-Soc.Imobiliária, SA	a) Maia	100.00%	100.00%	100.00%	100.00%
Imopenínsula - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Imoresort - Sociedade Imobiliária, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Investalentejo, SGPS, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marina de Tróia, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marina Magic -Exploração de Centros Lúd, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Marmagno-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Marvero-Expl.Hoteleira Imob., SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Modus Faciendi – Gestão e Serviços, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
SII - Soberana Investimentos Imobiliários, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Sete e Meio-Investimentos e Consultadoria,SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Solinca - Health & Fitness, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Solinca-Investimentos Turísticos, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Solinfitness - Club Málaga, SL	a) Malaga (Spain)	100.00%	100.00%	100.00%	100.00%
Soltroia-Imob.de Urb.Turismo de Tróia, SA	a) Lisbon	100.00%	100.00%	100.00%	100.00%
Sonae Turismo - SGPS, SA	a) Porto	100.00%	100.00%	100.00%	100.00%
Sontur, BV	a) Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Tróia Market, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Tróia Natura, SA	a) Grândola	100.00%	100.00%	100.00%	100.00%
Troiaresort - 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%
1) World Trade Center Porto, SA	a) Porto	100.00%	100.00%	100.00%	100.00%

SC Assets

Bloco Q-Sociedade Imobiliária, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Bloco W-Sociedade Imobiliária, SA	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Empreend.Imob.Quinta da Azenha, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Centro Residencial da Maia,Urban., SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Cinclus Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Country Club da Maia-Imobiliaria, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Espimaia, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
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%
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%
Porturbe-Edifícios e Urbanizações, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium II-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium – Serviços, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Praedium-SGPS, SA	a)	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%
Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA	a)	Grândola	100.00%	100.00%	100.00%	100.00%
Soconstrução, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
Soira-Soc.Imobiliária de Ramalde, SA	a)	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)	Porto	100.00%	100.00%	100.00%	100.00%
Torre São Gabriel-Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Urbisedas-Imobiliária das Sedas, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Vistas do Freixo-Emp.Tur.imobiliários,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%

Spred

Contacto Concessões, SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Cronosaúde – Gestão Hospitalar, SA	a)	Porto	100.00%	50.00%	100.00%	50.00%
Ecociclo II – Energias, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
Friengineering, SA	a)	São Paulo (Brazil)	100.00%	70.00%	100.00%	70.00%
Inparvi SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Integrum Colombo – Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Integrum-Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Integrum Martim Longo – Energia, SA	a)	Maia	100.00%	100.00%	-	-
Integrum Vale do Caima – Energia, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
Invesaude – Gestão Hospitalar, SA	a)	Maia	100.00%	50.00%	100.00%	50.00%

	Martimope - Sociedade Imobiliária, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	PJP - Equipamento de Refrigeração, Lda	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	Saúde Atlântica - Gestão Hospitalar, SA	a)	Maia	50.00%	50.00%	50.00%	50.00%
	SC – Eng. e Promo Imobiliária,SGPS,SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
3)	Sistavac, SGPS, SA	a)	Matosinhos	70.00%	70.00%	70.00%	70.00%
	Sistavac, SA	a)	Matosinhos	100.00%	70.00%	100.00%	70.00%
	SKK Distribucion de Refrigeración, S.R.L.	a)	Spain	100.00%	70.00%	100.00%	70.00%
	SKK-Central de Distr., SA	a)	Porto	100.00%	70.00%	100.00%	70.00%
	SKKFOR - Ser.For.e Desen. de Recursos, SA	a)	Maia	100.00%	70.00%	100.00%	70.00%
	Société de Tranchage Isoroy SAS	a)	Honfleur (France)	100.00%	100.00%	100.00%	100.00%
	Sopair, SA	a)	Madrid (Spain)	100.00%	70.00%	100.00%	70.00%
	Spinarq–Engenharia, Energia e Ambiente,SA	a)	Luanda (Angola)	99.90%	99.90%	99.90%	99.90%
	Spred SGPS, SA	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Others						
	Interlog-SGPS, SA	a)	Lisbon	98.98%	98.98%	98.98%	98.98%
4)	Rochester Real Estate, Ltd	a)	Kent (U.K.)	100.00%	100.00%	100.00%	100.00%
	SC – Sociedade de Consultadoria, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC-SGPS, SA	a)	Porto	100.00%	100.00%	100.00%	100.00%
	SC Finance, BV	a)	Amsterdam (The Netherlands)	100.00%	100.00%	100.00%	100.00%
a)	Majority of voting rights						
1)	Company included in the SC Assets segment in 2011						
2)	Company incorporated in the period						
3)	Ex-Selfrio, SGPS, S.A.						
4)	Company dissolved in the period						

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 2012 and 31 December 2011 are as follows:

Company	Head Office	Percentage of capital held				Book Value	
		30 September 2012		31 December 2011		30 September 2012	31 December 2011
		Direct	Total	Direct	Total		
Tourism and SC Assets							
Andar - Sociedade Imobiliária, SA	Maia	50.00%	50.00%	50.00%	50.00%	783,167	860,217
1) Sociedade de Construções do Chile, SA	Maia	100.00%	50.00%	100.00%	50.00%	-	-
2) Fundo de Investimento Imobiliário Fechado Imosede	Maia	45.45%	45.45%	45.45%	45.45%	-	57,713,465
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%	-	-
Spred							
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	24.50%	24.50%	460,320	400,936
Norscut - Concessionária de Scut Interior Norte, SA	Lisbon	36.00%	36.00%	36.00%	36.00%	4,597,951	1,061,618
Operscut - Operação e Manutenção de Auto-estradas, SA	Lisbon	15.00%	15.00%	15.00%	15.00%	24,000	24,000
Total						5,865,448	60,060,236

- 1) Null investment values result from the adoption of the equity method in Andar - Sociedade Imobiliária, SA, holder of all of these investments.
- 2) Change in the consolidation method, following the loss of significant influence after 1 July 2012. The Imosede Fund is now accounted for an available for sale asset.

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

	30 September 2012	31 December 2011
Total Assets	697,980,737	815,672,321
Total Liabilities	638,534,509	639,016,620
Income	90,945,196	124,980,188
Expenses	79,212,410	114,912,419

During the periods ended 30 September 2012 and 2011, movements in investments and associated companies may be summarized as follows:

	30 September 2012	30 September 2011
Opening balance as at 1 January	60,092,179	72,410,209
Acquisitions in the period	195,600	342,712
Disposals in the period	-	(18,023,453)
Equity method	4,571,958	4,141,785
Change in the consolidation method	(58,962,346)	-
Closing balance as at 30 September	5,897,391	58,871,253
Accumulated impairment losses (Note 22)	(31,943)	(31,943)
	<u>5,865,448</u>	<u>58,839,310</u>

The use of the equity method had the following impacts: 4,896,810 euro recorded in share of results of associated undertakings (4,312,240 euro at 30 September 2011) and -324,852 euro in changes in reserves (-170,455 euro at 30 September 2011).

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

Group companies, jointly controlled companies and associated companies excluded from consolidation, their head offices, percentage of share capital held and book value as at 30 September 2012 and 31 December 2011 are made up as follows:

Company	Head Office	Percentage of capital held				30 September 2012	31 December 2011
		30 September 2012		31 December 2011			
		Direct	Total	Direct	Total		
Tourism							
Infratroia – Emp. de Infraest. de Troia, E.N.	Grândola	25.90%	25.90%	25.90%	25.90%	64,747	64,747
SC Assets							
1) Fundo de Investimento Imobiliário Fechado Imosede	Maia	45.45%	45.45%	-	-	69,008,090	-
Fundo de Investimento Imobiliário Imosonae Dois	Maia	0.06%	0.06%	0.06%	0.06%	112,025	112,025
Spred							
Net, SA	Lisbon	2.80%	2.80%	2.80%	2.80%	11,132	11,132
Sear - Sociedade Europeia de Arroz, SA	Santiago do Cacém	15.00%	15.00%	15.00%	15.00%	150,031	150,031
Fundo de Capital de Risco F-HITEC	Lisbon	7.14%	7.14%	7.14%	7.14%	250,000	250,000
Other investments						487,446	427,446
Total (Note 9)						<u>70,083,472</u>	<u>1,015,381</u>

1) Previously equity accounted.

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

7. TANGIBLE AND INTANGIBLE FIXED ASSETS

During the nine months period ended 30 September 2012, movements in tangible and intangible fixed assets as well as in depreciation and accumulated impairment losses, are made up as follows:

	Tangible Assets				
	Land and Buildings	Equipment	Other Tangible Assets	Tangible Assets in progress	Total Tangible Assets
Gross Cost:					
Opening balance as at 1 January 2012	215,045,171	139,057,667	2,407,224	9,358,098	365,868,160
Changes in consolidation perimeter	-	-	-	-	-
Capital expenditure	9,683	289,958	27,908	6,716,341	7,043,890
Disposals	(14,653)	(2,215,191)	(18,320)	(2,325)	(2,250,489)
Exchange rate effect	-	(8,822)	(4,971)	-	(13,793)
Transfers	9,998,051	11,839,083	64,921	(5,660,943)	16,241,111
Closing balance as at 30 September 2012	225,038,252	148,962,695	2,476,762	10,411,171	386,888,879
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2012	78,891,380	48,918,109	1,970,453	-	129,779,941
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	1,881,679	7,951,008	60,662	-	9,893,349
Disposals	(7,250)	(2,019,092)	(1,312)	-	(2,027,654)
Exchange rate effect	-	(5,020)	(2,935)	-	(7,955)
Transfers	-	(59,942)	30,034	-	(29,908)
Closing balance as at 30 September 2012	80,765,809	54,785,063	2,056,902	-	137,607,773
Carrying amount as at 1 January 2012	136,153,791	90,139,558	436,772	9,358,098	236,088,219
Carrying amount as at 30 September 2012	144,272,443	94,177,632	419,860	10,411,171	249,281,105

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

	30 September 2012	31 December 2011
Tróia	8,075,288	8,074,490
Photovoltaic Project	1,336,179	-
Others	999,704	1,283,608
	10,411,171	9,358,098

	Intangible Assets				Total Intangible Assets
	Patents and other similar rights	Software	Other Intangible Assets	Intangible Assets in progress	
Gross Cost:					
Opening balance as at 1 January 2012	7,805,800	2,586,420	174,822	66,927	10,633,969
Changes in consolidation perimeter	-	-	-	-	-
Capital expenditure	-	17,879	-	415,590	433,469
Disposals	(12,969)	(1,103,545)	(167,300)	-	(1,283,814)
Exchange rate effect	-	(1,652)	-	-	(1,652)
Transfers	(11,431)	88,071	1,900	(70,916)	7,624
Closing balance as at 30 September 2012	7,781,400	1,587,173	9,422	411,602	9,789,597
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2012	1,013,594	2,107,323	34,274	-	3,155,191
Changes in consolidation perimeter	-	-	-	-	-
Charges for the period	131,948	127,466	475	-	259,889
Disposals	(12,969)	(1,014,963)	(26,752)	-	(1,054,684)
Exchange rate effect	-	(1,001)	-	-	(1,001)
Transfers	(8,917)	8,917	-	-	-
Closing balance as at 30 September 2012	1,123,656	1,227,742	7,997	-	2,359,395
Carrying amount as at 1 January 2012	6,792,206	479,098	140,548	66,927	7,478,779
Carrying amount as at 30 September 2012	6,657,744	359,432	1,425	411,602	7,430,203

8. GOODWILL

During the nine months period ended 30 September 2012, movements in goodwill, as well as in corresponding impairment losses, are as follows:

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

9. INVESTMENTS

As at 30 September 2012, movements in investments were as follows:

	30 September 2012	
	Non current	Current
<u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u>		
Opening balance as at 1 January	8,200,508	-
Acquisitions in the period	60,000	-
Disposals in the period	-	-
Closing balance as at 30 September	8,260,508	-
Accumulated impairment losses (Note 22)	(7,707,935)	-
	<u>552,573</u>	<u>-</u>
<u>Investments held for sale</u>		
Fair value as at 1 January	651,807	-
Acquisitions in the period	-	-
Disposals in the period	-	-
Increase/(Decrease) in fair value	16,452,627	-
Transfers	52,555,464	-
Fair value as at 30 September	<u>69,659,898</u>	<u>-</u>
Accumulated impairment losses (Note 22)	(128,999)	-
Fair value (net of impairment losses) as at 30 September	<u>69,530,899</u>	<u>-</u>
	<u>70,083,472</u>	<u>-</u>
<u>Other Investments (Note 6)</u>		

The amounts included in "Increase/(Decrease) in fair value" and in "Transfers" relate to the Imosede Fund.

As already mentioned in Notes 5 and 6, the consolidation method of *Fundo de Investimento Imobiliário Fechado Imosede* changed, and is now included in the balance sheet as an available for sale asset measured at fair value. Regarding other investments, the Group considers that it is not reasonable to estimate its fair value as there is no visible market data.

Investments in group companies, jointly controlled companies or associated companies excluded from consolidation are recorded at acquisition cost less impairment losses.

10. OTHER NON-CURRENT ASSETS

As at 30 September 2012 and 31 December 2011, other non-current assets are detailed as follows:

	30 September 2012	31 December 2011
Loans granted to related parties		
Norscut - Concessionária de Scut Interior Norte, SA	16,646,298	15,689,170
Others	34,916	34,916
	<u>16,681,214</u>	<u>15,724,086</u>
Impairment losses (Note 22)	(34,916)	(34,916)
	<u>16,646,298</u>	<u>15,689,170</u>
Trade accounts receivable and other debtors		
Sale of financial investments	2,457,493	4,914,984
Others	1,199,025	1,216,475
Impairment losses (Note 22)	-	-
	<u>3,656,518</u>	<u>6,131,459</u>
Other noncurrent assets	<u>20,302,816</u>	<u>21,820,629</u>

Loans granted to related parties bear interest.

The amount in sale of financial investments relates to the disposal in 2011 of Sociedade Imobiliária Tróia B3, S.A.

11. STOCKS

Stocks as at 30 September 2012 and 31 December 2011 can be detailed as follows, highlighting the value attributable to real estate developments:

	30 September 2012		31 December 2011	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Raw materials, by-products and consumables	1,006,910	-	1,047,342	-
Goods for sale	33,283,744	30,800,791	34,749,797	29,160,330
Finished goods	76,909,246	76,909,246	96,759,113	96,759,113
Work in progress	81,943,676	78,338,884	80,094,214	78,978,708
Payments on account	68,459	-	68,459	-
	<u>193,212,034</u>	<u>186,048,921</u>	<u>212,718,924</u>	<u>204,898,151</u>
Accumulated impairment losses on stocks (Note 22)	(3,503,080)	(3,434,621)	(3,505,580)	(3,437,121)
	<u>189,708,954</u>	<u>182,614,300</u>	<u>209,213,344</u>	<u>201,461,030</u>

12. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2012 and 31 December 2011, trade accounts receivable and other current assets are detailed as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Trade accounts receivable	27,020,210	31,031,472
Accumulated impairment losses on trade debtors (Note 22)	(4,200,626)	(4,435,511)
	<u>22,819,584</u>	<u>26,595,961</u>
Taxes recoverable	9,417,656	12,385,331
Loans granted to and other amounts to be received from related parties	224,547	224,547
Other current assets		
Suppliers with a debtor balance	1,118,297	1,130,303
Other debtors	9,640,044	9,521,048
Accounts receivable from the sale of financial investments	24,739,831	24,756,968
Accounts receivable from the sale of tangible assets	9,613	4,859
Interest receivable	873,455	1,098,341
Deferred costs - Rents	439,618	211,172
Deferred costs - External supplies and services	897,245	740,609
Other current assets	3,068,410	645,222
	<u>40,786,514</u>	<u>38,108,522</u>
Accumulated impairment losses on other current assets (Note 22)	(27,718,174)	(27,732,750)
	<u>45,530,126</u>	<u>49,581,611</u>
Trade accounts receivable and other current assets	<u>45,530,126</u>	<u>49,581,611</u>

13. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 2012 and 31 December 2011 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Amortisation and Depreciation harmonisation adjustments	1,016,929	963,841	2,295,483	2,077,347
Provisions and impairment losses of non-tax deductible	10,137,437	10,137,246	-	-
Write off of tangible and intangible assets	687,592	888,433	-	-
Write off of accruals	314,611	410,390	-	-
Revaluation of tangible assets	-	-	172,898	173,406
Tax losses carried forward	15,995,335	10,922,466	-	-
Financial instruments	-	-	4,113,157	-
Write off of stocks	-	-	1,020,906	1,104,407
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	7,751,968	7,757,222
Others	83,745	241,061	399,113	422,973
	<u>28,235,649</u>	<u>23,563,437</u>	<u>15,753,525</u>	<u>11,535,355</u>

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 September 2012 and 31 December 2011, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 September 2012			31 December 2011		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2006	169,457	42,364	2012	326,542	81,635	2012
Generated in 2007	1,416,550	354,138	2013	1,416,550	354,137	2013
Generated in 2008	1,426,557	356,639	2014	1,426,557	356,639	2014
Generated in 2009	12,242,868	3,060,717	2015	6,448,363	1,612,091	2015
Generated in 2010	18,432,007	4,608,002	2014	18,432,007	4,608,002	2014
Generated in 2011	18,076,637	4,519,159	2015	15,136,075	3,784,019	2015
Generated in 2012	11,328,022	2,832,006	2017	-	-	
	<u>63,092,098</u>	<u>15,773,025</u>		<u>43,186,092</u>	<u>10,796,523</u>	
With a time limit different from the above mentioned	841,471	222,310		490,158	125,943	
	<u>63,933,569</u>	<u>15,995,335</u>		<u>43,676,250</u>	<u>10,922,466</u>	

As at 30 September 2012 and 31 December 2011, deferred tax assets resulting from tax losses carried forward were re-assessed. Deferred tax assets have only been recorded to the extent that future profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 30 September 2012, tax losses carried forward amounting to 183,231,615 euro (172,302,504 euro as at 31 December 2011), have not originated deferred tax assets for prudential reasons and are detailed as follows:

	30 September 2012			31 December 2011		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2006	15,712,421	3,928,105	2012	16,259,895	4,064,974	2012
Generated in 2007	17,895,099	4,473,775	2013	18,052,642	4,513,161	2013
Generated in 2008	37,313,096	9,328,274	2014	37,313,096	9,328,274	2014
Generated in 2009	42,420,189	10,605,047	2015	49,919,363	12,479,840	2015
Generated in 2010	18,141,146	4,535,287	2014	18,523,204	4,630,801	2014
Generated in 2011	19,710,703	4,927,676	2015	17,677,579	4,419,395	2015
Generated in 2012	16,678,849	4,169,712	2017	-	-	
	<u>167,871,503</u>	<u>41,967,876</u>		<u>157,745,779</u>	<u>39,436,445</u>	
Without limited time use	1,186,715	395,532		1,186,715	395,532	
With a time limit different from the above mentioned	14,173,397	4,342,666		13,370,010	3,944,355	
	<u>15,360,112</u>	<u>4,738,198</u>		<u>14,556,725</u>	<u>4,339,887</u>	
	<u>183,231,615</u>	<u>46,706,074</u>		<u>172,302,504</u>	<u>43,776,332</u>	

14. CASH AND CASH EQUIVALENTS

As at 30 September 2012 and 31 December 2011, cash and cash equivalents can be detailed as follows:

	30 September 2012	31 December 2011
Cash at hand	304,359	1,689,543
Bank deposits	4,617,850	2,291,097
Treasury applications	-	-
Cash and cash equivalents on the balance sheet	4,922,208	3,980,640
Bank overdrafts - (Note 17)	(1,140,982)	(494,571)
Guarantee deposit	(500,000)	(500,000)
Cash and cash equivalents in the statement of cash-flows	3,281,226	2,986,070

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

15. SHARE CAPITAL

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

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

As at 30 September 2012, Sonae Capital SGPS, S.A. owns 432,710 own shares (151,600 own shares at 31 December 2011) booked for 101,000 euro (36,143 at 31 December 2011).

16. NON-CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 30 September 2012 and 31 December 2011 are as follows:

	30 September 2012	31 December 2011
Opening balance as at 1 January	9,241,777	12,454,796
Changes in hedging reserves	(13,071)	(18,104)
Changes in the percentage of capital held in affiliated companies	-	(4,103,273)
Changes resulting from currency translation	(18,524)	(24,529)
Others	(3)	141,287
Profit for the period attributable to minority interests	(169,814)	791,600
Closing balance	9,040,365	9,241,777

17. BORROWINGS

As at 30 September 2012 and 31 December 2011, Borrowings are made up as follows:

	30 September 2012		31 December 2011		Repayable on
	Outstanding amount		Outstanding amount		
	Current	Non Current	Current	Non Current	
Bank loans					
Sonae Capital SGPS - commercial paper ^{a)}	30,000,000	-	-	30,000,000	Mar/2013
Sonae Capital SGPS - commercial paper ^{b)}	47,550,000	-	39,600,000	-	Mar/2018
Sonae Capital SGPS - commercial paper ^{d)}	4,000,000	8,250,000	-	12,250,000	Dec/2013
Sonae Capital SGPS - commercial paper ^{c)}	24,100,000	-	-	16,000,000	Aug/2016
Sonae Capital SGPS - commercial paper ^{e)}	-	-	4,550,000	-	Feb/2016
Sonae Capital SGPS - commercial paper ^{f)}	-	-	3,000,000	-	Jun/2016
Selfrio Engenharia - commercial paper	-	-	700,000	-	May/2012
Sonae Capital SGPS ^{g)}	2,000,000	31,000,000	650,000	33,000,000	Jun/2017
Up-front fees	-	(347,644)	-	(437,911)	
Others	350,524	1,325,893	140,825	609,375	
	108,000,524	40,228,249	48,640,825	91,421,464	
Bank overdrafts (Note 14)	1,140,981	-	494,571	-	
Bank loans	109,141,505	40,228,249	49,135,397	91,421,464	
Bond Loans					
Sonae Capital 2007/2012 Bonds	30,000,000	-	30,000,000	-	Dec/2012
Sonae Capital 2011/2016 Bonds	-	10,000,000	-	10,000,000	Jan/2016
SC, SGPS, S.A. 2008/2018 Bonds	-	50,000,000	-	50,000,000	Mar/2018
Up-front fees	-	(380,787)	-	(490,184)	
Bond Loans	30,000,000	59,619,213	30,000,000	59,509,816	
Other loans	555,634	2,031,881	675,655	2,490,273	
Derivatives (Note 18)	208,003	2,419,765	138,448	1,733,828	
Obligations under finance leases	2,805,633	25,356,644	2,607,993	27,536,520	
Up-front fees on finance leases	-	(117,342)	-	(127,017)	
	142,710,775	129,538,410	82,557,493	182,564,884	

- a) Commercial paper programme, with subscription guarantee, issued on 14 March 2008 and valid for a 5 year period.
- b) Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period, 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.
- c) Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to August 2016.
- d) Commercial paper programme, with subscription guarantee, issued on 30 December 2010, with annual renewals up to a maximum of 3 years.
- e) Short term commercial paper programme, with subscription guarantee, issued on 17 February 2011, with annual renewals up to a maximum of 5 years.
- f) Short term commercial paper programme, with subscription guarantee, issued on 1 June 2011, with annual renewals up to a maximum of 5 years.
- g) Bank loan guarantee by a mortgage on real estate, started on 2 June 2011 and valid for a 6 year period, with annual payments.

As at 30 September 2012, borrowings of the Group were as follows:

- Sonae Capital SGPS - 2007/2012 bond loan - 2nd emission in the amount of 30,000,000 euro, with a 5 year maturity, and a sole reimbursement on 31 December 2012. This bond loan bears interest every six months.
- SC, SGPS, SA, 2008/2018 bond loan in the amount of 50,000,000 euro, with a 10 year maturity, and a sole reimbursement on 3 March 2018, except if the reimbursement is anticipated, fully or partially, which can happen on 3 March 2016. This bond loan bears interest every six months.
- Sonae Capital SGPS - 2011/2016 bond loan in the amount of 10,000,000 euro, with a 5 year maturity, and a sole reimbursement on 17 January 2016, except if the reimbursement is anticipated, fully or partially, which can happen on 17 January 2014. This bond loan bears interest every six months.

The interest rate on bonds in force on 30 September 2012 was on average 3.14%.

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

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

Other current loans include bills receivable not yet due.

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

	30 September 2012		31 December 2011	
	Nominal value	Interest	Nominal value	Interest
N+1	142,502,770	7,705,827	82,419,045	8,892,411
N+2	19,301,824	6,321,039	55,571,186	6,799,606
N+3	10,995,759	5,682,250	18,899,142	5,918,320
N+4	20,545,596	4,731,542	10,656,839	5,305,279
N+5	13,195,845	1,915,400	20,205,856	4,019,406
After N+5	63,925,396	1,311,553	76,553,144	3,308,452
	<u>270,467,190</u>	<u>27,667,611</u>	<u>264,305,213</u>	<u>34,243,474</u>

18. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 30 September 2012 were mainly interest rate options (cash-flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose fair value of 2,627,767 euro (1,872,276 euro at 31 December 2011) is recorded as liabilities. As at 30 September 2012 and 31 December 2011, all derivatives are hedging derivatives.

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

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

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

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

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

Fair value of derivatives

The fair value of derivatives is as follows:

	Assets		Liabilities	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Non-Hedge accounting derivatives				
Interest rate	-	-	-	-
Hedge accounting derivatives				
Interest rate (Note 17)	-	-	2,627,767	1,872,276
Other derivatives				
	-	-	2,627,767	1,872,276

19. OTHER NON-CURRENT LIABILITIES

As at 30 September 2012 and 31 December 2011 other current liabilities can be detailed as follows:

	30 September 2012	31 December 2011
Loans and other amounts payable to related parties		
Plaza Mayor Parque de Ocio, SA	2,167,603	2,236,843
Others	1,298,000	1,298,000
	3,465,603	3,534,843
Other creditors		
Creditors in the restructuring process of Torralta	400,263	370,128
Others	-	140,548
	400,263	510,676
Deferred income	138,869	3,109,988
Other noncurrent liabilities	4,004,735	7,155,507

20. SHARE-BASED PAYMENTS

In 2012 and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae Capital SGPS, SA to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date.

As at 30 September 2012 and 31 December 2011, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarized as follows:

	Year of grant	Vesting year	Number of participants	Fair Value	
				30 September 2012	31 December 2011
Shares					
	2009	2012	3	-	75,054
	2010	2013	2	42,958	77,011
	2011	2014	3	72,036	132,017
	2012	2015	9	289,288	-
Total				404,283	284,082

As at 30 September 2012 and 31 December 2011, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	30 September 2012	31 December 2011
Other noncurrent liabilities	138,868	106,946
Other current liabilities	45,588	95,317
Reserves	129,184	143,765
Staff Costs	55,271	58,498

21. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 September 2012 and 31 December 2011 trade accounts payable can be detailed as follows:

	30 September 2012	31 December 2011
Trade creditors	15,425,343	14,851,465
Loans granted by and other payables to related parties	157,260	107,760
Other current liabilities		
Fixed assets suppliers	201,440	514,752
Advances from customers and down payments	2,015,059	1,938,599
Other creditors	2,310,991	1,494,526
Taxes and contributions payable	4,710,890	5,596,653
Staff costs	6,249,021	6,555,743
Deferred income for services rendered	2,212,928	4,400,408
Other external supplies and services	5,749,139	4,988,701
Interest payable	937,439	1,472,238
Expenses with construction contracts	475,569	509,507
Investment aid	1,677,008	1,699,859
Other liabilities	5,139,426	4,775,428
	31,678,910	33,946,414
Trade accounts payable and other current liabilities	47,261,513	48,905,639

22. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 September 2012 were as follows:

Captions	Balance as at 1 January 2012	Increases	Decreases	Balance as at 30 September 2012
Accumulated impairment losses on:				
Other Investments (Notes 5 and 9)	7,868,877	-	-	7,868,877
Other noncurrent assets (Note 10)	34,916	-	-	34,916
Trade accounts receivable (Note 12)	4,435,511	412,268	(647,153)	4,200,626
Other current assets (Note 12)	27,732,750	4,446	(19,022)	27,718,174
Stocks (Note 11)	3,505,580	-	(2,500)	3,503,080
Non current provisions	3,185,974	-	(106,150)	3,079,824
Current provisions	1,055,216	88,101	(49,427)	1,093,890
	47,818,824	504,815	(824,252)	47,499,387

As at 30 September 2012 and 31 December 2011 detail of other provisions was as follows:

	30 September 2012	31 December 2011
Judicial claims	1,639,850	1,707,327
Others	2,533,863	2,533,863
	4,173,713	4,241,190

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

23. CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2012 and 31 December 2011 the most important contingent liabilities referred to guarantees given and were made up as follows:

	30 September 2012	31 December 2011
Guarantees given:		
on VAT reimbursements	4,794,499	7,606,253
on tax claims	4,073,281	2,367,143
on municipal claims	3,100,246	3,700,393
Others	12,350,816	17,317,084

Others include the following guarantees:

- 5,826,945 euro (6,923,850 euro as at 31 December 2011) of guarantees on construction works given to clients;
- 4,924,400 euro (8,643,393 euro as at 31 December 2011) guarantees given concerning building permits in the Tourism business.

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

24. RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

Transactions	Sales and services rendered		Purchases and services obtained	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Parent company (a)	-	-	-	-
Associated companies	-	944,321	14,193	395,913
Other partners and Group companies (b)	15,708,077	20,210,791	5,916,482	5,551,833
	<u>15,708,077</u>	<u>21,155,112</u>	<u>5,930,675</u>	<u>5,947,746</u>

Transactions	Interest income		Interest expenses	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
Parent company (a)	-	-	-	-
Associated companies	833,457	716,481	-	-
Other partners and Group companies (b)	-	-	106,958	109,585
	<u>833,457</u>	<u>716,481</u>	<u>106,958</u>	<u>109,585</u>

Balances	Accounts receivable		Accounts payable	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Parent company (a)	-	-	-	-
Associated companies	835,674	902,395	5,139	57,485
Other partners and Group companies (b)	7,997,397	9,645,265	9,645,265	3,336,327
	<u>8,833,071</u>	<u>10,547,660</u>	<u>9,650,404</u>	<u>3,393,812</u>

Balances	Loans obtained		Loans granted	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Parent company (a)	-	-	-	-
Associated companies	-	-	16,816,298	15,859,170
Other partners and Group companies (b)	2,217,103	2,236,843	-	-
	<u>2,217,103</u>	<u>2,236,843</u>	<u>16,816,298</u>	<u>15,859,170</u>

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

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

25. TAXATION

Income tax for the nine months periods ended 30 September 2012 and 2011 was made up as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Current tax	2,249,413	2,267,543
Deferred tax	(453,533)	(1,275,454)
Taxation	<u>1,795,879</u>	<u>992,089</u>

26. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 September 2012 and 2011, the reconciliation of consolidated net profit can be analysed as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Aggregate net profit	7,384,962	26,479,579
Harmonisation adjustments	(1,262,237)	4,559
Elimination of intragroup dividends	(5,188,146)	(7,417,837)
Share of gains/(losses) of associated undertakings	4,896,810	4,312,240
Elimination of intragroup impairment	(6,036,841)	1,008,100
Adjustments of gains/(losses) on assets disposals	3,003,042	-
Adjustments of gains/(losses) of financial shareholdings sale	(729,091)	(8,964,361)
Others	(615)	12,157
Consolidated net profit for the year	<u>2,067,884</u>	<u>15,434,437</u>

27. EARNINGS PER SHARE

Earnings per share for the periods ended 30 September 2012 and 2011 were calculated taking into consideration the following amounts:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	2,237,698	14,692,381
Effect of dilutive potential shares	-	-
Interest related to convertible bonds (net of tax)	-	-
Net profit taken into consideration to calculate diluted earnings per share	<u>2,237,698</u>	<u>14,692,381</u>
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	249,587,930	250,000,000
Effect of dilutive potential ordinary shares from convertible bonds	-	-
Weighted average number of shares used to calculated diluted earnings per share	<u>249,587,930</u>	<u>250,000,000</u>
Earnings per share (basic and diluted)	<u>0.008966</u>	<u>0.058770</u>

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

28. SEGMENT INFORMATION

In 30 September 2012 and 2011, the following were identified as segments:

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

The contribution of the business segments to the income statement of the periods ended 30 September 2012 and 2011 can be detailed as follows:

30 September 2012					
Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Tourism Operations	4,018,706	22,108,887	2,033,175	28,160,769	(3,917,015)
Atlantic Ferries	-	4,152,486	99,514	4,252,000	844,733
Other	-	1,195,390	320,833	1,516,223	108,861
Intersegment Income	-	(1,124,388)	(281,895)	(1,406,284)	(2,160)
Total Tourism	4,018,706	26,332,375	2,171,627	32,522,708	(2,965,581)
Total SC Assets	221,620	3,072,748	3,389,982	6,684,350	3,275,969
Energy and environment	9,296,488	463,117	412,100	10,171,705	2,356,843
Sistavac Group	26,049,898	13,726,983	315,145	40,092,026	278,183
Other	52,644	6,168,354	451,326	6,672,324	150,867
Intersegment Income	(2,356,899)	(295,462)	1,690,909	(961,452)	(6,286)
Total Spred	33,042,131	20,062,992	2,869,480	55,974,603	2,779,607
Holding & Others	-	3,449,024	406,910	3,855,934	(1,244,482)
Intersegment Income	(484,642)	(5,992,052)	69,834	(6,406,859)	11,751
Consolidated	36,797,815	46,925,087	8,907,833	92,630,736	1,857,264

30 September 2011					
Profit & Loss Account	Sales	Services rendered	Other operational income	Total operational income	Operational cash-flow (EBITDA)
Tourism Operations	6,760,444	26,398,651	2,949,946	36,109,041	(5,336,648)
Atlantic Ferries	-	4,408,659	36,057	4,444,716	1,030,196
Other	-	1,330,582	231,073	1,561,655	546,361
Intersegment Income	-	(1,200,584)	(304,181)	(1,504,765)	(54)
Total Tourism	6,760,444	30,937,308	2,912,895	40,610,647	(3,760,145)
Total SC Assets	3,136,667	3,478,367	589,591	7,204,625	(604,175)
Energy and environment	5,147,835	605,147	499,292	6,252,274	1,321,370
Sistavac Group	42,563,404	13,008,756	943,287	56,515,447	3,720,967
Other	60,989	3,968,963	354,079	4,384,031	237,078
Intersegment Income	-	(18,980)	-	(18,980)	(537)
Total Spred	47,772,228	17,563,886	1,796,658	67,132,772	5,278,878
Holding & Others	-	3,065,670	630,752	3,696,422	(1,315,749)
Intersegment Income	(4,231,596)	(6,057,188)	3,941,064	(6,347,721)	2,222
Consolidated	53,437,743	48,988,043	9,870,960	112,296,745	(398,969)

The contribution of the business segments to the balance sheets as at 30 September 2012 and 31 December 2011 can be detailed as follows:

30 September 2012								
Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Tourism Operations	168,013,673	307,390	179,057,624	347,378,687	229,414,146	1,649,616	4,022,799	947,390
Atlantic Ferries	23,734,075	-	1,682,924	25,417,000	23,075,386	11,510	19,225,370	19,137,433
Other	2,937	274,154	179,820,980	180,098,071	236,559,713	-	-	(3,493)
Intersegment Adjustments	-	-	(181,286,477)	(181,286,477)	(181,284,482)	-	-	-
Total Tourism	191,750,685	581,544	179,275,051	371,607,280	307,764,764	1,661,126	23,248,169	20,081,330
Total SC Assets	47,643,260	69,854,909	112,149,440	229,647,609	196,990,713	505,430	200,308	(327,061)
Energy and environment	14,747,774	2,546	4,981,464	19,731,784	17,249,033	4,573,286	9,458,459	9,450,491
Sistavac Group	534,082	-	50,628,635	51,162,717	15,343,310	327,412	553,549	(15,600)
Other	1,745,186	5,501,031	47,221,563	54,467,780	22,994,914	156,209	152,990	(365,048)
Intersegment Adjustments	-	-	(19,742,255)	(19,742,255)	(19,744,234)	-	-	-
Total Spred	17,027,042	5,503,577	83,089,408	105,620,026	35,843,023	5,056,907	10,164,998	9,069,842
Holding & Others	290,321	8,890	436,731,390	437,030,601	267,380,700	253,896	238,635,709	238,502,864
Intersegment Adjustments	-	-	(461,517,022)	(461,517,022)	(464,536,528)	-	-	-
Consolidated	256,711,308	75,948,920	349,728,266	682,388,495	343,442,672	7,477,359	272,249,184	267,326,976

31 December 2011								
Balance Sheet	Fixed Assets Tangible and Intangible	Investments	Other Assets	Total Assets	Total Liabilities	Technical investment	Gross Debt	Net Debt
Tourism Operations	157,031,744	247,390	194,444,133	351,723,267	231,119,097	5,983,040	3,466,557	2,938,632
Atlantic Ferries	24,755,340	-	1,672,236	26,427,576	23,305,133	78,690	20,291,480	20,204,261
Other	271,898	274,154	186,549,251	187,095,303	229,583,855	2,310	1,151	(4,919)
Intersegment Adjustments	-	-	(186,881,715)	(186,881,715)	(186,879,871)	-	-	-
Total Tourism	182,058,982	521,544	195,783,905	378,364,431	297,128,214	6,064,040	23,759,188	23,137,974
Total SC Assets	48,025,443	58,637,333	108,242,817	214,905,593	190,801,038	773,241	879	(531,441)
Energy and environment	11,253,391	2,546	4,506,946	15,762,883	14,147,725	3,748,308	10,168,918	10,149,905
Sistavac Group	322,342	-	54,857,951	55,180,293	19,283,480	79,391	1,084,721	(854,719)
Other	1,820,079	1,905,304	46,052,081	49,777,464	21,587,619	264,854	252,937	(248,699)
Intersegment Adjustments	-	-	(16,312,913)	(16,312,913)	(16,313,663)	-	-	-
Total Spred	13,395,812	1,907,850	89,104,064	104,407,726	38,705,161	4,092,553	11,506,577	9,046,486
Holding & Others	86,761	8,889	422,196,516	422,292,165	259,478,733	20,116	229,855,733	229,488,718
Intersegment Adjustments	-	-	(446,139,124)	(446,139,128)	(449,153,078)	-	-	-
Consolidated	243,566,998	61,075,617	369,188,174	673,830,788	336,960,068	10,949,950	265,122,377	261,141,737

Net debt of the Holding can be analysed as follows:

	<u>30 September 2012</u>
Inflows	
Gross bank debt	238,629,362
Cash and cash equivalents	<u>353,545</u>
Net bank debt	238,275,817
Sonae Turismo	-
SC Assets	-
Spred	<u>19,932,000</u>
Intercompany ST Loans Obtained	<u>19,932,000</u>
Total Inflows	<u><u>258,207,817</u></u>
Outflows	
Sonae Turismo	232,694,662
SC Assets	178,335,300
Spred	<u>941,546</u>
Intercompany Loans Granted	<u><u>411,971,508</u></u>

29. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 September 2012.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 14 November 2012.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

30 SEPTEMBER 2012

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 30 SEPTEMBER 2012 AND 31 DECEMBER 2011

(Amounts expressed in euro)

ASSETS	Notes	30 September 2012	31 December 2011
NON CURRENT ASSETS:			
Investments	4	542,141,999	542,141,999
Deferred tax assets	7	452,658	451,247
Other non current assets	5	204,365,543	164,370,542
Total Non Current Assets		<u>746,960,200</u>	<u>706,963,788</u>
CURRENT ASSETS:			
Other current assets	6	8,701,930	21,481,201
Cash and cash equivalents	8	124,366	350,634
Total Current Assets		<u>8,826,296</u>	<u>21,831,835</u>
TOTAL ASSETS		<u>755,786,496</u>	<u>728,795,623</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	9	250,000,000	250,000,000
Own shares	9	(101,000)	(36,143)
Legal reserve	10	8,307,376	8,307,376
Other reserves	10	288,710,416	289,628,622
Retained earnings		-	-
Profit / (Loss) for the period		346,873	(918,206)
TOTAL EQUITY		<u>547,263,665</u>	<u>546,981,649</u>
LIABILITIES:			
NON CURRENT LIABILITIES:			
Bank loans	11	38,902,356	90,812,089
Bond loans	11	9,974,849	9,943,470
Other non current liabilities		54,448	63,054
Deferred tax liabilities	7	3,528	11,699
Total Non Current Liabilities		<u>48,935,181</u>	<u>100,830,312</u>
CURRENT LIABILITIES			
Suppliers		31,276	1,638,046
Bank loans	11	107,650,000	47,800,000
Bond loans	11	30,000,000	30,000,000
Other creditors	12	19,933,877	31,923
Other current liabilities	13	1,972,497	1,513,693
Total Current Liabilities		<u>159,587,650</u>	<u>80,983,662</u>
TOTAL EQUITY AND LIABILITIES		<u>755,786,496</u>	<u>728,795,623</u>

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in euro)

	Notes	30 September 2012	30 September 2011
Operational income			
Other operational income		9,132	325,582
Total operational income		<u>9,132</u>	<u>325,582</u>
Operational expenses			
External supplies and services	14	(717,157)	(197,052)
Staff costs	15	(388,661)	(698,868)
Depreciation and amortisation		-	(1)
Other operational expenses		(74)	(4,501)
Total operational expenses		<u>(1,105,892)</u>	<u>(900,421)</u>
Operational profit/(loss)		<u>(1,096,760)</u>	<u>(574,839)</u>
Financial income	16	8,770,567	7,931,976
Financial expenses	16	(7,712,274)	(7,195,119)
Net financial income/(expenses)		<u>1,058,293</u>	<u>736,857</u>
Investment income	16	382,921	-
Profit/(loss) before taxation		<u>344,454</u>	<u>162,018</u>
Taxation	17	2,419	(47,247)
Profit/(loss) for the period		<u>346,873</u>	<u>114,771</u>
Profit/(loss) per share			
Basic and diluted	18	0.001390	0.000459

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 2012 AND 2011

(Amounts expressed in euro)

	3 rd Quarter 2012 (Unaudited)	3 rd Quarter 2011 (Unaudited)
Operational income:		
Other operational income	6,427	2,811
Total operational income	6,427	2,811
Operational expenses:		
External supplies and services	(525,578)	(69,308)
Staff costs	(210,292)	(204,153)
Depreciation and amortisation	-	-
Other operational expenses	(67)	(1,501)
Total operational expenses	(735,937)	(274,961)
Operational profit/(loss)	(729,510)	(272,150)
Financial income	2,733,563	2,968,849
Financial expenses	(2,628,207)	(2,618,560)
Net financial income/(expenses)	105,356	350,289
Investment income	-	-
Profit/(loss) before taxation	(624,154)	78,139
Taxation	157,200	(22,255)
Profit/(loss) for the period	(466,954)	55,884
Profit/(loss) per share		
Basic and diluted	(0.001871)	0.000224

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 PERIODS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in euro)

	<u>30 September 2012</u>	<u>30 September 2011</u>
Net profit for the period	346,873	114,771
Exchange differences arising from translating foreign operations	-	-
Share of other comprehensive income of associated undertakings and joint ventures accounted for by the equity method	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Gains on property revaluations	-	-
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>346,873</u>	<u>114,771</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 2012 AND 2011

(Amounts expressed in euro)

	<u>3rd Quarter 2012 (Unaudited)</u>	<u>3rd Quarter 2011 (Unaudited)</u>
Net profit for the period	(466,954)	55,884
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>(466,954)</u>	<u>55,884</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 PERIODS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in euro)

	Share Capital	Own Shares	Legal Reserve	Translation Reserve	Fair Value Reserve	Hedging Reserve	Other Reserves	Retained Earnings	Sub total	Net profit / (loss)	Total Equity
Balance as at 1 January 2011	250,000,000	-	8,191,127	-	-	-	287,419,883	-	295,611,010	2,324,988	547,935,998
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	114,771	114,771
Appropriation of profits:											
Transfer to reserves	-	-	116,249	-	-	-	2,208,739	-	2,324,988	(2,324,988)	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2011	250,000,000	-	8,307,376	-	-	-	289,628,622	-	297,935,998	114,771	548,050,769
Balance as at 1 January 2012	250,000,000	(36,144)	8,307,376	-	-	-	289,628,622	-	297,935,998	(918,206)	546,981,648
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	346,873	346,873
Appropriation of profits:											
Use of free Reserves to cover net loss	-	-	-	-	-	-	(918,206)	-	(918,206)	918,206	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	-
Acquisition/(disposal) of own shares	-	(64,856)	-	-	-	-	-	-	-	-	(64,856)
Others	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2012	250,000,000	(101,000)	8,307,376	-	-	-	288,710,416	-	297,017,792	346,873	547,263,665

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 PERIODS ENDED 30 SEPTEMBER 2012 AND 2011

(Amounts expressed in euro)

	30 September 2012	30 September 2011
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	1,850,956	209,760
Cash paid to employees	446,506	635,821
Cash flow generated by operations	(2,297,462)	(845,581)
Income taxes (paid)/received	(264,965)	(75,076)
Other cash receipts/(payments) relating to operating activities	(25,643)	(58,310)
Net cash flow from operating activities [1]	(2,058,140)	(828,815)
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	10,763,917	7,490,580
Dividends	382,921	-
Loans granted	-	45,056,000
	11,146,838	52,546,580
Cash payments arising from:		
Loans granted	29,477,446	24,524,600
	29,477,446	24,524,600
Net cash flow from investment activities [2]	(18,330,608)	28,021,980
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	48,082,000	86,466,000
	48,082,000	86,466,000
Cash Payments arising from:		
Interest and similar costs	7,554,663	5,995,616
Acquisition of own shares	64,857	-
Loans obtained	20,300,000	106,450,000
	27,919,520	112,445,616
Net cash flow from financing activities [3]	20,162,480	(25,979,616)
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	(226,268)	1,213,549
Cash and cash equivalents at the beginning of the period	350,634	27,355
Cash and cash equivalents at the end of the period	124,366	1,240,904

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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 2012 AND 2011

(Amounts expressed in euro)

	3 rd Quarter 2012 (Unaudited)	3 rd Quarter 2011 (Unaudited)
<u>OPERATING ACTIVITIES</u>		
Cash paid to trade creditors	87,644	30,690
Cash paid to employees	128,584	162,802
Cash flow generated by operations	<u>(216,228)</u>	<u>(193,492)</u>
Income taxes (paid)/received	(282,546)	(179,588)
Other cash receipts/(payments) relating to operating activities	19,355	28,759
Net cash flow from operating activities [1]	<u>85,673</u>	<u>14,855</u>
<u>INVESTMENT ACTIVITIES</u>		
Cash receipts arising from:		
Interest and similar income	5,562,927	4,463,356
Dividends	-	-
Loans granted	-	(45,056,000)
	<u>5,562,927</u>	<u>(40,592,644)</u>
Cash payments arising from:		
Loans granted	(5,433,700)	(46,031,400)
	<u>(5,433,700)</u>	<u>(46,031,400)</u>
Net cash flow from investment activities [2]	<u>10,996,627</u>	<u>5,438,756</u>
<u>FINANCING ACTIVITIES</u>		
Cash receipts arising from:		
Loans obtained	1,350,000	35,717,000
	<u>1,350,000</u>	<u>35,717,000</u>
Cash Payments arising from:		
Interest and similar costs	3,107,338	2,059,935
Acquisition of own shares	1,930	0
Loans obtained	9,500,000	38,850,000
	<u>12,609,268</u>	<u>40,909,935</u>
Net cash from financing activities [3]	<u>(11,259,268)</u>	<u>(5,192,935)</u>
Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3]	(176,968)	260,676
Cash and cash equivalents at the beginning of the period	301,335	980,227
Cash and cash equivalents at the end of the period	<u>124,366</u>	<u>1,240,904</u>

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA
NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2012
(Amounts expressed in euro)

1. INTRODUCTION

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

The Company's financial statements are presented as required by the Commercial Companies Code. According to Decree-Law 35/2005 of 17 February, the Company's financial statements have been prepared in accordance with International Financial Reporting Standards.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying individual financial statements are consisting with those used in the financial statements presented for the year ended 31 December 2011.

Basis of preparation

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

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

3. CHANGES IN ACCOUNTING POLICIES

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

4. INVESTMENTS

As at 30 September 2012 and 31 December 2011 Investments are detailed as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Investments in affiliated and associated undertakings	542,138,253	542,138,253
Investments in other companies		
Sonae RE - (0,04%)	1,200	1,200
Fundo Invest. Imob. Imosonae Dois - (0,001%)	2,546	2,546
	<u>542,141,999</u>	<u>542,141,999</u>

4.1 Investments in Affiliated and Associated Undertakings

As at 30 September 2012 and 31 December 2011, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

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

Company	<u>30 September 2012</u>				<u>31 December 2011</u>			
	% Held	Fair Value	Book Value	Fair Value Reserve	% Held	Fair Value	Book Value	Fair Value Reserve
SC, SGPS, SA	100.00%	-	382,638,253	-	100.00%	-	382,638,253	-
Spred, SGPS SA	54.05%	-	40,000,000	-	54.05%	-	40,000,000	-
SC Assets, SGPS, SA	76.64%	-	82,000,000	-	76.64%	-	82,000,000	-
Sonae Turismo, SGPS SA	23.08%	-	37,500,000	-	23.08%	-	37,500,000	-
Total		-	542,138,253	-		-	542,138,253	-

5. OTHER NON CURRENT ASSETS

As at 30 September 2012 and 31 December 2011 Other Non Current Assets are detailed as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Loans granted to group companies:		
SC, SGPS, SA	141,725,743	106,142,742
SC Assets, SGPS, SA	62,639,800	58,227,800
	<u>204,365,543</u>	<u>164,370,542</u>

These assets were not due or impaired as at 30 September 2012. The fair value of loans granted to Group companies is basically the same as their book value.

6. OTHER CURRENT ASSETS

As at 30 September 2012 and 31 December 2011 Other Current Assets can be detailed as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Group companies - Short term loans:		
SC, SGPS, SA	3,030,900	1,690,381
SC-Consultadoria,SA	-	3,413,021
Sonae Turismo-SGPS,SA	-	10,916,552
SC Assets, SGPS, SA	2,471,500	-
Income tax withheld	19,875	298,516
Other Debtors	2,039	9,956
Accrued income	3,134,625	5,128,767
Deferred costs	42,990	24,008
	<u>8,701,930</u>	<u>21,481,201</u>

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

7. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 2012 and 31 December 2011 can be detailed as follows, split between the different types of temporary differences:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Tax losses carried forward	452,658	451,247	-	-
Others	-	-	3,528	11,699

During the periods ended 30 September 2012 and 31 December 2011, movements in deferred tax are as follows:

	<u>Deferred tax assets</u>		<u>Deferred tax liabilities</u>	
	<u>30 September 2012</u>	<u>31 December 2011</u>	<u>30 September 2012</u>	<u>31 December 2011</u>
Opening balance	451,247	157,965	11,699	22,586
Effect in results :				
Tax losses carried forward	1,411	293,282	-	-
Others	-	-	(8,171)	(10,887)
	<u>452,658</u>	<u>451,247</u>	<u>3,528</u>	<u>11,699</u>
Effect in reserves:	-	-	-	-
Closing balance	<u>452,658</u>	<u>451,247</u>	<u>3,528</u>	<u>11,699</u>

8. CASH AND CASH EQUIVALENTS

As at 30 September 2012 and 31 December 2011 Cash and Cash Equivalents can be detailed as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Cash	1,004	1,004
Bank deposits	123,363	349,631
Cash and cash equivalents in the balance sheet	<u>124,366</u>	<u>350,634</u>
Bank overdrafts	-	-
Cash and cash equivalents in the cash flow statement	<u>124,366</u>	<u>350,634</u>

9. SHARE CAPITAL

As at 30 September 2012 and 31 December 2011, the Share Capital is represented by 250,000,000 ordinary shares with a nominal value of 1 euro each.

Up to 30 September 2012, Sonae Capital SGPS, S.A. bought 281,110 own shares in the stock market, representing 0.112% of its share capital, for a total consideration of 64,856 euro. As at 30 September 2012 the total number of own shares held by the company is 432,710, representing 0.173% of the share capital.

10. RESERVES

As at 30 September 2012, and 31 December 2011 the caption Other Reserves can be detailed as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Free reserves	155,971,163	156,954,227
Demerger reserve	132,638,252	132,638,252
Own shares reserve	101,000	36,143
	<u>288,710,416</u>	<u>289,628,622</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 2012 the value of this caption is 8,307,376 euro.

11. LOANS

As at 30 September 2012 and 31 December 2011 this caption included the following loans:

	<u>30 September 2012</u>	<u>31 December 2011</u>
Bank loans - Commercial paper	8,250,000	58,250,000
Bank loans - Term loan	31,000,000	33,000,000
Up-front fees not yet charged to income statement	<u>(347,644)</u>	<u>(437,911)</u>
Bank loans - non current	<u>38,902,356</u>	<u>90,812,089</u>
Nominal value of bonds	10,000,000	10,000,000
Up-front fees not yet charged to income statement	<u>(25,151)</u>	<u>(56,531)</u>
Bond Loans	<u>9,974,849</u>	<u>9,943,470</u>
Total non-current loans	<u>48,877,205</u>	<u>100,755,559</u>
Bank loans - Commercial paper	105,650,000	47,150,000
Bank loans - Term loan	<u>2,000,000</u>	<u>650,000</u>
Bank loans - current	<u>107,650,000</u>	<u>47,800,000</u>
Bond Loans	<u>30,000,000</u>	<u>30,000,000</u>
Total current bank loans	<u>137,650,000</u>	<u>77,800,000</u>

Non Current Bank Loans

The caption non current bank loans relates to amounts issued detailed as follows:

- i. Bank loan started on 2 June 2011 valid for six years and repayable in six annual instalments. This loan is guaranteed by a mortgage of investment properties and pays interest every three months;
- ii. Commercial Paper Programme issued on 30 December 2010 with subscription guarantee and valid for a period of 3 years;
- iii. Sonae Capital, SGPS 2011/2016 Bond issue, amounting to 10,000,000 euro, repayable after 5 years, in one instalment, on 17 January 2016. Early repayment can occur under the terms of the Call / Put Option. This bond issue pays interest every six months.

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

The average interest rate of these bond loans as at 30 September 2012 was 3.371%.

Current Bank Loans

The caption current bank loans relates to amounts issued, detailed as follows:

- i. Commercial Paper Programme issued on 28 March 2008 without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company;
- ii. Commercial Paper Programme issued on 30 December 2010 with subscription guarantee, valid for a period of 3 years;
- iii. Commercial Paper Programme issued on 31 March 2011 with subscription guarantee, valid for a period of 5 years and 5 months;
- iv. Sonae Capital, SGPS 2007/2012 2nd Bond issue, amounting to 30,000,000 euro, repayable after 5 years, in one instalment, on 31 December 2012. This bond issue pays interest every six months.

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

There are no Derivatives.

12. OTHER CREDITORS

As at 30 September 2012 and 31 December 2011, these captions were made up as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
<u>Other creditors</u>		
Group companies - Short term loans:		
Spred, SGPS, SA	19,932,000	-
Other creditors	1,877	31,923
	<u>19,933,877</u>	<u>31,923</u>

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

13. OTHER CURRENT LIABILITIES

As at 30 September 2012 and 31 December 2011, these captions were made up as follows:

	<u>30 September 2012</u>	<u>31 December 2011</u>
<u>Other current liabilities</u>		
Taxes payable	24,770	95,128
Accruals:		
Staff costs	319,470	376,622
Interest payable	1,093,041	993,925
Other accruals	535,216	42,717
Deferred income	-	5,301
	<u>1,972,497</u>	<u>1,513,693</u>

14. EXTERNAL SUPPLIES AND SERVICES

As at 30 September 2012 and 30 September 2011 External Supplies and Services can be detailed as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Operational rents	26,257	48,343
Insurance costs	37,569	36,444
Travelling expenses	14,712	11,617
Services obtained	628,041	78,598
Other services	10,577	22,050
	<u>717,157</u>	<u>197,052</u>

15. STAFF COSTS

As at 30 September 2012 and 30 September 2011, Staff Costs are made up as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Governing bodies' remunerations	335,942	549,570
Staff's remunerations	-	78,730
Social security contributions	36,264	50,523
Other staff costs	16,454	20,045
	<u>388,661</u>	<u>698,868</u>

16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 30 September 2012 and 30 September 2011, Net Financial Expenses and Investment Income can be detailed as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(4,679,029)	(3,988,352)
Bonds	(887,664)	(869,245)
Other	(284,231)	(507,081)
Other financial expenses	(1,861,349)	(1,830,440)
	<u>(7,712,274)</u>	<u>(7,195,119)</u>
Interest receivable and similar income		
Interest income	8,770,567	7,931,976
	<u>8,770,567</u>	<u>7,931,976</u>
Net financial expenses	<u>1,058,293</u>	<u>736,857</u>
Investment income	<u>382,921</u>	<u>-</u>

As at 30 September 2012, Investment Income of 382,921 euro relates to dividends paid by an associated company.

17. TAXATION

As at 30 September 2012 and 30 September 2011, Taxation is made up as follows:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Current tax	(7,163)	(8,793)
Deferred tax	<u>9,582</u>	<u>(38,454)</u>
	<u><u>2,419</u></u>	<u><u>(47,247)</u></u>

18. EARNINGS PER SHARE

Earnings per share for the nine months periods ended 30 September 2012 and 2011 were calculated taking into consideration the following amounts:

	<u>30 September 2012</u>	<u>30 September 2011</u>
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	346,873	114,771
Effect of dilutive potential shares	<u>-</u>	<u>-</u>
Net profit taken into consideration to calculate diluted earnings per share	<u><u>346,873</u></u>	<u><u>114,771</u></u>
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	249,587,930	250,000,000
Weighted average number of shares used to calculate diluted earnings per share	<u><u>249,587,930</u></u>	<u><u>250,000,000</u></u>
Earnings per share (basic and diluted)	<u><u>0.001390</u></u>	<u><u>0.000459</u></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 2012 shareholders' loan contracts were entered into with the company SC, SGPS, SA and SC Assets, SGPS, SA.

In the period ended 30 September 2012 short-term loan contracts were entered with the companies SC Assets, SGPS, SA and Spred, SGPS, SA.

As at 30 September 2012 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted

<u>Companies</u>	<u>Closing Balance</u>
SC, SGPS, SA	144,756,643
SC Assets, SGPS, SA	65,111,300
	<u>209,867,943</u>

As at 30 September 2012 amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

<u>Companies</u>	<u>Closing Balance</u>
Spred , SGPS, SA	19,932,000
	<u>19,932,000</u>

20. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 14 November 2012.

The Board of Directors