



SONAE CAPITAL, SGPS, SA

Head Office: Lugar do Espido, Via Norte, Maia

Share Capital: 250,000,000 Euro

Maia Commercial Registry and Fiscal Number 508 276 756

Sociedade Aberta

REPORT AND ACCOUNTS

30 SEPTEMBER 2011

(Translation from the Portuguese Original)



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REPORT OF THE BOARD OF DIRECTORS

30 SEPTEMBER 2011

(Translation from the Portuguese Original)

Report of the Board of Directors 30 September 2011

(Translation from the Portuguese original)

- **Third quarter results highlights:**
 - Increased profitability of the summer season at troiaresort. Compared to last year's third quarter, and including real estate sales, turnover grew 1.3 M.€ to 9.8 M.€ and EBITDA was positive 1.5 M.€ over negative 0.3 M.€ in 3Q10;
 - 6.2 M.€ capital gain generated from the sale of the Group's 20% shareholding in *Sociedade Imobiliária Tróia B3*;
 - Start up of the Colombo cogeneration facility, leading to 1.3 M.€ increase in turnover and 0.5 M.€ increase in EBITDA;
 - The economic crisis and its impact on consumption and investment continued to negatively affect the performance of the Fitness business and of the Selfrio Group in Portugal during the quarter, respectively;
 - Quarterly EBITDA was positive 2.9 M.€, up from 0.9 M.€ in 3Q10, and Net Income increased 4.8 M.€ to positive 2.9 M.€;
 - Cash flow from operations was positive 2.5 M.€.

- **For the first nine months of 2011:**
 - Turnover totalled 102.4 M.€ (111.4 M.€ in 9M10);
 - EBITDA was negative 0.4 M.€ (positive 2.5 M.€ in 9M10);
 - Net Profit increased by 22.8 M.€ to positive 15.4 M.€ (negative 7.4 M.€ in 9M10);
 - Net Debt of 255.9 M.€, 21.3 M.€ below the 31 December 2010 figure (277.2 M.€).

Disclaimer:

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

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

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

1. Executive Summary

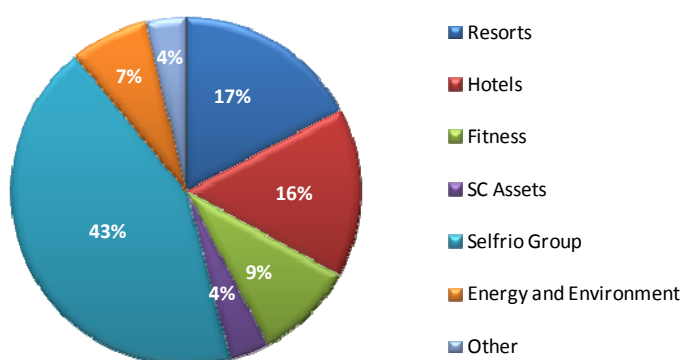
Values in 10⁶ euro

| | 9M | | 3Q | |
|------------|-------|-------------------|------|-------------------|
| | 2011 | 2010 ¹ | 2011 | 2010 ¹ |
| Turnover | 102.4 | 111.4 | 38.4 | 39.5 |
| EBITDA | (0.4) | 2.5 | 2.9 | 0.9 |
| Net Income | 15.4 | (7.4) | 2.9 | (1.9) |

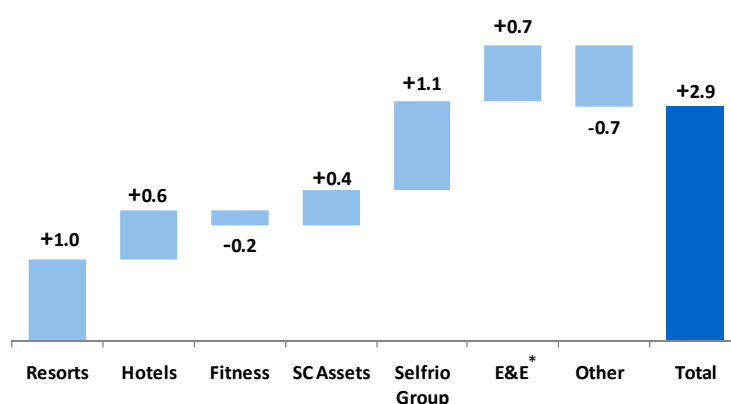
| | 30.09.11 | 31.12.10 |
|----------|----------|-------------------|
| Net Debt | 255.9 | 277.2 |
| Capex | 11.0 | 10.2 ¹ |

¹ Relates to continued operations.

% Contribution to Turnover 3Q 11



Contributions to EBITDA 3Q 11 (10⁶ euro)



*Energy and Environment

Values in 10³ euro

| | Contributions to Consolidated Turnover | | | | | |
|---|--|-----------------|---------------|-----------------|-----------------|---------------|
| | 9M 11 | 9M 10 | Δ | 3Q 11 | 3Q 10 | Δ |
| Resorts | 12,481.6 | 17,178.6 | -27.3% | 6,662.3 | 5,643.1 | +18.1% |
| Resort Development | 5,980.1 | 11,387.2 | -47.5% | 2,982.8 | 2,118.1 | +40.8% |
| Resort Management (Golf, Marina and Market) | 2,096.2 | 1,930.2 | +8.6% | 1,284.2 | 1,245.4 | +3.1% |
| Atlantic Ferries ¹ | 4,405.3 | 3,861.2 | +14.1% | 2,395.3 | 2,279.5 | +5.1% |
| Hotels | 11,492.1 | 11,400.6 | +0.8% | 6,037.9 | 5,798.5 | +4.1% |
| Fitness | 12,244.7 | 13,935.4 | -12.1% | 3,545.5 | 4,329.3 | -18.1% |
| Other | 5.0 | 1.6 | >100% | 1.1 | 0.5 | >100% |
| Sonae Turismo's contribution | 36,223.4 | 42,516.2 | -14.8% | 16,246.7 | 15,771.3 | +3.0% |
| Residential Property Development | 973.1 | 1,640.9 | -40.7% | 198.3 | 310.8 | -36.2% |
| Operational Assets | 1,993.8 | 1,907.6 | +4.5% | 702.0 | 644.7 | +8.9% |
| Other Assets | 2,921.7 | 1,983.4 | +47.3% | 539.9 | 1,025.0 | -47.3% |
| SC Assets's contribution | 5,888.7 | 5,532.0 | +6.4% | 1,440.2 | 1,980.6 | -27.3% |
| Selfrio Group | 50,514.2 | 54,306.1 | -7.0% | 16,556.5 | 19,000.9 | -12.9% |
| Energy and Environment | 5,599.4 | 3,773.2 | +48.4% | 2,758.5 | 1,317.3 | >100% |
| Other ² | 4,030.2 | 5,075.0 | -20.6% | 1,403.5 | 1,432.7 | -2.0% |
| Spred's contribution | 60,143.8 | 63,154.3 | -4.8% | 20,718.5 | 21,750.9 | -4.7% |

¹ Included in Spred in 2010.

² Includes Entertainment, comprised in Sonae Turismo in 2010.

Values in 10³ euro

| | Contributions to Consolidated EBITDA | | | | | |
|---|--------------------------------------|-----------------|------------------|----------------|----------------|--------------|
| | 9M 11 | 9M 10 | Δ | 3Q 11 | 3Q 10 | Δ |
| Resorts | -2,641.0 | -570.7 | <-100% | 1,043.6 | -403.3 | - |
| Resort Development | -3,213.9 | -348.5 | <-100% | -139.7 | -1,315.2 | +89.4% |
| Resort Management (Golf, Marina and Market) | -457.3 | -572.7 | +20.1% | 14.9 | -93.9 | - |
| Atlantic Ferries ¹ | 1,030.2 | 350.5 | >100% | 1,168.4 | 1,005.8 | +16.2% |
| Hotels | -3,070.3 | -3,821.1 | +19.6% | 594.5 | -10.1 | - |
| Fitness | 479.0 | 2,602.3 | -81.6% | -178.2 | 603.7 | - |
| Other | -44.5 | -146.4 | +69.6% | -317.8 | -471.0 | +32.5% |
| Sonae Turismo's contribution | -5,276.8 | -1,935.9 | <-100% | 1,142.1 | -280.7 | - |
| Residential Property Development | -565.8 | -734.5 | +23.0% | -242.1 | -203.6 | -18.9% |
| Operational Assets | 1,989.5 | 2,118.1 | -6.1% | 649.3 | 708.8 | -8.4% |
| Other Assets | -509.3 | -247.0 | <-100% | 20.1 | -761.5 | - |
| SC Assets's contribution | 914.5 | 1,136.6 | -19.5% | 427.3 | -256.3 | - |
| Selfrio Group | 3,720.7 | 3,669.6 | +1.4% | 1,090.5 | 1,475.4 | -26.1% |
| Energy and Environment | 1,321.4 | 603.4 | >100% | 700.3 | 245.1 | >100% |
| Other ² | 237.1 | 28.7 | >100% | 160.4 | 67.2 | >100% |
| Spred's contribution | 5,279.1 | 4,301.6 | +22.7% | 1,951.2 | 1,787.6 | +9.1% |

¹ Included in Spred in 2010.

² Includes Entertainment, comprised in Sonae Turismo in 2010.

2. Main Events

Since the previous report, no material events were disclosed to the market.

3. Consolidated Financial Statements Review

3.1. Consolidated Profit and Loss Statement

Values in 10³ euro

| | 9M 11 Total Operations | 9M 10 Continued Operations | Δ (A/B) | 3Q 11 Total Operations | 3Q 10 Continued Operations | Δ (C/D) |
|---|------------------------------|----------------------------------|--------------|------------------------------|----------------------------------|-----------------|
| | (A) | (B) | | (C) | (D) | |
| Turnover | 102,425.8 | 111,429.2 | -8.1% | 38,435.4 | 39,536.4 | -2.8% |
| Other Operational Income | 9,871.0 | 7,386.3 | +33.6% | 1,978.2 | 3,462.4 | -42.9% |
| Total Operational Income | 112,296.7 | 118,815.5 | -5.5% | 40,413.6 | 42,998.7 | -6.0% |
| Cost of Goods Sold | -31,591.2 | -27,825.1 | -13.5% | -11,506.9 | -10,469.7 | -9.9% |
| Change in Stocks of Finished Goods | -2,332.8 | -8,090.5 | +71.2% | -1,327.4 | -2,881.3 | +53.9% |
| External Supplies and Services | -42,153.7 | -41,624.0 | -1.3% | -13,900.9 | -14,470.8 | +3.9% |
| Staff Costs | -30,299.8 | -31,440.9 | +3.6% | -9,874.0 | -9,737.7 | -1.4% |
| Other Operational Expenses | -3,927.9 | -4,350.8 | +9.7% | -846.9 | -2,378.8 | +64.4% |
| Total Operational Expenses | -110,305.4 | -113,331.2 | +2.7% | -37,456.1 | -39,938.3 | +6.2% |
| Operational Cash-Flow (EBITDA) | -399.0 | 2,549.3 | - | 2,869.1 | 868.5 | >100% |
| Amortisation and Depreciation | -10,131.0 | -10,103.1 | -0.3% | -3,478.3 | -3,366.0 | -3.3% |
| Provisions and Impairment Losses | -75.3 | -3,535.6 | +97.9% | - | -953.6 | - |
| Operational Profit/(Loss) (EBIT) | -8,215.0 | -8,154.4 | -0.7% | -520.7 | -1,259.1 | +58.6% |
| Net Financial Expenses | -8,032.4 | -5,878.3 | -36.6% | -2,911.5 | -1,927.1 | -51.1% |
| Share of Results of Associated Undertakings | 4,312.2 | 2,382.5 | +81.0% | 1,561.3 | 877.0 | +78.0% |
| Investment Income | 28,361.7 | -897.1 | - | 6,258.8 | -419.2 | - |
| Profit before Taxation | 16,426.5 | -12,547.3 | - | 4,387.9 | -2,728.4 | - |
| Taxation | -992.1 | 5,110.1 | - | -1,530.2 | 813.9 | - |
| Net Profit | 15,434.4 | -7,437.1 | - | 2,857.7 | -1,914.5 | - |
| Attributable to Equity Holders of Sonae Capital | 14,692.4 | -7,827.3 | - | 2,489.7 | -2,257.8 | - |
| Attributable to Non-Controlling Interests | 742.1 | 390.1 | +90.2% | 367.9 | 343.3 | +7.2% |

3.1.1. Quarterly Results

Consolidated turnover in the third quarter amounted to 38.4 million euro, 1.1 million euro down compared to the same period of last year.

The Fitness business saw an 18% fall in turnover to 3.5 million euro, with the average number of active members in the quarter decreasing by around 7% over the third quarter of 2010. Selfrio's contribution to quarterly turnover also dropped by about 13%, totalling 16.6 million euro, with the Portuguese cold engineering and HVAC markets explaining most of the fall.

On the positive side, **troiaresort's** turnover (including real estate, hotel units and operations), increased by 16% to 9.8 million euro, reflecting higher resort occupancy during the summer season compared to same period of last year, and 6 residential unit sales deeds signed in the quarter, three of which were for new units sold. Lodging indicators for the Aqualuz **troiaresort** units improved, with room nights increasing by 8% and average daily revenue improving by 3% in the third quarter, so that related turnover totalled 3.2 million euro (2.9 million euro). For other **troiaresort** operations (including Atlantic Ferries) turnover amounted to 3.7 million euro, up 4% on the same period of last year.

As for other hotel units, at Aqualuz Lagos turnover grew 3% to 1.3 million euro, with room nights sold increasing by 5% and average daily revenue falling by 8%, while turnover at the Porto Palácio Hotel fell 3%, to 1.6 million euro, led by a decrease in food and beverage revenues, while lodging revenues improved circa 1% as a result of a 1% increase in the average daily revenue and similar number of room nights sold.

In Energy and Environment, the new cogeneration unit started operations in July 2011, and contributed 1.3 million euro to the increase of 1.4 million euro in turnover in the quarter.

Consolidated operational cash-flow (EBITDA) was 2.9 million euro, an increase of 2.0 million euro compared to the third quarter of last year.

Fitness negative 0.2 million euro contribution in the quarter (positive 0.6 million euro), includes the impact of restructuring costs and negative contributions from the fitness unit in Spain and from the new unit opened in early 2011 in Portugal, which is still in its ramp up stage. In Portugal, the business quarterly EBITDA remained positive, at circa 0.1 million euro, compared to 0.4 million euro in the same period last year.

With the exception of Fitness and Selfrio, the latter with a 0.4 million euro decrease in the quarterly contribution to EBITDA, to positive 1.1 million euro in the face of more challenging market conditions, all other businesses increased their contribution to consolidated EBITDA, the most significant being: Resort Development, up 1.2 million euro to negative 0.1 million euro; the Hotel business, which improved its contribution by 0.6 million euro from a zero contribution last year, driven by increased summer business at **troia**resort and Lagos (up 0.7 and 0.1 million euro, respectively); and SC Assets where EBITDA also increased by 0.7 million euro. As for turnover, the 0.5 million euro increase in EBITDA from Energy and Environment is explained by the new Colombo cogeneration facility. Tourism operations posted a 0.2 million euro improvement in EBITDA, mostly from Atlantic Ferries due to higher margins from price increases implemented earlier this year.

In addition to operational performance, the quarterly net profit of 2.9 million euro (negative 1.9 million euro) also includes the negative impact of higher net financial expenses, up 1.0 million euro due to the increase in market interest rates and the higher cost of debt refinancing, and a positive impact from both the 0.7 million euro increase in the share of results of associated undertakings (mainly from Norscut) and a capital gain of 6.2 million euro resulting from the sale of the group's shareholding in *Sociedade Imobiliária Tróia B3*.

3.1.2. Year to Date Results

Consolidated turnover was 102.4 million euro in the first nine months of the year, equal to a 8% fall compared to the first nine months of last year, while consolidated EBITDA was negative 0.4 million euro, down from positive 2.5 million euro in 2010.

Resort Development, with a total contribution of 6.0 million euro, explains more than half of the decrease in consolidated turnover, since 12 sales deeds were signed in the 9 months of the year at **troia**resort, compared to 20 for the 9 months ending 30 September 2010. As a result, its contribution to EBITDA fell by 2.9 million euro to negative 3.2 million euro.

The year to date performance of Fitness reflects the pressures being exerted on disposable income and the resulting fall in the number of new memberships, the member retention rate and the

demand for value added services (mostly DaySpa). A new fitness centre was opened in early 2011 which is still making a negative contribution to the business' EBITDA margin, while the results were also impacted by the VAT increase on sports activities which was not entirely passed through to customers in increased prices, and to the negative contribution of the fitness unit in Spain. EBITDA for the nine months was also negatively impacted by restructuring costs incurred in the third quarter of the year. As a result, turnover totalled 12.2 million euro (13.9 million euro) and EBITDA was 0.5 million euro (2.6 million euro).

Increased turnover and EBITDA at Atlantic Ferries (0.5 million euro to 4.4 million euro, and 0.7 million euro to 1.0 million euro, respectively) reflect the impact of both ticket price increases implemented and cost savings resulting from optimisation efforts put in place. These measures proved essential to reach operational breakeven (after depreciation) of the concession. Still, business' EBITDA does not include costs from financial leases, which amounted to 0.4 million euro up to September 2011.

Hotels turnover remained slightly above last year's figure, at 11.5 million euro (11.4 million euro), driven by the Aqualuz **troia** resort units, where turnover grew by 0.2 million euro to 4.6 million euro due to a 3% increase in the number of room nights sold and a 6% increase in average daily revenue to 110.1 euro, even though Aqualuz **troia** was shut down for around 5 months in 2011 in the course of refurbishment works carried out. Porto Palácio Hotel turnover fell by 3% to 5.2 million euro, with a 3% increase in the number of room nights and a 2% decrease in average daily revenue to 89.3 euro, while Aqualuz Lagos turnover totalled 1.7 million euro (1.6 million euro) with room nights sold growing 8%, and average daily revenue falling 6.2 euro to 71.2 euro. Hotels contribution to EBITDA improved by 20% to negative 3.1 million euro, as a result of the higher number of room nights sold, especially during the summer season, and of the implementation of cost saving measures.

Despite being less significant in terms of value, it is worth mentioning that Resort Management turnover improved by around 9% to 2.1 million euro, based on more aggressive commercial and marketing approaches at **troia** marina and **troia** golf, which both increased their contributions to EBITDA, and resulted in an improvement of 0.1 million euro in Resort Management EBITDA to negative 0.5 million euro.

Sales of non-core real estate assets explain the 0.4 million euro increase in SC Assets contribution to consolidated turnover, which totalled 5.9 million euro. Sales deeds for 4 City Flats apartments were signed in the period (5 in the first nine months of 2010).

Selfrio's contribution to consolidated turnover, at 50.5 million euro, was 3.8 million euro below last year's comparable figure reflecting a fall in activity in the Portuguese cold engineering and HVAC markets, suffered a drop of 5.4 million euro in turnover, partially offset by growth in foreign markets (particularly Spain), where turnover reached 5.9 million euro, equal to an increase of 25%. The EBITDA margin for the period remained in line with the same period of last year at around 7%.

The improved performance of the Energy and Environment business was driven by the start up of operations at the new Colombo cogeneration facility: turnover grew by 1.8 million euro to 5.6 million euro and EBITDA was more than double last year's figure at 1.3 million euro (0.6 million euro).

There were no provisions or impairment losses booked up to 30 September 2011, compared to 3.5 million euro losses in the same period of last year, which included around 2.9 million euro relating to real estate assets.

The 37% increase in net financial expenses to 8.0 million euro was not unexpected, and is explained by the higher average debt level in the first half of the year and by increased costs from debt refinancing.

Profits from associated undertakings grew by around 2.0 million euro to 4.3 million euro, and include 1.9 million euro from the Imosedo Fund, 1.5 million euro from TP (up to the date of its disposal) and 1.2 million euro from Norscut.


Investment income for the period, totalling 28.4 million euro (negative 0.9 million euro), includes capital gains generated from the sale of the Group's shareholdings in TP and in *Sociedade Imobiliária Tróia B3*, amounting to 26.5 million euro, and the positive price adjustment from the sale of Choice Car, as set out in the respective sale agreement.

In addition to the above mentioned factors, the period's net profit, amounting to 15.4 million euro (negative 7.4 million euro), also includes the impact of higher taxation.

3.2. Consolidated Balance Sheet

Values in 10³ euro

| | 30.09.2011 | 31.12.2010 | Δ |
|--|------------------|------------------|---------------|
| Tangible and Intangible Assets | 279,060.3 | 264,939.8 | +5.3% |
| Goodwill | 61,133.3 | 61,133.3 | +0.0% |
| Non-Current Investments | 59,986.0 | 73,517.4 | -18.4% |
| Other Non-Current Assets | 38,460.8 | 36,897.2 | +4.2% |
| Stocks | 208,854.8 | 229,782.6 | -9.1% |
| Trade Debtors and Other Current Assets | 57,160.3 | 61,697.0 | -7.4% |
| Cash and Cash Equivalents | 2,679.9 | 3,199.3 | -16.2% |
| Total Assets | 707,335.4 | 731,166.7 | -3.3% |
| Total Equity attributable to Equity Holders of Sonae Capital | 338,848.5 | 326,914.8 | +3.7% |
| Total Equity attributable to Non-Controlling Interests | 9,048.8 | 12,454.8 | -27.3% |
| Total Equity | 347,897.4 | 339,369.6 | +2.5% |
| Non-Current Borrowings | 233,985.7 | 151,893.4 | +54.0% |
| Deferred Tax Liabilities | 4,023.9 | 3,616.0 | +11.3% |
| Other Non-Current Liabilities | 39,955.1 | 39,827.7 | +0.3% |
| Non-Current Liabilities | 277,964.7 | 195,337.1 | +42.3% |
| Current Borrowings | 24,623.8 | 128,515.5 | -80.8% |
| Trade Creditors and Other Current Liabilities | 56,849.6 | 67,944.5 | -16.3% |
| Current Liabilities | 81,473.4 | 196,460.0 | -58.5% |
| Total Liabilities | 359,438.0 | 391,797.1 | -8.3% |
| Total Equity and Liabilities | 707,335.4 | 731,166.7 | -3.3% |



Capex totalled 11.0 million euro in the period, most of which was for **troia**resort with around 5.0 million euro (refurbishment of Aqualuz troiario hotel unit and construction of the Events Centre) and Energy and Environment accounting for 4.4 million euro (construction works for the Colombo cogeneration facility). Minor amounts were spent by SC Assets, with 0.7 million euro (mostly in relation to construction licenses), Fitness and Selfrio, with 0.2 million euro each (mainly for maintenance capex).

In the third quarter of 2011, Detailed Plans of UNOPs 7 and 8 (Tróia) and T4 (Mourão, Alqueva) were approved, and Detailed Plan for Boure (Castelo de Paiva) was published in *Diário da República*. The Proposal for the Plan regarding Quinta da Azenha (Douro region) was approved in August.

As at 30 September 2011, net debt totalled 255.9 million euro, 21.3 million euro down on 31 December 2010, reflecting the use of a significant portion of the proceeds from the sale of the shareholding in TP to reduce debt. Gearing was 73.6% as at 30 September 2011 (81.7% as at 31 December 2010).

Maia, 23 November 2011

The Board of Directors,



Glossary

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



CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2011

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

(Amounts expressed in euro)

| ASSETS | Notes | 30.09.2011 Total Operations | 31.12.2010 Total Operations |
|--|----------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS: | | | |
| Tangible assets | 8 | 271,631,043 | 257,689,745 |
| Intangible assets | 8 | 7,429,241 | 7,250,028 |
| Goodwill | 9 | 61,133,327 | 61,133,327 |
| Investments in associated companies | 5 | 58,839,310 | 72,378,266 |
| Other investments | 6 and 10 | 1,146,650 | 1,139,123 |
| Deferred tax assets | 14 | 21,322,494 | 19,655,868 |
| Other non-current assets | 11 | 17,138,306 | 17,241,368 |
| Total Non-Current Assets | | 438,640,371 | 436,487,724 |
| CURRENT ASSETS: | | | |
| Stocks | 12 | 208,854,830 | 229,782,596 |
| Trade account receivables and other current assets | 13 | 57,160,293 | 61,697,035 |
| Investments | 10 | - | - |
| Cash and cash equivalents | 15 | 2,679,883 | 3,199,298 |
| Total Current Assets | | 268,695,006 | 294,678,929 |
| TOTAL ASSETS | | 707,335,377 | 731,166,653 |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Share capital | 16 | 250,000,000 | 250,000,000 |
| Reserves and retained earnings | | 74,156,128 | 81,335,203 |
| Profit/(Loss) for the year attributable to the equity holders of Sonae Capital | | 14,692,381 | (4,420,429) |
| Equity attributable to the equity holders of Sonae Capital | | 338,848,509 | 326,914,774 |
| Equity attributable to non-controlling interests | 17 | 9,048,848 | 12,454,796 |
| TOTAL EQUITY | | 347,897,357 | 339,369,570 |
| LIABILITIES: | | | |
| NON-CURRENT LIABILITIES: | | | |
| Bank Loans | 18 | 233,985,673 | 151,893,406 |
| Other non-current liabilities | 20 | 36,769,088 | 36,641,690 |
| Deferred tax liabilities | 14 | 4,023,931 | 3,616,046 |
| Provisions | 23 | 3,185,974 | 3,185,974 |
| Total Non-Current Liabilities | | 277,964,666 | 195,337,116 |
| CURRENT LIABILITIES: | | | |
| Bank Loans | 18 | 24,623,764 | 128,515,512 |
| Trade creditors and other current liabilities | 22 | 55,394,374 | 65,239,546 |
| Provisions | 23 | 1,455,216 | 2,704,909 |
| Total Current Liabilities | | 81,473,354 | 196,459,967 |
| TOTAL LIABILITIES | | 359,438,020 | 391,797,083 |
| TOTAL EQUITY AND LIABILITIES | | 707,335,377 | 731,166,653 |

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in euro)

| | Notes | 30.09.2011 | 30.09.2010 | | |
|--|-------|----------------------|----------------------|-------------------------|----------------------|
| | | Total Operations | Total Operations | Discontinued Operations | Continued Operations |
| Operational income | | | | | |
| Sales | | 53,437,743 | 62,947,937 | - | 62,947,937 |
| Services rendered | | 48,988,043 | 75,194,991 | 26,713,773 | 48,481,218 |
| Other operational income | 8 | 9,870,960 | 7,480,212 | 93,909 | 7,386,303 |
| Total operational income | | 112,296,746 | 145,623,140 | 26,807,682 | 118,815,458 |
| Operational expenses | | | | | |
| Cost of goods sold and materials consumed | | (31,591,211) | (27,823,495) | 1,627 | (27,825,122) |
| Changes in stocks of finished goods and work in progress | | (2,332,781) | (8,090,508) | - | (8,090,508) |
| External supplies and services | | (42,153,660) | (66,137,364) | (24,513,409) | (41,623,955) |
| Staff costs | | (30,299,843) | (32,572,269) | (1,131,418) | (31,440,851) |
| Depreciation and amortisation | 8 | (10,131,021) | (10,263,554) | (160,453) | (10,103,101) |
| Provisions and impairment losses | 8 | (75,347) | (3,547,767) | (12,194) | (3,535,573) |
| Other operational expenses | | (3,927,911) | (4,492,490) | (141,732) | (4,350,758) |
| Total operational expenses | | (120,511,774) | (152,927,447) | (25,957,579) | (126,969,868) |
| Operational profit/(loss) | | (8,215,028) | (7,304,307) | 850,103 | (8,154,410) |
| Financial Expenses | | | | | |
| Financial Expenses | | (8,981,491) | (7,071,479) | (12,409) | (7,059,070) |
| Financial Income | | 949,137 | 1,184,153 | 3,352 | 1,180,801 |
| Net financial expenses | | (8,032,354) | (5,887,326) | (9,057) | (5,878,269) |
| Share of results of associated undertakings | 5 | 4,312,240 | 2,382,469 | - | 2,382,469 |
| Investment income | 5 | 28,361,668 | 5,742,921 | 6,639,998 | (897,077) |
| Profit/(Loss) before taxation | | 16,426,526 | (5,066,243) | 7,481,044 | (12,547,287) |
| Taxation | 26 | (992,089) | 5,055,653 | (54,488) | 5,110,141 |
| Profit/(Loss) for the year | 27 | 15,434,437 | (10,590) | 7,426,556 | (7,437,146) |
| Attributable to: | | | | | |
| Equity holders of Sonae Capital | | 14,692,381 | (400,719) | 7,426,556 | (7,827,275) |
| Non-controlling interests | 17 | 742,056 | 390,129 | - | 390,129 |
| Profit/(Loss) per share | | | | | |
| Basic | 28 | 0.058770 | (0.001603) | 0.029706 | (0.031309) |
| Diluted | 28 | 0.058770 | (0.001603) | 0.029706 | (0.031309) |

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 2011 AND 2010

(Amounts expressed in euro)

| | Notes | <u>Continued Operations</u> | |
|--|-------|--|--|
| | | <u>3rd Quarter 11¹</u> | <u>3rd Quarter 10¹</u> |
| Operational income: | | | |
| Sales | | 18,925,499 | 20,510,616 |
| Services rendered | | 19,509,886 | 19,025,746 |
| Other operational income | | 1,978,209 | 3,462,371 |
| Total operational income | | <u>40,413,594</u> | <u>42,998,733</u> |
| Operational expenses | | | |
| Cost of goods sold and materials consumed | | (11,506,854) | (10,469,670) |
| Changes in stocks of finished goods and work in progress | | (1,327,391) | (2,881,334) |
| External supplies and services | | (13,900,915) | (14,470,820) |
| Staff costs | | (9,873,956) | (9,737,672) |
| Depreciation and amortisation | | (3,478,252) | (3,366,006) |
| Provisions and impairment losses | | - | (953,582) |
| Other operational expenses | | (846,941) | (2,378,794) |
| Total operational expenses | | <u>(40,934,309)</u> | <u>(44,257,878)</u> |
| Operational profit/(loss) | | (520,715) | (1,259,145) |
| Financial Expenses | | (3,208,856) | (2,202,279) |
| Financial Income | | 297,328 | 275,220 |
| Net financial expenses | | <u>(2,911,528)</u> | <u>(1,927,059)</u> |
| Share of results of associated undertakings | | 1,561,322 | 877,044 |
| Investment income | | 6,258,832 | (419,240) |
| Profit/(Loss) before taxation | | <u>4,387,911</u> | <u>(2,728,400)</u> |
| Taxation | | (1,530,233) | 813,924 |
| Profit/(Loss) for the period | | <u><u>2,857,678</u></u> | <u><u>(1,914,476)</u></u> |
| Attributable to: | | | |
| Equity holders of Sonae Capital | | 2,489,733 | (2,257,823) |
| Non-controlling interests | | 367,945 | 343,347 |
| Profit/(Loss) per share | | | |
| Basic | | 0.009959 | (0.009031) |
| Diluted | | <u>0.009959</u> | <u>(0.009031)</u> |

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting. Not subject to limited review.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in euro)

| | 30.09.2011 | 30.09.2010 | | |
|--|---------------------|---------------------|----------------------------|-------------------------|
| | Total Operations | Total Operations | Discontinued Operations | Continued Operations |
| Consolidated net profit/(loss) for the period | 15,434,437 | (10,590) | 7,426,556 | (7,437,146) |
| Exchange differences on translating foreign operations | (107,470) | 106,114 | - | 106,114 |
| Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5) | (170,455) | 17,772 | - | 17,772 |
| Change in the fair value of assets available for sale | - | - | - | - |
| Change in the fair value of cash flow hedging derivatives | (930,586) | (1,559,848) | - | (1,559,848) |
| Other comprehensive income for the period | (1,208,511) | (1,435,962) | - | (1,435,962) |
| Total comprehensive income for the period | <u>14,225,926</u> | <u>(1,446,552)</u> | 7,426,556 | <u>(8,873,108)</u> |
| Attributable to: | | | | |
| Equity holders of Sonae Capital | 13,526,743 | (1,848,481) | 7,426,556 | (9,275,037) |
| Non-controlling interests | <u>699,183</u> | <u>401,929</u> | - | <u>401,929</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 2011 AND 2010

(Amounts expressed in euro)

| | 3 rd Quarter 11 ¹ | Continued operations 3 rd Quarter 10 ¹ |
|--|---|--|
| Consolidated net profit/(loss) for the period | 2,857,678 | (1,914,476) |
| Exchange differences on translating foreign operations | (85,619) | (51,716) |
| Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5) | (2,764,751) | - |
| Change in the fair value of assets available for sale | - | - |
| Change in the fair value of cash flow hedging derivatives | (1,476,353) | (403,697) |
| Other comprehensive income for the period | (4,326,723) | (455,413) |
| Total comprehensive income for the period | <u>(1,469,045)</u> | <u>(2,369,888)</u> |
| Attributable to: | | |
| Equity holders of Sonae Capital | (1,792,890) | (2,693,433) |
| Non-controlling interests | <u>323,845</u> | <u>323,545</u> |

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting. Not subject to limited review.

The Board of Directors

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in Euro)

| Notes | Attributable to Equity Holders of Sonae Capital | | | | | | | Net Profit/(Loss) | Total | Non-Controlling Interests | Total Equity |
|---|---|----------------------------|----------------------|---------------------|--------------------|--------------------------------------|-------------------|-------------------|--------------------|---------------------------|--------------------|
| | Share Capital | Demerger Reserve (Note 16) | Translation Reserves | Fair Value Reserves | Hedging Reserves | Other Reserves and Retained Earnings | Sub total | | | | |
| Balance as at 1 January 2010 | 250,000,000 | 132,638,253 | (1,239,053) | - | - | (70,853,320) | 60,545,880 | 23,074,268 | 333,620,148 | 11,319,241 | 344,939,389 |
| Total consolidated comprehensive income for the period | - | - | 74,280 | - | (1,539,814) | 17,772 | (1,447,762) | (400,719) | (1,848,481) | 401,929 | (1,446,552) |
| Appropriation of profit of 2009: | | | | | | | | | | | |
| Transfer to legal reserves and retained earnings | - | - | - | - | - | 23,074,268 | 23,074,268 | (23,074,268) | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | 350,410 | 350,410 | - | 350,410 | (2,110) | 348,300 |
| Balance as at 30 September 2010 | <u>250,000,000</u> | <u>132,638,253</u> | <u>(1,164,773)</u> | <u>-</u> | <u>(1,539,814)</u> | <u>(47,410,870)</u> | <u>82,522,796</u> | <u>(400,719)</u> | <u>332,122,077</u> | <u>11,719,060</u> | <u>343,841,137</u> |
| Balance as at 1 January 2011 | 250,000,000 | 132,638,253 | (1,129,394) | - | (854,880) | (49,318,776) | 81,335,203 | (4,420,429) | 326,914,774 | 12,454,796 | 339,369,570 |
| Total consolidated comprehensive income for the period | - | - | (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>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> |

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 2011 AND 2010

(Amounts expressed in Euro)

| | Notes | 30.09.2011 | 30.09.2010 | 3 rd quarter 11 ¹ | 3 rd quarter 10 ¹ |
|---|-------|----------------------|---------------------|---|---|
| OPERATING ACTIVITIES: | | | | | |
| Cash receipts from trade debtors | | 105,141,683 | 140,591,919 | 34,502,782 | 48,193,944 |
| Cash receipts from trade creditors | | (74,220,880) | (113,728,686) | (25,356,167) | (34,006,621) |
| Cash paid to employees | | (29,666,257) | (32,457,099) | (9,853,655) | (10,045,953) |
| Cash flow generated by operations | | <u>1,254,546</u> | <u>(5,593,866)</u> | <u>(707,040)</u> | <u>4,141,370</u> |
| Income taxes (paid) / received | | 182,452 | (6,859,329) | 1,794,119 | (2,042,275) |
| Other cash receipts and (payments) relating to operating activities | | <u>(1,065,869)</u> | <u>5,279,483</u> | <u>1,430,953</u> | <u>2,409,101</u> |
| Net cash flow from operating activities (1) | | <u>371,129</u> | <u>(7,173,712)</u> | <u>2,518,032</u> | <u>4,508,196</u> |
| INVESTMENT ACTIVITIES: | | | | | |
| Cash receipts arising from: | | | | | |
| Investments | | 45,004,072 | 4,466,643 | 4,093,119 | 4,078,095 |
| Tangible assets | | 942,197 | 5,197,683 | 306,213 | 4,003,337 |
| Interest and similar income | | 268,951 | 272,022 | 53,982 | 130,003 |
| Loans granted | | 96,856 | 11,425,369 | - | 23,909 |
| Dividends | | 201,314 | 228,233 | 51,812 | - |
| | | <u>46,513,390</u> | <u>21,589,950</u> | <u>4,505,126</u> | <u>8,235,344</u> |
| Cash Payments arising from: | | | | | |
| Investments | | (6,197,865) | (1,073,476) | (170,000) | (96,902) |
| Tangible assets | | (10,800,924) | (5,106,486) | (3,677,309) | (2,128,129) |
| Intangible assets | | (432,996) | (46,804) | (36,199) | (15,529) |
| Loans granted | | <u>(170,000)</u> | <u>(108,856)</u> | <u>(170,000)</u> | <u>(96,856)</u> |
| | | <u>(17,601,785)</u> | <u>(6,335,622)</u> | <u>(4,053,508)</u> | <u>(2,337,416)</u> |
| Net cash used in investment activities (2) | | <u>28,911,605</u> | <u>15,254,328</u> | <u>451,618</u> | <u>5,897,928</u> |
| FINANCING ACTIVITIES: | | | | | |
| Cash receipts arising from: | | | | | |
| Loans obtained | | 87,642,904 | 2,620,499 | 38,662,935 | (7,023,747) |
| | | <u>87,642,904</u> | <u>2,620,499</u> | <u>38,662,935</u> | <u>(7,023,747)</u> |
| Cash Payments arising from: | | | | | |
| Loans obtained | | (109,854,819) | (3,712,007) | (39,492,312) | (1,345,664) |
| Interest and similar charges | | (8,667,981) | (6,716,436) | (3,226,722) | (3,294,548) |
| Others | | - | - | - | 292,784 |
| | | <u>(118,522,800)</u> | <u>(10,428,443)</u> | <u>(42,719,034)</u> | <u>(4,347,428)</u> |
| Net cash used in financing activities (3) | | <u>(30,879,896)</u> | <u>(7,807,944)</u> | <u>(4,056,099)</u> | <u>(11,371,175)</u> |
| Net increase in cash and cash equivalents (4) = (1) + (2) + (3) | | <u>(1,597,162)</u> | <u>272,672</u> | <u>(1,086,449)</u> | <u>(965,051)</u> |
| Effect of foreign exchange rate | | 4,374 | (30,392) | 6,771 | 6,711 |
| Cash and cash equivalents at the beginning of the period | 15 | 2,497,210 | 1,943,023 | 1,988,894 | 3,217,849 |
| Cash and cash equivalents at the end of the period | 15 | <u>895,674</u> | <u>2,246,087</u> | <u>895,674</u> | <u>2,246,087</u> |

The accompanying notes are part of these financial statements.

¹ Prepared in accordance with IAS 34 - Interim Financial Reporting. Not subject to limited review.

The Board of Directors

SONAE CAPITAL, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

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

(Amounts expressed in euro)

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA ("Company", "Group" or "Sonae Capital") whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent company of a group of companies, as detailed in Notes 4 to 6 ("Sonae Capital Group") and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae Group, which was approved by the Board of Directors on 8 November 2007 and by the Shareholder's General Meeting held on 14 December 2007.

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

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

2. MAIN ACCOUNTING POLICIES

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

Basis of preparation

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

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

3. CHANGES IN ACCOUNTING POLICIES

Changes in accounting standards, interpretations, amendments and revisions issued with mandatory application to periods beginning on or after 1 January 2011, did not lead to significant impacts on the financial statements for 30 September 2011.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 30 September 2011 and 31 December 2010, are as follows:

| Company | Head Office | Percentage of capital held | | | |
|--|-----------------------|----------------------------|---------|------------------|---------|
| | | 30 September 2011 | | 31 December 2010 | |
| | | Direct | Total | Direct | Total |
| Sonae Capital SGPS, SA | Maia | Holding | Holding | Holding | Holding |
| Tourism | | | | | |
| Aqualuz - Turismo e Lazer, Lda | a) Lagos | 100.00% | 100.00% | 100.00% | 100.00% |
| Casa da Ribeira - Hotelaria e Turismo, SA | a) Marco de Canaveses | 100.00% | 100.00% | 100.00% | 100.00% |
| 1) Atlantic Ferries – Traf. Loc. Flu. e Marit., SA | a) Grândola | 80.00% | 80.00% | 80.00% | 80.00% |
| Golf Time - Golfe e Inv.Turisticos, SA | a) Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Imoareaia Investimentos Turísticos, SGPS, SA | a) Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Imopenínsula - Sociedade Imobiliária, SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Imoresort - Sociedade Imobiliária, SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Investalentejo, SGPS, SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Marimo -Exploração Hoteleira Imobiliária, SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Marina de Tróia, SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Marina Magic - Exploração de Centros Lúd, SA | a) Lisbon | 100.00% | 100.00% | 100.00% | 100.00% |
| Marmagno-Expl.Hoteleira Imob., SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Marvero-Expl.Hoteleira Imob., SA | a) Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Modus Faciendi – Gestão e Serviços, SA | a) Porto | 100.00% | 100.00% | 100.00% | 100.00% |

| | | | | | | |
|--|----|-----------------------------|---------|---------|---------|---------|
| SII - Soberana Investimentos Imobiliários, SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Sete e Meio - Investimentos e Consultadoria, SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Solinca - Health & Fitness, SA | a) | Lisbon | 100.00% | 100.00% | 100.00% | 100.00% |
| Solinca-Investimentos Turísticos, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Solinfitness - Club Málaga, SL | a) | Málaga (Spain) | 100.00% | 100.00% | 100.00% | 100.00% |
| Soltroia-Imob.de Urb.Turismo de Tróia, SA | a) | Lisbon | 100.00% | 100.00% | 100.00% | 100.00% |
| Sonae Turismo - SGPS, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Sontur, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| Tróia Market, SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Tróia Natura, SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Troiareort - Investimentos Turísticos, SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Troiaverde-Expl.Hoteleira Imob., SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Tulipamar-Expl.Hoteleira Imob., SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Assets | | | | | | |
| Bloco Q-Sociedade Imobiliária, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Bloco W-Sociedade Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Empreend.Imob.Quinta da Azenha, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Centro Residencial da Maia,Urban., SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Cinclus Imobiliária, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 87.74% |
| Country Club da Maia-Imobiliaria, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| 2) Espimaia, SGPS, SA | a) | Porto | 100.00% | 100.00% | - | - |
| Imobiliária da Cacela, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 87.74% |
| Imoclub-Serviços Imobiliários, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Imodivor - Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 87.74% |
| Imoferro-Soc.Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Imohotel-Emp.Turist.Imobiliários, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Imoponte-Soc.Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Imosedas-Imobiliária e Serviços, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Implantação – Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 87.74% |
| Porturbe-Edifícios e Urbanizações, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 87.74% |
| Praedium II-Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Praedium – Serviços, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Praedium-SGPS, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Prédios Privados Imobiliária, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Predisedas-Predial das Sedas, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Promessa Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| SC Assets, SGPS, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Sete e Meio Herdades - Investimentos Agrícolas e Turismo, SA | a) | Grândola | 100.00% | 100.00% | 100.00% | 100.00% |
| Soconstrução, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |
| Soira-Soc.Imobiliária de Ramalde, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 87.74% |
| Sótaqua - Soc. de Empreendimentos Turísticos, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 87.74% |
| Spinveste - Promoção Imobiliária, SA | a) | Porto | 100.00% | 100.00% | 87.74% | 87.74% |
| Spinveste-Gestão Imobiliária SGII, SA | a) | Porto | 100.00% | 100.00% | 87.74% | 87.74% |

| | | | | | | |
|--|----|------------|---------|---------|---------|---------|
| Torre São Gabriel-Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Urbisedas-Imobiliária das Sedas, SA | a) | Matosinhos | 100.00% | 100.00% | 100.00% | 100.00% |
| Venda Aluga-Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Vistas do Freixo-Emp.Tur.imobiliários,SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| World Trade Center Porto, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |

Spred

| | | | | | | |
|---|----|--------------------|---------|---------|---------|---------|
| Contacto Concessões, SGPS, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Cronosaúde – Gestão Hospitalar, SA | a) | Porto | 100.00% | 50.00% | 100.00% | 50.00% |
| Ecociclo II – Energias, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Edifícios Saudáveis Consultores - Ambiente e Energia em Edifícios, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Friengineering, SA | a) | São Paulo (Brazil) | 100.00% | 70.00% | 100.00% | 70.00% |
| Inparvi SGPS, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Integrum Colombo – Energia, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Integrum-Energia, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| Integrum-Serviços Partilhados, SA | a) | Maia | 100.00% | 70.00% | 100.00% | 70.00% |
| Invsauúde – Gestão Hospitalar, SA | a) | Maia | 100.00% | 50.00% | 100.00% | 50.00% |
| 3) Martimope – Sociedade Imobiliária, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |
| PJP - Equipamento de Refrigeração, Lda | a) | Matosinhos | 100.00% | 70.00% | 100.00% | 70.00% |
| Saúde Atlântica - Gestão Hospitalar, SA | a) | Maia | 50.00% | 50.00% | 50.00% | 50.00% |
| SC – Eng. e Promo Imobiliária,SGPS,SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| Selfrio, SGPS, SA | a) | Matosinhos | 70.00% | 70.00% | 70.00% | 70.00% |
| Selfrio-Engenharia do Frio, SA | a) | Matosinhos | 100.00% | 70.00% | 100.00% | 70.00% |
| Sistavac-Sist.Aquecimento,V.Ar C., SA | a) | Matosinhos | 100.00% | 70.00% | 100.00% | 70.00% |
| SKK Distribucion de Refrigeración, S.R.L. | a) | Spain | 100.00% | 70.00% | 100.00% | 70.00% |
| SKK-Central de Distr., SA | a) | Porto | 100.00% | 70.00% | 100.00% | 70.00% |
| SKKFOR - Ser. For. e Desen. de Recursos, SA | a) | Maia | 100.00% | 70.00% | 100.00% | 70.00% |
| SMP-Serv. de Manutenção Planeamento, SA | a) | Matosinhos | 100.00% | 70.00% | 100.00% | 70.00% |
| Société de Tranchage Isoroy SAS | a) | Honfleur (France) | 100.00% | 100.00% | 100.00% | 100.00% |
| Sopair, SA | a) | Madrid (Spain) | 100.00% | 70.00% | 100.00% | 70.00% |
| Spred SGPS, SA | a) | Maia | 100.00% | 100.00% | 100.00% | 100.00% |

Others

| | | | | | | |
|-------------------------------------|----|-----------------------------|---------|---------|---------|---------|
| Interlog-SGPS, SA | a) | Lisbon | 98.98% | 98.98% | 98.98% | 98.98% |
| Rochester Real Estate, Ltd | a) | Kent (U.K.) | 100.00% | 100.00% | 100.00% | 100.00% |
| SC – Sociedade de Consultadoria, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| SC-SGPS, SA | a) | Porto | 100.00% | 100.00% | 100.00% | 100.00% |
| SC Finance, BV | a) | Amsterdam (The Netherlands) | 100.00% | 100.00% | 100.00% | 100.00% |

a) Majority of voting rights

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

5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 30 September 2011 and 31 December 2010 are as follows:

| Company | Head Office | Percentage of capital held | | | | Book Value | |
|---|---------------|----------------------------|--------|------------------|--------|-------------------|-------------------|
| | | 30 September 2011 | | 31 December 2010 | | 30 September 2011 | 31 December 2010 |
| | | Direct | Total | Direct | Total | | |
| Tourism | | | | | | | |
| Andar - Sociedade Imobiliária, SA | Maia | 50.00% | 50.00% | 50.00% | 50.00% | 939,407 | 942,174 |
| Sociedade de Construções do Chile, SA | Lisbon | 100.00% | 50.00% | 100.00% | 50.00% | - | - |
| Fundo de Investimento Imobiliário Fechado Imosedede | Maia | 45.45% | 45.45% | 45.45% | 45.45% | 57,082,545 | 55,156,588 |
| 1) Sociedade Imobiliária Tróia - B3, SA | Grândola | - | - | 20.00% | 20.00% | - | 438,004 |
| Vastgoed One - Sociedade Imobiliária, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% | - | - |
| Vastgoed Sun - Sociedade Imobiliária, SA | Maia | 100.00% | 50.00% | 100.00% | 50.00% | - | - |
| Spred | | | | | | | |
| 1) Cinclus-Plan. E Gestão de Projectos, SA | Porto | - | - | 25.00% | 25.00% | - | 606,678 |
| Lidergraf - Artes Gráficas, Lda | Vila do Conde | 24.50% | 24.50% | 24.50% | 24.50% | 443,253 | 489,822 |
| Norscut - Concessionária de Scut Interior Norte, SA | Lisbon | 36.00% | 36.00% | 36.00% | 36.00% | 350,105 | 742,338 |
| Operscut - Operação e Manutenção de Auto-estradas, SA | Lisbon | 15.00% | 15.00% | 15.00% | 15.00% | 24,000 | 24,000 |
| 2) Sodesa, SA | Lisbon | - | - | 50.00% | 50.00% | - | 10,548 |
| 1) TP - Sociedade Térmica, SA | Porto | - | - | 50.00% | 50.00% | - | 13,968,114 |
| Total | | | | | | 58,839,310 | 72,378,266 |

1) Company sold in the period

2) Company dissolved in the period

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

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

As at 30 September 2011 and 31 December 2010, aggregate values of main financial indicators of associated and jointly controlled companies can be analyzed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|-------------------|--------------------------|-------------------------|
| Total Assets | 839,141,421 | 987,199,563 |
| Total Liabilities | 665,799,796 | 784,329,964 |
| Income | 94,300,831 | 178,412,566 |
| Expenses | 86,519,699 | 161,303,622 |

During the periods ended 30 September 2011 and 2010, movements in investments in associated companies may be summarized as follows:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|---|--------------------------|--------------------------|
| Opening balance as at 1 January | 72,410,209 | 69,265,672 |
| Acquisitions in the period | 342,712 | 149,235 |
| Impairments in the period | - | (592,817) |
| Disposals in the period | (18,023,453) | - |
| Equity method | 4,141,785 | 2,400,241 |
| Dividends received | - | (26,486) |
| Transfers | - | - |
| Closing balance as at 30 September | <u>58,871,253</u> | <u>71,195,845</u> |
| Accumulated impairment losses (Note 23) | <u>(31,943)</u> | <u>(31,943)</u> |
| | <u>58,839,310</u> | <u>71,163,902</u> |

The use of the equity method had the following impacts: 4,312,240 euro was recorded in share of results of associated undertakings (2,382,469 euro at 30 September 2010) and -170,455 euro of other changes recorded in reserves (17,772 euro at 30 September 2010).

The impact in investment income of the sale of the shareholdings in TP – Sociedade Térmica, S.A. and Cinclus – Planeamento e Gestão de Projectos, S.A. was 27,172,893 euro.

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 2011 and 31 December 2010 are made up as follows:

| Company | Reason for exclusion | Head Office | Percentage of capital held | | | | 30 September 2011 | 31 December 2010 |
|---|----------------------|-------------------|----------------------------|--------|------------------|--------|-------------------|------------------|
| | | | 30 September 2011 | | 31 December 2010 | | | |
| | | | Direct | Total | Direct | Total | | |
| Tourism | | | | | | | | |
| Delphinus – Soc. de Tur. e Div. de Tróia, SA | a) | Grândola | 79.00% | 79.00% | 79.00% | 79.00% | - | - |
| Infratroia – Emp. de Infraest. de Troia, E.N. | a) | Grândola | 25.90% | 25.90% | 25.90% | 25.90% | 64,747 | 64,747 |
| Spidouro S.P.E.I. Douro e Trás-os-Montes, SA | | Vila Real | 8,30% | 8,30% | 8,30% | 8,30% | - | - |
| Spred | | | | | | | | |
| Net, SA | | Lisbon | 2.80% | 2.80% | 2.80% | 2.80% | 11,132 | 11,132 |
| Sear - Sociedade Europeia de Arroz, SA | | Santiago do Cacém | 15.00% | 15.00% | 15.00% | 15.00% | 150,031 | 150,031 |
| Fundo de Capital de Risco F-HITEC | | Lisbon | 7.14% | 7.14% | 7.14% | 7.14% | 250,000 | 250,000 |
| Spinarq – Engenharia, Energia e Ambiente, SA | a) | Luanda | 99.90% | 99.90% | 99.90% | 99.90% | 191,507 | 191,507 |
| Other investments | | | | | | | 479,233 | 471,705 |
| Total (Note 10) | | | | | | | 1,146,650 | 1,139,122 |

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

Nil balances shown above, result from deduction of impairment losses.

7. CHANGES TO THE CONSOLIDATION PERIMETER

Additions

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

The above acquisition had the following impact in the consolidated financial statements as at 30 September 2011:

| | <u>Acquisition Date</u> | <u>30 September 2011</u> |
|------------------------------------|-------------------------|--------------------------|
| Net assets acquired | | |
| Investments | 5,000,000 | - |
| Other assets | 117,858 | 119,449 |
| Cash and cash equivalents | 2,033 | 162 |
| Other liabilities | (1,085) | (750) |
| | <u>5,118,806</u> | <u>118,861</u> |
| Equity | 699,696 | |
| Acquisition price | <u>5,818,502</u> | |
| Payments made | <u>5,818,502</u> | |
| Net cash flow from the acquisition | | |
| Payments made | 5,818,502 | |
| Cash and equivalents acquired | <u>(2,033)</u> | |
| | <u>5,816,469</u> | |

8. TANGIBLE AND INTANGIBLE FIXED ASSETS

During the nine months period ended 30 September 2011, movements in tangible and intangible fixed assets, as well as in amortization and accumulated impairment losses, are made up as follows:

| | Tangible Assets | | | | Total Tangible Assets |
|---|-----------------------|--------------------|-----------------------------|-----------------------------------|-----------------------------|
| | Land and Buildings | Equipment | Other Tangible Assets | Tangible Assets in progress | |
| Gross Cost: | | | | | |
| Opening balance as at 1 January 2011 | 200,519,144 | 126,961,058 | 3,463,524 | 13,774,203 | 344,717,929 |
| Changes in consolidation perimeter | - | - | - | - | - |
| Capital expenditure | 92,117 | 159,192 | 11,329 | 9,548,266 | 9,810,904 |
| Disposals | (981,881) | (125,412) | (1,162,065) | (1,071) | (2,270,429) |
| Exchange rate effect | (6,047) | (8,741) | (7,009) | - | (21,797) |
| Transfers | 13,897,165 | 8,437,950 | 105,473 | (7,450,330) | 14,990,258 |
| Closing balance as at 30 September 2011 | 213,520,498 | 135,424,047 | 2,411,252 | 15,871,068 | 367,226,865 |
| Accumulated depreciation and impairment losses | | | | | |
| Opening balance as at 1 January 2011 | 44,334,203 | 40,050,694 | 2,643,287 | - | 87,028,184 |
| Changes in consolidation perimeter | - | - | - | - | - |
| Charges for the period 1) | 2,517,861 | 7,292,438 | 60,209 | - | 9,870,508 |
| Disposals 2) | (442,240) | (82,416) | (714,894) | - | (1,239,550) |
| Exchange rate effect | (1,602) | (5,858) | (4,472) | - | (11,932) |
| Transfers | - | (56,330) | 4,942 | - | (51,388) |
| Closing balance as at 30 September 2011 | 46,408,222 | 47,198,528 | 1,989,072 | - | 95,595,822 |
| Carrying amount as at 1 January 2011 | 156,184,941 | 86,910,364 | 820,237 | 13,774,203 | 257,689,745 |
| Carrying amount as at 30 September 2011 | 167,112,276 | 88,225,519 | 422,180 | 15,871,068 | 271,631,043 |

1) Include impairment losses of 13,102 euro.

2) Include reversal of impairment losses of 9,797 euro, recorded as other operational income.

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

| | <u>30 September 2011</u> |
|--------------------------------|--------------------------|
| Tróia | 10,233,069 |
| Ecoresort Project (Tróia) | 2,166,269 |
| Boavista Complex refurbishment | 1,385,489 |
| Others | 2,086,241 |
| | <u>15,871,068</u> |

| | Intangible Assets | | | | |
|---|----------------------------------|------------------|-------------------------|-------------------------------|-------------------------|
| | Patents and other similar rights | Software | Other Intangible Assets | Intangible Assets in progress | Total Intangible Assets |
| Gross Cost: | | | | | |
| Opening balance as at 1 January 2011 | 7,441,756 | 2,649,462 | 8,202 | 36,788 | 10,136,208 |
| Changes in consolidation perimeter | - | - | - | - | - |
| Capital expenditure | 332,175 | 25,073 | - | 75,748 | 432,996 |
| Disposals | (489) | - | - | - | (489) |
| Exchange rate effect | - | (2,485) | - | - | (2,485) |
| Transfers | 21,589 | 68,246 | - | (48,682) | 41,154 |
| Closing balance as at 30 September 2011 | 7,795,031 | 2,740,296 | 8,202 | 63,855 | 10,607,384 |
| Accumulated depreciation and impairment losses | | | | | |
| Opening balance as at 1 January 2011 | 836,125 | 2,041,853 | 8,202 | - | 2,886,180 |
| Changes in consolidation perimeter | - | - | - | - | - |
| Charges for the period | 132,954 | 140,660 | - | - | 273,614 |
| Disposals | (489) | - | - | - | (489) |
| Exchange rate effect | - | (1,526) | - | - | (1,526) |
| Transfers | 4 | 20,360 | - | - | 20,364 |
| Closing balance as at 30 September 2011 | 968,594 | 2,201,347 | 8,202 | - | 3,178,143 |
| Carrying amount as at 1 January 2011 | 6,605,631 | 607,609 | - | 36,788 | 7,250,028 |
| Carrying amount as at 30 September 2011 | 6,826,437 | 538,949 | - | 63,855 | 7,429,241 |

9. GOODWILL

During the nine months period ended 30 September 2011, movements in goodwill, as well as in corresponding impairment losses, are as follows:

| | 30 September 2011 |
|---|--------------------------|
| Gross amount: | |
| Opening balance | 62,434,923 |
| Increases - acquisition of affiliated companies | - |
| Closing balance | <u>62,434,923</u> |
| Accumulated impairment losses: | |
| Opening balance | 1,301,596 |
| Increases | - |
| Decreases | - |
| Closing balance | <u>1,301,596</u> |
| | - |
| Total Operations | <u><u>61,133,327</u></u> |

10. INVESTMENTS

As at 30 September 2011 this caption can be detailed as follows:

| | 30 September 2011 | |
|--|-------------------|---------|
| | Non current | Current |
| <u>Investments in group companies, jointly controlled companies or associated companies excluded from consolidation</u> | | |
| Opening balance as at 1 January | 8,324,249 | - |
| Acquisitions in the period | 7,528 | - |
| Disposals in the period | - | - |
| Transfers | - | - |
| Changes in consolidation perimeter | - | - |
| Closing balance as at 30 September | 8,331,777 | - |
| Accumulated impairment losses (Note 23) | (7,707,935) | - |
| | 623,842 | - |
| <u>Investments held for sale</u> | | |
| Fair value as at 1 January | 651,807 | - |
| Acquisitions in the period | - | - |
| Disposals in the period | - | - |
| Increase/(Decrease) in fair value | - | - |
| Transfers | - | - |
| Fair value as at 30 September | 651,807 | - |
| Accumulated impairment losses (Note 23) | (128,999) | - |
| Fair value (net of impairment losses) as at 30 September | 522,808 | - |
| <u>Other Investments (Note 6)</u> | 1,146,650 | - |
| <u>Derivatives</u> | | |
| Fair value as at 1 January | - | - |
| Acquisitions in the period | - | - |
| Disposals in the period | - | - |
| Increase/(Decrease) in fair value | - | - |
| Fair value as at 30 September | - | - |
| | 1,146,650 | - |

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

11. OTHER NON-CURRENT ASSETS

As at 30 September 2011 and 31 December 2010, other non-current assets are detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|---|--------------------------|-------------------------|
| Loans granted to related parties | | |
| Norscut - Concessionária de Scut Interior Norte, SA | 15,689,170 | 15,222,745 |
| Others | 89,916 | 89,916 |
| | <u>15,779,086</u> | <u>15,312,661</u> |
| Impairment losses (Note 23) | (34,916) | (34,916) |
| | <u>15,744,170</u> | <u>15,277,745</u> |
| | | |
| Trade accounts receivable and other debtors | 1,394,136 | 1,963,623 |
| Impairment losses (Note 23) | - | - |
| | <u>1,394,136</u> | <u>1,963,623</u> |
| | | |
| Other non current assets | <u>17,138,306</u> | <u>17,241,368</u> |

12. STOCKS

Stocks as at 30 September 2011 and 31 December 2010 can be detailed as follows, highlighting the value attributable to real estate developments:

| | <u>30 September 2011</u> | | <u>31 December 2010</u> | |
|---|--------------------------|---|-------------------------|---|
| | Total | of which Real Estate Developments | Total | of which Real Estate Developments |
| Raw materials, by-products and consumables | 1,076,013 | - | 970,130 | - |
| Goods for sale | 31,407,612 | 29,199,282 | 46,410,044 | 44,141,062 |
| Finished goods | 97,163,899 | 97,163,899 | 118,169,443 | 118,169,444 |
| Work in progress | 85,968,176 | 80,788,100 | 71,891,012 | 68,202,152 |
| Payments on account | 68,459 | - | 68,459 | - |
| | <u>215,684,160</u> | <u>207,151,281</u> | <u>237,509,088</u> | <u>230,512,658</u> |
| Accumulated impairment losses on stocks (Note 23) | (6,829,330) | (6,760,870) | (7,726,492) | (7,658,033) |
| Stocks | <u>208,854,830</u> | <u>200,390,411</u> | <u>229,782,596</u> | <u>222,854,625</u> |

13. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

As at 30 September 2011 and 31 December 2010, trade accounts receivable and other current assets are detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|---|--------------------------|--------------------------|
| Trade accounts receivable | 33,702,714 | 40,387,089 |
| Taxes recoverable | 10,567,474 | 12,781,799 |
| Loans granted to and other amounts to be received from related parties | | |
| Sit B3 | - | 2,559,886 |
| TP | - | - |
| Others | 190,991 | 152,997 |
| | <u>190,991</u> | <u>2,712,883</u> |
| Other current assets | | |
| Suppliers with a debtor balance | 1,338,860 | 817,490 |
| Other debtors | 9,040,552 | 9,704,647 |
| Accounts receivable from the sale of financial investments | 29,871,953 | 25,546,339 |
| Accounts receivable from the sale of tangible assets | 14,510 | 17,824 |
| Interest receivable | 714,479 | 506,646 |
| Deferred costs - Rents | 204,903 | 141,923 |
| Deferred costs - External supplies and services | 929,943 | 698,899 |
| Other current assets | 2,569,799 | 655,536 |
| | <u>44,684,999</u> | <u>38,089,304</u> |
| | | |
| Accumulated impairment losses (Note 23) | (31,985,885) | (32,274,040) |
| | <u>57,160,293</u> | <u>61,697,035</u> |
| Trade accounts receivable and other current assets | <u><u>57,160,293</u></u> | <u><u>61,697,035</u></u> |

14. DEFERRED TAXES

Deferred tax Assets and Liabilities as at 30 September 2011 and 31 December 2010, split between the different types of temporary differences, can be detailed as follows:

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---------------------|-------------------|--------------------------|------------------|
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| Amortization and Depreciation harmonization adjustments | 1,643,307 | 1,498,863 | 1,939,130 | 1,469,476 |
| Provisions and impairment losses of non-tax deductible | 2,968,827 | 2,965,355 | - | - |
| Write off of tangible and intangible assets | 1,083,846 | 1,219,269 | - | - |
| Write off of accruals | 500,759 | 547,186 | - | - |
| Revaluation of tangible assets | - | - | 545,667 | 558,354 |
| Tax losses carried forward | 15,014,489 | 13,413,700 | - | - |
| Write off of stocks | - | - | 1,107,081 | 1,128,591 |
| Others | 111,266 | 11,495 | 432,053 | 459,625 |
| | <u>21,322,494</u> | <u>19,655,868</u> | <u>4,023,931</u> | <u>3,616,046</u> |

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 September 2011 and 31 December 2010, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

| | 30 September 2011 | | | 31 December 2010 | | |
|--|----------------------------|---------------------|------------|----------------------------|---------------------|------------|
| | Tax losses carried forward | Deferred tax assets | Time limit | Tax losses carried forward | Deferred tax assets | Time limit |
| With limited time use | | | | | | |
| Generated in 2005 | 3,863,667 | 965,917 | 2011 | 3,809,015 | 952,254 | 2011 |
| Generated in 2006 | 6,603,933 | 1,650,983 | 2012 | 6,879,972 | 1,719,993 | 2012 |
| Generated in 2007 | 2,832,608 | 708,152 | 2013 | 2,832,608 | 708,152 | 2013 |
| Generated in 2008 | 7,747,724 | 1,936,932 | 2014 | 7,747,724 | 1,936,931 | 2014 |
| Generated in 2009 | 11,043,066 | 2,760,767 | 2015 | 11,338,921 | 2,834,730 | 2015 |
| Generated in 2010 | 19,122,422 | 4,780,606 | 2014 | 20,705,765 | 5,176,440 | 2014 |
| Generated in 2011 | 8,428,884 | 2,107,221 | 2015 | - | - | 2015 |
| | <u>59,642,304</u> | <u>14,910,578</u> | | <u>53,314,005</u> | <u>13,328,501</u> | |
| With a time limit different from the above mentioned | 416,057 | 103,911 | | 340,859 | 85,199 | |
| | <u>60,058,361</u> | <u>15,014,489</u> | | <u>53,654,864</u> | <u>13,413,700</u> | |

As at 30 September 2011 and 31 December 2010, deferred tax assets resulting from tax losses carried forward were re-assessed. Deferred tax assets have only been recorded to the extent that future profits will arise which may be offset against available tax losses or against deductible temporary differences.

As at 30 September 2011, tax losses carried forward amounting to 163,589,844 euro (158,693,020 euro as at 31 December 2010), have not originated deferred tax assets for prudential reasons:

| | 30 September 2011 | | | 31 December 2010 | | |
|--|----------------------------|-------------------|------------|----------------------------|-------------------|------------|
| | Tax losses carried forward | Tax Credit | Time limit | Tax losses carried forward | Tax Credit | Time limit |
| With limited time use | | | | | | |
| Generated in 2005 | 5,245,483 | 1,311,370 | 2011 | 5,238,537 | 1,309,633 | 2011 |
| Generated in 2006 | 10,038,086 | 2,509,523 | 2012 | 10,739,887 | 2,684,974 | 2012 |
| Generated in 2007 | 17,268,130 | 4,317,032 | 2013 | 18,591,477 | 4,647,869 | 2013 |
| Generated in 2008 | 31,360,974 | 7,840,244 | 2014 | 31,452,195 | 7,863,050 | 2014 |
| Generated in 2009 | 47,043,003 | 11,760,751 | 2015 | 52,127,358 | 13,031,839 | 2015 |
| Generated in 2010 | 17,912,314 | 4,478,080 | 2014 | 18,374,162 | 4,593,540 | 2014 |
| Generated in 2011 | 14,377,982 | 3,594,495 | 2015 | - | - | 2015 |
| | <u>143,245,972</u> | <u>35,811,495</u> | | <u>136,523,615</u> | <u>34,130,906</u> | |
| Without limited time use | 1,186,715 | 395,532 | | 1,186,715 | 395,532 | |
| With a time limit different from the above mentioned | 19,157,157 | 5,526,955 | | 20,982,690 | 5,802,011 | |
| | <u>20,343,872</u> | <u>5,922,487</u> | | <u>22,169,405</u> | <u>6,197,543</u> | |
| | <u>163,589,844</u> | <u>41,733,982</u> | | <u>158,693,020</u> | <u>40,328,449</u> | |

15. CASH AND CASH EQUIVALENTS

As at 30 September 2011 and 31 December 2010, Cash and Cash equivalents can be detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|---|-------------------|------------------|
| Cash at hand | 176,296 | 236,316 |
| Bank deposits | 2,503,586 | 2,962,982 |
| Treasury applications | - | - |
| Cash and cash equivalents on the balance sheet | <u>2,679,883</u> | <u>3,199,298</u> |
| Bank overdrafts (Note 18) | (1,284,209) | (202,088) |
| Guarantee deposit | <u>(500,000)</u> | <u>(500,000)</u> |
| Cash and cash equivalents in the statement of cash-flows | <u>895,674</u> | <u>2,497,210</u> |

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

16. SHARE CAPITAL

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

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

17. NON-CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 30 September 2011 and 31 December 2010 are as follows:

| | 30 September 2011 | 31 December 2010 |
|---|-------------------|-------------------|
| Opening balance as at 1 January | 12,454,796 | 11,319,241 |
| Changes in percentage by acquisition / increase capital | - | 310,000 |
| Changes in hedging reserves | (10,632) | (9,033) |
| Changes in the percentage of capital held in affiliated companies | (4,103,273) | - |
| Changes resulting from currency translation | (32,241) | 46,997 |
| Others | (1,858) | (12,677) |
| Profit for the period attributable to minority interests | 742,056 | 800,268 |
| Closing balance as at 30 September | 9,048,848 | 12,454,796 |

18. BORROWINGS

As at 30 September 2011 and 31 December 2010, Borrowings are made up as follows:

| | 30 September 2011 | | 31 December 2010 | | Repayable on |
|--|--------------------|-------------|--------------------|-------------|--------------|
| | Outstanding amount | | Outstanding amount | | |
| | Current | Non Current | Current | Non Current | |
| Bank loans | | | | | |
| Sonae Capital SGPS - commercial paper ^{a)} | - | 30,000,000 | - | 30,000,000 | Mar/2013 |
| Sonae Capital SGPS - commercial paper ^{e)} | 4,000,000 | 12,250,000 | 4,000,000 | 12,250,000 | Dec/2013 |
| Sonae Capital SGPS - commercial paper ^{b)} | 11,050,000 | - | 22,000,000 | - | Mar/2018 |
| Sonae Capital SGPS - commercial paper ^{c) h)} | - | 36,600,000 | 59,700,000 | - | Aug/2016 |
| Sonae Capital SGPS - commercial paper ^{d)} | - | - | 36,600,000 | - | Aug/2011 |
| Sonae Capital SGPS - commercial paper ^{f)} | 800,000 | - | - | - | Jun/2016 |
| Selfrio Engenharia - commercial paper | 1,400,000 | - | 1,400,000 | 700,000 | May/2012 |
| Sonae Capital SGPS ^{g)} | 2,000,000 | 33,000,000 | - | - | Jun/2017 |
| Up-front fees | - | (468,219) | - | (34,211) | |
| Others | 177,808 | - | 132,844 | - | |
| | 19,427,808 | 111,381,781 | 123,832,844 | 42,915,789 | |
| Bank overdrafts (Note 15) | 1,284,209 | - | 202,088 | - | |
| Bank loans | 20,712,017 | 111,381,781 | 124,034,932 | 42,915,789 | |

Bond Loans

| | | | | | |
|----------------------------------|-------------------|--------------------|--------------------|--------------------|----------|
| Sonae Capital 2007/2012 Bonds | - | 30,000,000 | - | 30,000,000 | Dec/2012 |
| Sonae Capital 2011/2016 Bonds | - | 10,000,000 | - | - | Jan/2016 |
| SC, SGPS, S.A. 2008/2018 Bonds | - | 50,000,000 | - | 50,000,000 | Mar/2018 |
| Up-front fees | - | (526,942) | - | (593,681) | |
| Bond Loans | | 89,473,058 | | 79,406,319 | |
| Other loans | 934,457 | 3,333,715 | 1,001,327 | 2,986,459 | |
| Derivatives (Note 19) | 105,576 | 1,721,963 | - | 1,077,097 | |
| Obligations under finance leases | 2,871,714 | 28,205,172 | 3,479,253 | 25,636,993 | |
| Up-front fees on finance leases | - | (130,016) | - | (129,251) | |
| | 24,623,764 | 233,985,673 | 128,515,512 | 151,893,406 | |

- Commercial paper programme, with subscription guarantee, issued on 14 March 2008 and valid for a 5 year period.
- Short term commercial paper programme, issued on 28 March 2008 and valid for a 10 year period.
- Sonae Turismo, SGPS, SA is a co-guarantor in this loan.
- Commercial paper programme, issued on 29 August 2009 and valid up to 29 August 2011.
- Short term commercial paper programme, with subscription guarantee, issued on 30 December 2010, with annual renewals up to 3 years.
- Short term commercial paper programme, with subscription guarantee, issued on 1 September 2011, with annual renewals up to 5 years.
- Bank loan secured by mortgages on real state, issued on 2 September 2011 and for a 6 year period, with annual repayments.
- Commercial paper programme, with subscription guarantee, issued on 31 March 2011 and valid up to 29 August 2016.

As at 30 September 2011, Bond loans of the Group were as follows:

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

The interest rate on bonds in force on 30 September 2011 was on average 3.88%.

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 subsidies to affiliated undertakings, which do not bear interest.

The repayment schedule of the nominal value of borrowings (includes finance lease creditors) may be summarized as follows:

| | 30 September 2011 | | 31 December 2010 | |
|-------------------|--------------------|-------------------|--------------------|-------------------|
| | Nominal value | Interest | Nominal value | Interest |
| N+1 ^{a)} | 24,518,188 | 9,384,642 | 128,515,511 | 5,703,005 |
| N+2 | 105,887,795 | 7,610,995 | 37,457,919 | 3,234,236 |
| N+3 | 18,692,045 | 6,189,500 | 41,255,250 | 2,020,753 |
| N+4 | 10,460,641 | 5,507,395 | 3,051,392 | 1,538,673 |
| N+5 | 20,882,869 | 4,501,824 | 3,025,754 | 1,480,122 |
| After N+5 | 77,465,538 | 4,030,241 | 66,783,138 | 2,503,818 |
| | <u>257,907,074</u> | <u>37,224,596</u> | <u>280,088,964</u> | <u>16,480,607</u> |

a) Of the total amount maturing in N +1, 85% concerns to commercial paper taken under lines of credit with commitment exceeding one year.

19. DERIVATIVES

Interest rate derivatives

Hedging instruments used by the Group as at 30 September 2011 were mainly interest rate options (cash-flow hedges) contracted with the goal of hedging interest rate risks on loans in the amount of 55,000,000 euro, whose fair value of 1,827,538 euro is recorded as liabilities. As at 30 September 2011, all derivatives are hedging derivatives.

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

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

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

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

Fair value of derivatives

The fair value of derivatives is as follows:

| | Assets | | Liabilities | |
|----------------------------------|-------------------|------------------|-------------------|------------------|
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| Non-Hedge accounting derivatives | | | | |
| Interest rate | - | - | - | - |
| Hedge accounting derivatives | | | | |
| Interest rate | - | - | 1,827,538 | 1,077,097 |
| Other derivatives | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>1,827,538</u> | <u>1,077,097</u> |

20. OTHER NON-CURRENT LIABILITIES

As at 30 September 2011 and 31 December 2010 other non-current liabilities can be detailed as follows:

| | 30 September 2011 | 31 December 2010 |
|---|-------------------|-------------------|
| Loans and other amounts payable to related parties | | |
| Plaza Mayor Parque de Ocio, SA | 2,252,251 | 2,252,251 |
| Others | 1,298,096 | 1,098,000 |
| | <u>3,550,347</u> | <u>3,350,251</u> |
| Other creditors | | |
| Creditors in the restructuring process of Torralta | 30,141,463 | 30,141,463 |
| Fixed assets suppliers | - | - |
| Others | - | 3,999 |
| | <u>30,141,463</u> | <u>30,145,462</u> |
| Deferred income | <u>3,077,278</u> | <u>3,145,977</u> |
| Pension fund responsibilities | <u>-</u> | <u>-</u> |
| Other non current liabilities | <u>36,769,088</u> | <u>36,641,690</u> |

Other creditors include 30,141,463 euro payable to creditors of an affiliated undertaking under the terms of a judicial restructuring process. The court decision dated 27 November 1997 (which confirms the terms approved in the creditors meeting of 23 September 1997) states that these credits will be payable 50 years from the date that the decision was confirmed (30 January 2003).

21. SHARE-BASED PAYMENTS

In 2011 and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae Capital SGPS, SA (until 2007 in the form of shares of Sonae, SGPS, SA) to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The company has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date. On 28 January 2008 existing liabilities based on Sonae, SGPS, SA's shares have been recalculated to reflect liabilities based on Sonae Capital, SGPS, SA's shares. Closing share prices as at that date were used in this recalculation.

As at 30 September 2011 and December 2010, 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 2011 | 31 December 2010 |
| Shares | | | | | |
| | 2008 | 2011 | - | - | 34,015 |
| | 2009 | 2012 | 4 | 69,494 | 141,664 |
| | 2010 | 2013 | 4 | 71,306 | 145,478 |
| | 2011 | 2014 | 4 | 122,238 | - |
| <u>Total</u> | | | | <u>263,038</u> | <u>321,157</u> |

As at 30 September 2011 and December 2010, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

| | 30 September 2011 | 31 December 2010 |
|-------------------------------|-------------------|------------------|
| Other non-current liabilities | 83,755 | 142,935 |
| Other current liabilities | 83,966 | 34,015 |
| Reserves | 143,765 | 293,939 |
| Staff Costs | 23,956 | (116,989) |

22. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at 30 September 2011 and December 2010 trade accounts payable and other current liabilities can be detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|---|--------------------------|-------------------------|
| Trade creditors | 19,687,431 | 26,672,579 |
| Loans granted by and other payables to related parties | 110,002 | 202,241 |
| Other current liabilities | | |
| Fixed assets suppliers | 682,666 | 1,299,229 |
| Advances from customers and down payments | 2,254,571 | 2,166,714 |
| Other creditors | - | 1,193,755 |
| Taxes and contributions payable | 4,802,526 | 5,975,560 |
| Staff costs | 6,689,043 | 6,271,783 |
| Amounts invoiced for works not yet completed | 4,714,978 | 8,078,357 |
| Other external supplies and services | 6,026,510 | 4,838,872 |
| Interest payable | 1,465,430 | 608,832 |
| Expenses with construction contracts | 515,411 | 970,584 |
| Investment aid | 1,734,807 | 1,757,658 |
| Other liabilities | 6,710,999 | 5,203,381 |
| | <u>35,596,941</u> | <u>38,364,725</u> |
| Trade accounts payable and other current liabilities | <u>55,394,374</u> | <u>65,239,545</u> |

23. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 September 2011 were as follows:

| Captions | Balance as at 1 January 2011 | Increases | Decreases | Balance as at 30 September 2011 |
|--|---------------------------------|---------------|--------------------|------------------------------------|
| Accumulated impairment losses on: | | | | |
| Other Investments (Notes 5 and 10) | 7,868,877 | - | - | 7,868,877 |
| Other non-current assets (Note 11) | 34,916 | - | - | 34,916 |
| Trade accounts receivable (Note 13) | 4,367,254 | 51,472 | (349,964) | 4,068,762 |
| Other current debtors (Note 13) | 27,906,786 | 10,775 | (438) | 27,917,123 |
| Stocks (Note 12) | 7,726,492 | 30,911 | (928,073) | 6,829,330 |
| Non-current provisions | 3,185,975 | - | - | 3,185,975 |
| Current provisions | 2,704,909 | - | (1,249,693) | 1,455,216 |
| | <u>53,795,209</u> | <u>93,158</u> | <u>(2,528,168)</u> | <u>51,360,199</u> |

As at 30 September 2011 and 31 December 2010, detail of other provisions was as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|-----------------|--------------------------|-------------------------|
| Judicial claims | 1,707,327 | 2,887,019 |
| Others | <u>2,933,864</u> | <u>3,003,864</u> |
| | <u><u>4,641,191</u></u> | <u><u>5,890,883</u></u> |

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

24. CONTINGENT ASSETS AND LIABILITIES

As at 30 September 2011 and 31 December 2010 the most important contingent liabilities referred to guarantees given and were made up as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|--------------------------|--------------------------|-------------------------|
| Guarantees given: | | |
| on VAT reimbursements | 1,089,524 | 1,295,000 |
| on tax claims | 2,778,420 | 2,702,720 |
| on judicial claims | - | 1,897,406 |
| on municipal claims | 3,700,394 | 3,175,168 |
| Others | 17,119,995 | 17,976,743 |

Other includes the following guarantees:

- 6,911,012 euro (7,766,329 euro as at 31 December 2010) of guarantees on construction works given to clients;
- 8,643,393 euro (same amount as at 31 December 2010) of guarantees given concerning building permits in the Tourism business.

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

25. RELATED PARTIES

Balances and transactions during the periods ended 30 September 2011 and 2010 with related parties are detailed as follows:

| | Sales and services rendered | | Purchases and services obtained | |
|--|-----------------------------|----------------------|---------------------------------|----------------------|
| | 30 September 2011 | 30 September 2010 | 30 September 2011 | 30 September 2010 |
| <u>Transactions</u> | | | | |
| Parent company and group companies excluded from consolidation (a) | - | - | - | - |
| Associated companies | 944,321 | 901,911 | 395,913 | 390,778 |
| Other partners in Group companies | 20,210,791 | 40,298,027 | 5,551,833 | 5,372,892 |
| | <u>21,155,112</u> | <u>41,199,938</u> | <u>5,947,746</u> | <u>5,763,670</u> |
| | | | | |
| | Interest income | | Interest expenses | |
| | 30 September 2011 | 30 September 2010 | 30 September 2011 | 30 September 2010 |
| <u>Transactions</u> | | | | |
| Parent company and group companies excluded from consolidation (a) | - | - | - | - |
| Associated companies | 716,481 | 966,799 | - | - |
| Other partners in Group companies | - | 1,645 | 109,585 | 115,243 |
| | <u>716,481</u> | <u>968,444</u> | <u>109,585</u> | <u>115,243</u> |
| | | | | |
| | Accounts receivable | | Accounts payable | |
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| <u>Balances</u> | | | | |
| Parent company and group companies excluded from consolidation (a) | - | - | 18,777 | 115 |
| Associated companies | 1,502,054 | 562,039 | 48,803 | 24,598 |
| Other partners in Group companies | 10,138,150 | 15,874,001 | 4,551,884 | 5,346,467 |
| | <u>11,640,204</u> | <u>16,436,040</u> | <u>4,619,464</u> | <u>5,371,180</u> |
| | | | | |
| | Loans obtained | | Loans granted | |
| | 30 September 2011 | 31 December 2010 | 30 September 2011 | 31 December 2010 |
| <u>Balances</u> | | | | |
| Parent company and group companies excluded from consolidation (a) | - | - | - | - |
| Associated companies | - | - | 15,859,170 | 15,569,601 |
| Other partners in Group companies | 2,252,347 | 2,252,251 | - | - |
| | <u>2,252,347</u> | <u>2,252,251</u> | <u>15,859,170</u> | <u>15,569,601</u> |

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

26. TAXATION

Income tax for the nine months periods ended 30 September 2011 and 2010 was made up as follows:

| | <u>30 September 2011</u> | <u>30 June 2010</u> |
|--------------|--------------------------|---------------------|
| Current tax | 2,267,543 | 2,352,520 |
| Deferred tax | (1,275,454) | (7,408,173) |
| | <u>992,089</u> | <u>(5,055,653)</u> |

27. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 September 2011 and 2010, the reconciliation of consolidated net profit can be analyzed as follows:

| | <u>30 September 2011</u> | <u>30 June 2010</u> |
|---|--------------------------|---------------------|
| Aggregate net profit | 26,479,579 | (7,973,701) |
| Harmonisation adjustments | 4,559 | 1,831,147 |
| Elimination of intragroup dividends | (7,417,837) | (45,114,978) |
| Share of gains/(losses) of associated undertakings | 4,312,240 | 2,355,983 |
| Elimination of intragroup capital gains/(losses) | - | 27,251,640 |
| Elimination of intragroup impairment | 1,008,100 | (6,049,011) |
| Reversal of impairment losses | - | 3,457,708 |
| Adjustments of gains/(losses) of financial shareholdings sale | (8,964,361) | 24,196,084 |
| Others | 12,157 | 34,538 |
| Consolidated net profit for the year | <u>15,434,437</u> | <u>(10,590)</u> |

28. EARNINGS PER SHARE

Earnings per share for the periods ended 30 September 2011 and 2010 were calculated taking into consideration the following amounts:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--|--------------------------|--------------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (Net profit for the period) | 14,692,381 | (400,719) |
| 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>14,692,381</u> | <u>(400,719)</u> |

Number of shares

| | | |
|---|-----------------|-------------------|
| Weighted average number of shares used to calculated basic earnings per share | 250,000,000 | 250,000,000 |
| Effect of dilutive potential ordinary shares from convertible bonds | - | - |
| Weighted average number of shares used to calculated diluted earnings per share | 250,000,000 | 250,000,000 |
| Earnings per share (basic and diluted) | 0.058770 | (0.001603) |

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

29. SEGMENT INFORMATION

In the periods ended 30 September 2011 and 2010, the following were identified as segments:

- Sonae Turismo:
 - Tourism Operations
 - Atlantic Ferries
 - Other
- SC Assets:
 - Residential Development
 - Other Real Estate Assets
 - Other
- Spred:
 - Selfrio Group
 - Other
- Holding and Others

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

The contribution of the business segments to the income statement for the nine months periods ended on 30 September 2011 and 2010 can be detailed as follows:

30 September 2011

| Profit & Loss Account | Tourism Operations | Atlantic Ferries | Other | Intersegment Income | Total Tourism | Residential Property Development | Other Real Estate Assets | Other | Intersegment Income | Total SC Assets | Selfrio Group | Other | Intersegment Income | Total Spred | Holding & Others | Intersegment Income | Consolidated |
|--------------------------------|--------------------|------------------|-----------|---------------------|---------------|----------------------------------|--------------------------|----------|---------------------|-----------------|---------------|------------|---------------------|-------------|------------------|---------------------|--------------|
| Operational Income | | | | | | | | | | | | | | | | | |
| Sales | 6,760,444 | - | - | - | 6,760,444 | 640,900 | 5,295,767 | - | (2,800,000) | 3,136,667 | 42,563,404 | 5,208,824 | - | 47,772,228 | - | (4,231,596) | 53,437,743 |
| Services rendered | 25,125,923 | 4,408,659 | 1,330,582 | (1,200,584) | 29,664,580 | 843,770 | 4,743,974 | - | (164,596) | 5,423,148 | 13,008,756 | 4,574,110 | (18,980) | 17,563,886 | 3,065,670 | (6,729,241) | 48,988,043 |
| Other operational income | 2,997,589 | 36,057 | 231,073 | (304,181) | 2,960,538 | 126,129 | 557,000 | 28,649 | (58,331) | 653,447 | 943,287 | 853,371 | - | 1,796,658 | 630,752 | 3,829,565 | 9,870,960 |
| | 34,883,956 | 4,444,716 | 1,561,655 | (1,504,765) | 39,385,562 | 1,610,799 | 10,596,741 | 28,649 | (3,022,927) | 9,213,262 | 56,515,447 | 10,636,305 | (18,980) | 67,132,772 | 3,696,422 | (7,131,272) | 112,296,746 |
| Operational cash-flow (EBITDA) | (6,857,514) | 1,030,196 | 546,361 | (54) | (5,281,011) | (564,800) | 1,496,936 | (16,694) | 3,440 | 918,882 | 3,720,967 | 1,558,448 | (537) | 5,278,878 | (1,315,749) | 32 | (398,968) |

30 September 2010

| Profit & Loss Account | Tourism Operations | Atlantic Ferries | Other | Intersegment Income | Total Tourism | Residential Property Development | Other Real Estate Assets | Other | Intersegment Income | Total SC Assets | Box Lines | Selfrio Group | Other | Intersegment Income | Total Spred | Holding & Others | Intersegment Income | Consolidated |
|--------------------------------|--------------------|------------------|-----------|---------------------|---------------|----------------------------------|--------------------------|----------|---------------------|-----------------|------------|---------------|-----------|---------------------|-------------|------------------|---------------------|--------------|
| Operational Income | | | | | | | | | | | | | | | | | | |
| Sales | 13,097,506 | - | - | - | 13,097,506 | 1,182,650 | 751,000 | - | - | 1,933,650 | - | 44,022,526 | 4,106,010 | - | 48,128,536 | - | (211,755) | 62,947,937 |
| Services rendered | 26,376,383 | 3,861,346 | 2,194,011 | (1,976,156) | 30,455,584 | 883,962 | 5,276,984 | - | (242,710) | 5,918,236 | 26,897,082 | 11,039,234 | 4,879,166 | (55,995) | 42,759,487 | 3,308,798 | (7,247,114) | 75,194,991 |
| Other operational income | 3,968,960 | 32,564 | 1,627,902 | (305,685) | 5,323,741 | 252,906 | 959,437 | - | (113,889) | 1,098,454 | 116,613 | 455,324 | 660,949 | (422) | 1,232,464 | 330,148 | (504,595) | 7,480,212 |
| | 43,442,849 | 3,893,910 | 3,821,913 | (2,281,841) | 48,876,831 | 2,319,518 | 6,987,421 | - | (356,599) | 8,950,340 | 27,013,695 | 55,517,084 | 9,646,125 | (56,417) | 92,120,487 | 3,638,946 | (7,963,464) | 145,623,140 |
| Operational cash-flow (EBITDA) | (3,358,718) | 350,507 | 38,636 | (1,884) | (2,971,459) | (766,685) | 2,919,683 | (14,241) | 26,975 | 2,165,732 | 1,022,752 | 3,667,373 | 632,052 | 1,213 | 5,323,390 | (942,233) | (3,360) | 3,572,070 |

The contribution of the business segments to the balance sheets as at 30 September 2011 and 31 December 2010 can be detailed as follows:

30 September 2011

| Balance Sheet | Tourism Operations | Atlantic Ferries | Other | Intersegment Adjustments | Total Tourism | Residential Property Development | Other Real Estate Assets | Other | Intersegment Adjustments | Total SC Assets | Selfrio Group | Other | Intersegment Adjustments | Total Spred | Holding & Others | Intersegment Adjustments | Consolidated |
|--------------------------------------|--------------------|-------------------|--------------------|--------------------------|--------------------|----------------------------------|--------------------------|--------------------|--------------------------|--------------------|-------------------|-------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|
| Fixed Assets Tangible and Intangible | 162,573,831 | 25,098,946 | 305,174 | - | 187,977,951 | 344,857 | 77,072,295 | - | - | 77,417,153 | 420,165 | 13,128,657 | - | 13,548,822 | 116,358 | - | 279,060,284 |
| Investments | 216,838 | - | 271,608 | - | 488,446 | - | 939,407 | 57,082,545 | - | 58,021,952 | - | 1,474,311 | - | 1,474,311 | 1,251 | - | 59,985,960 |
| Other Assets | 174,268,698 | 2,071,047 | 171,520,791 | (172,237,106) | 175,623,430 | 49,322,257 | 114,067,110 | 158,696,923 | (200,718,719) | 121,367,570 | 58,314,154 | 47,687,429 | (12,543,533) | 93,458,050 | 411,909,840 | (434,069,757) | 368,289,134 |
| Total Assets | 337,059,366 | 27,169,994 | 172,097,573 | (172,237,106) | 364,089,827 | 49,667,114 | 192,078,812 | 215,779,468 | (200,718,719) | 256,806,675 | 58,734,318 | 62,290,397 | (12,543,533) | 108,481,183 | 412,027,449 | (434,069,757) | 707,335,377 |
| Total Liabilities | 250,936,859 | 23,213,682 | 211,180,944 | (172,234,767) | 313,096,718 | 50,522,907 | 150,835,195 | 186,638,898 | (197,918,479) | 190,078,521 | 23,853,911 | 32,742,834 | (12,542,980) | 44,053,765 | 249,321,738 | (437,112,722) | 359,438,020 |
| Technical investment | 5,597,578 | 77,920 | 2,310 | - | 5,677,808 | 333,150 | 352,995 | - | - | 686,145 | 157,029 | 3,693,354 | - | 3,850,383 | 29,565 | - | 10,243,901 |
| Gross Debt | 3,772,613 | 20,623,092 | - | - | 24,395,706 | 103,571 | 387,258 | - | - | 490,829 | 2,619,350 | 10,667,175 | - | 13,286,525 | 220,436,376 | - | 258,609,436 |
| Net Debt | 3,469,078 | 20,524,892 | (7,035) | - | 23,986,935 | (403,467) | 372,023 | (1,496) | - | (32,939) | 2,211,907 | 10,574,167 | - | 12,786,074 | 219,189,484 | - | 255,929,553 |

31 December 2010

| Balance Sheet | Tourism Operations | Atlantic Ferries | Other | Intersegment Adjustments | Total Tourism | Residential Property Development | Other Real Estate Assets | Other | Intersegment Adjustments | Total SC Assets | Selfrio Group | Other | Intersegment Adjustments | Total Spred | Holding & Others | Intersegment Adjustments | Consolidated |
|--------------------------------------|--------------------|-------------------|--------------------|--------------------------|--------------------|----------------------------------|--------------------------|--------------------|--------------------------|--------------------|-------------------|-------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|
| Fixed Assets Tangible and Intangible | 148,819,754 | 26,052,929 | 395,538 | - | 175,268,221 | 25,415 | 78,619,454 | - | - | 78,644,869 | 595,759 | 10,283,015 | - | 10,878,774 | 147,910 | - | 264,939,773 |
| Investments | 647,321 | - | 271,608 | - | 918,929 | - | 942,174 | 54,524,812 | - | 55,466,986 | - | 1,923,660 | - | 1,923,660 | 15,207,815 | - | 73,517,389 |
| Other Assets | 189,212,015 | 1,931,534 | 169,457,322 | (170,467,915) | 190,132,955 | 46,407,978 | 114,537,861 | 153,686,107 | (190,744,145) | 123,887,801 | 65,422,808 | 46,496,706 | (24,101,549) | 87,817,966 | 391,073,353 | (400,202,583) | 392,709,492 |
| Total Assets | 338,679,089 | 27,984,462 | 170,124,468 | (170,467,915) | 366,320,105 | 46,433,392 | 194,099,489 | 208,210,919 | (190,744,145) | 257,999,655 | 66,018,567 | 58,703,381 | (24,101,549) | 100,620,399 | 406,429,078 | (400,202,583) | 731,166,655 |
| Total Liabilities | 247,955,879 | 23,577,160 | 201,845,568 | (170,467,453) | 302,911,154 | 46,733,559 | 148,301,219 | 175,585,925 | (190,744,356) | 179,876,347 | 33,626,126 | 27,432,106 | (20,881,416) | 40,176,816 | 269,276,207 | (400,443,442) | 391,797,082 |
| Technical investment | 6,697,646 | 334,932 | 312,873 | - | 7,345,451 | 57,990 | 268,987 | - | - | 326,977 | 267,800 | 2,209,777 | - | 2,477,577 | 92,824 | 20,884 | 10,263,714 |
| Gross Debt | 3,358,544 | 21,670,957 | 25,095 | - | 25,054,597 | - | 718,081 | - | - | 718,081 | 3,234,171 | 6,452,714 | - | 9,686,885 | 244,949,354 | - | 280,408,918 |
| Net Debt | 3,091,256 | 21,404,648 | (261,565) | - | 24,234,339 | (512,754) | 517,864 | (40,727) | - | (35,616) | 1,749,199 | 6,370,428 | - | 8,119,628 | 244,891,269 | - | 277,209,619 |

Net debt of the Holding can be analyzed as follows:

| | <u>30 September 2011</u> |
|--------------------------------|---------------------------|
| Inflows | |
| Gross bank debt | 220,436,376 |
| Cash and cash equivalents | <u>1,246,892</u> |
| Net bank debt | 219,189,484 |
| | |
| Sonae Turismo | - |
| SC Assets | - |
| Spred | <u>23,280,200</u> |
| Intercompany ST Loans obtained | 23,280,200 |
| | - |
| Total Inflows | <u><u>242,469,684</u></u> |
| | |
| Outflows | |
| Sonae Turismo | 206,874,362 |
| SC Assets | 179,888,250 |
| Spred | <u>826,000</u> |
| Intercompany ST Loans granted | <u><u>387,588,612</u></u> |

30. SUBSEQUENT EVENTS

No relevant events, requiring further disclosure, have occurred after 30 September 2011.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 23 November 2011.

The Board of Directors



INDIVIDUAL FINANCIAL STATEMENTS

30 SEPTEMBER 2011

(Translation from the Portuguese Original)

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEETS AS AT 30 SEPTEMBER 2011 AND 31 DECEMBER 2010

(Amounts expressed in euro)

| ASSETS | Notes | 30 September 2011 | 31 December 2010 |
|-------------------------------------|-------|---------------------------|---------------------------|
| NON CURRENT ASSETS: | | | |
| Tangible assets | | - | - |
| Investments | 4 | 542,139,453 | 542,139,453 |
| Deferred tax assets | | 111,373 | 157,965 |
| Other non current assets | 5 | 189,586,043 | 220,718,043 |
| Total Non Current Assets | | <u>731,836,869</u> | <u>763,015,461</u> |
| CURRENT ASSETS: | | | |
| Other current assets | 6 | 31,077,474 | 20,151,723 |
| Cash and cash equivalents | 7 | 1,240,904 | 27,355 |
| Total Current Assets | | <u>32,318,378</u> | <u>20,179,078</u> |
| TOTAL ASSETS | | <u><u>764,155,247</u></u> | <u><u>783,194,539</u></u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Share Capital | 8 | 250,000,000 | 250,000,000 |
| Legal reserve | | 8,307,376 | 8,191,127 |
| Other reserves | 9 | 289,628,622 | 287,419,883 |
| Retained earnings | | - | - |
| Profit / (Loss) for the period | | 114,771 | 2,324,988 |
| TOTAL EQUITY | | <u>548,050,769</u> | <u>547,935,998</u> |
| LIABILITIES: | | | |
| NON CURRENT LIABILITIES: | | | |
| Bank loans | 10 | 111,381,781 | 42,215,789 |
| Bonds | 10 | 39,932,908 | 29,943,901 |
| Other non current liabilities | | 50,991 | 97,003 |
| Deferred tax liabilities | | 14,449 | 22,586 |
| Total Non Current Liabilities | | <u>151,380,129</u> | <u>72,279,279</u> |
| CURRENT LIABILITIES | | | |
| Suppliers | | 25,855 | 75,521 |
| Bank overdrafts | 10 | 17,850,000 | 122,300,000 |
| Other creditors | 11 | 44,559,527 | 39,693,292 |
| Other current liabilities | 12 | 2,288,967 | 910,449 |
| Total Current Liabilities | | <u>64,724,349</u> | <u>162,979,262</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>764,155,247</u></u> | <u><u>783,194,539</u></u> |

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in euro)

| | <u>Notes</u> | <u>30 September 2011</u> | <u>30 September 2010</u> |
|---------------------------------|--------------|--------------------------|--------------------------|
| Operational income | | | |
| Other operational income | | 325,582 | 55,838 |
| Total operational income | | <u>325,582</u> | <u>55,838</u> |
| Operational expenses | | | |
| External supplies and services | 13 | (197,052) | (228,771) |
| Staff costs | 14 | (698,868) | (835,290) |
| Depreciation and amortisation | | (1) | (1,982) |
| Other operational expenses | | (4,501) | (178,601) |
| Total operational expenses | | <u>(900,421)</u> | <u>(1,244,644)</u> |
| Operational profit/(loss) | | <u>(574,839)</u> | <u>(1,188,806)</u> |
| Financial income | 15 | 7,931,976 | 6,803,664 |
| Financial expenses | 15 | (7,195,119) | (6,624,322) |
| Net financial income/(expenses) | | <u>736,857</u> | <u>179,342</u> |
| Investment income | 15 | - | 2,871,845 |
| Profit/(loss) before taxation | | <u>162,018</u> | <u>1,862,381</u> |
| Taxation | 16 | (47,247) | 245,545 |
| Profit/(loss) for the period | | <u>114,771</u> | <u>2,107,926</u> |
| Profit/(loss) per share | | | |
| Basic and diluted | 17 | 0.000459 | 0.008432 |

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 2011 AND 2010

(Amounts expressed in euro)

| | 3 rd Quarter 2011 (Unaudited) | 3 rd Quarter 2010 (Unaudited) |
|---------------------------------|---|---|
| Operational income: | | |
| Other operational income | 2,811 | 2,263 |
| Total operational income | 2,811 | 2,263 |
| Operational expenses: | | |
| External supplies and services | (69,308) | (66,889) |
| Staff costs | (204,153) | (228,712) |
| Depreciation and amortisation | 0 | (661) |
| Other operational expenses | (1,501) | (80,354) |
| Total operational expenses | (274,961) | (376,616) |
| Operational profit/(loss) | (272,150) | (374,353) |
| Financial income | 2,968,849 | 1,706,559 |
| Financial expenses | (2,618,560) | (1,862,872) |
| Net financial income/(expenses) | 350,289 | (156,313) |
| Investment income | - | - |
| Profit/(loss) before taxation | 78,139 | (530,666) |
| Taxation | (22,255) | 130,068 |
| Profit/(loss) for the period | 55,884 | (400,598) |
| Profit/(loss) per share | | |
| Basic and diluted | 0.000224 | (0.001602) |

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in euro)

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--|--------------------------|--------------------------|
| Net profit for the period | 114,771 | 2,107,926 |
| 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>114,771</u> | <u>2,107,926</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 2011 AND 2010

(Amounts expressed in euro)

| | <u>3rd Quarter 2011</u> <u>(Unaudited)</u> | <u>3rd Quarter 2010</u> <u>(Unaudited)</u> |
|---|--|--|
| Net profit for the period | 55,884 | (400,598) |
| 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>55,884</u> | <u>(400,598)</u> |

The accompanying notes are part of these financial statements

The Board of Directors

SONAE CAPITAL SGPS, SA
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in euro)

| | Share Capital | Own Shares | Legal Reserve | Translation Reserve | Fair Value Reserve | Hedging Reserve | Other Reserves | Retained Earnings | Sub total | Net profit / (loss) | Total Equity |
|---|------------------|---------------|------------------|------------------------|-----------------------|--------------------|-------------------|----------------------|-------------|------------------------|--------------|
| Balance as at 1 January 2010 | 250,000,000 | - | - | - | - | - | 132,638,253 | (849,780) | 131,788,473 | 163,822,537 | 545,611,010 |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | - | 2,107,926 | 2,107,926 |
| Appropriation of profits: | | | | | | | | | | | |
| Transfer to legal reserve and retained earnings | - | - | 8,191,127 | - | - | - | 154,781,630 | 849,780 | 163,822,537 | (163,822,537) | - |
| Dividends distributed | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition/(disposal) of own shares | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 30 September 2010 | 250,000,000 | - | 8,191,127 | - | - | - | 287,419,883 | - | 295,611,010 | 2,107,926 | 547,718,936 |
| 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 legal reserve and retained earnings | - | - | 116,249 | - | - | - | 2,208,739 | - | 2,324,988 | (2,324,988) | - |
| Dividends distributed | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition/(disposal) of own shares | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 30 September 2011 | 250,000,000 | - | 8,307,376 | - | - | - | 289,628,622 | - | 297,935,998 | 114,771 | 548,050,769 |

The accompanying notes are an integral part of these financial statements

The Board of Directors

SONAE CAPITAL, SGPS, SA

INDIVIDUAL CASH FLOW STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in euro)

| | 30 September 2011 | 30 September 2010 |
|--|-------------------|-------------------|
| <u>OPERATING ACTIVITIES</u> | | |
| Cash paid to trade creditors | 209,760 | 267,369 |
| Cash paid to employees | 635,821 | 751,267 |
| Cash flow generated by operations | (845,581) | (1,018,636) |
| Income taxes (paid)/received | (75,076) | 808 |
| Other cash receipts/(payments) relating to operating activities | (58,310) | (154,139) |
| Net cash flow from operating activities [1] | (828,815) | (1,173,583) |
| <u>INVESTMENT ACTIVITIES</u> | | |
| Cash receipts arising from: | | |
| Interest and similar income | 7,490,580 | 10,634,900 |
| Dividends | - | 2,871,845 |
| Loans obtained | 45,056,000 | 191,096,257 |
| | 52,546,580 | 204,603,002 |
| Cash payments arising from: | | |
| Investments | - | 159,500,000 |
| Tangible assets | - | - |
| Loans granted | 24,524,600 | 64,815,898 |
| | 24,524,600 | 224,315,898 |
| Net cash flow from investment activities [2] | 28,021,980 | (19,712,896) |
| <u>FINANCING ACTIVITIES</u> | | |
| Cash receipts arising from: | | |
| Loans obtained | 86,466,000 | 28,036,407 |
| | 86,466,000 | 28,036,407 |
| Cash Payments arising from: | | |
| Interest and similar costs | 5,995,616 | 4,850,191 |
| Loans obtained | 106,450,000 | - |
| | 112,445,616 | 4,850,191 |
| Net cash flow from financing activities [3] | (25,979,616) | 23,186,216 |
| Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3] | 1,213,549 | 2,299,737 |
| Cash and cash equivalents at the beginning of the period | 27,355 | 55,597 |
| Cash and cash equivalents at the end of the period | 7 1,240,904 | 2,355,334 |

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 2011 AND 2010

(Amounts expressed in euro)

| | <u>3rd Quarter 2011</u> (Unaudited) | <u>3rd Quarter 2010</u> (Unaudited) |
|--|---|---|
| <u>OPERATING ACTIVITIES</u> | | |
| Cash paid to trade creditors | 30,690 | 50,599 |
| Cash paid to employees | 162,802 | 290,624 |
| Cash flow generated by operations | <u>(193,492)</u> | <u>(341,223)</u> |
| Income taxes (paid)/received | (179,588) | (53,842) |
| Other cash receipts/(payments) relating to operating activities | 28,759 | (531,540) |
| Net cash flow from operating activities [1] | <u>14,855</u> | <u>(818,921)</u> |
| <u>INVESTMENT ACTIVITIES</u> | | |
| Cash receipts arising from: | | |
| Interest and similar income | 4,463,356 | 4,459,685 |
| Dividends | - | - |
| Loans granted | (45,056,000) | - |
| | <u>(40,592,644)</u> | <u>4,459,685</u> |
| Cash payments arising from: | | |
| Investments | - | - |
| Tangible assets | - | - |
| Loans granted | (46,031,400) | (2,430,086) |
| | <u>(46,031,400)</u> | <u>(2,430,086)</u> |
| Net cash flow from investment activities [2] | <u>5,438,756</u> | <u>6,889,771</u> |
| <u>FINANCING ACTIVITIES</u> | | |
| Cash receipts arising from: | | |
| Loans obtained | 35,717,000 | (1,827,500) |
| | <u>35,717,000</u> | <u>(1,827,500)</u> |
| Cash Payments arising from: | | |
| Interest and similar costs | 2,059,934 | 1,915,858 |
| Loans obtained | 38,850,000 | - |
| | <u>40,909,934</u> | <u>1,915,858</u> |
| Net cash from financing activities [3] | <u>(5,192,934)</u> | <u>(3,743,358)</u> |
| Net increase/(decrease) in cash and cash equivalents [4] = [1]+[2]+[3] | 260,677 | 2,327,492 |
| Cash and cash equivalents at the beginning of the period | 980,227 | 27,842 |
| Cash and cash equivalents at the end of the period | <u>1,240,904</u> | <u>2,355,334</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 ENDED 30 SEPTEMBER 2011 AND 2010

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

(Amounts expressed in euro)

1. INTRODUCTION

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

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

2. BASIS OF PREPARATION

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

3. PRINCIPAL ACCOUNTING POLICIES

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

4. INVESTMENTS

As at 30 September 2011 and 31 December 2010 Investments are detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</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 |
| | <u>542,139,453</u> | <u>542,139,453</u> |

4.1 Investments in affiliated and associated undertakings

As at 30 September 2011 and 31 December 2010, the detail of Investments in Affiliated and Associated Companies is as shown in the table below.

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

| Company | <u>30 September 2011</u> | | | | <u>31 December 2010</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 2011 and 31 December 2010 Other Non Current Assets are detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|-----------------------------------|--------------------------|-------------------------|
| Loans granted to group companies: | | |
| SC, SGPS, SA | 136,358,243 | 171,414,243 |
| SC Assets, SGPS, SA | 53,227,800 | 49,303,800 |
| | <u>189,586,043</u> | <u>220,718,043</u> |

These assets were not due or impaired as at 30 September 2011. 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 2011 and 31 December 2010 Other Current Assets can be detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|-------------------------------------|--------------------------|-------------------------|
| Group companies - Short term loans: | | |
| SC, SGPS, SA | 19,830,100 | 16,852,500 |
| SC Assets, SGPS, SA | 7,623,000 | - |
| Suppliers | 1,721 | 21,505 |
| Income tax withheld | 105,924 | 189,164 |
| Other Debtors | 8,583 | 3,877 |
| Accrued income | 3,464,151 | 3,022,754 |
| Deferred costs | 43,994 | 61,923 |
| | <u>31,077,474</u> | <u>20,151,723</u> |

7. CASH AND CASH EQUIVALENTS

As at 30 September 2011 and 31 December 2010 Cash and Cash Equivalents can be detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|--|--------------------------|-------------------------|
| Cash | 1,004 | 1,004 |
| Bank deposits | 1,239,901 | 26,351 |
| Cash and cash equivalents in the balance sheet | <u>1,240,904</u> | <u>27,355</u> |
| Bank overdrafts | - | - |
| Cash and cash equivalents in the cash flow statement | <u>1,240,904</u> | <u>27,355</u> |

8. SHARE CAPITAL

As at 30 September 2011 Share Capital consisted of 250,000,000 ordinary shares of 1 euro each.

9. OTHER RESERVES

As at 30 September 2011, and 31 December 2010 the caption Other Reserves can be detailed as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|------------------|--------------------------|-------------------------|
| Free reserves | 156,990,370 | 154,781,631 |
| Demerger reserve | 132,638,252 | 132,638,252 |
| | <u>289,628,622</u> | <u>287,419,883</u> |

The demerger reserve (Note 1), corresponds to the difference between the book value of the shareholding in SC, SGPS, SA (382,638,252 euro) which was spun off from Sonae, SGPS, SA to the Company, and the value of the share capital of the Company (250,000,000 euro). 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.

10. LOANS

As at 30 September 2011 and 31 December 2010 this caption included the following loans:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|---|---------------------------|---------------------------|
| Bank loans - Commercial paper | 78,850,000 | 42,250,000 |
| Bank loans - Term loan | 33,000,000 | - |
| Up-front fees not yet charged to income statement | (468,219) | (34,211) |
| Bank loans - non current | <u>111,381,781</u> | <u>42,215,789</u> |
| Nominal value of bonds | 40,000,000 | 30,000,000 |
| Up-front fees not yet charged to income statement | (67,092) | (56,099) |
| Bond Loans | <u>39,932,908</u> | <u>29,943,901</u> |
| Non-current loans | <u><u>151,314,689</u></u> | <u><u>72,159,690</u></u> |
| | | |
| Bank loans - Commercial paper | 15,850,000 | 122,300,000 |
| Bank loans - Term loan | 2,000,000 | - |
| Current bank loans | <u><u>17,850,000</u></u> | <u><u>122,300,000</u></u> |

Non Current Bank Loans

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

- i) Commercial Paper Programme issued on 14 March 2008 with subscription guarantee and valid for a period of 5 years;
- ii) Commercial Paper Programme issued on 31 March 2011 with subscription guarantee and valid for a period of 5 years and 5 months;
- iii) Bank loan started on 2 June 2011 valid for six years and repayable in six annual instalments. This loan is guaranteed by a mortgage of investment properties;
- 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;
- v) Sonae Capital, SGPS 2011/2016, amounting to 10,000,000 euro, repayable after 5 years, in one instalment, on 17 January 2016. Early repayment can occur under the terms of the Call / Put Option. This bond issue pays interest every six months.

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

The average interest rate of these bond loans as at 30 September 2011 was 4.24%.

Current Bank Loans

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

- i) Commercial Paper Programme issued on 28 March 2008 without subscription guarantee, valid for a period of 10 years, which may be extended at the option of the Company;
- ii) Commercial Paper Programme issued on 1 June 2011 with subscription guarantee, valid for a period of 1 year, automatically renewable for equal periods to a maximum of five years, unless terminated by either party;
- iii) Programme issued on 30 December 2010 without subscription guarantee and valid for a period of 3 years.

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

There are no Derivatives.

11. OTHER CREDITORS

As at 30 September 2011 and 31 December 2010, these captions were made up as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|-------------------------------------|--------------------------|--------------------------|
| <u>Other creditors</u> | | |
| Group companies - Short term loans: | | |
| Inparvi, SGPS, SA | 975,000 | 697,000 |
| Interlog, SGPS, SA | 20,987,000 | 20,999,000 |
| SC Assets, SGPS, SA | - | 100,000 |
| SC Finance BV | 292,000 | 300,000 |
| Spred, SGPS, SA | 22,305,200 | 17,597,200 |
| Other creditors | <u>327</u> | <u>92</u> |
| | <u><u>44,559,527</u></u> | <u><u>39,693,292</u></u> |

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

12. OTHER CURRENT LIABILITIES

As at 30 September 2011 and 31 December 2010, these captions were made up as follows:

| | <u>30 September 2011</u> | <u>31 December 2010</u> |
|----------------------------------|--------------------------|-------------------------|
| <u>Other current liabilities</u> | | |
| Taxes payable | 28,576 | 130,981 |
| Accruals: | | |
| Staff costs | 321,738 | 519,335 |
| Interest payable | 1,891,485 | 246,980 |
| Other accruals | 40,504 | 6,795 |
| Deferred income | 6,664 | 6,358 |
| | <u>2,288,967</u> | <u>910,449</u> |

13. EXTERNAL SUPPLIES AND SERVICES

As at 30 September 2011 and 30 September 2010, External Supplies and Services can be detailed as follows:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|---------------------|--------------------------|--------------------------|
| Operational rents | 48,343 | 48,838 |
| Insurance costs | 36,444 | 39,351 |
| Travelling expenses | 11,617 | 32,190 |
| Services obtained | 78,598 | 87,138 |
| Other services | 22,050 | 21,254 |
| | <u>197,052</u> | <u>228,771</u> |

14. STAFF COSTS

As at 30 September 2011 and 30 September 2010, Staff Costs are made up as follows:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|---------------------------------|--------------------------|--------------------------|
| Governing bodies' remunerations | 549,570 | 762,154 |
| Staff's remunerations | 78,730 | - |
| Social security contributions | 50,523 | 55,036 |
| Other staff costs | 20,045 | 18,100 |
| | <u>698,868</u> | <u>835,290</u> |

15. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 30 September 2011 and 30 September 2010, Net Financial Expenses and Investment Income can be detailed as follows:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--|--------------------------|--------------------------|
| Interest payable and similar expenses | | |
| Interest arising from: | | |
| Bank loans | (3,988,352) | (2,780,953) |
| Bonds | (869,245) | (594,212) |
| Other | (507,081) | (1,754,462) |
| Other financial expenses | <u>(1,830,440)</u> | <u>(1,494,695)</u> |
| | <u>(7,195,119)</u> | <u>(6,624,322)</u> |
| Interest receivable and similar income | | |
| Interest income | <u>7,931,976</u> | <u>6,803,664</u> |
| | <u>7,931,976</u> | <u>6,803,664</u> |
| Net financial expenses | <u><u>736,857</u></u> | <u><u>179,342</u></u> |
| Investment income | <u><u>-</u></u> | <u><u>2,871,845</u></u> |

As at 30 September 2010, Investment Income of 2,871,845 euro relates to dividends paid by an associated company.

16. TAXATION

As at 30 September 2011 and 30 September 2010, Taxation is made up as follows:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--------------|--------------------------|--------------------------|
| | <u>Total</u> | <u>Total</u> |
| Current tax | (8,793) | (6,224) |
| Deferred tax | <u>(38,454)</u> | <u>251,769</u> |
| | <u><u>(47,247)</u></u> | <u><u>245,545</u></u> |

17. EARNINGS PER SHARE

Earnings per share for the three months periods ended 30 September 2011 and 2010 were calculated taking into consideration the following amounts:

| | <u>30 September 2011</u> | <u>30 September 2010</u> |
|--|--------------------------|--------------------------|
| Net profit | | |
| Net profit taken into consideration to calculate basic earnings per share (Net profit for the period) | 114,771 | 2,107,926 |
| Effect of dilutive potential shares | - | - |
| Net profit taken into consideration to calculate diluted earnings per share | <u>114,771</u> | <u>2,107,926</u> |
| Number of shares | | |
| Weighted average number of shares used to calculate basic earnings per share | 250,000,000 | 250,000,000 |
| Weighted average number of shares used to calculate diluted earnings per share | <u>250,000,000</u> | <u>250,000,000</u> |
| Earnings per share (basic and diluted) | <u>0.000459</u> | <u>0.008432</u> |

18. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 23 November 2011.

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 2011 shareholders' loan contracts were entered into with the following companies:

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

In the period ended 30 September 2011 no short-term loan contracts were entered.

As at 30 September 2011 amounts owed by affiliated companies can be summarized as follows:

Loans and Short term loans granted

| <u>Companies</u> | <u>Closing Balance</u> |
|---------------------|------------------------|
| SC, SGPS, SA | 156,188,343 |
| SC Assets, SGPS, SA | 60,850,800 |
| | <u>217,039,143</u> |

As at 30 September 2011 amounts owed to affiliated companies can be summarized as follows:

Short term loans obtained

| <u>Companies</u> | <u>Closing Balance</u> |
|--------------------|------------------------|
| Inparvi, SGPS, SA | 975,000 |
| Interlog, SGPS, SA | 20,987,000 |
| SC Finance BV | 292,000 |
| Spred, SGPS, SA | 22,305,200 |
| | <u>44,559,200</u> |

The Board of Directors